

By Carole
Spiers



The human sacrifice

On the twin altars of profit and productivity, redundancy can wield a relentless sword. In skilled management hands, the cuts can cure. But, says occupational stress guru Carole Spiers, applied indiscriminately and insensitively they may damage the very structure they are meant to protect.

Case study

Paul Jones, a Sales Manager, was given his notice after ten years of service. Paul seemed to accept the news in a resigned manner and was asked to attend a job interview the following morning. Paul did not show up for work the next afternoon. The Police were called in. Paul was found hanging in the woods. The manager who had broken the news to Paul was distraught. Paul's old office was like a ghost ship with people not knowing what to say to each other. His colleagues wished to attend his funeral but Paul's family refused the request. They considered the company was to blame. The manager and members of the team had to come to terms with the trauma of their colleague's death.

Redundancy is an emotive word. No one stratum within any organisation is safe from its implications because in the final analysis, employees are an expendable commodity.

As the above case study demonstrates, the real cost of staff cuts can be catastrophic. Handled badly, the repercussions of redundancy may well threaten the infrastructure of even the largest company. Redundancy can cut a swathe through a workforce, leaving in its wake a trail of despondency, insecurity and lowered morale.

Redundancy does not begin and end with the final selection of which an individual or section within an organisation is earmarked for cutbacks. The process is far more complex and its execution demands specific managerial skills if the knock-on effects are to be avoided or minimised. These can upset the positive atmosphere within the workplace - a prerequisite for productivity that is synonymous with healthy profit.

The two-edged sword

A major mistake made by organisations is to assume that only the staff being made redundant will be affected. Cutbacks create unrest for all personnel - both those remaining in employment and those destined to leave. Those that are staying may be expected to cope with the additional workload and be resentful of the company's resources and attention being steered towards those who are leaving. Once it is seen that both groups can be influenced by the changes within the infrastructure and a management plan evolved to address potential

problems, then a positive outcome with beneficial consequences for the individual and the company can be expected.

Changes within an organisation invariably reflect on such issues as:

- Job status and content;
- Relationships with peers and supervisors;
- Working conditions;
- Payment.

Unskilled handling of redundancy by untrained managers can cause chaos. The absence of clear communication initiates an atmosphere of fear in which conjecture and rumour run riot, and the anticipation of the consequences of change may generate more negativity than the initial impact of the change itself. Ill-informed rumour may suggest that an 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 employees are informed – with dire consequences.

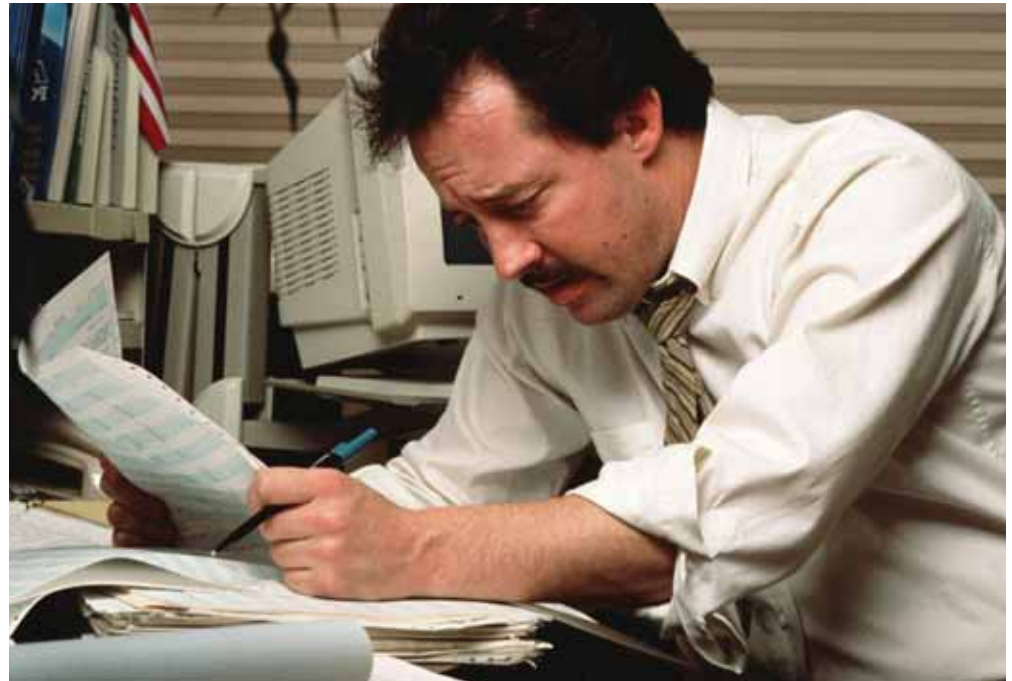
Fear of the unknown is basic to all resistance to change

