PUBLICATION

Planning and Implementing Reductions in Force

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Both the global financial system and the U.S. economy are under incredible stress. Companies are seeking ways to survive. To save money, many are slashing costs by cutting their workforce, including through hiring freezes, voluntary retirement programs, temporary shutdowns, and reductions in force. A reduction in force ("RIF") should be a carefully planned and implemented program that identifies inefficiencies in a company's workforce and reduces, or eliminates, such inefficiencies.

Done correctly, a RIF can reduce payroll, identify and eliminate unnecessary personnel, and save a company a great deal of money in reduced labor costs. Done incorrectly, a RIF can create internal grief, irreparably harm the company, add expensive attorneys' fees, and, paradoxically, result in a cost increase.