The Effect Change and Redundancy has on Surviving Employees

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A dissertation submitted in partial fulfilment for a MA in Human Resource Management

National College of Ireland
2011

Declaration

I hereby certify that this material, which I now submit for assessment of the programme of study leading to the award of M.A. in Human Resource Management is entirely my own work and has not been taken from the work of others save and to the extent that such work has been cited and acknowledged within the text of my work

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Acknowledgments

I would like to thank everyone at NCI who has been so helpful over the course and allowing me to use the facilities of the college. They have been very supportive and helpful. I would also like to thank the participants of the study who gave their time and effort in sharing their opinions and experiences and allowed me to document this information. Their co-operation was greatly needed and appreciated. They helped me reach the end goal. Finally I would like to thank my family and friends who have been very supportive throughout the study and provided me with the motivation I needed.

Abstract

This dissertation is a study on the effect change and redundancy has on surviving employees. The aim of the current review was to examine the areas of organisational change and redundancy and to see the effects both have on surviving employees of two different organisations. The aim of the study was to view the attitudes and opinions of surviving employees and if the size of two different organisations made a difference to the effects of redundancy on employees. A survey consisting of 18 questions was given out to two different groups of participants which was collected and analysed. Upon reviewing the study, the results showed that redundancy did have an impact on the working life and environment of its remaining employees, and that in certain areas there is a difference on the size of the organisation.

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Chapter 1: Introduction

The subject and title of this Dissertation is 'The Effect Change and Redundancy has on Surviving Employees'. Change is always needed throughout an organisation due to the changing business environment. With the current economic downturn that is taking place, it is occurring more regularly in most organisations. It is a constant need within any organisation.

The purpose and aim of this Dissertation is to understand how organisational change through the execution of redundancy has affected the surviving employees within two different organisations. It also aims to view how work life and the working environment, within the organisation they are in, has impacted the running of the business and if it has had positive or negative effects through the opinions of the surviving employees. A large and small organisation was chosen for this study to view if the size of the organisation has any effect on workers attitudes through organisational change.

Change in an organisation is inevitable. Organisational change can take place for a number of reasons such as the organisation wishing to change its overall strategy it has in place to become more successful or when a major change happens within the organisation itself. For example, a shift in a practice or department to change the way it operates. Organisations must go through change as it is evolving through different life cycles and change is essential for the overall development of the organisation.

"Change is seldom easy, but managers can make a difference by communicating reasons, respecting values, attending to emotions, and providing as much information as possible."

Perry (2007)

This quote relates to how important it is for managers to communicate organisational change to their employees. When redundancy has been implemented and employees have been let

go, the remaining employees thoughts and attitudes towards work is extremely important in the organisation. It is them who will be a major part in ensuring the business is running at its full capacity therefore their position on the recent organisational change will be a key factor in the decision of making changes. Managers must realise when it comes to making any organisational changes, the opinions of the remaining employees must be considered.

The environment and the business world are rapidly changing almost constantly and for a business to survive and thrive to reach their maximum potential, implementing change throughout their operations is vital and essential. In order to understand organisational change, you need to understand change in which the organisation exists. The environment plays a major role in organisational change. The need for change can be from the internal environment (an event or occurrence which is happening within the organisation) or the external environment (an event or occurrence which is happening outside the organisation). Some of the internal factors that can have an impact on the organisation are the practices that can be used within the company, the participation of the workforce, and the objectives and goals that have been set out for the business to achieve. Some of the external factors that can have an impact on the organisation are the new technologies being created and introduced daily and the different political, social, cultural and economic factors. These internal and external factors must coincide with employee attitudes. Organisations can plan to make as many changes as they like (in this case redundancy), but if remaining employees of these organisations are not told about such changes, it will fail. If management takes the time and effort to communicate and appreciate employees, they will reward those managers by working harder.

''Understanding employees' reactions to a planned organisational change is an important concern for many organisations.'' Van Dam, Oreg & Schyns (2008). Organisations must rely on the cooperation and participation of their employees for any proposed change to work.

