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The shifting landscape of work and working lives

**Don't shoot the messenger:
The *enigmatic impact* of
conveying bad news during
redundancy situations and
how to limit the impact**

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The view that 'putting people at risk of redundancy is a horrible thing to do' is a common perception among redundancy envoys.

This paper highlights the significance of the negative psychological impact experienced by redundancy envoys during redundancy situations. Redundancy envoys for this purpose include: directors, management, employee consultative representatives and HR professionals. They are the individuals who normally assume responsibility for activities such as the strategy, planning, process, implementation, communication and consultations associated with redundancies, as well as dealing with the aftermath.

The findings from this qualitative study indicated that the psychological impact on redundancy envoys is significant. When describing the impact of implementing redundancies on their psychological health, the research participants spoke about their experiences with heartfelt emotion, tears were frequent and many envoys referred to overwhelming levels of stress that resulted in sleepless nights, medication, therapy, long-term absences and resignations.

The implications for practice are that organisations should recognise the detrimental impact of redundancy programmes on redundancy envoys. Organisations should thus carefully consider if the benefits of a headcount reduction strategy outweigh the negative impact on redundancy envoys and, if such a strategy is unavoidable, what interventions can be implemented to limit the negative consequences for the individuals and the organisation.

The accelerating pace of redundancies

To cope with increased competitive pressure, demand for cost savings and high performance, many organisations have come to rely on a range of strategies, such as globalisation of product and capital markets, work intensification ([Burchell et al 2002](#)), restructuring and redundancies ([Macky 2004](#), [Williams 2004](#)).

Redundancy is not a new phenomenon; however, it should be recognised that the scope and pace of redundancies have accelerated in recent years ([Baruch and Hind 1999](#)). During the financial crash in 2008, the redundancy rate in the UK reached a high point where 12.2 employees in every 1,000 were being made redundant in the period of February–April 2009 ([ONS 2020](#)).

In early 2020, many organisations announced redundancies, including Anglian Water ([Lodge 2020](#)), HSBC ([Bennett-Ness 2020](#)), Southern Water ([Brooke 2020](#)) and Ted Baker ([Nazir 2020](#)), even before the outbreak of the COVID-19 global pandemic. Compounded with the effects of the pandemic, however, the scale of redundancies has reached phenomenal numbers, with up to 50 million jobs at risk globally in the travel and tourism industry alone according to the World Travel & Tourism Council (WTTC) (cited in [Munbodh 2020](#)).

At the time of writing, redundancies were still on the increase, despite the UK Government initiating the Coronavirus Job Retention Scheme to mitigate the pandemic's impact on the workplace. This scheme gives businesses the ability to place staff on furlough leave, with the Government covering 80% of an individual's wages, up to a maximum of £2,500 per month. It also enabled businesses to rehire employees who were made redundant after 28 February (provided they were on the payroll before that date) and immediately place them on furlough leave.

The total impact of the COVID-19 pandemic on organisations is still unknown, but it is anticipated that the scale of redundancies will continue to grow significantly. A recent joint survey from the CIPD and *People Management* magazine indicated that one in four organisations expect to make permanent redundancies due to the crisis ([CIPD 2020](#)). With the rate of redundancies still increasing, it is even more imperative for organisations to understand the characteristics of redundancy envoys and why they are critical for an organisation's survival.

Victims, survivors and envoys: the impact of redundancies on the workforce

Redundancy programmes have a negative impact on the entire workforce. Those affected include the victims (the employees who leave), the survivors (employees who remain in the business), and redundancy envoys (those who assume responsibility for activities such as the strategy, planning, process, implementation, communication and consultations associated with the redundancy programme).

The impact on victims includes:

- psychological stress
- ill health
- family and personal problems
- reduced self-esteem
- depression
- helplessness and anxiety
- feelings of social isolation
- damage to career
- loss of earning power
- feelings of cynicism
- uncertainty and decreased loyalty in future employment ([Gandolfi 2008](#)).

