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## VOLUNTARY OR INVOLUNTARY REDUNDANCY? THAT IS THE QUESTION



**T**here was a lot of good news in 2010 despite popular doom spreading journalists doing their best to worry everyone. Interest rates were held at historical lows; the pound favoured the exporters and especially the manufacturers; the recovery continued; and there was no massive escalation in unemployment.

What will 2011 bring? On the one hand the economic forecasters suggest that growth will continue in the private sector, led by SMEs that will create jobs, while on the other hand the austerity measures put in place by the Coalition Government will result in major job losses in both central and local government in all parts of the country. The loss of government spending power will also affect private sector companies which are reliant on public sector demand. While it is now unlikely that the country will fall into a double dip recession it is likely that unemployment will rise and many organisations in both public and private sectors will face making staff redundant.

Making staff redundant is both an emotional and painful experience and one of the most difficult questions is whether to invite volunteers in order reduce the impact of enforced redundancy. While, of course, many organisations take this route, it is not without its risks. My experience tells me that many volunteers are rejected on such grounds as the organisation can't afford to lose 'skilled' staff, can't afford the cost of highly paid and often long serving staff wishing to leave; or cannot accept too many from particular areas or categories of staff. The constant rejection of such applicants for voluntary redundancy may simply add to the already unhappy atmosphere created by the announcement of redundancies in the

first place and hence the attempt to be kind often feels more like a 'double-whammy'.

If you do plan redundancies and wish to adopt a voluntary redundancy plan there are a number of key points you should take on board. Firstly when announcing a voluntary redundancy programme and inviting applications, make sure that it is communicated to relevant employees only. Secondly advise that the opportunity for voluntary redundancy will only be available for a defined period. Thirdly, in any announcement and in letters dealing with voluntary redundancy ensure that you state that the management reserves absolute discretion in deciding whether to reject or accept applications for voluntary redundancy. Fourthly respond in writing to all applicants confirming whether their application has been accepted or rejected. Finally meet with employees you wish to accept for voluntary redundancy, agree terms (severance payments, date of leaving, references etc) and confirm in writing. If you get this process right it may just take away some of the pain of redundancy.

HR+ is an expert in advising on or project managing redundancies and its sister organisation, HR GO Recruitment is an expert in finding work for redundant staff as it places either in permanent or temporary work over 5,000 people daily.

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