

CCS Insights:  
Retrenchment 21 – What  
is the Difference between  
Layoff & Retrenchment?

***see BEYOND THE NUMBERS***

Before your Company pack up the office, please understand the difference between severance and layoffs.

### **Difference between Layoff & Retrenchment**

Many people use the terms “layoff” and “retrenchment” as synonyms, but in fact they should be regarded as separate terms.

Although a corporate retrenchment may result in the deportation of employees [layoffs], management may still find ways to avoid losing employees and still reducing expenses.

This decision is typically determined by the company's long-term goals and strategies and the also their current financial situation.

### **Retrenchment Meaning**

Retrenchment is a term used for reducing expenses.

If your company is facing financial difficulties, it may decide to revisit each business operation segment and do away with loss-making department or operations.

You may delay launching a new product line, or discontinue services no longer considered essential to the success of the company.

Retrenchment may also reduce the budget for office supplies [because there are fewer staff thereafter], but before starting retrenchment exercise, please look at the current staffing needs and whether business operations will be affected from a staff reduction.

## Layoff Meaning

A layoff refers to employees being terminated without fault. Layoffs are usually limited to specific departments or branches.

Layoffs can be permanent or temporary in nature.

After an employee is being laid off by the company, he probably knows how long the layoff is likely to last.

During this time, the employer may reorganize the business as much as possible, and then re-employs employees on an as needed basis.

If the demobilized employee thinks that he has the opportunity to return to his current job shortly, then he will not want to spend a lot of time looking for a new job.



在你的公司进行整顿之前，请先了解遣散和裁员的区别

## 遣散和裁员的区别

许多人把“遣散”和“裁员”这两个术语当作同义词，然而其实它们应该被视为单独的术语。

虽然公司裁员可能会导致员工被遣送，但管理层依然可能会找到避免员工流失同时又可以减少开支的方法。

这决定通常由公司的长期目标与策略，以及它们当前的财务状况所决定。

## 裁员的涵义

裁员是一个用于形容减少开支的术语。

如果你的公司正在面临财务困难，它可能会决定重新审视每一个业务运营板块，并将亏损的部门接受营运。

你的公司可能会推迟推出新产品线，或中止不再被视为会让公司成功的至关重要服务。

裁员也可能会减少办公用品的预算 [因为裁员后，公司人员会少了]，但是在展开裁员前，请查询公司当前人员的需求以及业务操作是否会因裁员而受到影响。



## 遣散的涵义

遣散是指员工在没有过错的情况下被终止工作。遣散通常仅限于特定部门或分行。本质上，遣散可以是永久性，也可以说暂时性的。

员工被公司遣散后，他大概知道会被遣散多久的时间。雇主在这段时间，尽可能重组业务，然后根据需要再重新雇用员工。

如果被遣散的员工认为有机会很快就可以重新回到当前的工作岗位，那么他就不会想去花费大量时间寻找新工作。



**For further consultation, please contact:**

**Chin Chee Seng**

Partner

+6012 365 4331

cschin@ccs-co.com

**Jared Low**

Assurance Manager

+6018 763 4813

jared@ccs-co.com

**Wong Woei Teng**

Audit Manager

+6017 237 8233

woeiteng@ccs-co.com

**Vivian Lim**

HR Manager

+6012 618 6220

vivian@ccs-co.com

**Yap Huey Shan**

Assistant Audit Manager

+6012 369 7222

hueyshan@ccs-co.com

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