

Type of paper: Practitioner research

Title: The unintentional benefits of being made redundant: Building strategic capabilities in the implementation of redundancies

Keywords: Redundancies; strategic capabilities, redundancy envoys

Abstract:

This research focuses on the ironic and unintentional benefits redundancy envoys have gained in developing their strategic capabilities when implementing redundancies, through the unfortunate experience of being made redundant themselves. My research posits that having previous experience of being made redundant, helps redundancy envoys in developing and practicing effective strategies and deploying specialists' skills when implementing redundancies which include key leadership skills such as empathy and strategic decision making. No known study explores the learning and personal development gained from being at risk of redundancy and how these skills apply to the effective implementation of redundancy. This research progresses the simulation theory of empathy (Goldman, 2006) which suggests that we anticipate and make sense of the behaviour of others by drawing on mental processes that produce similar behaviour.

Introduction

Restrictions associated with the COVID-19 pandemic have had a catastrophic impact on employment rates. In the UK, redundancies reached a height of 14.5 per a thousand employees being made redundant in the 3 months preceding September 2020 (ONS, 2022). The International Labour Organization provide detail of the global impact that suggests the labour market were disrupted to an unprecedented scale during the pandemic with working-hour losses equalling 255 million full-time jobs (ILO, 2021). Redundancies have calamitous consequences for individuals which have been evidenced in literature to include elements of high levels of psychological stress, reduced self-esteem, anxiety, financial concerns, feelings of isolation, and failure (Kets De Vries and Balazs,

1997; Gandolfi and Hansson, 2011; Stevens and Hannibal, 2021). Literature on the economic success of redundancies in meeting the intended outcomes of redundancy indicates that organisations more often fail than succeed to meet these objectives such as an improvement of financial performance, organisational effectiveness, profitability, and productivity, as a result of implementing redundancies (Macky, 2004, Gandolfi, 2009, Gandolfi and Hansson, 2011, Cascio, 2012). In the redundancy lexicon, there are four groups of employees impacted by redundancy: victims, the employees who unfortunately leave the organisation as a result of redundancy; survivors, the employees who remain in the organisation post redundancy, semi-survivors, the employees who were first at risk and then redeployed becoming survivors and the redundancy envoys, the managers, HR practitioners, directors and employee representatives responsible for redundancy implementation (Stevens, 2022a).

The pandemic may have slowed down, however, the scale of redundancies continues to be ever-present with recent research from Renovo denoting that seven in 10 employers expect to make redundancies during 2022 (Kaveh, 2022). Further research by Stevens (2022b) on the relationship between the impact between consecutive redundancy programmes on employees indicates a clear correlation of employee exhaustion, cynicism, and organisational detachment which HR practitioners should aim to prevent. With uncertainty prevailing, it is essential that HR practitioners are prepared and equipped with the right strategic capabilities and skills to implement redundancies effectively.

Review of literature

Literature on the negative impact of redundancies is plentiful (Vickers and Parris, 2007; Parris and Vickers, 2010; Gandolfi and Hansson, 2011) with no known studies that explore the unintended benefits of being made redundant specifically for the implementers of redundancies.

Research by Clair and Dufresne (2004) and Gandolfi (2009) state that, typically, redundancy envoys would display sympathy and shy away from empathy when implementing redundancies, which they define as emotional distancing. Gandolfi's (2009) study on a large Australian bank found similar results when it

came to distancing; implementing redundancy activities is emotionally taxing work and redundancy envoys tend to distance themselves from the tasks emotionally, cognitively, and physically as a form of coping. This popular coping technique is known as; detached concern, which is where one disconnects one's emotions from a situation in order to maintain objectivity and balanced decision-making (Clair and Dufresne, 2004). During the redundancy process, literature indicates that communicating with empathy and making staff feel valued is of high importance (Tourish et al., 2004). Another study indicates that when delivering bad news, managers should aim to let employees feel that they are treated with fairness and with genuine concern as people, not just employees (Weide and Abbott, 1994).

Theoretical perspective:

Definitions of empathy are convoluted and complex. Scheler (2008) defines empathy as the ability to empathetically being able to experience other people's minds, whereas Stein (2010) explains that empathy is a lived experience through another. Empathy is also recognised as "interpersonal understanding, a recognition of our basic sensitivity to the mindedness of others and, of course, a highlighting of our experiential grasp of the foreignness of the other's consciousness" (Zahavi, 2014: 141). Another perspective offered by Blanchett (2019:751) suggests that the process of empathy includes:

"(a) the spectator imagining feeling the character's emotion in an experiential, first-person manner or more prominently

(b) the spectator actually feeling and thus replicating the character's emotional state." Blanchett (2019:751), whereas Carroll (2011) discards the second notion of replicating the character's emotional state.

