

## **REDUNDANCY – Communication and Compromise**

In this time of economic uncertainty more and more employers are looking towards reducing wage based expense in order to stay afloat and this inevitably results in hard decision making leading to redundancies.

Once an employer has made a decision that the only way forward is through making redundancies then a formal process of selection, consultation and dismissal begins. The uncertainty of outcome impacts the workforce sending ripples of disruption, even to those workers who may not be included within the selection pool. Losing work colleagues that you have worked with closely (maybe) for years can leave some employees feeling bereft, as often personal friendships have also been formed also.

Mutually, to move forward for the benefit of the business, the employers must appreciate the consequences of their decision on the workforce and the employees must appreciate that the commercial decision made by their employers is often a decision which has caused sleepless nights whilst alternatives to losing staff have been sought and argued between the key players of the business.

In order to reduce the anxiety that the threat of redundancy brings to the workforce, management should maintain communication with employees. Employers should realise that sometimes honesty is the best policy; hiding away and making decisions behind closed doors leads to suspicions. Don't forget employers, after the selection process is concluded you will be left with a reduced workforce judging you on the way you conducted yourself beforehand. Employees with low morale are bad for business.

### **The Selection Process**

In an ideal world the employer should consult employees as to how they will be selecting employees for redundancy. The selection criteria should be objective wherever possible and capable of being applied in an independent way. This is to ensure that the process is conducted fairly. The chosen criteria should be consistently applied by all employers, irrespective of size. Such criteria could include attendance records or disciplinary records.

There are a variety of ways that redundancies can be deemed to be unfair and it is imperative that the employer is clear as to these in order to avoid potential Employment Tribunal action. For example, selecting an employee based on them asserting a statutory employment right or because they are on parental leave or for maternity related grounds or they work part-time. These are just a few traps employers fall into; there are a lot more.

### **The Consultation Process**

Employers should offer employees a consultation process and this is more formalised when the employer proposes to make 20 or more employees redundant, as there is then a requirement for a representative to collectively consult with the employees at risk of redundancy.

Employers, in a bid of openness, should as good practice inform employees of the reasons for the proposed redundancies, the number of employees affected, the proposed method of selecting the employees who may be dismissed, the proposed method of carrying out the dismissals, taking account of any agreed procedure, including the period over which the dismissals are to take effect and how redundancy payments, other than the legal minimum, will be calculated.

### Helping Employees to Find Alternative Work

Employers are legally obligated to allow employees time off to look for new work or for training. However it's good practice for employers to give redundant employees as much information as possible to make the transition period easier for them. Such as providing them with the financial effects of redundancy on the individual, information to local organisations that show individuals how to complete application forms and present themselves at job interviews and how to search for appropriate vacancies in the press and follow up opportunities.

### Compromise

The redundancy process can seem daunting for both employers and employees. It is imperative to ensure good advice is given to the employer going through this process, which should reduce the overall impact on the employees.

That said, sometimes compromise is the best way forward and more employers and employees are entering into to Compromise Agreements to dispense with the formality of procedure and to speed up the end result of reducing the workforce. The benefits to the employee are that they often receive an enhanced payment in return for agreeing not to pursue any claim they may have at an Employment Tribunal.

Employees must have the Compromise Agreement explained by an independent solicitor before the Agreement becomes binding. The solicitor giving the advice must also sign the Agreement and certify that the appropriate advice has been given. Such independent legal advice is paid for either fully or in part by the employer.

So the way forward for both parties facing redundancy scenario should always be great communication, perhaps sprinkled with a little compromise.

Salena Dawson – Solicitor  
Salena Dawson & Co Solicitors – 20 Thetford Road, Watton, IP25 6BS

If you require any further information or advice, please call Salena Dawson and Co. on **01953 883535** for an appointment.