Manager’s Guide to Redundancy

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for

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AGED CARE LIVING

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Meeting Preparation

- When inviting the employee to the meeting, advise them that they may bring someone for support but that they do not have to.
- If the employee asks if it is a performance discussion, say no, but that it is an important discussion.
- Meeting should be held in a suitable office or meeting room that people cannot walk past and look in, or hear the contents of the discussion.
- The room should have a telephone, or you should have a phone with you, in case the individual would like to call someone or have someone join the meeting.
- Ensure that you have your notes and the redundancy letter with you.
- Have water and tissues available.

Meeting: Communicating the Redundancy

John, I have asked to see you today because I have to deliver some news to you. Arton Group has been reviewing our business practices and has made the decision to centralise our finance functions across all sites, and create a Group Financial Controller role. As a result of this change I need to inform you that your current position of Business Manager has been made redundant. Wherever possible, we always seek to find alternative employment within the business, but unfortunately, we have reviewed your skills and experience against the requirements of the new role, and do not feel that there is a match. This means that your employment with Arton Group will cease effective tomorrow.

As per your contract you will be paid two weeks notice, but as a gesture of goodwill Arton Group will pay you for tomorrow in addition to the 2 weeks’ notice. In addition, you will be paid 6 weeks’ redundancy payment, so you will be paid 8 weeks in total. This will be processed during the next pay run. This letter confirms the details of the redundancy and your payment (hand over letter).

Possible Reactions & Responses

Faced with the news that their position no longer exists, people respond with different concerns and individual emotions. Whilst you cannot be sure exactly what reactions you are going to get, you can be prepared with how you will respond to these in the meeting.

*Shock and denial*
They may say “I don’t believe it” “You must be joking” or “But I’ve worked here for years”. Or they may sit in silence after the opening statement. Try not to overload them with subsequent information until they have had time to express some reaction. Ask questions to determine if they have heard and understood the message. Gently repeat and reinforce the news to them.

**Distress**

An employee may become tearful, or express a sense of helplessness or hopelessness, they may make statements such as “What am I going to do now” “what will I tell my family” or “this is the worst thing that’s ever happened to me”. It is important that the employee has time to process the news, so don’t worry about sitting and saying very little if they are crying or trying to compose themselves. Once you are sure they are listening, try to redirect their attention towards the supports that are going to be available to them. Make statements to acknowledge their distress, such as “I appreciate this has come as a shock” but do not be drawn into apologising or colluding against upper management.

**Note:** If the employee’s level of distress is of concern to you, for example they are having difficulty composing themselves, struggling to breathe or you are just generally concerned about their health, you may need to seek immediate support from your first aid officer.

**Anger and Hostility**

In this case the employee may show physical signs of anger such as a raised voice, abusive statements or threats, or you may observe changes in their demeanour or posture. They may makes statements such as “Do you think I’m going to accept this without a fight” “you’ve always had it in for me” or “you can stick your job - I’ve never really liked working here anyway”.

When subjected to anger and hostility, it is essential not to get drawn into justifying the situation, taking sides, commiserating with the employee against “the powers that be” or launching into a slanging match over past issues. Instead, let the employee express their anger and acknowledge it but concentrate on retaining your own composure. Look for openings to lead them towards learning what support will be made available to them.

**Note:** If at any time the employee threatens you, becomes physically aggressive (e.g. standing up, banging the table, throwing items) or you just feel generally unsafe, trust your instincts about whether you need to cease the meeting and leave the room. You made decide you only feel comfortable resuming the meeting with another manager present.
**Bargaining**

You may hear “Can the decision be delayed a bit’ or “could I just take a pay cut or reduce my hours”. Engaging in any type of negotiation would likely give false hope, raise any number of inconsistencies and leave you wide open to difficulties with other employees later on. At the time it is important to stress that all possible avenues for alternatives were investigated by the business, the decision was not made lightly but that the decision is final.

**Relief and Acceptance**

Normally seen in those who have been expecting a decision or where the process has been going on for a long time and where a lot of uncertainty has been present in the organisation. They may make statements such as “Well, I was expecting this” or “I’m glad the decision has been made - what now”. To confirm that this isn't just a different form of shock or denial, probe gently and ensure that the message was heard and understood, lay out the necessary and subsequent actions and the availability of support structures open to them.

**Important Do’s and Don’ts**

- Keep the meeting to the point – it should not exceed 15 minutes;
- Don’t engage in small talk – get straight to the point;
- Don’t deviate from the script, be consistent and confirm the decision is final;
- Emphasize that the ROLE, not the PERSON, is being made redundant;
- Be empathetic but in control. Be prepared to listen, and allow the employee to vent emotion;
- Don’t apologise, offer false hope, blame anyone else, or suggest that you know how they feel;
- Do not get drawn into an argument, or debate the finality of the decision; and
- DO NOT discuss any other factors as having contributed to the decision, such as the employee’s performance, attitude, behaviour, tenure or age.

**Closing the Meeting**

John, as I mentioned, your last day will be tomorrow, as we would like to give you the opportunity to say good bye to your colleagues, and also finish up anything that you are currently working on. Tomorrow,
we would like to use the time to handover anything you are working on, then we will finalise your pass/mobile/keys etc then.

If you would like to take the rest of this afternoon off, we understand and are happy to support you with that. Before we finish up, I just want to check you understand everything I’ve said so far?

I know you might have further questions after today, and if you do please don’t hesitate to call me.

**How do I tell my other staff?**

- Gather the team together as soon as practicable after the departing employees have been talked to - the longer you leave it, the more rumour and speculation will spread through the organisation.
- Use a similar script to that used in the redundancy discussion, outlining the reasons for the redundancy and highlighting that the company has acted for business reasons, not personal ones.
- If employees feel that their co-worker has been unfairly targeted, it is important to highlight that there were no personal factors that formed part of the decision – remember to emphasise it is the ROLE, not the PERSON, that has been made redundant.
- It is also important to reassure remaining staff members by explaining that the departing staff member had been properly looked after. Disclosing details of their severance package is not appropriate, but it may be suitable to state that you are supporting John as much as possible.

During this meeting, and in fact over the coming days and weeks, it will be crucial that you keep an eye out for the following possible responses within your team:

- ‘Survivor guilt’ is a very real phenomenon affecting workplaces in today’s economic climate. Employees left behind can experience an initial sense of sadness and loss; they can feel guilty and begin to ask ‘why them and not me?’ Manage this response by reminding employees that it is an impersonal business decision and that the role, not the person, has been made redundant. Reiterate that the individual that has left has been offered extensive support and expert advice. Validate their feelings, acknowledging that it is sad to lose a co-worker and that you share that feeling.
• Individuals may become concerned that their role will be the next to be made redundant, leading to increased anxiety and uncertainty. It will be important that they can trust you as their manager to be honest with them. Explain clearly the reasons behind the redundancy and if possible, assure them that there are no plans for further redundancies. If you cannot honestly provide that assurance, it will be important that you can state that you will be as honest and transparent as possible about any future redundancies. Be consistent in your message and don’t be tempted to lie.

• Finally there can be resentment that builds up among remaining employees, as it is common for their workloads to increase as a result of downsizing. If left unaddressed, this can lead to increasing absenteeism and workplace stress and decreased morale. If tasks are to be distributed amongst the remaining staff members it is important that clear discussion takes place around this. Open conversations with employees about how they are managing their new workloads must continue to happen. Review of KPI’s or other performance goals and targets may be required. As a manager, ensure that you are continuing to provide positive feedback and celebrating achievements of a job well done; this type of recognition can go a long way in boosting morale.