

One hundred learning points around the positive management of redundancy

Summarised by Andrew Gibbons

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Adrian Thornhill of Cheltenham and Gloucester College of Higher Education and I interviewed 63 senior Personnel practitioners exploring how best to manage redundancy.

Our interviewees were from large organisations from all sectors. The conclusions were published within the F T Pitman report “Managing downsizing and redundancy” (ISBN 0 273 631 81 0).

I personally learned a lot from this project, and have maintained an interest in the positive management of redundancy. It is clear to me that a many people have a lot to learn around this issue - trouble is, I detect little or no desire by those with the greatest need to get into this learning...so what I wonder, will change for the better?

I hope there are plenty of useful thoughts here that will help get this more right more often.

1. Employee turnover often falls before and/or during the threat of redundancy - hang on for the money!
2. *Inplacement* survivor counselling and support is seen by only the best organisations as an essential need.
3. Those at the sharp end of managing the process must themselves be managed with considerable sensitivity.
4. Ironically, redundancy may well be a sign of a healthy organisation taking the right, even difficult decisions.
5. Redundancy is best managed by a flexible approach that recognises unique issues and concerns.
6. When managed well, the costs of outplacement and support is not questioned or resented.
7. Some recruiters feel it is unethical not to put new arrivals fully in the picture during unstable times.
8. There seems to be far less stigma associated with redundancy now than there ever was in the past.
9. A major influence on survivor morale is their perception of well or badly leavers were dealt with.
10. Some employers feel that it is best to pay people in lieu of working a notice period - but plenty do not.
11. Organisational culture seems a major factor on the voluntary/compulsory issue.
12. For some, but not all by any means, redundancies form a key element of a manpower planning exercise.
13. By how much must a job change in order to be genuinely sufficiently different within a redundancy situation?
14. The fact that many organisations are recruiting whilst laying people off, often needs more explanation.
15. Trade union competence around the management of redundancy varies considerably.
16. Support given to line managers during a redundancy and restructuring exercise varies a great deal.
17. Apparently large redundancy payoffs can often be spent far more quickly than was anticipated!
18. Many organisations are sensitive to the timing of bad news...is Friday the worst day to be told you are out?

19. We kept hearing 'we needed to let people know we'd thought it all through thoroughly'.
20. It seems that people, not jobs in truth, get made redundant, and this can get very subjective.
21. The Human Resource and/or Personnel people aren't often involved in any strategic downsizing planning.
22. We liked to hear 'we haven't gone for crude headcount reduction - our downsize is driven by business need'.
23. Announcing forthcoming redundancies with a long lead time can save cash by prompting departures.
24. Does age have a bearing in terms of positively accepting particularly, voluntary redundancy?
25. Few organisations seem to make a real effort to genuinely apply the lessons learned by others.
26. Deliberately continuing to do 'right' things provides positive signals, both within and outside organisations.
27. The sensitive management of leavers *and* survivors during a 'downsize' may mean discipline is relaxed a bit.
28. How many organisations that reduce staff numbers ever grow, and recover those numbers in the future?
29. The ability to manage organisational redundancy well is a key competence many organisations should value.
30. Organisations that pay for outplacement vary a lot in terms of the closeness of monitoring of the uptake.
31. Survivors are more easily identified, and their concerns allayed when making compulsory redundancies.
32. Most organisations are too inwardly focused to appreciate the commercially harmful effects of getting it wrong.
33. Credibility in selecting leavers is enhanced if their operational value and true performance is known.
34. A detailed timetable of key events written early on helps clarify the process.
35. Shift working exacerbates the difficulties of telling large groups of people the (bad) news at the same time.
36. Tipping off outplacers, and getting some preparation in before the news breaks helps hit the ground running.
37. An experienced manager of the process told us that 'the key issue is to get people to ask about the money'.
38. It helps downsizing organisations that redundancy is genuinely seen to be part of a bigger change programme.
39. Is it true that cutting costs (and jobs), eclipses all thought of revenue generation as a recovery strategy?
40. We were told 'don't, whatever you do, have an attitude survey in the midst of a painful change programme'.
41. Success rates in outplacement depends to a large degree on client investment and leaver employability.
42. A history of positive relations with Trade Unions really helps during a downsize...and vice versa!
43. It is impossible to genuinely manage the process with totally voluntary selection - how can it be costed?
44. If those who are to go self-select, whole functions and teams can break up instantly - this can cause chaos.
45. It makes best business sense to select who will go and who stays - and to do so sensitively and competently.
46. Many organisations seem to associate compulsory redundancy with being hard and over-tough.
47. To rely upon 'natural wastage' may be to abdicate responsibility for the real management of the process.
48. Unless there is clarity about who goes and why, good people, in demand will leave, worsening things further.