Although change is a long process and takes time to implement it correctly, it will not succeed without the help of the organisations employees. There are numerous variables that must be taken into account when introducing change into an area or several areas of the organisation, and understand and identifying these variables will make the transition easier to accomplish. Workers attitudes towards their organisation can be a result of many different aspects but this case refers to organisational change through redundancy.

"Looking back to the end of the twentieth century, several researchers claim that, of the organizational change efforts studied, more than half do not succeed." Szabla (2007). He continues to examine that around two-thirds of change projects fail. Organisational change can be very difficult to accomplish and get right. The appropriate research needs to be found, goals and objectives need to be identified, and a strong strategy plan must be in place.

Change can be implemented because it can be important if an organisation wants to rethink or change its strategy practices, to change the attitudes and attributes of employees if it will give the business higher productivity, or if the actual business itself is changing. It is important to consider change during a recessionary period. During an economic downturn, organisations and businesses will face tough times and most (if not all) will have to implement some sort of change, whether it is a big organisational change or just a minor one. This is a big reason why mangers must consider surviving employees' views on redundancy changes occurring.

Change will always be needed in an organisation therefore the employees of that organisation will always need to be informed of such changes. Change is also important for the development of the organisation. Even if an organisation is not dealing with a recessionary period, to become the best possible business it can be and to have its operations running at its highest capacity, it has to develop every so often. Development is important for the competitive market. If the competitors of a certain organisation are changing and developing

their business, the organisation will start to decline and eventually be wiped out if change is not implemented also.

Many different effects can cause organisational change. These can range from many different factors such as growth and the challenges of growth, an economic downturn, changing strategies, technological changes, competitors and the pressures to compete, shifting markets and the ever changing demands of customers, striving to learn and obtain new skills and work behaviours, and changing legislation imposed by the government. The main focus of which organisational change a business can implement is through the process of redundancy. Through these changes of redundancy, this paper will focus on how these remaining employees react in later chapters.

Redundancy is governed by the Redundancy Payments Act 1967 – 2003. Redundancy is a very broad topic which has many regulations and can be defined as the permanent termination of an employee. In most cases redundancy has nothing to do with the performance and/or the ability of the employee or if misconduct has occurred, it can simply happen because the work just is not there.

The pace of change is growing more and more every day. With the rapid development of the internet and technology, and the way a business runs its operations, it's not hard to see why. When it comes down to it, organisational change is needed for one main purpose- for an organisation to survive.

While change is needed throughout an organisation, management still must consider and focus on what change is actually needed in their organisation that will have the lowest disruption to productivity and the overall business environment. Although there are many different techniques and approaches that can be used to bring in a change, this dissertation will focus on redundancy and how it affects the overall productivity and attitudes of employees that have remained in the organisation.

Reasons for choosing the subject of change and redundancy are because of the current economical situation our country is currently facing. It is a very relevant subject matter today and can be very sensitive for those who have gone through the process of change. It is occurring all around the country and people fear for their jobs. Redundancies are occurring constantly around the country and for an organisation to survive, redundancies must be made. It is not an easy subject to discuss and it is a harsh reality that a lot of workers must face in the coming months. Managers need to understand change in order to implement it. They need to know the problems and challenges they face when dealing with organisational change, and how to overcome these difficulties. Although it is taking place regularly, this paper will not focus on the employees who have been made redundant, rather it will look at how people who are currently still employed feel about redundancies happening due to the fact that they are the workers who have to accept this organisational change and find ways to overcome it. The literature review will focus on what past academic literature has been done on topics based around and focusing on organisational change and redundancy. It will look at past written journals and what other authors have written on the topics of organisational change and redundancy, and the results and conclusions they obtained.

The research question will look at what approaches and framework this dissertation will be based on. It will focus on the direction the dissertation will be taking to see what affect redundancy has had on the remaining employees of an organisation. It will look at the attitudes and opinions of current employees of the organisations being used and how they feel on the recent redundancies that were made in their companies. It aims also to see what organisational changes current employees would have implemented into the organisation in place of using redundancies. The aim is to have a clearer understanding of how organisational change of redundancy has affected the workload of remaining employees and how the work atmosphere has been since their previous colleagues were let go.

