

CAREERS & RECRUITMENT

EDITED BY ELAINE O'REGAN email: recruitment@sbpost.ie

Right way to handle redundancy

The recent situation at Talk Talk has highlighted how important it is for the redundancy process to be handled sensitively, writes Gareth Naughton

Redundancy is a difficult process for any company, but handle it badly and you could end up with a public relations nightmare on your hands.

Lay-offs are an emotive issue, as the controversy following call centre Talk Talk's recent shock announcement that it was pulling out of Ireland with just 30 days' notice showed. The reputational damage of a poorly executed programme of lay-offs can have

far-reaching consequences, particularly if you intend on remaining in business.

Misinformation

With any redundancy programme, it is important to hit the ground running by planning in advance of a formal announcement, according to Mary O'Hara, human resource services partner with PricewaterhouseCoopers.

"Good employers will want to put in place a comprehen-

sive programme to ensure that the transition is as smooth and as painless as possible," O'Hara said. "What we suggest is that the more time there is to plan for this, the better the programme is likely to run. It requires a lot of activity before people read the headline in the newspaper."

Key to this is a detailed communication plan making as much information as possible available to employees at the earliest opportunity. Briefings on high-level information, such as redundancy packages and

the fall-out for pension benefits, should happen immediately. The company should then follow up with one-to-one clinics to discuss what happens next.

"From an employee perspective, they do not want to hear that they are going and have loads of questions that you cannot answer," O'Hara said. "If you are in the employee's shoes, the more support and information you get, the better. It is not going to make the reality of the situation go away but, at least it will have a well-managed outcome. You would be amazed at the amount of misinformation that is out there."

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Legal issues

Companies implementing a redundancy programme must ensure they are on a sound legal footing before announcing lay-offs, according to solicitor Deirdre Blackwell of Blackwell O'Reilly Solicitors.

"You will never know whether a claim will be made or not," Blackwell said. "You are better off having a solicitor on board to give you the right advice; to maybe give you the definition of a genuine redundancy, go through your selection procedure and help you with the notice periods and also filling out the RP50 [the notice of redundancy]. That way you can ensure that you are following all the necessary requirements under the legislation."

At a very basic level, the company needs to be able to demonstrate that the redundancy is genuine and that a fair selection process has been used to identify the employees who are leaving.

A genuine redundancy is one where the job no longer exists. For instance, in cases where an employer makes a worker redundant and then hires someone new to do the same job at a cheaper rate, there has been no genuine redundancy. It becomes more complicated,



Deirdre Blackwell, Blackwell O'Reilly Solicitors

however, where the work is to be shared out among remaining employees.

"The job is still there, but maybe two other people in the company are now going to add that work to their own," Blackwell said. "If you can show that, because of the financial position of the company, other people have to take on more work, it would be considered a genuine redundancy as well."

"You will just have to prove that the people you felt could do the extra bit of work were kept on and the person who was perhaps a bit weaker was let go. If there was a standard practice of last-in first-out going down through the years in other redundancy periods, then you need to

stick with that standard practice." You can do your utmost to make sure your redundancies are above-board, but chances are this will not stop a disgruntled employee from taking a case to the Employment Appeals Tribunal.

"It happens often enough because a lot of people are aggrieved by the fact that they have been made redundant," Blackwell said. "The employer may be able to prove that it is a genuine redundancy and the employee won't succeed with the claim, but some are so aggrieved at being made redundant that they will just bring the claim in the hope of getting something better. It is not a costly process because individuals can represent themselves."

Much of this can be circumvented, however, by opening a full and frank dialogue with the affected employees from the moment that redundancies are on the card.

"The minute the employer is aware that there will be redundancies, they should consult with employees so they are not left worrying or getting over-excited about it," said Blackwell. "It will help as the employee is happier about it because they feel that they have been genuinely consulted."

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The role of line managers in the process can often be overlooked, but they can play a crucial part in delivering a smooth redundancy programme. Companies should make sure line managers are up to speed before implementing lay-offs.

