

Organising a Redundancy Programme

You have just been informed that the company is down-sizing, or some operations may be moved or shut down. Either way the payroll will shrink and you are the person that has to handle the redundancies.

Plan Ahead

You should be continuously thinking about what your people requirements will be. You may be able to avoid making redundancies by natural wastage, re-training people or through imposing a recruitment freeze. If you have managed to build a good relationship with a recruitment/search organisation they will be able to assist with finding alternative employment for anyone who has to be made redundant.

It's not about slackers

When you announce redundancies, make it clear that it's not personal. Redundancy occurs when there is a cessation of business or a reduction of work and you have to assure people that it's not a reflection on them as an individual, but rather on their position.

Let the people speak

If more than 20 are being made redundant in a 9 day period you must consult the trade union or an employee's representative. Don't forget it's a consultation not a negotiation, but you must be able to show that you have considered what they said in good faith.

Be Selective

Draw up selection criteria that reflect the attributes, skills and experience you will need in your organisation. Score all those in the frame against these criteria and, hey presto, the choice is made. The important thing is that this process can be seen objectively to be fair.

Discriminate at your peril

Your selection process must ensure that someone is not more likely to be chosen for redundancy because of their gender, race, disabilities, sexual orientation or age. Discrimination is a far more serious issue than unfair dismissal.

Do you really want volunteers?

Offering voluntary redundancy is a nice idea, but you could end up losing the people you want to keep – and will they be disappointed if they apply and are turned down?

Manage the bad news

Make sure you tell people individually, face-to-face, and plan to ensure that all those concerned will be available at the right time. Text messages and e-mails should be avoided at all times.

Do the right thing

Be generous, don't just give the legal minimum pay-off, but offer those you are dispensing with support, and help them find new work. You can ask people to waive their rights in return for more generous redundancy terms. You will also need to be seen as fair and reasonable by those who stay.

Cuddle the survivors

Make sure they understand what your strategy for the future is. They will be feeling insecure so review their role with them, discuss what you expect of them in the future, make sure they understand their role within the company, and tell them they are doing well.