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How to limit 'the sinking ship syndrome' during redundancies

Dr Madeleine Petzer examines how to mitigate the impact of redundancies on victims, survivors and envoys

Chancellor Rishi Sunak stated that the UK is 'entering one of the most severe recessions this country has ever seen'. The impact of COVID-19 pandemic restrictions on the economy has seen redundancies soar, with a record high of 370,000 redundancies taking place between August and October 2020. 9.6 million UK workers have been furloughed as part of the Government's job retention scheme. As we approach the end of the furlough scheme in Spring 2021, the scale of redundancies is likely to increase, despite the Government's best intentions.

In some cases, redundancies are inevitable. In other circumstances, organisations may be in a position to implement certain initiatives to limit the amount of redundancies. We examined ways to do this in an earlier article.

Before organisations adopt redundancy as a cost saving strategy, it is important to recognise that research confirms that an unintended consequence of redundancy programmes often includes a drop in profitability and productivity, failure to reduce costs and decreased levels of commitment. Despite occasional reports of success, the majority of organisations report that the consequences of redundancy programmes are negative for the organisation as well as the workforce. This article explores ways to minimise the negative impact of survivor syndrome which could lead to better success in the implementation of redundancies.

Impacted groups

During the implementation of redundancies, the entire workforce is affected. The three impacted groups are:

Victims: the individuals in the unfortunate position to lose their jobs.

Survivors: the individuals that remain in the organisation after the redundancy programme is complete.

Redundancy envoys: the individuals entrusted with the responsibilities of implementing the redundancies, including communication, consultation, redundancy strategy, and dealing with the aftermath. Redundancy envoys typically include directors, managers, HR professionals and employee representatives.

What is survivor syndrome?

Survivor syndrome is experienced by survivors of the redundancy programme as well as by redundancy envoys. Survivor syndrome includes feelings of guilt, job insecurity, fear and anger towards the organisation for being put in this position, essentially systematic from a perceived breach of their psychological contract. Others experience a feeling of relief that they have kept their jobs. High levels of mistrust are often experienced between colleagues, but also towards the organisation.

How to minimise survivor syndrome

The reality of a redundancy programme is that to rebuild the organisation, survivors need to be committed and engaged.

Initially, there is a false sense of security when survivors improve performance and productivity increases; however this is short-lived. Competitive behaviour can be observed while redundancies are being announced, however, once the implementation is over, the negative impacts of survivor syndrome supersede and organisations are typically left with low engagement and demoralised staff.

Research has indicated that survivor syndrome can be minimised if survivors approve of the ways their colleagues are treated when exiting the business. It is therefore important to start with a fair and transparent process with the victims, as this positively impacts the survivors as well as redundancy envoys, by limiting the guilt experienced.

Each impacted group has its own needs and requires support respective to those needs.

Interventions to support victims

Fair and transparent selection process: Active listening and engaging during consultation limits the impact on victims. Aim to cultivate positive experiences with survivors to establish loyalty and trust across the organisation.

Redeployment and retraining: Another way to help victims is through redeployment and retraining – this approach demonstrates a willingness to be agile and find solutions. Quite often employees have qualifications in another field. In this instance, redeployment can be extremely beneficial to both parties, can boost productivity and might make the most business sense.

Collaboration with other industries to find work: If redeployment fails, helping employees find work elsewhere will not only support the victims, but will have a positive impact on survivors and redundancy envoys as it helps mitigate guilt. Engage with local Job Centres or connect high-risk employees with organisations that are actively hiring. During the current pandemic, there are many industries that are suffering, such as hospitality and transport, however, other sectors are recruiting, such as online retail and building trades, due to a surge in home improvements.

Self-employment workshops: There are many success stories of employees who took a redundancy package and used it to fund a lifelong ambition to start their own business. Such stories should be celebrated and may encourage high-risk employees to explore self-employment opportunities.

Retirement and pension workshops: Consider facilitating a specialist workshop that incorporates aspects of financial or emotional planning, how to manage investments, taxation, pensions, state benefits and/or emotional wellbeing.

CV writing and interview skills training: Employees at risk may not have applied for or changed jobs in a long time. Guidance and support in areas such as CV writing and interviewing techniques may be invaluable and help build confidence and self-esteem.

Training on financial portfolio management: Employees at risk experience significant concerns around their financial obligations. To help reduce anxiety and stress experienced by victims, consider offering financial management training on areas including benefit entitlements, how to save money, cut costs and where to get help.

Dedicated support 'space': Support employees by pointing them to useful websites specific for job hunting within their industry or the recruitment agencies that the organisation use to hire a specific skill set. Use these knowledge pools to connect your employees at risk to give them the best 'insider' tips to find work of a similar kind. In addition to time off to attend interviews, give employees the 'virtual space' to attend workshops on offer, but also appointments with banks, financial advisors or counselling that may help them get back on the employment ladder. This is not the time to aggressively 'monitor' their attendance, but instead show support and empathy.

