



# STRATEGIES FOR DOWNSIZING

WITH COMPASSION AND CARE

On 10<sup>th</sup> September 2020, CRF members gathered **for Strategies for Downsizing with Compassion and Care**, a Zoom Interactive Event. Research Director Gillian Pillans led JC Townend, CEO, UK & Ireland, LHH, Julie-ann Keeble, Head of HR, Honda of the UK Manufacturing Ltd., and Ian Hunter, Partner, Bird & Bird, in

discussion on:

- how the best organisations support those at risk of redundancy
- how to prepare and support leaders who manage the process
- how to ensure ongoing business performance by managing engagement of those who stay.

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CORPORATE RESEARCH FORUM

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# STRATEGIES FOR DOWNSIZING

## WITH COMPASSION AND CARE

### KEY TAKEAWAYS

There are two commercial risks of a badly handled redundancy process:

1. It can create otherwise avoidable legal and administrative problems and
2. It can cause long-term resentment, affecting both remaining and departing employees, and which may cause reputational issues that impact talent retention and attraction.

***Be sure the organisation is able to confidently and transparently rationalise redundancy decisions. The use of objective criteria as opposed to subjective assessments can help reduce tension and make the process go more smoothly because the individual understands it.***

*Make sure the organisation has sufficient resources and has carefully planned the process. Give attention to the communication process – how will FAQs be managed? Will those employees placed at risk be sent home? Do you have enough HR and legal support to handle all the meetings? Do employees know how to accept any offers made and who to direct questions to? Do you need to have PR support lined up?*

**MAKE SURE THAT LEADERS ARE AS VISIBLE AS POSSIBLE WHEN REDUNDANCIES ARE UNDERWAY.**

Remember that you have to have conversations with employees in a very legally structured way, but make sure managers are adequately trained to be compassionate too. Compassion means asking questions and listening – it does not mean offering answers.

Offer outplacement services to those being made redundant if possible; it can help the transition from anger to hope among your people. Offer outplacement for voluntary redundancies too. Don't assume that because it was voluntary, they don't need the help – the hiring landscape has likely changed during their tenure at your company.

**When managing redundancies, consider the personality and circumstances of the person you are dealing with – remember you are dealing with individuals and personalise your approach to the extent possible.**

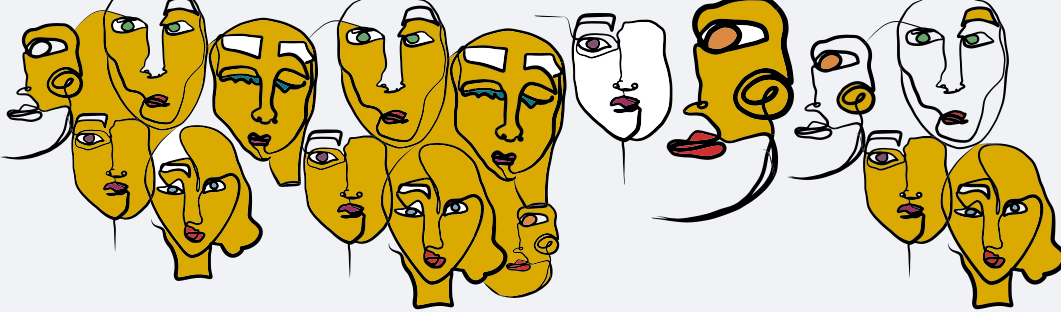
Choose carefully those who will manage the redundancy process. Are the individuals considered trustworthy? Are they connected with the decision-making process? Are they properly prepared? This is particularly important now that meetings are often being conducted virtually rather than face-to-face.

Focus on how you can help the employee. Financial support will vary by organisation, but it's worth seeing what further help might be available. This may cost the organisation little but be of huge help to the employee in searching for another job. Such support may include exercising discretion to vest options, handing over the mobile phone and laptop after wiping, releasing restrictive covenants, continuing healthcare to the renewal date, or offering outplacement or other support.

**HR LEADERS SHOULD ENSURE THEY ARE CLOSELY ALIGNED TO THE FINANCIAL PLANNING OF REDUNDANCIES EARLY ON; IF YOU WAIT TOO LATE, THERE WON'T BE ANY MONEY FOR HELPFUL SERVICES SUCH AS OUTPLACEMENT.**

Be sure to pay equal attention to the survivors. Morale and productivity can drop precipitously after redundancies. Take care of the survivors by starting to sell the new vision to those left behind, offering resilience training, and getting into the habit of regular conversations to solicit their views. Outplacement can make survivors feel better about the situation. Remember that survivors will be feeling very vulnerable – help them set goals and prioritise their new workload, and don't forget opportunities for learning and growth.