The methodology will look at what techniques were used to gain more information about the chosen area. It will be based on the techniques and styles that will help gain a better understanding of organisational change and redundancy. It will look at two organisations (in this study, the organisations used were Meteor and Kardio Kids) and how they have implemented change through redundancy in the previous months. It will look at the different styles that were used in conducting the research and why the techniques that were used to gather information were chosen.

The organisations used for this dissertation were Meteor and Kardio Kids. Meteor Mobile Communications was established in 2001 having been awarded Ireland's 3rd mobile licence. Meteor Mobile Communications is a wholly owned subsidiary of Eircom Group plc. Kardio Kids is a small, privately owned business that employs 10 workers. It is a business that minds children from the ages of 1-8 years old. The companies were chosen for the fact that both companies have experienced redundancies in the past couple of months.

Chapter 2: Literature Review

Organisational Change

Understanding organisational change is crucial when trying to manage and control it. Some of the major factors and limitations to the effective implementation of organisational change are diversity, mangers not having the capacity or the proper capabilities to bring in change, the finances to introduce it, not having the adequate knowledge, unspecified new values and practices, an unclear path to choose when the change has occurred, and the unwillingness and lack of participation from the workforce due to resistance and fear. Managers must know how to implement the appropriate change and the different approaches to overcoming the limitations of effectively implementing change. Mishra et al (1998) explore how change of an organisation can affect surviving employees. They write about the impact change has on these employees and how survivors can influence whether a program is successful. This is why it is important to always for managers to think of surviving employees while making these changes. They believe it is possible to introduce certain changes without downsizing employee morale.

Langer and Thorup (2006) found evidence that the "right approach to organisational change was communication and storytelling, appreciative inquiry and strategic change communication teams to create the right involvement and enactment of organisational change." They found these are effective tools of employee participation and knowledge. Involving employees on changes that will occur throughout the organisation is crucial for the organisational change to succeed. The employees of the organisation are one of the most important assets to the organisation and without their participation and contribution to changes that will be made; it will be a lot harder to implement it effectively. This highly relates to the surviving employees. A change such as redundancy is a big adjustment to a

business and the employees need to understand why such changes are being made for productivity and their own motivation. Discussing these changes and asking them questions, such as the ones in this papers survey, are vital to keep morale and drive up to the highest levels.

Kurt Lewin's Change Management Model of Unfreezing, Changing and Refreezing. This is a model based on the driving forces and restraining forces of organisational change. This type of model helps address the organisation of understanding who are for change and who are against it, and the reasons for these choices. This model details the fears and concerns of those who are unsure about a particular change within their organisation. Workers emotional reactions are an important contributing factor to the success or the failure of a proposed change. Questions 6 and 12 of the survey carried out deals with the emotional impact the change of redundancy has on the surviving employees through their workplace atmosphere and how supportive mangers have been which will be discussed in more detail later. Organisational change often has the best intentions for the company but still manages to fail. McBain (2006) discovered that when introducing organisational change, only one in four or five change programmes actually succeed. Reasons for such a low percentage can be for the reason that the models that organisations use to understand change and manage it correctly are limited. He continued to discuss that the higher amount of change that is implemented into the organisation can result in more negative experience in issues relating to personal uncertainty, workload and job insecurities. This relates strongly to questions in the survey that was given out to the participants of this study. They were asked whether they felt redundancies were necessary and fair, and how their workload has been affected. If the change is too great or employees fail to see the reasons behind such changes, it can lead to lower morale and doubt.

Approaches on how to overcome employees' resistance of organisational change – Smith (2005) found that "if understood and dealt with effectively, change resistance may also form a constructive part of the process of organisational change management. The importance of a clear understanding of the reasons underlying change resistance and appropriate and effective responses is emphasised." If employees know the reasons and motivations behind ongoing change, resistance may not be as severe. With the helping contributions of the employees, change will become much easier to implement, manage and sustain.

