



Creating an equitable and defensible redundancy process

Cutting jobs is always tough, but an objective assessment can provide the best opportunity to align the workforce with changing organisational needs

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Reducing headcount can be more than a simple cost-saving exercise – it can present the opportunity to re-evaluate your workforce against the needs of the changing business environment

Making redundancies should always be the last resort. If natural wastage, redeployment, retraining and reducing or stopping overtime have not helped, it is crucial that employees see any ensuing redundancy process as unprejudiced. Taking the company forward accurately, objectively and defensibly demands a robust job analysis that identifies the required skills and characteristics from an ideal candidate, whether that is personality, intellectual ability, experience, or preferences for certain work styles and behaviours. A wide range of organisations tell us that the use of an external or independent business psychology specialist is the best way to ensure this process is seen as fair and unbiased.

The first step is to identify appropriate assessment methods. We work with organisations to formulate a process producing a complete and accurate picture of ability, performance and potential. You can assess along different criteria, from formal, company appraisal information and performance against KPIs, to education and experience, skills and competencies, or personality and behaviour. These tests can be used to differentiate between those contributing a greater or lesser amount to the organisation, but they are just as effective in identifying participants with high potential, and can highlight specific areas for development to bring up to full potential the individuals the business needs later down the line.

Step two is ensuring transparency. Key to this is providing feedback, necessary in any assessment process but particularly important for redundancy. Communication is vital, and participants in the process should be given feedback on their own performance and results. For employees who are leaving, the feedback can be used as a basis for personal development or career counselling, if required.

In such a sensitive area as redundancy it is important to eliminate bias and personal preference. Creating a robust redundancy process requires both meeting the legal and administrative obligations of the organisation and remembering that it is very much about people who have been part of the culture. Psychometric

assessment has a role to play here, making an important contribution as part of a wider redundancy process. However, in addition to retaining the most talented, high-potential individuals, the process should ensure that those being let go receive as positive an experience as possible, during what is likely to be a stressful period of their lives.

One obvious reason to use psychometric assessment as part of the redundancy process is to minimise the risk of litigation. Redundancy places the onus on the employer to prove that the decision was fair, objective and evidence-based, rather than on personal preferences. Conducting a well-designed process using objective assessment tools and maintaining accurate records can significantly reduce the risk of a former employee bringing a successful case against the organisation.

Another, more positive reason to use psychometric assessment is to provide direction for those made redundant. Redundancy is often viewed as some kind of personal failure and individuals must be encouraged to take something positive out of the situation. Psychometric profiling can be used as a basis for discussing individuals' strengths, weaknesses, abilities and motivations as part of considering what other areas of employment that they may wish to pursue.

Of course, for those that are staying, psychometrics can be used to maximise performance. The results of the psychometric assessment and other evaluations may be used as a foundation for setting objectives and identifying development plans for those employees that remain. This can help keep the workforce engaged and motivated, allowing them to make a positive contribution to the organisation.

HFI has worked with a wide range of clients as part of their redundancy programmes, helping to design assessment processes and recommend tests to suit the particular business need. Handling the redundancy process in a professional way should ensure that those who stay are ready to face the future motivated, engaged and ready to make a real contribution to the future of the business.

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