

Recruiting after Restructuring?

A recent determination from the Employment Relations Authority serves as a reminder to employers to take care when placing advertisements for vacancies. If you are making staff redundant, there is a good chance those staff will be scanning the “vacancies” columns in newspapers in the weeks (even months) following their redundancy.

When an Auckland man found the job from which he had been made redundant advertised three weeks later, the Authority ordered his former employer, Kitchen House Limited, to pay him \$10,000 because of the hurt and humiliation he suffered.

“Mr Cochrane is understandably suspicious as to why neither of the recruitment agents invited him to apply for the advertised vacancy — a position he had only recently been made redundant from.”

Mr Cochrane began working for the company as an operations manager in November 2006. A year later the company told the employees sales were not as high as it had anticipated and there would be redundancies. Mr Cochrane and 19 co-workers were ultimately made redundant.

Three weeks later, Mr Cochrane saw two advertisements for his position in the company’s North Shore office, but was told by the company those ads were mistakes. The Authority did not accept the company’s explanations.

If you are restructuring your business, any decision to make an employee redundant should be made for genuine commercial reasons. Also, alternatives to redundancy should be carefully considered, ideally in consultation with the affected employee. In other words, despite the current economic climate, you cannot use this as an excuse to shed underperforming or unwanted staff.

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