"Trust is one of the most valuable yet brittle assets in any enterprise. So over the long term, it's far better for companies to downsize in a humane way" Mishra et al (1998). This is a very important part of going through redundancies. Let departing employees and remaining employees know that it is crucial to make these changes in order for the business to survive. In a lot of cases, second rounds of redundancies often take place within different companies. This is why it is important to give prior notice of impending change. Mishra et al continue to state that "the most prominent reason that the expected benefits of downsizing are not achieved is the survivors' poor morale, A Right Associates survey found that only 31 percent of survivors agreed that they still trusted their organisations after downsizing." If employees feel that the changes made have been unfair, they will commit less to that organisation. Questions 4 – 6 in the survey carried out aim to find out if the participants of this study felt the changes of redundancies were fair. "Remaining employees often have ideas about restructuring their jobs and improving internal processes, so companies should involve them."

When employees or other participants were not involved in the planning or decision making of an organisational change process, how are they expected to promote and encourage this new change? Maurer (2003) asked this question to middle managers, project leaders and consultants and found the responses that emerged were developed into four categories.

"Reflect before you act, influence the people who made the decision, get your team involved, and build strategic alliances." He found that the responses from those who were not involved with the decision making or the involvement of the proposed change had to overcome their resistance to the change and to gather as much information possible to understand it. He continued to say that employers and managers should communicate as early as possible to the employees, and be honest and open to any questions that may arise. Employees appreciate honesty and will participate more if honesty is shown.

DiBella (2007) reviewed that over the years, there have been numerous theories on change management that have been developed, but there are no universally accepted formulas or laws that will be relevant to all organisations. Strategic Organisational Change is a framework that can be developed by organisations that is an easy to follow process. It focuses on questions such as Where are we now? What changes do we need to make? How are we going to make them? An organisation needs to be in execution mode once a change has been made.

Revolutionary change is about making changes within the organisation that will make processes easier to implement. It is a taught skill and must be driven by managers in order to implement it. Demand shifts and grows, markets change, technology is constantly developing and economies emerge. Perry (2007) believes that during change, people need information, time and support. Without these factors, change will most likely fail. Effective ways mangers can ensure that organisational change can be successful is if communication is enforced, acknowledge what you do not know, provide information, focus and build on what people value, reframe resistance, and empathise. The survey results carried out will show how employees were supported during the time of redundancies.

Over the past number of years for organisations to survive, they have needed to introduce organisational change. While there has been success in change, Neves & Caetano (2007)

found that "fewer than 40% of the change efforts produce positive changes in the variables of interest." This can cause many problems for organisations. Change will be more quickly accepted and recognised if the workers and participants accept the new attributes and are able to improve performance as a result of change. The readiness of employees for organisational change can be placed down to beliefs, attitudes, cultures and intentions. Kurt Lewin's (1951) Change Management Model of Unfreezing, Changing and Refreezing is an important factor when assessing employees' readiness for change. Employers communicating with the employees must be done effectively and with trust for the reasons that without the participation of employees, their negative feelings and attitudes towards the change can reduce work productivity and satisfaction, which can lead to a poor relationship between the individual worker and the organisation itself. Employers and managers must build the relationship over time with their workers. This relationship is just as important as the implementation of the change itself as without an honest and open relationship, the change would not succeed in the first place. Trust has a contributing factor to the relationships built among employers and workers and influences the behaviours of the participants within that relationship. Meyer, Stanley, Herscovitch and Topolnytsky (2002) found that "employees with high affective commitment present less turnover and absenteeism, perform better in their job, present more organizational citizenship behaviours and show lower levels of stress and work-family conflict, reflecting its importance to the better functioning of the organization." Organisational change can be sometimes described as attempting to predict the future. The organisation wants to change the way the business is run by predicting what the future holds. In the past some industries and organisations wiped out others in the same field as they changed the way operations were run. For example, automobiles taking over transportation from the traditional horse and wagon, or the use of e-mail replacing postal letters by the introduction of new technology and the internet. Semon (2004) writes about which products

and services will survive for the future, and which will not. The introduction and replacement of products and services is all about organisational change. The companies and industries that develop and expand certain products and services see an opportunity for change and make that change happen. Managers have a difficult job to do. They must see what changes need to be made and how to go about these changes, but also take into consideration the employees who will be there to make sure these changes will work.

Frahm & Brown (2007) investigated whether organisational change communication was crucial to the employees' receptivity to change. Communication, when used correctly by employers, enhances a sense of employee effectiveness, gives them information on what changes have occurred or will occur, and it gives them a sense of control over the impending change. Communication is a high, if not the highest, priority surviving employees need from their mangers.

