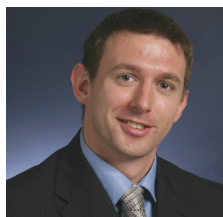




The right way to redundancies

The current economic climate has inevitably resulted already in a large number of redundancies in the UK and this trend looks unfortunately set to continue.



James Johnson
Smith Partnership

A recent survey carried out by the Chartered Management Institute (CMI) has revealed that more UK managers are being made redundant now than at any time since the 'dot.com' crash in 2001. The survey also sets out that the number of managers losing their jobs through redundancy now is more than double the number a year ago.

This survey reflects the approach that employers, on a local and national scale, are taking in order to react to the growing uncertain economic climate and the tougher environment in which their businesses are operating.

Whilst a large number of businesses will inevitably be looking at trimming down their headcounts and seeking greater efficiencies, caution is urged as often the actual cost of implementing redundancies, particularly when implemented incorrectly, can outweigh the immediate cost-savings.

Employers who do not follow the necessary redundancy protocols can end up on the wrong side of expensive employment tribunal litigation. Employers are therefore urged to properly plan their redundancy strategies. In particular, the manner of selection for redundancy must be objective and transparent, proper and meaningful consultation must take place with the individuals concerned and genuine consideration must be given to alternative employment within the business for those who are affected. Further, depending on the number of redundancies being made, the employer may be required to consult with representatives of the workforce and notify BERR (formerly DTI) of the proposed workforce changes.

Before taking the plunge employers should consider alternatives to redundancy, including promoting voluntary redundancies, placing a freeze on recruitment and achieving workforce reduction through natural wastage. If compulsory redundancies are necessary, it is crucial that those persons in the organisation who are conducting the process are fully up-to-date with the procedures that they are required to follow in order to limit the risk of employment tribunal actions.

For professional advice on any Employment matter, please contact James Johnson on 01332 225 225 or by email: james.johnson@smithpartnership.co.uk

