



When redundancies must happen

NO matter how imaginative an employer's efforts to avoid redundancies may be, there will still be times when job cuts are unavoidable. In such situations, HR professionals may be tempted to rush through redundancies in the belief that a short, sharp shock will cause less disruption than a prolonged shedding of jobs. But this is flawed thinking.

As the CIPD's Employee Relations Adviser, Mike Emmott, said in a recent podcast for the institute: "There are a lot of complexities around redundancy. Any employer that wants to avert a legal challenge and avoid leaving everybody feeling disenchanted ought to get its head around what the law requires."

So what steps are required to ensure a smooth transition?

1. Warn everyone that job cuts are being considered

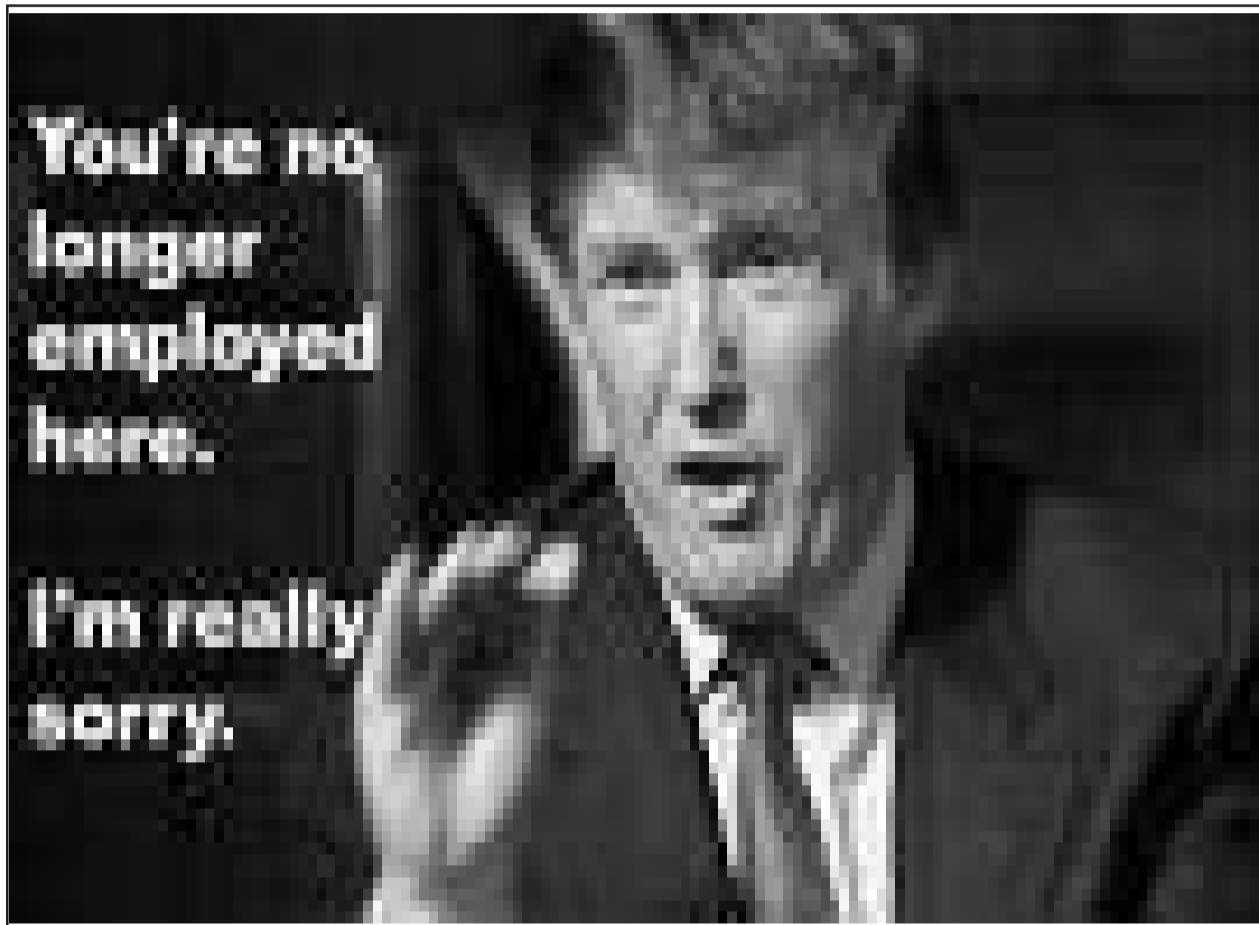
The first step in any possible redundancy process is notice, according to Margaret Davis, a partner at City law firm - Field Fisher Waterhouse,

Employees should be notified that cutbacks are being considered. Individuals who could be made redundant should be notified of the possibility before any decision has been finalised.

Davis stresses that it's important for the employer to remember that it is the position, not the person, that's being made redundant. "Very often you see employers using this as a chance to get rid of someone who has been a thorn in someone's side for a long time," she says. "Perhaps they want to avoid the painful conversations that might be necessary in a standard dismissal."

Giving in to this urge can be a costly mistake. "Clients are sometimes surprised when I tell them that this is not a redundancy situation and that if this is challenged it will never stand up," Davis says.

Employment tribunals look harshly on such practices. Bear in mind that



employees are far more aware than they used to be of the procedure that employers must follow – and the likely legal redress if they fail to do so. The biggest danger, according to Davis, is in presenting redundancy as a fait accompli. This can lead to unnecessary bitterness and a costly legal challenge.

