

## Rebuilding following Restructuring and Redundancies

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Many businesses have been forced to restructure their operations and/or reduce their headcount in response to the downturn in the economy. For some, the restructuring programme was a proactive step to minimise costs and optimise efficiencies whilst for others it was a desperate measure to ensure the survival of the business.

Whatever the reason, business owners and managers must now consider the impact of the restructuring on the workforce and the ways and means to ensure everyone is motivated and productive. After all, the future success of the company is highly dependent on the commitment and efforts of the remaining employees.

So you will probably ask the question; how does a business rebuild morale and trust following a restructure? We believe that there are five key steps:

### **Responsible Restructuring:**

It may sound obvious, but the way you carry out the restructuring and/or redundancies in the first place will have a major impact on the level of employee morale in its wake. Studies show that those who are retained by the company following the changes are more likely to be productive, innovative and supportive of the company's goals if they perceive that the changes were carried out in a fair and responsible manner. So, the more time and energy the company spends on:

- planning the restructuring programme
- ensuring legal compliance
- communicating the reasons for the programme and
- supporting those who are let go or deployed

the greater the likelihood of perceived fairness among those who remain. This will then have a positive impact on productivity and commitment.

### **New Opportunities**

Many businesses have to operate within tight financial parameters, with perhaps fewer technical and human resources and within tougher markets than before. However, rather than lamenting the past, when it all seemed so much easier, it is vital that businesses look for opportunities

whenever possible. The business may be leaner and more agile than ever before and perhaps better positioned to pursue new market and product opportunities. Whatever the case, the senior team needs to communicate positive messages about opportunities. Employees need to be engaged in these discussions and encouraged to raise ideas they may have.

### **A Performance Focus**

Many of our clients are now looking to implement performance management processes into their businesses as a means of keeping employees focused on both the company's goals and their individual goals and targets. Performance management is also critical to ensure that everyone is clear on their roles and reporting lines. Lack of clarity in these areas is very often a knock on effect of a restructuring programme. This arises as employees are required to absorb the tasks once carried out by their now redundant colleagues but often their managers fail to discuss this with them. Ongoing feedback on progress against goals and targets is also essential to ensure all employees are focusing their time and energy on the priorities of the business.

### **A Team Focus**

Restructuring and redundancies are stressful times for everyone involved; those who are let go are faced with unemployment and financial worries and those who are retained may experience job uncertainty and increased workloads. It can also be particularly stressful time for managers; they must make decisions about resourcing, deal with questions from staff and ensure that there is no negative impact on the service to clients. During this stressful time the response of many managers is to 'close their door' and withdraw from interactions with the team. This is the complete opposite of what is required; managers must be accessible to staff, ready to deal with questions and issues as they arise and in a position to give ongoing feedback on the team's performance.

### **A Cost Focus**

Businesses need to engage in ongoing cost control and cash management to ensure survival, stability and ultimately, growth. In many businesses, cost control is seen to be the function of the Financial Department alone. However this is a short-sighted practice. All employees should be involved in the drive to minimise costs and inefficiencies. There are a number of ways to do this:

- Cost reduction targets should be set for each department and these should be communicated to all employees

- Employees should be encouraged to come up with ideas on how to save money and time
- HR departments should consider not just how much employees are paid, but how they are paid. For example should performance related pay make up a greater percentage of employees take home pay?
- Is employee time analysed and managed? For example is time wasted on low value tasks?
- Are there opportunities for outsourcing certain areas of your operations which will free up time for higher value activities? For example outsourcing payroll is proven to be 25-30% cheaper than running it in-house.

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