

Restructuring and Redundancy:

A Quick Guide For NZ Managers

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Going through a restructure and having to make staff redundant is one of the hardest processes to manage in a company.

Whatever an employer's reason for restructures and redundancies, it's important that the process is planned and executed according to the law, which aims to result in the benefit of both the employer and the employee.

There is a legal obligation that a genuine consultation process must be initiated prior to any notification of redundancy. This process must be designed to give staff genuine opportunity to have input and make suggestions to the proposed change. Management is required to genuinely consider any employee feedback.

If this consultation process is not put into place, costly personal grievance claims may result.

In initiating the consultation process, a Senior Manager typically sets up a meeting of all potentially affected staff.

At this meeting the manager needs to explain:

	The re-structuring proposal
	The reasons leading to the proposed re-structure
	The timeframes for the re-structuring process
	The desire to seek staff feedback including comments, suggestions or options and the associated time frame. Legally, there is no mandated time limit so consultation can span several days to several weeks depending on the size and scope of the proposed changes
	What may happen in the event the proposal proceeds following consultation and no re-deployment options exist

Tips to help ease the news of redundancies

Timing

It is believed that the best day to announce a redundancy is on a Friday afternoon, so the employee has the weekend to adjust to the news. However, we believe that the best time is mid-week, as the employee needs the support of their peers as well as career support counselling which should start as soon as they have received the news.

Who should take the redundancy meeting?

The individual taking the redundancy meeting should hold a more senior title than the employee being made redundant and ideally should be their direct manager.

Where it should take place?

A redundancy meeting should always take place face to face in a confidential and quiet place. It is ideal that the manager does not sit behind a desk but sits next to the employee being made redundant.

What to say?

The below information should be given to each affected employee in the form of an Information Pack which should include a personalised and signed letter from the employees' Manager, any other specific and relevant company information AND a copy of the agreed coaching or workshop overview which CDL Insight Consulting would have forwarded for inclusion in the employee information pack.

The manager should read the letter to the employee and then be prepared to answer any questions the employee may have. The Information Pack and personalised letter should include the following information:

- The reasons for the changes being implemented
- That it is the individual's position being made redundant and is not a reflection of the person, their value to the business or their performance
- Any individual severance calculations (in accordance with the employee's Employment Agreement)
- Exit procedures including the times and dates when this takes effect (in accordance with any details outlined in the individual's Employment Agreement)
- The outplacement coaching that has been arranged to help people find another job
- An expression of thanks for the contribution that the person has made to the organisation
- Please click [here](#) for a redundancy letter template.

How to respond to reactions

Any loss brings feelings of grief and the loss of a job is no exception. For some people redundancy is greeted with delight, for others it can be very upsetting.

It is very normal for a person to have a range of reactions to a redundancy announcement and often the person delivering the redundancy notification can be on the receiving end of one or more of these reactions.