Change and uncertainty are disturbing bedfellows. Incertitude is invariably more frightening than knowledge. The threat of impending redundancy often promotes a feeling of precariousness, and for some, re-employment may seem remote and unlikely, while the loss of structure and activity become difficult to adjust to.

It is not so much the nature of change as the employee's attitude towards that change which is crucial. Any endeavour to help people come to terms with change based on logical argument is invariably ineffective because logic will not have a direct effect on a person's feelings.

Even the most coherent arguments in support of change frequently leave employees unconvinced. This is where the effective use of counselling skills can help, but they must be used in conjunction with practical organisational initiatives. Even if a cutback or change in the company involves just one or two in a workgroup, all will need to be informed of the proposed changes to promote a feeling of security, maintain group co-operation and establish an awareness of the restructured organisation.

Management often fails to realise that activities such as communication can assist in the acceptance of change, and therefore managers need to make a special effort to



maintain such important stabilising social processes in times of reorganisation.

The individual response

Humanity does not easily embrace change. Even a rut can suddenly seem cosy when viewing unknown territory stretching beyond redundancy. People in organisations, including managers, invariably resist change, yet sometimes the biggest barrier to the introduction of change is resistance to embrace new

Thoughtless handling of redundancy can cause chaos

then the impact begins to affect social activities both for themselves and their families.

One aspect that is often overlooked is the adverse effect that redundancy can have on an employee's self-image. Another immediate and devastating result that's often ignored is that redundancy can curtail any desire to complete the current work programme prior to the employee leaving. It may also preclude social and business intercourse, with dire repercussions.

A major mistake made by organisations is to assume that only the staff being made redundant will be affected

managerial methods by the managers themselves.

As each person will respond individually to different circumstances, communication skills are of paramount importance. Some employees may welcome change as an opportunity to achieve new goals, whereas others will not. Paradoxically, there is often a counterbalancing desire for new experiences and other associated gains.

Responses may be coloured by the fear of job loss and associated income and/or status, as well as altered relationships with people. Where change requires the person to work different hours, or relocate,

A new reality

Job security slid into oblivion with the demise of the twentieth century. A job for life no longer exists. Today, employers work to a different ethos and no-one has a guaranteed future. The hard truth is that the governing factor in industry and commerce is cost effectiveness. Short-term contracts are the norm – long-term employment is a luxury. In a world where departments are being outsourced and contracts courted by companies fearful of being forced to pay out compensation or face litigation, the average employee has no option but to cope with the transition of change – and that includes managers. In the short term, organisations may be saving money at their workforce's expense, yet in the long term, this may well prove to be short-sighted if the work is not delivered in an effective and efficient manner.

Facing a future in which cutbacks are part of the accepted business culture, it is imperative that managers receive specialist training in how to run a redundancy programme which includes damage limitation.

Handle with care

Some of the insensitive methods meted out in our so-called civilised business sector when handling redundancy notices are barbaric. Consider the following:

- Employees are handed the 'brown envelope';
- The company runs a video requesting employees pack their belongings if their name does not appear on the screen
- Personnel are asked to be present at their desks while names are read out over a tannoy system;
- 'Personalised messages' on in-house emails inform personnel whether or not they still have a job.

It is the long-term effects of how a redundancy programme is managed which will be remembered. Handled insensitively, it may 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 - possibly hostile - workforce which can be counter-productive.

Management support

An overview of the manager's role in executing redundancies may appear to encompass the required managerial skills, yet how many managers receive crisis intervention training? Dealing and coping with redundancy falls into this category and managers cannot be expected to deal with it effectively if they are not given the appropriate preparation and training. Without these skills managers may experience feelings of being let down, unable to cope with the additional stress, suffer loss of confidence and self-esteem, or be left with a sense of failure. It may even be the manager who is next in line for redundancy!

In addition, managers may harbour beliefs that poor management at the top has led to the staff cuts. They will be placed in the difficult position of having to be honest with their employees whilst secretly holding negative feelings. It is these feelings which will need to be addressed.

