



Making Your People Resources Work For You

How easy is it to let your friends go? Redundancy and how to approach

Every current news bulletin seems to contain more bad news of job loss, cost cutting and redundancy. For SME business owners these decisions can be doubly difficult and stressful for a number of reasons.

- Redundancy is a dismissal: although a fair reason for dismissal, like any dismissal if it is done wrongly or unfairly it can be costly.
- Staff let go are not faceless numbers but often friends and colleagues who have worked for the owners for many years and who have contributed and given loyal commitment as the business has grown. The owners themselves have to cope with the stress of making them redundant.
- The owners may have little knowledge of when and how to make people redundant correctly and with minimum pain and disruption. What are the legal requirements for consultation, advice, meetings, documentation, etc
- Finally, a common concern is how to actually speak and communicate empathetically with those losing their jobs while ensuring they understand the bad news.

Do:

- Have a redundancy policy. Many companies don't. The policy should cover selection units, selection criteria and the process for deciding on and implementing redundancy.
- Consider all the other options before moving to redundancy.
- Decide as soon as practical whether there is a need for redundancy.
- Start the communication process with staff who might be at risk as early as possible (if you plan to make 20 or more staff redundant there are legal requirements governing this). Delays can make the situation even more stressful for all.
- Ensure that all letters, documents and meetings comply with legislative requirements and are well written: clear, concise and sensitive.

Don't:

- Hope it will go away: failure to act could result in legal difficulties and more stress.
- Simply target staff who you think are problems and see redundancy as an opportunity to get rid of them
- 'Cherry-pick' that staff you want to keep without objective and defensible justification

Morlan Gil Human resources has supported a number of companies navigate the choppy waters of redundancy. We have helped companies as varied as estate agencies, manufacturing, retail and business services. If you would like further information, call Jim Gilhooley on 01329 519919 or jim.gilhooley@morlangilhr.co.uk.