"You have to remember that line managers could have been managing people for a long time, but they may never have had to deal with a redundancy situation before," O'Hara said. "They don't necessarily have the skills set to deal with it."

"The HR department may find itself resource-constrained and, if the company has never been through redundancy before, maybe even their HR people don't have much exposure to it. Training the person who is going to give the message and the support is crucial because otherwise they could actually become a blocker to successful implementation."

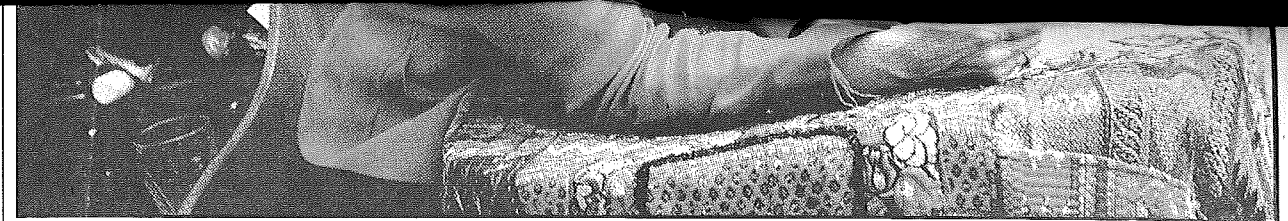
This means training both for the technical stuff – so that they can readily answer questions – and softer skills to deal with the emotional fall-out.

"Somebody could be terribly upset," O'Hara said. "You cannot just say that everything will be all right. It won't be all right – the person is being made redundant. What you have to have is the skills to be empathetic to their situation without actually saying that you are the root cause of this."

Coping with change

Redundancy, especially in cases where it is unexpected, can be a massive shock for employees who are leaving as well as for those who are left behind.

Employers should put programmes in place to help staff



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to cope with the significant changes taking place, according to Deirdre Cronnelly, director with motivational firm Afresh.

"It is very important to ensure that there is a support structure in place for staff so that they know there is something going on, that change is happening," said Cronnelly. "Staff can start getting very demotivated and unproductive because they cannot control the change that is going on around them."

"If the employer gives them the tools to help them to cope, in terms of how they react to the change, then they have some way of keeping employee motivation and productivity on the go."

Companies anticipating redundancies down the line can do this early on using programmes designed to improve the mental, physical and emotional well-being of staff.

"When redundancies are in place, programmes that give staff practical help with CV and interview techniques are vital, but they should also help those losing their jobs to explore their next step, whether that's a new job, a career change or even retirement," said Cronnelly.

"We encourage employees to look at where they are in life and how that can impact on what they want to do next. We place a lot of emphasis on making sure that the employee has the right mindset and where-withal to make the right choices."

Companies which take steps to properly look after the welfare of their redundant staff

will reap the benefits further on down the line.

"Even though we are in a situation now where there is high unemployment in the country, employees wouldn't be actively selecting to work for an employer like that unless it was as a last resort," Cronnelly said. "Even if they did have to, they would be going in and giving the bare minimum because they know that when push comes to shove, they are not worth anything more than a number really."

"A lot of the companies which have already let people go are going back into the market again and they have mana-

ged their reputation very well over the past number of years in terms of letting people go by putting the right support structure in place for them. That now means that they are able to recruit high-calibre candidates."

Legislation

Avoiding a repeat of the Talk Talk redundancies in the future may require a change to legislation regarding the consultation periods for companies with high staff numbers, according to Sharon Vize, senior consultant with Career Consultants.

Companies with 300 or more staff must implement the same 30-day notice period where 30 per cent or more of the workforce is made redundant as a company with fewer than 50 staff letting five go.

"The 30-day notice period really doesn't give high-number workforces any opportunity to consider any of the requirements under consultation," said Vize. "The decision has already been made and some organisations may view it as a 'ticking' exercise. The government should probably review it and impose the strictest requirements on organisations."

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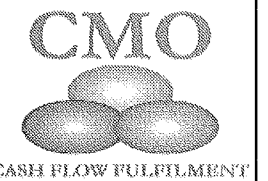
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