The impact on the survivors includes:

- increased workload
- survivor guilt
- survivor envy
- anger
- relief
- job insecurity
- managing higher levels of stress, absenteeism and mistrust
- working in an environment with possible decreased work quality, morale and productivity
- decreased employee involvement
- decreased trust towards management ([Gandolfi 2008](#)).

The key focus of this research was to establish the impact of redundancies on redundancy envoys. [Gandolfi \(2008\)](#) and [Noer's \(1993\)](#) research indicates that managers who are part of a redundancy programme quite often experience some of the same feelings as the survivors and victims. [Torres \(2011, p181\)](#) supports this by stating that the very real suffering of the redundancy envoy remains 'unspoken and unheard'. The most recent research by [Ashman \(2012, 2016\)](#) agrees that redundancy envoys describe the experience as '*traumatic, nerve wracking, dreadful,*

very upsetting and hideous' (Ashman 2012, p9). With the limited research in this area and the growing scale of redundancies, the importance of gaining a better understanding of the impact on redundancy envoys is ever increasing.

The idiosyncrasy of redundancy envoys

Braithwaite et al (2005) found that most studies on the success of redundancies as a cost-saving strategy tend to challenge the validity of a reduction in personnel more than support restructuring. Gandolfi (2008) argues that there is significant empirical evidence to propose that the *'consequences of downsizing are negative at best and disastrous at worst'*, with Henkoff (1994), Cascio (1993, 2013), and Brockner et al (1985) agreeing that the research regarding redundancies has proved consistently that the anticipated benefits of redundancies have not been realised.

Leaders as redundancy envoys: the negative effects on business operation

This paper proposed that the reason why companies mostly don't achieve their intended objectives as part of a redundancy programme is due to the negative impact experienced by redundancy envoys. It is important to acknowledge that redundancy envoys are also the individuals responsible for dealing with the consequences of restructuring activities. They are mostly in crucial leadership roles that can have a significant impact on the engagement, motivation and success of the organisation. Organisations need to appreciate that the very people they ask to run their business are being put under undue stress by implementing redundancies and thus need to ask themselves what they can do to support these redundancy envoys, if a reduction in headcount is the only way forward.

By having a better understanding of the negative psychological impact experienced, organisations can provide better support mechanisms for redundancy envoys to mitigate the negative psychological impact. This paper presents empirical evidence that argues that the impact of implementing redundancies is profound, leading to serious negative implications for the redundancy envoy, and subsequently the organisation.

Understanding the negative impact on redundancy envoys

The aim of this qualitative study was to gain a better understanding of the negative impact experienced by redundancy envoys during the implementation of redundancies. The research draws upon the experiences of redundancy envoys across a range of industries, including hospitality, engineering, manufacturing, aviation, technology, cosmetics, education, medical procurement, telecommunication, transportation and shipping, metals and retail.

A critical literature review indicated that there are very limited studies that specifically examine the idiosyncrasy, implications of stress and mitigation interventions for redundancy envoys. The relevant literature is around 15 years old, with the most recent literature emerging from Ashman (2012, 2016) and Waraich and Bhardwaj (2011).

Listening, observing and questioning redundancy envoys

This research study was based on an interpretative, subjectivist philosophy. Rationale is provided for using observation and ethnography and I draw on [Silverman's \(2013\)](#) perspective that to really understand, one must engage in an extended period of observation. The approach adopted aligns with what [Evered and Louis \(1981\)](#) describe as '*multisensory holistic immersion*', where you make sense of a situation by listening, observing and questioning the outcome of actions.

There were two key stages of the data collection:

- 1 collecting data to understand the impact of redundancies
- 2 piloting the solutions to mitigate the impact.

1 Collecting data to understand the impact of redundancies

The main source of data collection was through semi-structured interviews, with additional sources of primary data collected through observation and diary-keeping, 'lessons learned' sessions, employee committee consultative meetings, redundancy and change management workshops, workshop feedback questionnaires, management strategy workshops and director application interviews. Secondary data were also collected through engagement surveys and mood survey tools.