49. There are pros and cons around a staggered release programme, vis a vis the 'one fell swoop' approach.
50. Some organisations give over a year to assist and support leavers - others spring it on them - 'it's you, now go'.
51. How many organisations reflect on the root cause/s of the need to downsize - and take action on this?
52. Providing substantial financial incentives to leave with tight deadlines encourages people to make a decision!
53. There is less stigma now in having been made redundant - many organisations value that experience.
54. There is a wealth of learning and experience to access on and around this issue - but who makes the effort?
55. On breaking the news we were told 'It's the manager's responsibility - it's the manager who says the words'.
56. Organisations that are flexible, and adapt most readily to change are less damaged by a downsize.
57. Some organisations make real efforts to protect their core, contractual workers jobs...many do not.
58. Downsized organisations tend to have a younger, more mobile, age profile...this has implications.
59. We identified four groups with specific issues: un/happy leavers, and un/happy stayers - lots of issues here.
60. Degrees of un/happiness within the above groups varies, and may be disguised - beware the unhappy stayers!
61. Some organisations post crucial information to home addresses, despite the cost, to 'ensure' receipt.
62. As a rule of thumb, pay-back time for severance is thought by many to be two years - is this often considered?
63. An interviewee told us 'we have had a lot of trouble with managers misinterpreting our redundancy terms'.
64. Another interviewee told us 'we operate a voluntary selective scheme - they volunteer and we select'.
65. The smaller the number of 'news breakers' the more consistent will be the message given.
66. On keeping the news tight - we were told 'some managers are less discrete than others'.
67. Few organisations appear to develop the specific managerial skills required to undertake their role in this well.
68. Some people prefer to have the value of their outplacement in cash as an enhanced severance payment.
69. An awful lot of knowledge, experience and value is lost to organisations that target the over fifties as leavers.
70. It's obvious, but worth mentioning that every day, most people become more expensive to lay off.
71. We were told 'we needed to tell some people they were safe, and not to look for another job' - this is needed.
72. During a downsizing many employees become a lot more interested in indicators of performance and success.
73. All too often, figures for layoffs are plucked out of the air, without rationale, or a real business case.
74. Knowledge of the law; best practices, or even basic statutory rights is not as widely held as it should be.
75. Some organisations allow appeals following decisions on who will go...this may be from leavers or stayers!
76. It may be very important that those who volunteer to go are told that is no guarantee they will do so.
77. The ability to manage redundancy well may be a crucial and highly prized competence of the future.

78. Selection decisions for individual compulsory redundancy must be consistent with recent records and history.
79. From an interviewee: 'jobs for life has gone forever, - future job security is dependent on business success'.
80. Cultivating positive press and media relations pays off when they want to report your bad news.
81. A side effect of job insecurity may be a scramble for qualifications from the less intrinsically motivated.
82. 'People need to know when they are safe' we were told - and of course for this to be perceived as credible.
83. Some organisations produce very thorough supporting documentation - for instance question/answer sheets.
84. Small numbers of people being laid off at a time attracts less media attention.
85. Some organisations clearly make people compulsorily redundant, but call it others things.
86. In many organisations, people clearly feel they have a right to redundancy, working to 60? No chance!
87. Holding what some call 'aspiration interviews' can clarify personal hopes, and reduce the guesswork.
88. Being unionised can be a positive discipline on some organisations to behave fairly and reasonably.
89. Redundancy accompanied by a recruitment freeze is an irrational decision not based on business needs.
90. Few organisations consider the potential commercial impact of their leavers...especially unhappy ones.
91. A 'redundancy culture' inhibits growth and development - people don't want to take risks, and be seen to fail.
92. Not enough seems to be done to support survivors, who may be working harder and longer post-downsize.
93. The threat of redundancy is used to strengthen a negotiation position - seen with employees and suppliers.
94. It seems some jobs are perceived as safe during any downsize...for example those making the decisions.
95. Too many early retirees on say health grounds can cripple a pension scheme - actuaries are getting nervous!
96. The action of one organisation in a supply chain can directly cause redundancies in others further down.
97. There is still, despite everything, a general perception that organisations that lay people off are in trouble.
98. A positive history of handling redundancy well is the best indication of future success in managing this well.
99. It is too easy to lose control of the message, and the management of the process, then to be on the back foot.
100. We found some larger organisations not releasing people who 'should' go to protect share prices and image.