The importance of Human Resource (HR) and knowledge management for HR practitioners have been recognised in studies by Sahdev et al. (1999) and Edvardsson (2008) during the implementation of redundancies. Furthermore, skills such as empathy and strategic decision making are of utmost significance in the role of strategic HR partner during change management programmes

(Lemmergaard, 2009). This research reinforces the importance of HR competencies identified here of empathy, respect and treating people with dignity and fairness to ensure the successful implementation of redundancies (Jacobs, 2020; Stevens and Hannibal, 2021; Stevens, 2022a).

Research questions:

- To understand the potential benefits of personally being made redundant for redundancy envoys.
- To identify how the experience of personal redundancy contributes to the development of leadership skills and capabilities in the implementation of redundancies.

Research methodology

Data was collected through 23 semi-structured interviews with redundancy envoys over a research period of 2 years. For the purpose of this research, redundancy envoys included managers, directors, HR practitioners, and employee representatives who had responsibilities for the implementation of redundancies. Redundancy envoys were recruited through the purposive sampling method of expert sampling which is regarded as a useful method when investigating novel areas of research (Etika, Musa and Alkassim, 2016). In meeting this criterion, all participants had extensive experience of redundancy implementation whilst personally having been at risk of redundancy as individuals. The coding used for redundancy envoys is presented in table 1, redundancy envoys coding.

Semi-structured interviews took place face to face and via technological platforms such as Skype and typically lasted 60 – 90 minutes. Redundancy envoys represented a wide range of industries and sectors including, aviation, civil engineering, construction, technology, transportation, logistics, and building automation.

Data was analysed through thematic analysis which consists of various stages such as data familiarisation, code generation, and identification and formation of themes (Baran, 2016).

Table 1 Redundancy envoys coding:

Abbreviations code	Job titles
HR	Human resources advisor, business partner, consultant, specialist, manager
HRD	Director of human resources
OD	Operational director, managing director, head of the business unit director
LM	Line manager/supervisor with line responsibility
ER	Employee/union representative

Results:

The value of empathy

An analysis of the data highlights that being personally at risk of redundancy, provided redundancy envoys with a deeper insight into the range of emotions experienced from the perspective of the employee at risk, which resulted in a specific focus on empathy:

'I have been made redundant more than once and I have seen the right and wrong way to do it. It is horrible. From then onwards, I decided that if ever I was going to make people redundant, I will treat them the way I expected to be treated. I know what people are going through, I know how they feel and that has given me the empathy to help them with what they are going through. This has really helped me in how I deal with people'. (HR9)

'Having been put at risk myself has changed my approach in one major way; that I will show much more empathy and sympathy to all the people at risk. Being put at risk, taught me how to do it better.' (LM4)

'My own experience of redundancy has been formed by being made redundant myself a few times. As an HR person, it helps to make you more empathetic, more genuine, you do understand the situation and the emotions better.'(HR1)

'The first time of being put at risk, we just moved house, my wife was pregnant with our first child and it was just before Christmas. The first experience felt like a lot of turmoil. It put me in good stead for being able to understand what people go through. If you haven't gone through it before, you really don't understand what people experience and you don't understand the process at all.' (OD2)

Learning from mistakes:

Previous experience of being subjected to bad redundancy implementation appeared to help redundancy envoys in learning from others' mistakes:

'I was once made redundant myself. It was quite brutal. So, I can honestly say that I know how it feels to sit on that side of the table and have experienced what it is like to be treated brutally. That was useful as past experience.' (OD3)

This employee representative learned how poor planning could result in ruthless decision making:

'I have been at risk of redundancy four times and made redundant once. The first time was terrible. I didn't understand why I was made redundant, as we were really busy. I went home, not a happy man, at the time my wife just had a baby and I had to tell her I was made redundant. Then I had a phone call out of the blue about two weeks later, asking if I can come in for a meeting, who offered me a job as they were short of staff.' (EC2)

This director identified a failure in strategic redundancy decisions:

'I would not make the same mistakes they made. They could have avoided my redundancy through better decision making' (OD4)

'I have been made redundant myself. It has given me a different perspective, because... It is a terrible thing to happen to you. We had an offsite management meeting. I drove to the venue with my luggage to stay overnight. I walked into the meeting room to be told I was redundant. The complete horror of driving home, at the time I had a 5- and 6-year-old. I was the only wage earner. I just moved house and upped my mortgage considerably and I was thinking, holy shit, how am I going to pay my mortgage, because I did not qualify for any redundancy pay. I lost my company car; they took my mobile phone off me...' (OD5)