The act of selection itself can also cause conflict, as managers have to overcome feelings of guilt when making the decision of who stays and who goes. This task may result in the manager feeling frustrated over the timing and having to make the announcement, and indeed they may disagree with the criteria for selection.

Don't shoot the messenger

Redundancy is a trauma inducing



feelings similar to a bereavement. As with any loss, the manner in which the news is delivered is of the utmost importance. Receiving bad news is traumatic and care must be taken to present it in the best possible manner. Bearers of bad news experience tremendous stress, so it is imperative that the harbinger receives peer group support and training in managing their own stress levels.

The word 'redundancy' can be

It is imperative that managers receive specialist training in how to run a redundancy programme which includes damage limitation

termed downsizing, rightsizing or restructuring. 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. Without the necessary training, managers are simply not equipped to deal effectively in the field of crisis intervention and it is unrealistic for an organisation to believe managers

can or should be able to cope.

In order to deal with the numerous issues which will ensue before any redundancy announcement is made, managers need time and space to ventilate their feelings.

Pre-planning pays dividends

As with any tactical manoeuvre, redundancy needs careful planning. Time spent looking at the larger picture will help minimise trauma and assist positive continuity after the conflict is over.

It is imperative that consideration is given to how the announcement will be made ie, by whom, to whom, and at what time.

- Announcements should be made at the start of the week to allow peer group support should employees not have family or friends with whom to share the details;
- Avoid announcements being made on a Friday or before a Bank/National holiday;
- Managers must be skilled so that they never assume a reaction.

How announcements should be made:

- Poor interpersonal skills will inflame a bad situation;
- Managers need a reasonable degree of counselling skills but should refrain from taking on the role of the counsellor;
- A skilled manager can turn a bad situation into a manageable one;
- Avoid face-to-face confrontation with a manager who cannot listen or empathise.

Listening to employees:

- The employee needs to be able to tell their story without interruption;
- Managers should be able to focus on the specific difficulties employees will experience;
- Empathy and support must be given and options offered without pressure or coercion;
- Managers need to stay calm and supportive as well as being able to deal with a wide range of emotional reactions likely to be experienced by the employee.

The need for support groups

In the arena created by redundancy both employees and managers need support groups. Managers need a central counselling resource that is able to deal in depth with those employees deeply traumatised by the situation. This resource should be

available to both those who are being made redundant and those who are staying – including managers.

Setting up a facility whereby small, mutual-aid groups of redundant employees may meet together with the company's backing will help relieve pressure on participants, and allow the workforce to view the organisation as being caring rather than having a 'hire and fire' culture.

The aftermath

For those employees who stay in the organisation there can be a sense of 'survivor guilt', which manifests feelings of awkwardness, embarrassment and an inability to communicate with their colleagues who are leaving. The realism that paternalistic organisations no longer exist can be shattering for all concerned.

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.

No matter how sound the reassurance given by a manager that the company's decision was objective, not personal, very few people will accept this. Being made redundant is personal and so the effect of the decision will be taken personally.

Skilled managers can help alleviate the traumatic impact, yet one of the best strategies is to allow space and give support to employees who have been given their redundancy notices to enable them to digest the news in their own time.

There are no hard and fast rules as to whether it is better for people to be given one month or six month's notice of redundancy. Just as everyone is an individual so the experience of being made redundant is different for each person. It is up to management to make this as painless a process as possible.

Special offer for Management Services readers

Contact us to receive our free Special Report '*The Ten Most Frequently Asked Questions about Stress*' please email sb@carolespiersgroup.com or contact us on 020 8954 1593.



Carole Spiers combines three roles of broadcaster, journalist and corporate manager in the challenging field of stress management and employee wellbeing. For more information on CSG's services including in-house and public training, stress policy, stress audit, risk assessment, attendance management, rehabilitation support, post trauma support, mediation, impartial investigations, expert witness, nationwide employee counselling team, and coaching and mentoring services, please contact us at the Carole Spiers Group, International Stress Management & Employee Wellbeing Consultancy, Gordon House, 83 - 85 Gordon Avenue, Stanmore, Middlesex HA7 3QR. Telephone: + 44 (0) 20 8954 1593. Fax: + 44 (0) 20 8907 9290. Email: info@carolespiersgroup.com Web: www.carolespiersgroup.com.