



COVID-19- Sustainability of Workforce

The ongoing battle against the novel COVID-19 is having a huge impact on businesses around the world. With the turmoil in the financial markets, travel restrictions and large-scale quarantines, there is a sharp slowdown in business leading to redundancy or no work for a large part of the workforce. Continuing with the entire workforce with full pay is resulting in massive financial burden for domestic companies as well as multinationals operating in India.

The economic slowdown as a necessary consequence is prompting the employers to consider different strategies in the case of its employees such as lay-offs, pay-cuts, reduction in working hours/ days along with pay-cuts and even terminations.

Employee related matters, particularly aspects such as lay-offs and terminations are highly sensitive in nature and it is essential that employers implement any of the abovementioned employee cost reduction strategies with due care and caution. This would necessitate a thorough understanding of the labour and employment laws of India, the practical perspective and the employment contracts and company policies. The scope and applicability of the labour laws to be adhered to depends upon a variety of factors including, but not limited to, the category of employees being affected, the strategy proposed to be adopted, the total employee strength of the organization, the business activities of the organization etc. Further, from an employer's perspective, it is also important to have appropriate documentation in place while implementing any employee cost reduction strategy.

We continue business as usual and our attorneys and staff are available to provide our clients uninterrupted service. Please do not hesitate to reach out with questions or concerns at any time. We hope that you and your family remain healthy and safe throughout this global health challenge.

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