Importance of fairness:

Another manager who was made redundant whilst also having to implement redundancies at the same time observed the negative impact of perceived unfairness:

'Well, of course, I had to stay professional in the meetings, but were going "bastards" under my breath! I had a word with the Head of HR afterward and he did give me a slightly larger package, but

it still was unfair! All I know is that I was stitched up ... Their selection criteria were corrupt – the whole story was corrupt. It was a poorly managed company and highly unprofessional. I was glad to get out.’ (LM3)

This director learned how the perception of injustice can have an impact:

‘The bit that annoyed me at the time, was the people with the least service had to go first. This did not sit comfortably with me. There was no process to establish who was the best skilled, to stay. The line management was very impersonal and everything was very process driven.’ (OD2)

Improved leadership capabilities:

This manager reported an improved understanding of the redundancy process:

‘Being at risk myself, changed my approach...before I did not think about the impact on families. You almost had to be put at risk yourself to understand the procedure better and then know what to expect. It taught me how to be better in redundancy situations.’
(LM3)

This HR business partner learned that each person should be treated as an individual:

‘Having been at risk myself, you know how it feels and thus you have to manage each meeting differently because everyone reacts differently to the news.’ (HR4)

This HR director acquired sophisticated skills of emotional intelligence:

'In my first job, all really going brilliantly, all my feedback was really good and then suddenly I got made redundant. Ironically, although I was already looking around for other work before the redundancy, it was still quite a shock, it did hurt my ego that I was selected. In hindsight, it was a great thing ... it has put work in a reasonably healthy perspective; that however good you are, things happen or you could be unlucky, you could be at the wrong place at the wrong time. I think it was a valuable lesson. It toughened me in a sense that I didn't ever want to feel that a company owed me a living and if they took that away I had nothing else.' (HRD 2)

This HR consultant learned to be more robust in challenging business rationale:

'Having been through redundancy myself, I have learned to challenge business directors more about the rationale and to ensure the case is robust. I test the fairness of the selection of the employees more. I have more anticipation for what could go wrong.' (HR6)

Building skills from positive redundancy experiences:

Both these redundancy envoys gained insight from being treated well during redundancy situations:

'With my first redundancy, they dealt with me very well. They treated us all with such great respect and it gave me an insight then how you should be treated. It had an impact on me, as I felt I was worth something. When they sat you down and spoke to you, it was a very personal touch. So, I know what it is like to be made redundant, and when I went into an HR role, I decided, I am going to treat people how I would expect to be treated.' (HR7)

'I got put at risk very early on in my career. I had the option of redeployment with a very good redeployment package. This also

included a relocation package which included part payment of my mortgage for 10 years. From a financial perspective it was very good.’
(OD2)

Discussion:

The results of the study indicated that every participating redundancy envoy gained a skill or reflective developmental element through their own experience of being either at risk of redundancy or being made redundant. The key benefits identified are captured below:

The value of empathy

Building skills from positive redundancy experiences

Improved leadership capabilities

Importance of fairness

Learning from mistakes

The findings illustrate that learning and capability building took place whether redundancy envoys were subject to positive or negative redundancy experiences, although notably positive experiences were rarer. This challenge the perspectives of Clair and Dufresne (2004) and Gandolfi (2009) that redundancy envoys typically shy away from using empathy during redundancy situations. The data demonstrate that redundancy envoys felt that implementing redundancies with empathy was actually a critical part of a successful strategy in the overall delivery. This is consistent with empathy being required as a leadership skill for HR practitioners by (Lemmergaard, 2009; Jacobs, 2020). Participants felt that having been exposed to a redundancy situation in the role of a ‘victim’ helped them to be more empathetic during redundancy consultations, which reaped several benefits to the overall success of redundancy implementation for all parties concerned.

Conclusion:

Practical and theoretical implications:

My research progresses the simulation theory of empathy (Goldman, 2006) which suggests that we anticipate and make sense of the behaviour of others by drawing on mental processes that produce similar behaviour. The findings also support Blanchett's (2019:751) notion that the process of empathy includes 'the spectator imagining feeling the character's emotion in an experiential, first-person manner or more prominently'. The unfortunate experience of being made redundant reaped unexpected and unanticipated benefits for the redundancy envoys who participated in this study, demonstrating the development or finessing of imperative cognitive leadership skills, established as essential for the successful implementation of redundancy programmes. It may thus be a consideration for employers, that where possible, they identify redundancy envoys with personal experience of being at risk of redundancy or being made redundant to adopt leading roles in the design and implementation of redundancies. This will allow for not only a better opportunity of meeting the intended objectives of their redundancy programme but also to mitigate the negative impact on employees and the organisation.

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