

Termination in the Time of Tariffs – Ask the Expert



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What should you do if you – knock on wood – find yourself in this position? How do you approach terminating employees with empathy and ease their transition during these trying times?

QUESTION

We're facing a number of employee terminations due to economic impacts, and I want to ensure we approach this with empathy, transparency, and compliance. What best practices would you recommend for communicating with impacted employees, supporting them through the transition, and maintaining morale among the remaining team members?

ANSWER

Navigating terminations due to economic circumstances is incredibly tough – both emotionally and organizationally. The intent to approach a situation like this with empathy, transparency, and compliance is absolutely the right starting point. Some best practices you can partake in during both the termination process and to boost remaining employee morale include communication, support, and maintaining trust.

EXPLANATION

1. Communicating with Impacted Employees

Before the Conversation:

- Plan thoroughly. Review employment contracts, severance obligations, and employment standards (e.g., BC Employment Standards Act).

- Ensure leadership alignment. All managers should deliver consistent messaging.
- Consider timing and setting. Choose a private, respectful setting and avoid Fridays (as it limits access to support).

During the Conversation:

- Be direct but compassionate. Clearly explain the reason (economic downturn, restructuring) without overexplaining or blaming.
- Acknowledge emotions. Allow space for reaction, and be prepared for shock, sadness, or anger.
- *Share next steps clearly. Include:*
 - Final working day
 - Severance/notice details
 - Benefits continuation, if any
 - Return of equipment
 - Outplacement or referral support

After the Conversation:

- Follow up in writing. Provide a termination letter outlining all discussed items.
- Assign a point of contact. Someone who can handle logistical questions post-meeting (e.g., HR or senior admin).

2. Supporting Transition for Departing Employees

- Provide emotional and career support:
- Offer outplacement services (if budget allows) or connect them with community employment programs.
- Share job leads or write reference letters proactively.
- Provide access to counselling/EFAP services.
- *Be flexible where possible:*
 - Allow employees to say goodbye or leave quietly, depending on their preference.
 - Consider extending benefits or providing lump sum payments, if feasible.
- *Maintain dignity and respect:*
 - Avoid publicly announcing individual names unless they consent.
 - Frame communication positively (e.g., "We are grateful for their contributions").

3. Maintaining Trust and Morale Among Remaining Staff

- Hold a team-wide meeting soon after.
- Be transparent about the reasons behind the decision.

- Reaffirm the organization's mission and commitment to staff.
- Share what the future looks like and how the team will move forward.
- Acknowledge the emotional impact.
- Recognize the loss of colleagues and how it might affect morale.
- Invite people to talk openly or access EFAP/counselling services.
- *Empower remaining staff:*
- Clarify roles and responsibilities—avoid overburdening them.
- Provide support, flexibility, and space to adjust to the new normal.
- Check in frequently.
- Managers should schedule one-on-one conversations to gauge how team members are feeling.
- Be visible and approachable.

Here are some HRInsider resources you should look through to navigate both termination legality/maintaining compliance and the current economic state we are in as employers and employees:

[Ensuring the Psychological Health and Safety of your Workforce during US Tariffs](#)
[Workplace Management Through a Tariff Downturn](#)

[Navigating Workplace Planning through a US-Canada Trade War](#)

[How Tariffs will Affect Workforces and HR Managers](#)

[Avoiding Legal Pitfalls with Proper Workplace Communication](#)

And [here](#) is a webinar from a litigation lawyer on how to properly and compliantly conduct terminations in the workplace.