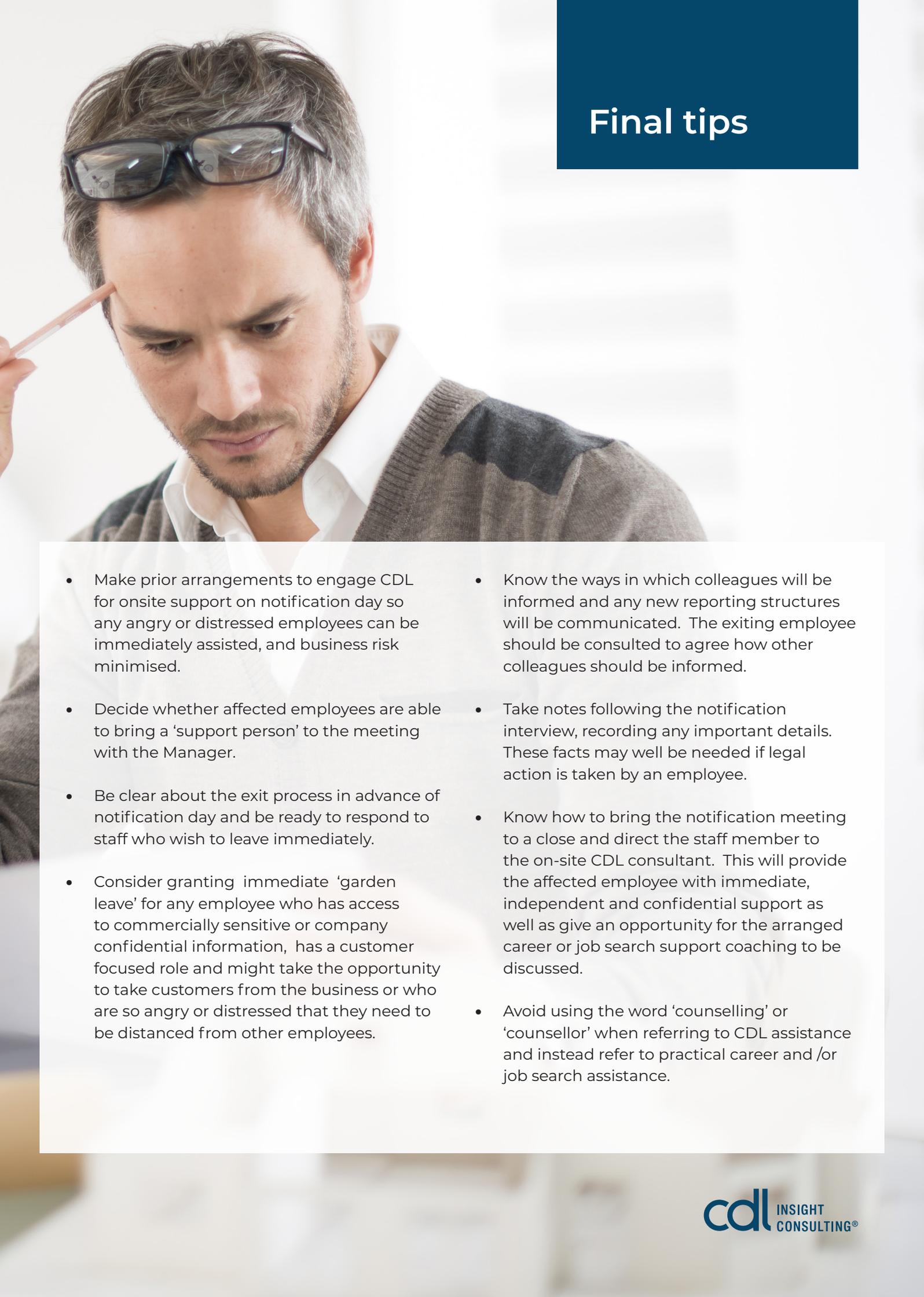
Remember that a person's reaction is often based on their feelings of anger and frustration and are normal reactions that will pass. Listen rather than respond! People tend to process change through stages of shock, denial, anger, helplessness and finally, acceptance. It's important to recognise where the employee sits across these stages and let them pass through them until arriving at acceptance.

How to deal personally with having to make people redundant

The person delivering the redundancy announcement must stay calm and in control of the situation. If he or she responds personally to the employee's situation, unexpected and risky comments may be made. Instead, the comments must be clear and well understood. Remember that some staff will not hear beyond the word 'redundancy'.

Managers should listen to concerns and comments and encourage staff to talk but not give personal judgements, advice, or opinions. Managers need to be prepared for angry argumentative or upset reactions, particularly blaming the organisation or its management staff. Managers need to be careful not to be drawn into arguments, instead remaining calm and composed.

Click here for some examples of good responses to common phrases said by employees who are being made redundant.



Final tips

- Make prior arrangements to engage CDL for onsite support on notification day so any angry or distressed employees can be immediately assisted, and business risk minimised.
- Decide whether affected employees are able to bring a 'support person' to the meeting with the Manager.
- Be clear about the exit process in advance of notification day and be ready to respond to staff who wish to leave immediately.
- Consider granting immediate 'garden leave' for any employee who has access to commercially sensitive or company confidential information, has a customer focused role and might take the opportunity to take customers from the business or who are so angry or distressed that they need to be distanced from other employees.
- Know the ways in which colleagues will be informed and any new reporting structures will be communicated. The exiting employee should be consulted to agree how other colleagues should be informed.
- Take notes following the notification interview, recording any important details. These facts may well be needed if legal action is taken by an employee.
- Know how to bring the notification meeting to a close and direct the staff member to the on-site CDL consultant. This will provide the affected employee with immediate, independent and confidential support as well as give an opportunity for the arranged career or job search support coaching to be discussed.
- Avoid using the word 'counselling' or 'counsellor' when referring to CDL assistance and instead refer to practical career and /or job search assistance.

Contact Us

Let's talk you through your needs and how we can best assist you.

Give us a call directly on one of our office numbers, or email us, and we'll get back to you quickly and responsively.

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