



WORKFORCE REDUCTION PLANNING TOOLKIT

Enterprise Edition



How to Use This Toolkit

This toolkit supports HR leaders through every phase of workforce reduction, from preparation to post-reduction reflection. Whether managing a large restructuring or a smaller adjustment, these practical steps help ensure compliance, clarity, and compassion.

In Canada, around 45% of small and medium-sized enterprises lack a formal off-boarding process, revealing a major gap in workforce transition planning.¹

Use this as your strategic companion: a planning resource, a framework for leadership discussions, and a guide for communications that minimize risk, maintain morale, and uphold dignity throughout the transition.

We understand workforce changes are difficult for everyone involved. Each organization's needs are unique, and The Talent Company is ready to partner with you for tailored guidance.

¹ Source: Capterra Survey, June 2023, n=1,000



1. Strategic Planning

- Clarify the business rationale for the reduction (e.g., restructuring, cost reduction, role redundancy)
- Explore all alternatives (e.g., redeployment, voluntary exit programs, job sharing)
- Ensure alignment with your organization's values, culture, and DEI commitments
- Review organizational structure post-reduction to assess remaining workload and capacity gaps

2. Employee Selection

- Develop fair, consistent criteria for selecting impacted employees (e.g., performance, skill set, seniority)
- Review criteria to avoid bias or disproportionate impacts on equity-deserving groups
- Document rationale behind each decision for defensibility



3. Legal Considerations

- ☐ Consult employment legal counsel based on your operating locations
- ☐ Review applicable employment standards legislation and ensure compliance with:
 - Required notice periods
 - Group termination thresholds
 - Severance calculations
 - Human rights legislation and duty to accommodate
 - Constructive dismissal risks
- ☐ Prepare individualized termination letters and supporting documentation

4. Financial & Administrative Preparation

- ☐ Calculate severance packages (statutory vs. common law)
- ☐ Prepare and submit Records of Employment (ROEs)
- ☐ Review and address benefits continuation (e.g., health, dental, pension, stock options)
- ☐ Consider vacation payout, bonuses, commissions, and other compensation elements
- ☐ Budget for legal advice, outplacement services, and communication efforts

5. Internal Communications

- Develop clear messages and Q&A for leaders, managers, and HR
- Prepare scripts and coaching to help people leaders deliver the message effectively
- Coordinate the timing and sequencing of announcements to avoid confusion or leaks
- Develop communications for non-impacted employees to maintain trust and engagement
- Plan for any applicable collective agreement communications

6. External Communications

- Decide whether a public or stakeholder announcement is required
- Align messaging across media, web, and social platforms
- Notify government agencies where applicable
- Prepare talking points or written communications for customers, suppliers, and partners



7. Logistics and Day-Of Execution

- ❑ Schedule individual notification meetings (virtual or in-person)
- ❑ Include a second support person (HR, legal, or leadership) where appropriate
- ❑ Coordinate IT offboarding (email, systems, VPN, etc.)
- ❑ Plan for the return of company property and equipment
- ❑ Provide immediate access to wellness or employee assistance supports

8. Post-Layoff Support and Transition

- ❑ Offer outplacement services or career transition support
- ❑ Include resume writing, job search coaching, and interview prep
- ❑ Assign a point of contact for employee questions post-notification
- ❑ Confirm final pay, paperwork, and clarity on any continued benefits
- ❑ Check in on employee experience and gather insights where possible



9. Supporting Remaining Employees

- Communicate clearly about next steps, team structure, and business continuity
- Acknowledge contributions of departing employees
- Offer opportunities for feedback, questions, and support
- Monitor team morale and engagement

10. Documentation & Continuous Improvement

- Retain all documentation securely (e.g., termination letters, legal guidance, selection criteria)
- Conduct internal debriefs to assess what went well and what can improve
- Capture lessons learned to inform future planning and change management efforts



Navigating Transitions with Care

Workforce reductions are among the most challenging moments an organization faces, with lasting impacts on both departing and remaining team members. While this toolkit provides essential guidance, we understand each situation carries unique human and operational complexities.

If you would like support in approaching these difficult decisions with both strategic rigour and genuine care, our team is available to help. We can work with you to develop a transition plan that honours your people while meeting your organizational needs.



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