



## Employment considerations for multinational businesses

### Global Workforce Reorganization Planning Tool

With the recent global shift in the working landscape, many employers are considering re-shaping workforces. For multinational employers, this has the added complexity of different laws and practices. In our briefings, [Global reduction in workforce planning](#) and [Global reduction in workforce implementation](#), we highlighted some of the issues and challenges.

Drawing on the significant experience of our teams across the world who have been supporting employers to steer through the legal and practical implications of workforce reorganizations, this planning tool offers a checklist of considerations for global employers. This tool covers business reorganization, including changes to terms and roles, as well as re-sizing the workforce through more traditional downsizing projects. Further, a comparative guide of some of the key legal aspects of downsizing.

## Business change

### Practical issues

- set up a **senior cross-jurisdictional team** who are able to devote the necessary time and management commitment to the project, co-ordinate processes in different jurisdictions and share relevant information
- engage **global and local legal, human resources, employee relations and communications teams** to ensure a holistic approach and messaging
- understand the legal and practical issues in each jurisdiction, including in relation to **consultation obligations**
- determine the **business case** underlying the proposal to terms/arrangements/reduction in workforce and likely impact in each country
- gather **information** - including contractual terms, the protected status of any individuals and (where applicable) details of any express or implied redundancy terms
- determine the existence of any **works council or recognized trade union** at any affected site and the terms of any collective bargaining agreements
- determine whether **consent** is required to any contract/arrangement variation and who can give consent
- devise a consolidated and coordinated **global project plan**, including individual steps for each country, with required steps and documents, allocated responsibilities, proposed dates for action and costs, but leaving flexibility to allow for adaptations as a result of consultation
- ensure that a **communications plan** forms part of the detailed project plan
- ensure that managers are provided with support to implement the process
- prepare and retain relevant **documentation** country by country
- have a **plan for the future** business post-restructure

### Legal issues to consider – business change

- Is a contractual change to terms being proposed?
  - change of express term?
  - change of implied term?
- Is the proposed change authorized by the contract?
  - flexibility clause in contract?
  - variation by collective agreement?
- Legal options if the change is not authorized by the contract
  - is consent to the change required?
  - can the change be unilaterally imposed?
- Requirement for consultation with union/employee representatives/works council/other?

### Documents

- Global project plan
- Business case documentation
- Works Council/Union information documents (including EWC)
- Communications plan
- Employee FAQs
- Manager FAQs
- Template contract variation documentation

## Reduction in workforce

### Legal issues to consider – workforce reduction

- What is the reason for the reduction in workforce and is that reason a legitimate one in accordance with local legal requirements?
- What information, if any, is required to evidence the rationale? business rationale?
- Are there any collective consultation obligations? If so:
  - when are these triggered?
  - what are the timescales?
  - what/how much information must be given?
  - what are the formalities?
  - is a collective process likely to be the most effective way to achieve the business objective in certain countries?
- Are there any individual consultation requirements? If so:
  - when are these triggered?
  - what are the timescales?
  - what/how much information must be given?
  - what are the formalities?
- Are there any requirements to notify/involve a public authority?
- Are there any prescribed selection criteria that must be used?
- Is there any legal obligation to invite volunteers?
- When and to what extent does the employer have to look for alternative employment?
- What severance pay, if any, must be paid under contract, statute or collective agreement?

### Documents

- Global project plan – with coordinated timelines to avoid breaching laws in any impacted countries
- Business case justifiable in all countries
- Works Council/Union information documents (including EWC)
- Social plan documentation
- Project plan
- Communications plan
- Employee FAQs
- Manager FAQs
- Template worker notifications/ letters
- Public authority notification
- Selection matrix

