



WORKFORCE REDUCTION PLANNING TOOLKIT

SMB Edition



How to Use This Toolkit

This toolkit helps small and mid-sized businesses manage workforce reductions affecting a few employees. Whether you're making one role redundant or a small group, these practical steps guide you to handle the process with care, clarity, and compliance.

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 a quick reference to plan, prepare your team, and communicate thoughtfully. The goal is to minimize disruption, treat people respectfully, and protect your business during a difficult time.

Every situation is unique, and we understand these moments are challenging. If you want help tailoring your approach, The Talent Company is here to support you.

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



1. Plan Ahead

- ❑ Confirm the business reason (e.g., cost savings, role no longer needed)
- ❑ Explore other options first (e.g., role changes, reduced hours)
- ❑ Review how the changes will affect team workload and morale

2. Choose Equitably

- ❑ Use clear, consistent criteria (e.g., skills, performance, seniority)
- ❑ Watch for unintended bias or equity issues
- ❑ Keep notes explaining the decisions made

3. Follow the Law

- ❑ Check employment standards and notice/severance requirements
- ❑ Consider human rights, duty to accommodate, and constructive dismissal risk
- ❑ Consult a lawyer if unsure



4. Prepare the Details

- ☐ Draft termination letters
- ☐ Calculate pay owed, including vacation and bonuses
- ☐ Prepare Records of Employment and any benefits details

5. Communicate with Care

- ☐ Coach managers on what to say and how to say it
- ☐ Time the conversations thoughtfully to avoid confusion
- ☐ Follow up with a clear message to the rest of the team

6. Support the Transition

- ☐ Offer career transition support (resume help, job search tips)
- ☐ Give employees a contact for follow-up questions
- ☐ Provide access to wellness or EAP resources if available



Navigating Transitions with Care

Workforce reductions are difficult, no matter the size of your business or the number of people impacted. These decisions can weigh heavily on leaders and have a lasting effect on the individuals involved, your remaining team, and your overall workplace culture.

This toolkit is meant to provide a practical starting point for handling these transitions with clarity, compassion, and compliance. But every situation is unique. The right approach depends on your people, your business realities, and how you want to show up as an employer during challenging times.

If you would like guidance on how to move forward, whether you need help preparing for conversations, ensuring legal compliance, or supporting your team through the change, The Talent Company is here to help. We work closely with organizations to create thoughtful, right-sized plans that protect your business and respect your people.



Erika Mendonca-DeSilva

Career Transition & Outplacement Delivery Leader

The Talent Company

erika.mendonca-desilva@thetalent.co

289-206-7575 x 118