

Twitter facing employment claims following mass redundancies

News that Twitter is being threatened with multiple claims by UK employees following mass redundancies provides a reminder of the risks that comes with an employer implementing large scale redundancy exercises.

11 January 2023 Maz Dannourah

News that Twitter is being threatened with multiple claims by UK employees following mass redundancies provides a reminder of the risks that comes with an employer implementing large scale redundancy exercises.

Following Twitter's highly publicised takeover by Elon Musk in 2022, the company immediately took steps to drastically reduce its global headcount with suggestions that it has halved its previous staff of 7,500 since the acquisition. In the UK, 180 employees were dismissed in a mass redundancy exercise in early November 2022 with at least 43 now pursuing the company alleging their dismissal was unlawful.

Publicly, Twitter has justified the need for the reduction in staff on the basis that the company is required to make significant savings in order to continue to operate. Significant numbers of claims in the UK by dismissed employees, added to reports of other mass actions taken by staff in other countries, has the potential to undermine the costs savings that were expected as a result of significant staff reductions.

In the UK Twitter is accused of conducting a "sham redundancy" process including failures to consult staff before dismissals were implemented and an attempt to retrospectively justify immediate dismissals implemented without warning.

It remains to be seen whether or not the allegations by dismissed staff in the UK will end up in Employment Tribunal claims or settlements will be agreed. Other employers considering large scale redundancy exercises should be mindful of the potential fall out of a failure to adhere to laws including a requirement for minimum periods of consultation prior to dismissal.

Whilst the need for financial savings may be a significant driver for redundancies being implemented, employers should also be mindful of the need to be able to demonstrate the particular rationale for implementing particular redundancies. It is unlikely that a need to save money, genuine as that may be, will be sufficient to justify a failure to adhere to procedures or to explain the reasons for the redundancies themselves.

Contact

Maz Dannourah

Legal Director

Maz.Dannourah@brownejacobson.com

+44 (0) 330 045 2957

Related expertise

Services

Employment