2 Piloting the solutions to mitigate the impact

The pilot study data was collected through action research where four iterations of redundancies took place within a private sector organisation. Through the process of action research, various redundancy models were trialled to drive continuous improvement by mitigating the negative psychological impact for redundancy envoys. Through the iterations, redundancy stakeholder models were tested, while data continued to be collected to understand if interventions helped to mitigate the negative impact for redundancy envoys. Interventions were designed to address the needs of the impacted redundancy envoys and included training in how to deal with conflict and difficult situations, training around the legal aspects of redundancies, and various support networks established to provide for a safe sounding board.

Understanding then mitigating the negative impact on redundancy envoys

Evidence from this pilot study indicated that, by understanding the enigmatic impact on redundancy envoys, organisations can provide better support to mitigate the impact for the whole organisation. This study resulted in the business improving its financial position by 21.7% over a four-year period, from loss- to profit-making while undergoing four redundancy programmes. The pilot study was successful, as a result of the organisation paying particular attention to first understanding and second mitigating the negative impact for redundancy envoys.

The data highlighted that this research project is one of the rare examples where a company can reap economic success through the implementation of redundancies. This is the exception to the rule in accordance with [Gandolfi's \(2008\) findings](#) that most firms adopting downsizing strategies do not deliver economic and organisational benefits. This study indicated that by understanding the negative impact on redundancy envoys, organisations can support them through the process so they are better able to deal with the emotional challenges, improve their resilience and ultimately retain a high level of performance.

Redundancy envoys experience a 'rollercoaster of emotions'

The findings of the study indicated that the psychological impact on redundancy envoys is significant. Redundancy envoys describe the impact as a 'rollercoaster of emotions', experiencing a range of emotions including fear, anger, frustration, disappointment, regret, sadness, loneliness and shock – with guilt being the most prolific emotion encountered.

The severe negative impact experienced during the implementation of redundancies were described by most redundancy envoys as 'a very stressful job' which has 'a significant impact' on their psychological well-being. For some redundancy envoys the burden became untenable, which led to severe negative consequences for the individual and subsequently for the organisation. Redundancy envoys describe getting ill, such as this director, who stated:

There were lots of emotions involved in the redundancies at the company. We dealt with shock, horror, anger and then acceptance. It upset me. It was a very stressful situation. I could not sleep at night and I had to go to a doctor and get medication. It was very stressful and too harsh on my soul.

Another HR director shared his account, where he stated:

I suffered and developed acute stress from implementing redundancies. I had to get help from a psychologist.

One redundancy envoy, an HR business partner, felt targeted by angry employees, which made his life inside and outside of work so uncomfortable that he felt he had to resign from his job and move to another town to get away from the situation.

The experience of guilt as a redundancy envoy

HR is not alone when it comes to experiencing the negative impact of implementing redundancies. Findings indicated that directors and line managers were more prone to experiencing guilt than HR professionals. This manager, a head of projects with over 20 years' experience, stated:

I got to a stage where I was wondering if we had done enough to save costs, to plan ahead before we got to making people redundant. If we had pulled up our socks six to nine months ago, we would not be in this situation.

A senior business director, who put his hand up for voluntary redundancy during a large restructure, shared his experience of guilt:

As a management team we could have watched out. The matter was not taken seriously; had we responded earlier we might have saved jobs. As a big manager in a big business it felt like failure and I felt the pressure on a day-to-day basis; I felt that I failed.

Redundancy envoys' ability to function as effective managers and leaders

Redundancy envoys revealed that the negative impact on their well-being impacted their productivity and ability to function effectively, such as this line manager, who stated:

My lack of resilience impacted on my brain and I made myself ill ... probably not eating the best, eating late at night ... I think it was systematic to being so busy in the day, I made myself ill. Psychologically, a big meal at the end of the night was my reward for doing a hard day's work. I put on two and a half stone as a result. I used to go to the gym and go running four times a week. I just could not get the inclination to go again and had no time either.

