



# Global labor & employment law overview — workforce transformation

June 2023



Building a better  
working world



# Editor's letter



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In today's economic climate, pressure is increasing on organizations to optimize the efficiency of their workforce and the costs of their business. For many organizations, there is now an urgent need to adapt to changes in both global and national markets.

We have heard regular announcements of major headcount reductions throughout this year. While most such announcements so far have come from multinational corporations in the technology sector, other sectors are likely to follow. Companies are now bracing for an uncertain future by implementing hiring freezes and, in some cases, drastically reducing the size of their workforce.

However, employers will need to proceed carefully when planning a workforce transformation project. Labor and employment law issues can become significantly challenging for business transformations. Managing workforce retention and reduction programs is crucial for success.

In a workforce transformation project, key issues include legal justification, as well as information and consultation obligations in relation to employee representatives. Even a generically worded announcement of headcount reduction programs and other cost-saving measures may trigger

consultation obligations in certain jurisdictions. Thus, when planning a workforce transformation, it is important that employers have a good understanding of the regulatory landscape to ensure compliance with local laws and regulations.

In multinational organizations, legal regulations in different jurisdictions, each with separate process requirements can make global restructuring challenging and complex. Generally, it will not be possible to go with a one-size-fits-all approach. Failure to properly address workforce issues include many risks that may damage employee relations, the organization's brand and its business relationships.

In this edition of EY Global labor & employment law overview, we survey legal regulations on workforce transformation in 45 jurisdictions globally.



# Summary

Jurisdiction: (Click jurisdiction name to access full report)	Are there any statutory regulations to observe when planning for a workforce transformation (e.g., downsizing, strategy changes or similar)?	Is there an obligation for the employer to inform or consult changes with trade unions, works councils or other employee representatives?	Do trade unions, works councils or other employee representatives have decision-making powers or veto rights with respect to an organizational change?	Must an employer put a social plan in place?	Does the employer need to notify labor authorities or other government authorities?
Albania	✓	✓	✗	✓	✓
Argentina	✓	✗	✗	✗	✗
Australia	✓	✓	✗	✗	✓
Austria	✓	✓	✗	✗	✗
Azerbaijan	✓	✓	✓	✓	✗
Belgium	✓	✓	✗	✗	✓
Brazil	✓	✓	✗	✗	✓
Bulgaria	✓	✓	✗	✗	✓
Colombia	✓	✓	✗	✗	✓
Costa Rica	✓	✗	✗	✗	✗
Croatia	✓	✓	✗	✗	✓
Cyprus	✓	✓	✗	✗	✓
Czech Republic	✓	✓	✗	✗	✓
Denmark	✓	✓	✗	✗	✓
Estonia	✓	✓	✗	✗	✓
Finland	✓	✓	✗	✗	✓
France	✓	✓	✗	✓	✓

# Summary (contd.)

Jurisdiction: (Click jurisdiction name to access full report)	Are there any statutory regulations to observe when planning for a workforce transformation (e.g., downsizing, strategy changes or similar)?	Is there an obligation for the employer to inform or consult changes with trade unions, works councils or other employee representatives?	Do trade unions, works councils or other employee representatives have decision- making powers or veto rights with respect to an organizational change?	Must an employer put a social plan in place?	Does the employer need to notify labor authorities or other government authorities?
Georgia	✓	✓	✗	✗	✓
Germany	✓	✓	✗	✓	✓
Greece	✓	✓	✗	✗	✓
Hong Kong	✓	✗	✗	✓	✓
Hungary	✓	✓	✗	✓	✓
India	✓	✓	✗	✗	✓
Indonesia	✓	✓	✗	✗	✓
Ireland	✓	✓	✗	✗	✓
Italy	✓	✓	✗	✗	✓
Japan	✓	✗	✗	✗	✓
Kazakhstan	✓	✗	✓	✗	✓
Latvia	✓	✓	✗	✗	✓
Lithuania	✓	✓	✗	✗	✗
Luxembourg	✓	✓	✗	✓	✓
Mexico	✓	✓	✗	✗	✓
Netherlands	✓	✓	✗	✗	✓
New Zealand	✓	✓	✗	✗	✗

# Summary (contd.)

Jurisdiction: (Click jurisdiction name to access full report)	Are there any statutory regulations to observe when planning for a workforce transformation (e.g., downsizing, strategy changes or similar)?	Is there an obligation for the employer to inform or consult changes with trade unions, works councils or other employee representatives?	Do trade unions, works councils or other employee representatives have decision- making powers or veto rights with respect to an organizational change?	Must an employer put a social plan in place?	Does the employer need to notify labor authorities or other government authorities?
Norway	✓	✓	✗	✗	✓
Paraguay	✓	✓	✗	✗	✓
Peru	✓	✓	✗	✗	✓
Poland	✓	✓	✗	✗	✓
Portugal	✓	✓	✗	✗	✓
Romania	✓	✓	✗	✓	✓
Slovakia	✓	✓	✗	✓	✓
Slovenia	✓	✓	✗	✓	✓
Spain	✓	✓	✗	✓	✓
Sweden	✓	✓	✗	✗	✓
Switzerland	✓	✓	✗	✓	✓
Turkey	✓	✓	✗	✗	✓
Ukraine	✓	✓	✓	✗	✓
United Arab Emirates	✓	✗	✗	✗	✓
United Kingdom	✓	✓	✗	✗	✓
Uruguay	✓	✗	✗	✗	✗

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