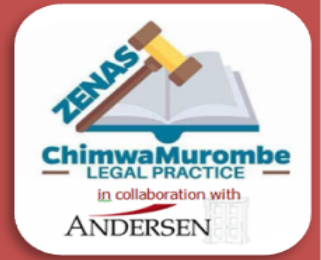


Zenas Digest



RETRENCHMENT



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Retrenchment is a form of dismissal due to no fault of the employee, it is usually due to unavoidable economic considerations. Retrenchment as a dismissal does not essentially relate to the conduct or capability of the work. Retrenchment is also known as downsizing, because an employer often resorts to retrenchment to reduce costs and spending to ensure economic survival. One of the requirements of retrenchment are that the employer must give fair reasons for making the decision to retrench and follow a fair procedure when making such a decision or the retrenchment may be considered unfair. The Labour Relations Act 1, permits employers to dismiss employees for operational requirements. These are defined as requirements based on economic, technological, structural or similar needs of the Employer. Another commonly used alternative to employer petitioning for

volunteers who desire to take early retirement to do so. This has some advantages as it provides opportunities for younger workers to advance into new roles. However, in contrast it means that the organization loses substantial skills and experience. An additional disadvantage is that it would be expensive since company will lose a lot of money in retirement packages vs cost of retrenchment.

One size fits all minimum retrenchment package

This minimum retrenchment package is in full and final settlement of such retrenchment. It is worth pointing out that, in terms of section 12C (3) of the Labour Act, should an employer allege financial incapacity and consequent inability to pay the minimum retrenchment package timeously or at all, the employer has the right to apply in writing to be exempted from paying then full minimum retrenchment package or any part of it either to an employment council or, if there is no employment council, the retrenchment board. If the employment council or retrenchment board fails to respond to the request for exemption within fourteen days of receiving the notice, the application is deemed granted. If the employer succeeds in an application to be exempted from paying the full minimum retrenchment package, the

employer can retrench the concerned employees and such employees can leave empty handed. There is no longer a need for employers to seek any approval of retrenchment as that approval is already given in terms of section 12C of the Labour Act

The impact of retrenchment on retrenchees

The general state of social life in Zimbabwe during this Covid-19 pandemic has developed a sad situation whereby the means of survival for most people has drastically deteriorated. The majority of the populace has been retrenched and survives from hand to mouth, with no tangible source of income and decent accommodation. Retrenchment may also result in employees losing benefits and incentives such as education and health facilities. Retrenchment brings uncertainty because one does not know for how long they will be unemployed. In countries like Zimbabwe where unemployment rates are high chances reabsorbed into the formal employment system are minimal to almost non-existent. If not managed correctly, retrenchment could result in depression due to separation from meaningful work, co-workers and possible financial distress.

Ways of dealing with retrenchment

- At a time like this you must keep your networks close.
- It is very important to keep positive people close to you who will keep you motivated because retrenchment can be a major confidence knock.
- Use this time to plan a future and career that you will enjoy. Learn new skills and think about your strengths and weaknesses and empower yourself with skills needed in the market.
- Being retrenched can leave you feeling as though your skills and knowledge are no longer in demand. You need to first trust in what you know then find out if what you know is still relevant and in demand for your market. If you see gaps align yourself to the market demands of the industry you are qualified to function within.
- Being a retrenchee is not the end of the world, avoid stress and keep positive.