	Information and consultation (I&C) parties	Public authority involvement requirement	Statutory minimum contemplated termination threshold to trigger I&C	Statutory minimum prescribed timescale for I&C	Prescribed minimum statutory severance calculation (excl. notice)	Sanctions for non-compliance with I&C obligations	Freedom to determine selection criteria (assuming non-discriminatory )	Effect of unlawful termination
<b>Austria</b>	Works council	Notification only	Within a 30 day period,5 terminations where 21-99 employees; 5% of the employees where 100-600 employees; 30 terminations where >600 employees; 5 employees if aged 50+	AMS notification 30 days prior to notice of termination. Works council to be informed prior to AMS notification (early enough to enable consultation)	No	Potential criminal liability/ /financial penalty/delay	Yes	Termination declared invalid
<b>China</b>	Trade union (if recognized) / all employees if no union	Notification and authorization	20 or more employees or 10%+ of the total number of employees	30 days	Yes	Reinstatement/compensation	None	Reinstatement/compensation
<b>Czech Republic</b>	Trade union/works council/affected employees if no union/works council	Notification only	Within a 30-day period: 10 terminations where 20-100 employees; 10% of employees where 101-300 employees; 30 terminations where 301+ employees	30 days	Yes	Financial penalty/delay	Yes	Reinstatement/compensation
<b>Denmark</b>	Works council/employee representatives	Notification only	Within a 30 day period: 10+ terminations where 20-100 employees; or 10% of the employees where 100-300 employees; or 30+ terminations where 300+ employees	21 days consultation prior to notifying LC if 100+ employees and terminations of 50%+ of workforce	No	Financial penalty/delay	Yes	Compensation
<b>Estonia</b>	Trustee/shop steward/ employees if no trustee/shop steward	Notification only	Within a 30 day period:5 terminations where up to 19 employees;10 where 20-99 employees; 10% where 100-299 employees;30 terminations where 300+ employees	In good time	Yes	Financial penalty	Yes	Reinstatement/compensation
<b>Finland</b>	Employee representatives (shop steward, elected reps, co-operation rep)	Notification only	Co-operation procedure required to dismiss on financial and production-related grounds where 20+ employees employed	Co-operation procedure 2-6 weeks	No	Compensation	Limited	Compensation
<b>France</b>	Social and Economic Committee and trade union	Notification and authorization	2-9 terminations (lower-level collective requirements, no social plan). More than 9 terminations where 50+ employees (higher-level requirements, negotiated social plan)	1 – 4 months	Yes	Potential criminal liability/injunction/financial penalty/delay	Limited	Financial compensation. Possible nullity of dismissal if social plan declared void
<b>Germany</b>	Works council	Notification only	Within a 30 day period:6 terminations where 21-59 employees; 10% of the workforce or 26 employees where 60-499 employees; 30+ terminations where 500+employees	No prescribed timescale - in practice: 4 weeks to 6 months	No	Potential injunction/financial penalty/delay	None	Dismissal void = reinstatement
<b>Hong Kong</b>	None	None	No requirement	No requirement	Yes	None	Yes	Reinstatement/compensation
<b>Hungary</b>	Works council. Trade union (on request)	Notification only	Within a 30 day period: 10 terminations where 21-99 employees;10% of employees where 100-299 employees;30 terminations where 300+employees	21 days before decision plus 30 days before issuing notice	No	Reinstatement/compensation	Yes	Compensation (reinstatement in exceptional cases)
<b>Ireland (ROI)</b>	Trade union (if recognized)/ works council (if applicable)/employee reps	Notification only	Within a 30 day period:5 terminations where 21-49 employed; 10 where 50-99 employed;10% where 100-299 employed;30 where 300+ employed	30 days	Yes	Financial penalty/delay. Injunction unlikely	Yes	Compensation (reinstatement/reengagement in exceptional cases)
<b>Italy</b>	Works council, trade union	Notification only	Within a 120 day period: 5 terminations in the same business unit/different units in the same region where more than 15 employees	75 days (45 days negotiation, plus 30 days if no agreement – halved if less than 10 employees)	No	Potential injunction/financial penalty/delay	Limited	Reinstatement and/or compensation