Feedback from employees supported the reflection of some of the redundancy envoys, such as this comment, which was captured through an anonymous feedback tool where employees were invited to share their feelings:

The low morale I believe is due to bad management. Individuals not doing their jobs. No one accountable, not focusing on the real reason we exist. The customer ... Where is the management for these individuals? I am dismayed at the way things are and I am not the only one.

This negative impact, as described here, leads to emotional detachment from the organisation. This often occurs due to redundancy envoys' perception that the people in charge have a disregard for their concerns (Gervais 2014). When redundancy envoys emotionally detach themselves from the organisation, their effectiveness to lead and drive a programme of organisational change diminishes. Organisations cannot expect their directors and managers to lead and manage effectively if these critical envoys are suffering with high levels of stress, related long-term absences or work under the umbrella with an intention to quit as a result.

With the right support, the opposite can be achieved. If organisations understand how they can limit the negative impact and emotions of guilt, anger, frustration and sadness for redundancy envoys, the journey to making a success of the redundancy programme could be far more promising, as evident in the pilot study.

Appreciation and recognition: practical implications for organisations

There are two key factors organisations need to be cognisant of during the implementation of redundancies:

- 1 Have an appreciation of the negative impact and emotional rollercoaster that redundancy envoys experience.

2 Recognise that redundancy envoys are the key people in an organisation that need to drive business success, build it up again, keep the workforce motivated and thus need support through these difficult times.

There is no doubt that redundancy envoys are critical to the success of implementing redundancies so that these meet the intended aim, which is ultimately a profitable and sustainable business. To achieve this, organisations need to protect, support, train and develop redundancy envoys. Interventions should be bespoke for each organisational setting; however, the key is to really understand what impact and emotions redundancy envoys are experiencing and then tailoring the support specifically. For example, if redundancy envoys are experiencing guilt, what can the organisation do to limit the guilt?

Help for redundancy victims and well-being of redundancy envoys: a clear correlation

The findings indicated a clear correlation between the commitment to help victims and the impact on the well-being of redundancy envoys. When the organisation supported victims to find alternative work, there was a clear reduction in the negative impact experienced by redundancy envoys.

Specific actions to alleviate the negative impact on redundancy envoys include:

Building confidence and capability

- training on the legal framework of the implementation of redundancies, including topics such as establishing a fair selection pool and robust selection criteria
- training on how to deal with conflict and difficult conversations
- having a clear and transparent business rationale for the redundancies
- strong leadership with a clear vision for the future and strategic goals of how this vision will be achieved
- effective planning of the redundancy programme and comprehensive analysis of who to put at risk
- clear communication and regular updates on the redundancy programme
- building a strong support network for redundancy envoys.

Reducing the guilt experienced

- being able to demonstrate that all other options to reduce costs in the organisation have been exhausted
- using fair and transparent policies and processes
- helping victims to find alternative work, by arranging on-site recruitment workshops through job centres or connecting employees at risk with competitors who are recruiting
- helping victims to find work, through arranging CV writing and interviewing skills workshops
- inviting voluntary redundancy applications
- providing support for employees on financial guidance, such as resources on how to manage your money, arranging retirement workshops and self-employment workshops.

The research implications of this paper place organisations in a better position to focus on interventions to mitigate the negative psychological impact. Once we understand the effect on our valuable leaders in more detail, we can progress with how we support redundancy envoys through the demanding process of implementing redundancies. The study demonstrated that if organisations focus on helping victims through the process of redundancy, the experience of

guilt is reduced for redundancy envoys. This, in turn, helps to reduce the negative psychological impact on redundancy envoys. By helping the victims, the organisational survivors build better commitment and engagement with the redundancy envoys, which, as a result, also reduces the pressure on redundancy envoys, allowing for a win-win scenario.

Don't shoot the messenger; *UNDERSTAND the enigmatic impact of conveying bad news during redundancy situations.*

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