Think about how you will support the HR team in developing resilience – there is a risk of HR becoming very burned out and suffering compassion fatigue (which will make them less effective at managing redundancies with care) because of the enormity of what they are having to deal with.



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### AUDIENCE Q&A

**Q** After redundancies are announced, what activities can an organisation undertake to retain critical employees for the full time they are needed?

**A** It helps if you have a committed, engaged, and purpose-driven workforce to begin with. Financial incentives, leadership visibility and regular communication are also critical.

**Q** What do you mean by leadership visibility?

**A** There is a risk, especially in a busy time such as a restructuring, that leaders become less visible. So it's important to be visible 'on the floor' – leaders shouldn't just be in meetings or locked up in the office all the time. Leadership visibility also entails better and more frequent communication with employees – for example, through videos or drop-in sessions.

**Q** What sort of resilience training can you offer to those being made redundant?

**A** Self-learning modules on wellbeing, extra mental health support, and training for line managers on mental health are three steps organisations can take.

**Q** To what degree would you advise raising awareness of outplacement services prior to any redundancies occurring?

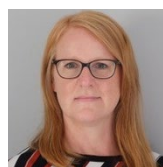
**A** Most companies prepare for redundancies well in advance and inform managers, but don't typically inform population-wide until it's time (for fear of media leaks, publicity, etc.). But organisations should be prepared to announce outplacement measures simultaneously with the announcement of redundancies. Organisations should also be aware that when they first communicate about outplacement, many people won't know what it is. Its value will be understood at the time people begin to utilise it.

### SPEAKERS



 EMAIL

**IAN HUNTER** has worked for Bird & Bird since 1996, where he Co-Heads the International Employment Group and leads the London employment team. Specialising in ensuring that clients, wherever they are based around the world, receive the level of support to get the best from their key asset – their people. Advising on all aspects of employment law: moving people around the globe, protecting business interests, restructurings, investigations, establishing and maintaining an ethical workplace and evaluating people risks.



 EMAIL

**JULIE-ANN KEEBLE** is a Chartered Member of the CIPD with over 25 years' experience working across a broad range of HR remits and a variety of sectors. Currently, heading up several functions at Honda of the UK Manufacturing Ltd (HUM) including Corporate Communications, Associate and Organisational Development, and Associate Engagement. HUM announced in February 2019 that it will close its Swindon production facility in July 2021 with the loss of over 3,000 jobs. Since the announcement, Julie-ann has been leading several projects focusing on supporting leaders and associates through this significant period of change.



 EMAIL

**JC TOWNEND** is CEO for UK and Ireland LHH, the UK's leading integrated talent development and career outplacement provider. She oversees consulting and projects with 1,000+ of the world's largest companies, helping to transform their workforces to be future-ready. A highly-experienced CEO and Board member with more than 25 years experience leading consulting businesses, she also has experience in successful M&A, workforce transformations including managing redundancies, large-scale change, development and training.



## STRATEGIES FOR DOWNSIZING WITH COMPASSION AND CARE

### FURTHER READING

Bird & Bird. 2020. **Bird & Bird & COVID-19: Overcoming Organisational Challenges and Reshaping the Workforce.**

[https://www.twobirds.com/en/~/\\_media/pdfs/expertise/employment/bird--bird--covid19--overcoming-organisational-challenges-and-reshaping-the-workforce-september-2020.pdf](https://www.twobirds.com/en/~/_media/pdfs/expertise/employment/bird--bird--covid19--overcoming-organisational-challenges-and-reshaping-the-workforce-september-2020.pdf)

CRF. 2014. **Trust.** Research Report. <https://www.crforum.co.uk/research-and-resources/trust-2>

Glint. 2020. **People Success Toolkit: Well-Being.** <https://info.glintinc.com/Post-Furlough-Recovery.html>

Glint. 2020. **People Success Toolkit: Post-Layoff Recovery.** <https://www.crforum.co.uk/research-and-resources/people-success-toolkit-post-layoff-recovery/>

LHH. 2020. **Best Practice Guide to Outplacement.** <https://info.lhh.com/crf-download-outplacement-best-practices-guide>

### crf UPCOMING CRF EVENTS



ONLINE:

**Diversity and Inclusion: Emerging Issues**  
16<sup>th</sup> September 12.00PM BST



ONLINE:

**Disruption, Self and Anxiety – How to Remain Effective**  
23<sup>rd</sup> September 12.00PM BST



ONLINE:

**DIGITAL CONFERENCE**

**Re-imagining the New Landscape: Reset, Renew and Thrive**  
12-13<sup>th</sup> October 13.15PM BST