

Ask The Expert – Tariff Changes



Tariff changes can quickly affect material costs, customer demand, production schedules, and workforce planning in industries such as steel and manufacturing.

Clear communication and careful workforce planning can help managers respond to changing business conditions without creating unnecessary employee uncertainty.

QUESTION

I manage a steel fabrication worksite, and the ongoing tariffs affecting steel products are creating uncertainty around our costs and incoming orders. We have not reached the point of layoffs, but overtime is being reduced and some projects may be delayed. How much should I tell employees, and how should we manage staffing while the situation remains uncertain?

ANSWER

Be transparent about confirmed operational impacts, but avoid speculating about layoffs, closures, or other outcomes that have not been decided. Managers should explain what is changing now, what the company is monitoring, and when employees can expect further updates.

Canada currently has several tariff measures affecting steel and steel-related products, meaning employers in the sector

may experience changes in input costs, sourcing, demand, or project timing.

EXPLANATION

Start with measures that cause the least disruption, such as reducing overtime, postponing hiring, adjusting production schedules, cross-training employees, or temporarily reallocating work.

If more significant reductions become necessary, involve HR before changing regular hours, implementing temporary layoffs, or terminating positions. Employment standards, employment contracts, collective agreements, and notice or termination obligations may restrict what the employer can do.

Most importantly, keep employees informed. Regular, factual updates (even when there is little new information) can reduce rumours and help employees understand that workforce decisions are being based on changing business conditions rather than individual performance.