



Additional Thoughts on Staff Reductions

In the current Economy, many Pastors are feeling the effects of the economic crisis and having to make important decisions regarding the Parish finances and potentially the employee staff. Because of the recent increases in the number of calls from Pastors who are considering their options and alternatives in their staffing decisions, this HR Connect will address those options and give some suggestions to aid in making those difficult financial decisions.



Elimination of one or more paid positions

If consideration is being given to the elimination of one or more paid positions, an analysis should be done for all paid staff positions and an understanding the need of each position at the Parish at the present time and the foreseeable future. Care should be taken so as not to have issues of age, race, color, gender or any other legally protected classes affect the decision. Once the positions are analyzed and the value of a position considered for elimination is determined, another element should be considered. If the position is eliminated and the employee is laid off, the guidelines from Legal Counsel are that the position should remain unfilled until the need again warrants opening the position again. Normally, those paid positions should not be filled with other paid employees for a year or more, not just a few weeks or months so to avoid accusation that the staff cutbacks was a ruse for getting rid of some employees for other than economic reasons.

Reduction of Pay or hours

We have had numerous questions asked about reducing employee's pay or hours in lieu of the elimination of the position. If the demand for that position has decreased substantially, then yes, the position may be eliminated or have the required hours set to meet the new lower demand. As mentioned above, care should be taken in making such a decision. An example would be a full-time Director of Religious Education (DRE). If the Parish had a large population involved in the Religious Education Programs and that population has decreased and the demand for some of the original Religious Education program offerings has evaporated, there may no longer be a need for a full-time DRE. The position analysis may indicate that the new position would best be described as a part-time DRE or a part-time Coordinator of Religious Education. If that analysis also determined the needs of the position could be completed with something less than 20 hours, then the position would be ineligible for Archdiocesan Benefits. The important part of this example is that a position analysis supports the decision and also the demand for services of the DRE reflects and supports the decision. It is not acceptable and could possibly lead to litigation if proper research and analysis has not been done, yet the employee is told that the amount of time allotted for his/her work is reduced or the pay for a particular position is reduced.

The Pastor should also give consideration as to what an individual employee's reaction would be to a reduction in hours and/or responsibilities. If an employee considers their contribution valuable and that employee is told the hourly rate of pay for their position will be decreased or that the number of hours scheduled would be reduced, or that the position is no longer eligible for benefits, the employee may become disgruntled or upset. If the employee is very upset or recognizes that they cannot afford to work for the parish at a reduced compensation or reduced hours or work without benefits, the employee may quit. The Pastor should consider that the affected employee may quit and the Parish would have to live with that consequence. If the Pastor sees the value of the employee's contribution and he is unwilling to accept the possibility of losing the employee because of the reduction in hours (and related pay), then serious thought should be given before making such a decision as the employee may not be able to afford to continue to be an employee of the Parish. Consideration should also be given to the affect on morale of the "surviving" employees. The surviving employees may feel they may be next or feel they will be picking up additional work. Such a possibility needs to be taken into consideration and addressed.

Consequences of elimination or reductions in staff

There are many consequences that may have to be dealt with regarding reductions in staff.

- Financial goals may (or may not) be achieved.
- The affect of informing an employee that their position is eliminated or their hours will be reduced can be very traumatic. The employee may be interested in using the **Employee Assistance Plan** to help them deal with the news.
- As noted in the Employee Handbook, when implementing an involuntary layoff(s), the employee(s) should be given "at least four weeks notice that their position is being eliminated." At the pastor's discretion, thought should be given to paying severance pay in the amount of one week's additional salary for every year of service. See Employee Handbook, Section VII, B, In as well as cost reduction measures (e.g. should be based on specific criteria. voluntary Terminations for additional details.
- The laid off employee may not be interested in staying on in a reduced capacity or at a reduced rate of pay. Other alternatives of delivering the services of that eliminated position would need to be pursued. Sometimes the work can be redistributed. Sometimes a volunteer or several volunteers can be identified to deliver those services.



Legal Guidance

Workforce reductions as well as cost reduction measures (e.g. should be based on specific criteria) may give rise to discrimination claims, if not executed properly. Layoff decisions should be based on specific criteria. The criterion needs to be **objective, non-discriminatory, verifiable and rational**. "Discriminatory" refers to decisions based on a person's age, race, gender, disability" or any other legally protected class.

Other HR Connects may also be of interest related to this topic including:

Issues #1 - Do We Really Need to Fill this Position? Tools for Staffing Analysis

Issue #41 - Termination Guidelines

Issue #67- Staff Reduction

We now have many of the HR Connects available to you on the Archdiocesan Web site at:

<http://www.sfarchdiocese.org/about-us/departments-and-offices/human-resources/hr-newsletters/>