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# Rebuilding after redundancies

As the economic downturn worsens, HR is faced with managing redundancies. In the last part of a three-part feature, **Craig Donaldson** looks at organisational rebuilding and how to boost employee morale and engagement in the wake of job losses

Redundancies are commonplace in many organisations in times of economic hardship. While this is a fact of life for the survival of some organisations, an important step to help shore up the sustainability and long-term profitability of an organisation is the process of organisational rebuilding.

Getting the redundancy process right in the first place is key to organisational rebuilding. HR plays a significant role in both – in supporting the business strategy of an organisation and assisting line managers with the process of implementing redundancies.

Geoff Donington, CEO of the Donington Group, says HR has a number of responsibilities when it comes to redundancies. He says HR's first role is to support the organisation and develop a detailed plan in line with business strategy for preparing for redundancies. The second responsibility is to support line managers in delivering news of redundancies, while the third responsibility is in helping line managers with teams post-redundancy.

"In case of a major restructure, HR has got its hands full. HR has to partner with line managers because it's the duty of the line managers to tell the person whose role is being made redundant, and HR works alongside line managers in this process," Donington says.

Nick Plummer, director of Directioneering, says organisations need to ensure their frontline managers plan and communicate the process of redundancies with support from HR resources or from external outplacement firms. "It is extremely critical to take care of the logistics," he says.

"Proper planning leads to good training (individually or in a group) and excellent communication, resulting in well-prepared frontline managers who are able to handle the process smoothly and support the exiting staff with grace and dignity."

Simon Moylan, general manager of talent management for Hudson, says that, as stressful as staff member separations can be, there are ways to conduct these processes sensitively and with dignity for all parties. "The first rule of redundancies is that the line manager must own the process and take responsibility for advising their direct reports," he says.

HR can assist by providing effective separation training for managers covering topics such as: clearly conveying the message – why the position is redundant; clarifying issues; monitoring the staff member's reactions; explaining procedures; explaining the letter of departure; concluding the interview diplomatically; introducing outplacement/assistance provided; and responding to reactions.

## Handling the redundancy process

Redundancies often have a significant impact on organisations. Culture, morale, employee engagement and productivity can all take a significant hit if the process is not managed well.

David Reynolds, executive general manager of Chandler Macleod Consulting, says that if the redundancy process is well handled and planned, staff who have lost their jobs will feel they have been treated with dignity and respect, with professional support both on the day of the announcement as well as post-separation. "Managers will have delivered the message in a confident, empathetic and professional manner, and staff will not feel resentful of the individual manager," he says.

Moylan says the organisational impact of redundancies is usually a result of the process that is followed. "The effect on organisations is normally a direct measure of two factors: the quality and clarity of the communication of the decisions and rationale; and the treatment of leaving employees," he says.

"Open, clear, transparent communication that leaves no room for misinterpretation or misunderstanding, and a fair and reasonable process normally results in minimised impact on the remaining employees."

In this case, he says employees may be upset by the

person leaving, but understand the reasoning behind decisions and can see that those employees affected have been treated with respect and dignity. When communication is not clear or comprehensive, Moylan says, remaining employees will tend to create their own version of events which is normally more negative than reality. "Handled poorly, employees will be fearful of their own positions, looking to jump ship before they are next," he says.

Jannine Fraser, director of Directioneering, says the process of redundancies causes such trauma that it's natural for the remaining staff to want to turn their back on the event. "The frontline managers are not

## Managing rebuilding

- Keep an open door
- Be visible and available
- Tune in/listen to people's needs
- Set achievable short term goals
- Celebrate successes/reward initiative
- Show humility/acknowledge mistakes
- Communicate/keep staff 'in the know
- Inspire confidence

Source: Danington Group

"Handled poorly, employees will be fearful of their own positions, looking to jump ship before they are next"

recognised for handling the process well. There are no KPIs associated with providing closure to the rupture of the corporate fabric," she says.

"Logic prevails in day-to-day business, but redundancy events are profoundly personal as it impacts on the personal relationship between individuals (both exiting and remaining) and the whole organisation."

Redundancies often cause so much trauma to the corporate body, Fraser says, that by the time team rebuilding occurs, the remaining staff are often too exhausted to go through it effectively, so it's important to plan properly prior to the event and implement it effectively when the time comes.

## Organisational rebuilding

In working through any sort of organisational change, communication is the key to success, according to Moylan. The rebuilding process must begin with a clear articulation of the organisation's vision and an explanation of how the current changes being implemented will assist in achieving the strategy.

"Depending on the size of organisational change, rebuilding initiatives can include recommitment workshops, team building, job clarification, change progress monitoring and ongoing communication, he says.

"Recommitment workshops can assist individuals to understand their own reactions to change, and how to support other team members through the change." Factors to consider in such workshops include job clarity (if a person's role or responsibilities have changed), whether they have a clear understanding of the expectations of them and how to perform their new job, he says.

Plummer also says communication is the critical tool in rebuilding your team. "Schedule team meetings regularly and often," he says. "Give due respect to what happened, but also help the team look towards the future. Senior management, including senior executives, need to walk the floor and talk to their team members. They need to be visible and accessible."

Donington says line managers play an especially important role in rebuilding. Managers need to shorten their horizon in planning and focus immediately on their team's needs, he says, by listening to people carefully and having an open-door policy. "Make sure that people can come and talk to them, schedule formal meetings to catch up and make sure there's plenty of informal communication. Line managers need to keep close to their team during this time," he says.

## Lessons for leaders

In any organisational rebuilding process, Reynolds says, executives must first take care of themselves. They need to understand where they are emotionally and how they are reacting and dealing with the change, he says.

"Their role is to be leaders and act as such. Staff will be looking to them for a consistent message and a strong leader who is confident about the future and is clear on what is needed for the organisation to continue to thrive, even in difficult times," he says.

Fraser notes that in good times, the values of an organisation are easily defined. However, it is in a crisis that the true measure of the corporate body is revealed. "Smart organisations translate the touted organisational values into concrete action by removing all punitive elements and accommodating exiting staff's needs to make the transition. By allowing the team to have an appropriate forum for closure and bid farewell to one another, key leaders are actively protecting the integrity of the corporate body," she says.

Moylan says the role of executives and company leaders in organisational rebuilding is setting the direction for the company and inspiring employees to embrace the transformation. "The most important lesson to be learned is that the change management process is ongoing. There needs to be continued communication and support for current employees, to ensure profitability is maximised, engagement is retained, morale is sustained and ultimately, the objectives of the transformation achieved."

# Buchan

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