<b>Lithuania</b>	Works council. Trade union if no works council	Notification only	Within a 30 day period: 10 terminations where 20-99 employees;10% of employees where 100-299 employees; 30 terminations where 300+ employees	17 working days (information 7 days, consultation 10 days)	Yes	Financial penalty/delay/reinstatement/c ompensation	Yes	Reinstatement and/or compensation
<b>Netherlands</b>	Trade union and works council/employee reps if no works council	Detailed notification	20 employees within a 3 month period.	In due time to enable proper consultation	Yes	Potential criminal liability (if breach of court decision)/injunction/delay	Very limited	Reinstatement and/or financial compensation.
<b>Qatar</b>	None	None	No requirement	No requirement	No	None	Yes	Reinstatement
<b>Poland</b>	Works council. Trade union/employee rep if no works council	Notification only	Within a 30 day period: 10 (if headcount is 20 - 99);10% (if headcount is 100 - 299); 30 (if headcount is 300+).	Works council: in due time to enable proper consultation; Union/employee reps: 20 days	Yes	Potential criminal liability/ /financial penalty/delay/compensation	Limited	Reinstatement and/or financial compensation.
<b>Romania</b>	Trade union (if recognized) and works council (if applicable)/employee reps if no union/works council	Detailed notification	Within a 30 day period: at least 10 terminations where 20-100 employees; at least 10% where 100-300 employees; at least 30 terminations where at least 300 employees	In due time to enable proper consultation	No	Financial penalty/delay/reinstatement/c ompensation	Yes	Reinstatement and/or financial compensation.
<b>Russia</b>	Labor union (if one exists)	Notification only	50+ terminations within 30 days; 200+ terminations within 60 days; 500+ terminations within 90 days; 1% of the total number of employees within 30 days in certain regions	2/3 months	Yes	Financial penalty/delay/compensation	Limited	Reinstatement and/or financial compensation.
<b>Singapore</b>	Union (if recognized)	Notification only	Employers who employ at least 10 employees are required to notify MOM if 5 or more employees are retrenched within any 6 month period	As early as possible/timing in the collective agreement	No	Determined by collective bargaining agreement (if any)	Yes	Reinstatement
<b>Slovakia</b>	Trade union/works council (if recognized)/employees if no union/works council	Notification only	Within a 30 day period: 10 terminations where 20-99 employees; 10% where 100-299 employees; 30 terminations where 300+ employees	1 month	Yes	Financial penalty/delay	Yes	Termination declared invalid, reinstatement and/or financial compensation.
<b>South Africa</b>	Workplace forum/registered trade union/affected employees	None (CCMA on request)	More than 10 terminations where 50-200 employees; 20+ terminations where 200-300 employees; 30+terminations where 300 and 400 employees; 40+ terminations 400-500 employees;50+ terminations where 500+ employees	60 days from notice of retrenchment	No	Reinstatement/compensation	Yes, but must be agreed	Reinstatement/re-employment/ compensation.
<b>Spain</b>	Works council/trade union/employee reps (under certain conditions)	Notification only	Within a 30 day period: 10+ terminations where 20-99 workers; at least 10 % where 100-299 workers; or 30+ terminations where 300+ workers. Or, over a period of 90 days, 20+ terminations	30 days (15 days if under 50 employees)	Yes	Injunction/financial penalty/delay	Yes	Reinstatement/compensation
<b>Sweden</b>	Trade union (if recognized and CBA). Otherwise affected employees	Notification only (if 5+ affected employees)	No minimum, i.e. always required	No prescribed timescales	None	Potential criminal liability/injunction/financial penalty/delay	Limited	Reinstatement/compensation
<b>Switzerland</b>	Employee representatives/affected employees	Notification only	Within a 30 day period:10+ terminations where 21-99 employees; 10%+ of the employees where 100-299 employees; 30+ terminations where 300+ employees	30 days	None	Injunction/financial penalty/delay	Yes	Compensation
<b>UK</b>	Trade union (if recognized)/works council (if applicable)/employee representatives	Notification only	20 or more employees at one establishment within a 90 day period	30 or 45 days depending on number of proposed redundancies	Yes	Financial penalty/delay	Yes	Usually financial compensation/reinstatement or reengagement in exceptional cases
<b>USA</b>	Union (if applicable)	Notification only	N/A	N/A	No	Damages	Yes	Compensation

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[Hannah Wilkins](#)

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## Middle East

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