New and innovative ideas are needed when it comes to implementing organisational change. Worley and Lawler (2006) write that organisations must be able to change as quickly as their operating environments. They argue that an organisations' features such as strategy and structure, must contribute to performance as well as being changeable. For an organisation to succeed in this they must develop a series of temporary competitive advantages. Create scenarios and when they are in place, identify attributes and traits that will create high performance for the organisation. They also state that once scenarios have been created; focus the dynamic alignment of the features of the organisation. Features such as strategy, capabilities and decision making processes must stay in alignment over time to gain a competitive advantage.

The hardest way to implement effective and necessary change into the organisation is not about how, when or why this change is needed, it is about overcoming the restrictions and obstacles of implementing it correctly. It is relevant to an organisation because many

organisations want to adopt change into their business structure and advance in new ways of running their operations. In other words, they want to set out better goals and objectives, and to overall increase their profits. Before implementing this change, an organisation needs to understand what change is needed for the area or areas in their business, how they are going to effectively implement this change through the appropriate techniques, practices and resources while focusing on disrupting the operations as little as possible, and how to deal with the resistances and complications they may face. It is funny because an organisation needs their remaining employees to be at their most creative and innovative once a change like this occurs, but most feel anger, unhappiness and even guilt. These employees feel more stressed than before redundancies were taking place. Managers need to remember this and that it may take time for things to get better. These changes will not happen positively overnight.

The above literature studied and looked at organisational change and the limitations and factors it has seen in the past. The purpose of looking at the different papers on organisational change was to view how important implementing organisational change is for a company. There are numerous ways an organisation can implement change into their company but for the purpose and research of this dissertation, it will look at how the companies of Meteor and Kardio Kids have implemented change into their organisations through redundancy. The results of the survey carried out will show how the changes made in these two companies have affected the work and attitudes of the surviving employees.

Redundancy

Redundancy and organisational change are two subjects that occur together. If change wasn't needed within an organisation, redundancy wouldn't occur. Common law interpretation can narrow down redundancy to impersonality and change. Impersonality and change both run

through the five definitions of the Redundancy Payment Act 1967. Business will continue to stay open in the same premises, work is diminishing in that place of work, the employer has decided to carry on the business with fewer or no employees, an employee that is not trained or qualified enough, and one employee can do the work for two employees. Redundancy is a broad topic and has a lot of legislation attached to it. There are a number of different reasons why an employee may be made redundant through one of the five definitions of the Redundancy Payment Act, and extensive research has been done and written on the subject. "The physical and mental shock to an employee of having survived a layoff can't be underestimated. How an organization responds to that shock is critical." Communication World (2010). Employees may not just need information, but also education. Teach them, if necessary, how and why these redundancies need to happen. An organisation should never make a promise they cannot keep. Managers don't know when or if more redundancies may occur, so leading effectively and honesty are the only promises they should make. Give the remaining employees what they feel is most important; information. Share the details of what the company plans to do now. Giving employees the facts of the situation will slowly rebuild their confidence in the organisation, their managers and their own work.

Williams (a Chartered Psychologist who works as a strategic adviser and executive coach) (2009) discusses that businesses need to plan for redundancy. He states "It's wise to put contingency plans in place against the possibility of redundancy in today's economic climate. Yet surprisingly few people consider doing this. We insure our lives, our homes, even our travel, but not our careers." Before the economic downturn, the possibility of losing their jobs wasn't a major concern for most people until redundancies started to happen among companies. People are more aware of the risks of losing their jobs therefore are making their professional careers a higher priority than before. Williams continues to discuss the ways for

those who are to be soon made redundant how to plan for redundancy and how to evaluate priorities.

Waters (2007) writes "The study uses a cross-sectional design to compare levels of depression and job-search activity during unemployment between people who volunteered for their job redundancy and employees who were made involuntarily redundant." This paper shows the different attitudes and thoughts employees are feeling when it comes to redundancy. Redundancy can have serious implications for those it has happened to and can be an extremely difficult time during the entire process. People fear for the future and responsibilities they have outside of working life. Let the remaining employees express the anger or frustration they are feeling. Ensure them it is perfectly normal and they have a right to express this.

