

Press Notice....Press Notice....Press Notice....Press Notice....

PN 010709bc

1 July 2009

### **BLACK COUNTRY BUSINESS BOSSES BLASTED**

BLACK Country business leaders have received timely advice from a leading employment lawyer.

Sarah Pugh, a partner with Dudley-based law firm WH Law LLP, strongly urged company bosses to look at alternatives to redundancy and to make sure they follow the correct processes.

Speaking to an audience of businessmen in Stourbridge, she said:

“Employers must realise that redundancy should be the last resort and that there are other options open to them. Making redundancies can be a knee jerk reaction to the need to reduce overheads in what are unprecedented times but businesses may be losing essential skills and talent from their workforce.

“For some companies making staff redundant will be the only option. But, if that is the case, I urge them to make sure that they follow due process. Not only do they have a morale obligation to do so, but for those who do not follow the rules, there is every chance that they could face litigation, compounding whatever financial problems they have already.”

Ms Pugh was speaking on the day that Government statistics showed that the recession was deeper and longer than anticipated – with the economy shrinking an unprecedented 2.4% over a three month period earlier this year.

“Time after time I come across employers,” she said. “who faced with a cash crisis, grab the staff list to see who is the easiest and cheapest to get rid of. They do not necessarily look at the person and the skills they are losing.

“The loss of skills is one of the greatest threats of this recession. This region, in particular, with its world famous skills base is in danger of not being in a position to move on once the economy improves. Business leaders need to recognise that there is no point in their firms surviving the recession, if they are then in no fit state to carry on after.”

“The key question to bosses must be, if you put the skills loss together with the actual cost of the redundancy, the cost of re-advertising, recruiting and retraining staff when things improve, the damage to staff morale and productivity and the costs of possible litigation, is it still the most cost effective solution?”

She went on:

“There are many things that company bosses can do before making the decision to make redundancies. Short time working, reducing working hours and pay, pay deferrals, withholding bonuses, cutting overtime, secondments, sabbaticals, job sharing, retraining, reducing benefits, early retirement, recruitment freezes can all help in certain situations.

“None of them are particularly palatable, and some will not be appropriate, but they all need to be looked at. And our advice is always to look at them with your workforce. Employers often seem unwilling to broach these sorts of subjects with their staff. But , when they do they are often surprised at how sympathetic and supportive the workforce is, at least they know that the management are looking at every avenue open to keep them in jobs.”

And she said WH Law LLP was prepared to do its bit to help others through the recession.

She explained:

“We are more than happy to go into any company in the region and offer them some free introductory advice on any recession employment issues they might have.”

### **NOTES TO EDITORS**

1. Sarah Pugh is a partner in WH Law LLP in Dudley. She is one of the region’s top employment lawyers.
2. She was speaking at a business briefing about employment rules in a recession and health and safety at Stourbridge Rugby Club last night (Tuesday). The event was run in conjunction with DW Health and Safety, Bromsgrove and it was supported by the Black Country Chamber of Commerce.

**3 Sarah Pugh is available for face to face and down the line interviews. Requests to Flair Gougoulia at Media Doctor on 01789 400701 or 07970 212168**