

Releasing people,
with compassion and
professionalism

The Context to Releasing People

Nobody wants to terminate the employment of staff, but there can be occasions when it is unavoidable. As business leaders we have a moral duty to be professional and, as far as possible, compassionate.

The pace of change in business keeps accelerating, in terms of technology, customer expectations and markets. Competition will become ever more intense as Britain's trading relationships are drastically altered here in Europe and as we engage more in international markets.

We have no choice; our survival depends on creating innovative new products and services, which are attractively-priced and of consistently high quality. As our business and production processes are improved, some skillsets will become obsolete and there will inevitably be people who cannot adapt to the new operation.

At times like these we need to create space for staff with different approaches and talents. As this culminates in redundancies, the question is: How do we do it well?

Organisation Development

The aim of any restructuring is to make an organisation that is fit for purpose, populated by people with the abilities or potential to make it successful. It is tempting to think that a reorganisation is the solution; in reality it is the outward manifestation of a far deeper process of change.

When your finance director tells you that the business cannot retain all of the current staff, the critical question is, how do you work out who to release? Who has valuable skills and who will resist change? In response to this pressured atmosphere, some people are likely to leave of their own accord. The challenge is ensuring that your best employees do not go and get new jobs, leaving the wrong people behind.

One of the greatest challenges for a business leader is managing change. It is essential that you approach a redundancy or release programme in a methodical, process-driven way. As well as effective processes, you need to ensure that all your managers are competent to play their part and that you are transparent in your dealings with staff throughout.

Ensuring Legal Compliance

At the most fundamental level, the process for these changes must meet the challenges of employment law. If you were to fail in this regard you would damage the credibility of the business with staff, clients, suppliers, shareholders, banks and other partners. You would also expose the business to unfair dismissal claims, with all the cost, time, effort and management distraction.

Whilst there can never be a guarantee that individuals won't take up the option to follow a course through the courts, a well-designed and executed programme can help you minimise the risk.

Selecting Staff for Retention and for Release

The objective of the whole exercise is to create a structure with people who meet the needs of the operation; you must ensure the right people are retained while others are released. This process needs to be fair and objective. Importantly, it must also be *seen* as such.

Selecting for skills is a fundamental aspect of selection. However, you also need to consider the capacity to change and to behave appropriately.

Your selection criteria need to reflect the specific requirements of the organisation. They must also be suitable for consistent application across all the different business functions.

Preparing Your Managers

It can be very stressful for managers to lead the process of making people redundant, particularly close colleagues and even friends.

Some are better prepared to cope than others, some will do it better than others, but all need to be professional. You need to make sure they understand the processes and the criteria being used. It is imperative that they know how to behave towards staff on a day-to-day basis and in formal meetings.

Proper preparation will help the legal compliance, ensure the correct people are selected without any unintentional bias and allow the managers to continue to work normally.

Carrying Out Meaningful Consultations

There are specific legal requirements for consultation, depending on the size of your organisation and the number of people under the threat of redundancy.

Consultation must be seen as being genuine, not lip-service. If trade unions are present in your organisation, you need to consult with them, but remember that they might not represent all areas and levels. You may need to establish a process to nominate representatives or to consult on an individual basis.

These consultations must be designed in a way that is legally acceptable. A well-designed consultation process will not only reduce the chances of claims in employment courts, they can bring to light some excellent ideas and suggestions.

Making Terminations

Ultimately the time will come when some people's employment has to be formally ended. This is a key stage in which numerous things can go wrong and legal vulnerabilities may surface.

It is essential that all the meetings are handled well. This is a tremendously stressful time and the affected staff will not absorb all of the information being given to them. Accurate paperwork is particularly important at this time.

The line managers carrying out the process need guidance and support.

Offering Effective Outplacement

If you can provide good support for people early on in the process, you may reduce the number of compulsory redundancies that need to be made.

An effective outplacement programme will enable you to be professional and compassionate, benefiting those who face redundancy and sending a clear, positive message to other staff and people who you work with in your business.

Outplacement, and its ability to minimise the significant threat posed by survivor syndrome, is discussed in more detail in a separate paper from Work Horizons. Please contact us or visit workhorizons.com to obtain your copy.

Rebuilding an Effective Organisation

Once you have made people redundant, it is easy to assume that the most challenging work has been completed. However, in reality you have only completed the *first phase* of transforming your business for survival and success.

In terms of time, effort and impact, the next phase - rebuilding the structures, processes and teams - is the largest aspect of the whole exercise. Not only do we want the change to be successful, but we want it to be effective quickly. These can only occur if the structure and processes are right, the retained people are the appropriate ones and they are motivated to succeed.

Conclusions

We recognise the possibility of redundancies creates a fog of uncertainty and, therefore, management want it dealt with quickly and to move on.

However, if you do things poorly it will mean uncertainty hangs around for a lot longer than if the process is carried out thoroughly and well. For the people under threat, uncertainty is often worse than the reality, but this does not excuse being rushed and unprofessional.

A redundancy exercise is a symptom of the broader challenge of business improvement. It is one stage of a bigger programme, but one from which the ramifications can be profound.

Find out more

Work Horizons and our partners are highly experienced in supporting businesses when they recognise they may need to release staff. The principles we apply are lean, connected and efficient, all designed to ensure the optimum outcome for both individuals and organisations at a very challenging time. We provide professional support from the outset, including preparation and planning through to making redundancies and supporting the remaining staff as they take the business forward.

For more information, email info@workhorizons.com or call 0121 663 1710.

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