Outplacement services: Some organisations may consider offering outplacement services to employees being made redundant. One of the key benefits for the organisation is that the outplacement provider can arrange the training and support

provided as a personal service to each employee, which alleviates some of the duties of HR.

Interventions to support survivors

Training and development: Survivors quite often have to pick up new tasks from colleagues who leave the organisation. Some survivors may have been redeployed into new roles that also require training and support from managers.

It is important for organisations to rebuild the strengths and capabilities, along with the trust, of the remaining employees. Although cost cutting is prevalent, it is equally important to demonstrate investment in survivors, or they are likely to fail in their new roles. Survivor syndrome symptoms, such as feelings of insecurity, will be exacerbated by the additional frustration.

Support on how to cope with the increased workload: In addition to training, employees should be given guidance on how to deal with any extra workload that arises as a result of colleagues leaving. Managers should allow for sufficient handover times before victims leave the organisation. Careful planning and time should be invested to ensure that survivors are clear on what their new and/or additional responsibilities are.

Offer workshops to manage survivor envy: All the workshops mentioned above for victims can also be offered to survivors. This would help address the feelings of 'survivor envy' towards victims that are typically associated with survivor syndrome. Offering the same support to employees most at risk, or otherwise, may lead to unexpected applications for voluntary redundancy.

Counselling sessions: Some survivors may be more impacted than others and require additional support. Confidential counselling sessions should be made available to all employees to help alleviate any negative emotions experienced as a result of their colleagues leaving.

Reward and recognition: After the redundancy programme is complete, organisations should carefully consider when to start investing money back into surviving employees. During this turbulent time of rebuilding the future of the organisation, reward and recognition should be a top priority – this will help motivate employees to perform and deliver.

Communication and vision: There is no doubt that regular, tailored communication is critical during redundancy programmes. Survivors should be invited to engage with the future of the organisation, and any achievements, milestones and successes should be celebrated to boost morale. Those in leadership or management roles should communicate the organisational goals in place, and the ways surviving team members

can contribute to the overall success of the organisation.

Interventions to support redundancy envoys

Training on the legal aspects of redundancy law: Not all managers are familiar with the process of implementing redundancies. Organisations should therefore provide refresher sessions or retraining on the legal aspects of redundancy law to managers, HR professionals and employee representatives. This builds confidence and competence in the managing of the process and could help to avoid any appeals or prospective tribunal claims.

Training on how to deal with giving bad news and emotional reactions: Managers are often provided with training on standard processes such as disciplinaries and performance management, yet the difficulty of how to give bad news or how to handle highly emotional situations is often overlooked. Providing redundancy envoys with training on how they might feel delivering the bad news of redundancies, should help to limit the negative impact experienced. Training should include how to deal with a range of emotions: including shock, horror, tears, anger and resentment.

Change management training: Implementing redundancies and reorganising the workforce is a huge change for the organisation, which should not be underestimated. Providing redundancy envoys with training on how to deal with change is pivotal during turbulent times. To succeed in any transformational change initiatives, redundancy envoys need to be equipped with the human side of change management – how to get people onboard and how to deal with resistance. Training should help redundancy envoys on how to align organisational goals with the company culture and values.

Wellbeing and support groups: Due to the wide range of emotions experienced by redundancy envoys, it is important to ensure they receive the necessary support. Opportunities to share experiences are very limited in redundancy situations, due to reasons of confidentiality. An ideal support group would include people in HR and managers who have the role of implementing redundancies – such groups provide a safe platform to share experiences, emotions and lessons learned.

Counselling sessions: For many redundancy envoys, the experience of making colleagues and often friends redundant is devastating. In large scale redundancies, the same redundancy envoys may have to go through the process several times by breaking the bad news in respective individual consultations, exacerbating the negative, emotional impact for redundancy envoys. Organisations should consider offering confidential counselling sessions to all redundancy envoys in addition to established internal support groups.

Without the engagement, commitment and loyalty of redundancy envoys, organisations

are likely to fail to reap economic success from implementing redundancy programmes. The return of investment in the impacted groups will prove an intrinsic link to the ultimate success of the redundancy programme and consequently the organisation.

A redundancy programme should ensure it addresses all the needs of all three impacted groups. Ultimately, if the victims are treated well; with respect, fairness and empathy it will reduce the negative impact on the survivors and consequently, the redundancy envoys.

Symptoms such as survivor guilt will be minimalised and the relationship of trust within the organisation will be stronger, allowing for the best possible platform to foster organisational growth and sustainability during and after the completion of redundancy programme.

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