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A double-edged sword

By Carole Spiers (Pressure Gauge)

8 June 2007

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LAST WEEK'S news that a Saudi public utility company is to reduce its workforce by more than 900 people (amidst rumours that this figure may rise to as many as 5,000 employees over the next six years), has highlighted the diverse issues related to redundancy and, in particular, the importance of ensuring that the process is managed and communicated to those affected, correctly.

Redundancy is an emotive subject and, if handled badly, the repercussions can threaten the infrastructure of even the largest company, leaving in its wake a trail of despondency, insecurity and lowered morale throughout the organization. X

The 'laying-off' of employees does not merely begin and end with the selection of those individuals (or sections) within an organisation that are earmarked for cutbacks and a major mistake made by many organisations is to assume that only the actual staff being made redundant will be affected.

However, cutbacks create unrest for all personnel - both those remaining in employment and those destined to leave. Those who remain may, for example, be expected to cope with additional workloads and be resentful of the company resources and attention that are being expended on those who are leaving.

Fear Of The Unknown

Handling of the redundancy process by an untrained manager can cause chaos. An absence of clear communication can initiate an atmosphere of fear in which conjecture and rumour may run riot and the anticipation of the unknown consequences of the proposed change may generate more negativity than the initial impact of the change itself.

Ill-informed rumour may suggest - totally incorrectly - that the organisation is on the brink of being bought-up, sold-off, merged or closed. In the worst scenario, a news story may appear in the press before the employees who are directly affected, being informed - with dire consequences. In some cases, there has even been a collapse in the share price - when the cutbacks have occurred in a publicly quoted company.

In fact, it is the long-term effects of how a redundancy programme is managed that will be remembered. Handled insensitively, it may, as illustrated, take a long time for management to re-establish confidence within the company and the knock-on effect can leave a legacy of a low-motivated, negative, and possibly hostile workforce, which would clearly be counterproductive.

Pre-Planning Pays Dividends

Redundancy can induce feelings similar to a bereavement and as with any loss, the manner in which the news is delivered is of the utmost importance.

As with any organisational change, it needs careful planning. Time spent looking at the overall picture will help minimise any potential trauma and assist with positive continuity after the staff changes are complete.

In particular, it is important that careful consideration is given as to how the actual announcement will be made, by whom, to whom, and at what time:



- . Announcements should preferably be made at the start of the week to allow peer group support should those affected not have any family or friends available
- . Avoid announcements being made on a Friday or before a National holiday
- . Managers must be skilled enough to anticipate a range of reactions.
- . Poor interpersonal communication skills can make a difficult situation, worse - but a skilled manager can turn a bad situation into a manageable one
- . The H.R. department of the company or organization should focus on the specific difficulties employees will experience and support should be offered without any pressure.
- . Deal with the wide range of emotional reactions likely to be experienced by employees affected by redundancy, either directly or indirectly.

The Aftermath

The word 'redundancy' can also be termed downsizing, rightsizing or restructuring, but in the end it still spells 'job loss'. This brings with it a plethora of emotions including shock, hurt, disappointment, rejection, confusion and despair which can in turn lead to an identity crisis.

When the initial shock has subsided, employees leaving a company may feel anger and resentment in addition to feeling they are possibly being ostracised. They may be disappointed and bewildered by the embarrassment they appear to be causing their colleagues who, due to their own inadequacy and feelings of guilt at having been selected to stay, find it difficult to converse with them.

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And for those employees who stay in the organisation, there can also be a sense of 'survivor guilt', which manifests feelings of awkwardness, and an inability to communicate with those colleagues who are leaving.

No matter how sound the reassurances that the company's decision was objective (and not personal) very few people will accept this. Being made redundant is personal, and so the effect of the decision will be taken personally. If organisations want their redundancy programmes to work, they need to be aware of these issues - and do their utmost to manage them effectively.

Key learning points

- . A major mistake made by many organisations is to assume that only the staff being made redundant will be affected
- . Unskilled handling of redundancy by untrained managers can cause chaos
- . As with any organisational change, redundancy needs careful planning
- . It is the long-term effects of how a redundancy programme is managed that will be remembered.

Carole Spiers, the UK's leading Guru on corporate stress-management and organizational change, is also a regular BBC broadcaster and international author on these major, business issues. She is also a regular Motivational Speaker at UAE conferences. Your questions and input on this article or any related topic, will be welcomed. Each Friday, we will discuss a selection of your letters or case-studies. Please write to Carole Spiers at: ktwkd@emirates.net.ae