Cary Cooper, professor of Organisational Psychology and Health at Lancaster University Management School, urges employers to be as honest and open as possible. Keep the workforce informed, even if an employer is uncertain that redundancies will be made, he recommends. Keeping your cards close to your chest for fear of unsettling employees is a wrong approach.

"The minute you lie and say that there's nothing to worry about and then proceed to let 5 per cent of your workforce go, you're in deep trouble. I think people are very insecure about their jobs anyway. Get them to be partners. Try to build a Dunkirk spirit," Cooper advises.

2 Hold a formal selection process

Employers should protect themselves from any legal challenge by holding a formal process to choose

who should be made redundant using objective criteria such as performance, absence rates and qualifications. Take care that the criteria are not discriminatory. To make a disabled employee redundant on, say, the basis of absence, could be seen as discriminatory – perhaps this individual has needed frequent medical appointments because of their disability. For similar reasons, the traditional practice of "last in, first out" has fallen from favour. The most recent recruits in an organisation tend to be the youngest, so making them redundant could lead to claims of age discrimination.

"There's only one way to do it, and that's eyeball to eyeball," says Cooper of communicating the decision itself. "No texting, no emails, no large meetings."

3 Offer redundant staff other vacancies

Once the selection process is complete, it is good practice to offer redundant employees any vacancies that may have been created in other parts of the organisation.

Even if these offer lower pay and status, employees may be happy to accept them.

4 Inform the

government about major cutbacks

Perhaps the most obvious legal danger comes when an organisation is making large-scale job cuts. As Emmott points out, there is a requirement to notify the Department for Business, Enterprise and Regulatory Reform if more than 20 people are made redundant, giving at least 30 days' notice. Progressively more notice is required if more jobs are cut.

5 Help employees to find alternative work

Cooper believes the employer must recognise the sense of rejection that individuals feel when they lose their jobs and should therefore offer help in finding alternative work. The very least it should do is provide a glowing reference.

Once notice of redundancy has been given, an employer is obliged by law to allow employees who have been with the organisation for two years or more time off during their notice period to seek other work or training opportunities. (There are exceptions for some employees, such as police or military personnel.)

6 Don't forget the survivors

of redundancies on an organisation lasts far beyond the event. As Cooper explains, a "self-protective culture" often emerges among the remaining employees because they fear further job cuts.

"They become less cooperative with colleagues whom they perceive as their competitors for jobs that will continue in the long run," he says. "Very typically, they will engage in presenteeism. In the long run, this is a very destructive tendency as it causes burn-out."

To ensure that these do not have a long-term corrosive effect on performance, HR must take care to discourage presenteeism and look for where teamwork is suffering.

Andy Allen

www.peoplemanagement.co.uk/downturn

There is a growing awareness among HR professionals that the effect

6 steps to consider for redundancies

Step-by step, this section explains the options for employers who are planning redundancies.

1. Take the medium to long term into account to avoid sacking the wrong people.
- 2a. Communicate clearly and regularly to stop damaging rumours affecting morale.
- 2b. Don't cut corners here. Get things right at the outset to avoid a world of trouble.
3. Make sure your key players know that they have a future with the company.
4. Keep it legal.
- 5a. The staff you let go may become valuable clients or suppliers in the future.
- 5b. Treating redundant workers with respect will help those who stay perform better.
6. Consider your employer brand throughout the redundancy process.

Source: *The Sunday Times* June 2009

Exit questionnaire report

Exhibited below is a Sample Exit Questionnaire Report. The report is based on responses by an employee to an Exit Questionnaire and refers to the job the staff has just left. It could also be based on a job position the person is about to leave.

This report summarises how engaged the person felt about the job, i.e. how absorbed he/she was by the work and how enthusiastic they felt about the job. It also describes the relationship between preferences for certain characteristics at work, and the extent to which these were present in the job

Source: Peopleprime SHL Exit Questionnaire.

1.1 The extent to which you felt engaged

ENGAGEMENT	0 Never	1 Very rarely	2 Rarely	3 Some times	4 Often	5 Very	6 Most of the time	7 Nearly always	8 Always
Identification Feeling loyal, a sense of belonging and being proud to work for the organisation.									
Absorption Being engrossed in your work and focusing on your job.									
Alignment Believing in what the organisation does and its values.									
Energy Feeling energetic and enthusiastic about your work.									

SECTION 2

2.1 Areas where you prefer MORE than you had

Work characteristics are sorted in your order of preference

Work Characteristics	0 None	1 Very small	2 Small	3 Small to medium	4 Medium	5 Medium to large	6 Large	7 Very large	8 The most possible
You prefer a LITTLE MORE									
Income Having the opportunity to earn a lot of money.									
Varied Work Locations Working in a range of different locations.									
Physical Work Environment Working in clean and comfortable Surroundings									
You prefer a LOT MORE									
Wider influence Having influence in the organisation beyond your own job.									
Ethics Working in an organisation that is socially responsible.									
Networking Interacting with people within or outside the organisation.									
Large Workload Having a lot of work to do.									
Competitive Industry Working in a competitive market.									
Quality of Social Contact Getting along with people you work with.									
Career progression Having a job with good career opportunities.									
Innovation Working in an innovative environment and doing innovative activities.									
Status Having a job which gives you a high-status Position									



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