Burke (2008) investigates the effects of redundancy and writes "despite Government claims of a strong economy and low unemployment rates, the number of people experiencing redundancy is surprisingly high. In the first quarter of 2008 the ICM Recruitment Consultancy registered a significant number of candidates who had been made redundant due to restructures, downsizing, outsourcing or company liquidation." This can become a shock for people and difficult for employees who have been with an employer for a number of years are suddenly back into the job market. Looking for a job after so many years of working and competing with thousands of others who have also lost their jobs can be very traumatic. She continues to say "Being made redundant can have similar emotional effects to bereavement." People can stay in denial and still not feel the shock of the whole experience. People still see a stigma attached to being made redundant and would feel embarrassed or humiliated about being in the situation. Although it is difficult, trying to keep a positive attitude and brighter outlook throughout the whole ordeal will make it easier once the initial shock of it has sunk in.

Nair (2008) writes "downsizing boils down to lowering operating expenses by employee elimination to achieve greater profits for the company." At the end of the day, organisations need to increase productivity and competitiveness. If that means cutting costs and people, it needs to be done. Inform employees still there that without making these changes, their jobs too could be affected. A major disadvantage of redundancy is losing the expertise, knowledge and experience of those who have been let go. An advantage of this can be that the remaining employees now feel more loyalty towards their company and how it can be an opportunity for them to grow personally and professionally.

Stokes and Cochrane (1984) write about an investigation of the psychological and social consequences of redundancy and unemployment. They discuss "A sample of redundant adults was monitored for the first six months following job loss. They were interviewed every four weeks and data concerning psychiatric symptoms, level and direction of hostility, self-concept, social attitudes, interpersonal relations and family relationships were collected on each occasion." This case was on employees who were made redundant and their feelings and outlook of the effects it has. It deals with employees who have already lost their jobs but shows the effects redundancy has had on their lives. People do not necessarily have to be made redundant to experience the same feelings as those who have. It can become a stressful time for those who are connected with redundancy through family members or co-workers. They discuss the health effects of the sample and how redundancy can have a huge effect on one's life. While it is very hard for those who have lost their jobs, the effects of redundancy can be just as substantial for those left behind. The survey given out will show how the participants of the study have been affected by this.

David Ord (2009) discusses the alternatives to redundancy. He reports "While daily reports *of* job losses are likely to be with us for months to come, many firms are proving that the blunt object *of* compulsory *redundancy* is not the only weapon in the cost-cutting

armoury." He talks about different companies in different countries using alternatives to redundancy such as pay cuts, closing down of plants, and shorter working hours. Companies who need to implement organisational change must review the alternative approaches they can use before redundancies are to be introduced.

Beale and Nethercott (1988) examine "the incidence of certificated sickness absence in industrial *employees* threatened with *redundancy* in Great Britain." This paper talks about using sick role to avoid and escape the stresses of redundancy and the conflicts that come with it. In a time of employees being made redundant, workers do not want to come to terms with the reality of the situation and can start finding ways to avoid dealing with the situation of it through absenteeism and poorer work productivity.

Seglow (2001) reports on the reactions of redundancy and the influence of the work situation. He states "this article is concerned with explaining the attitudes of men towards redundancy in a situation where redundancy is about to take place". He discusses the description and assessment of the procedures designed to deal with redundancy. Guides to future action and policy formulation by employers and the government are discussed. It is important for companies issuing redundancies to give helpful and supportive advice to those being affected by it. It is not required for them to do this but the support from the organisation can help an employee gain a better understanding of the situation and to accept it. Some of the questions on the survey asked are whether the employees feel redundancies were fair. This results will be discussed further.

Stuttard (2006) writes about how to survive redundancy and how NHS nurses are anxious about losing their jobs. "Staff organisations believe that if managers talk to staff and trade unions about changing work patterns, redundancies can often be avoided." The article continues to talk about the alternatives to redundancy and what you are entitled to regarding redundancy pay if you were to be let go. If focuses on the NHS staff and the fear they carry

with them about losing their jobs. It is very relevant as most employees in all different areas feel the same way. Letting employees know what entitlements they have once redundancy has occurred must be done with clear explanations and advice in order for them to fully understand the implications of redundancy.

Nursing management (2008) write "According to the survey of 2,000 nurses, four out of five leave work distressed or upset because they fail to give patients the dignified care they should. It also shows that the barriers they face include bed and staff shortages, a target-led culture and non-essential paperwork." Nurses will be provided with e-learning resources and learning packs to help explain issues to other members of staff. The nurses found that one in four have been at risk in their jobs and they're in fear of being made redundant. Giving the right tools to members of staff to fully explain the process of redundancy is a tool organisations should use as it helps with the ordeal that many go through.

"The current tendency of organizations to restructure and ultimately downsize has a major negative impact on the organizations themselves, on their surviving and terminated employees, on the government, and on society as a whole" Appelbaum (2002). While this paper deals only with the survivors, redundancy has impacts for so much more than just the employees let go. They may be the ones affected the most, but not the only ones affected. It has a lot of repercussions for everyone involved.

Occupational health (2003) found that "Increased fear of *redundancy* among workers has led to a 10 per cent fall in absence levels in the past year, according to the Chartered Institute of Personnel and Development (CIPD)." "The CIPD's Employee Absence 2003 study of more than 1,300 HR professionals also finds that three-quarters of organisations believe minor illnesses such as colds and flu were the most common causes of absence, up from half in the same survey last year." The article continues to discuss the different absence levels and how stress can lead to long term absence. It also states that long term sickness absence has

increased by 60% in the public sector, more than double the number of private sector workers. Absenteeism does increase during times of redundancies as some people are unwilling to accept the serious implications redundancy has and the impending fear it could happen to them.

When redundancy is being implemented into an organisation, issues will always arise. Issuing redundancies must be considered carefully. Harper (2009) writes about identifying the correct pool for redundancy selection. "Redundancy selection processes must be conducted fairly and objectively to avoid an unfair dismissal. It is usually necessary to identify a "pool" of employees from whom those who are to be made redundant will be selected. If an employer dismisses an employee without considering a selection pool, the dismissal is likely to be unfair." Choosing which employees can be difficult but choosing the wrong employees will have more problems for the company than just redundancies. Law suits can arise if the appropriate criteria are not used. Employees should be viewed on the work they perform and should not be singled out from those that perform the same duties. One of the questions on the survey deals with asking employees if they felt redundancies were fair.

Kaven (2002) quotes "Implementing redundancy is a necessary endeavor for most companies that cannot afford even the smallest amount of downtime, such as many financial and medical institutions. But it carries a high price tag and, like most other aspects of disaster recovery, remains largely an unrecouped expense until you use it." The expenses for issuing redundancies can be high for most companies so executing it properly is crucial as they wouldn't want other issues such as unfair dismissal occurring on top of the situation. Using the appropriate selection and applying the right procedures needs to be done accordingly.

Novick (2010) discusses how managers need to understand morale and motivation through the tough times. "Morale is a 'state of psychological well-being', how you feel, whereas motivation is 'the activation of goal-oriented behaviour'. In plain terms, you can't simply be

motivated; you have to be motivated to achieve something." This continues to write that managers need to communicate with their staff to overcome the difficulties redundancy has had. "All of these things have had an impact over the past two years and it is clear that, while things like uncertainty and lack of job security can get people down, addressing them is not going to motivate staff to high levels of performance." This says that while redundancies are a problem that cannot be fixed, communicating to employees rather than leaving them in the dark will help a stressful situation become a little more bearable and manageable. Surviving employees need to be reassured and comforted rather than to be out of touch with their employer.

Caterer & Hotelkeeper (2008) discuss "While sympathy is obviously due to those destined to lose their jobs, it is also a tough time for those who have to break the bad news while maintaining morale among remaining staff." The remaining employees of an organisation are also affected by redundancy in some way. They are losing co-workers and also possibly a friend. Having a consultation period with these employees will make them feel they are being thought of by management and that they matter to the organisation. It is not only employees who are affected by this. The managers can also feel the impacts of redundancy. They are the ones who have to make the hard decisions, tell those who have to be let go, and deal with the aftermath by making sure the company survives. They also have the burden of losing the trust and respect of their remaining employees. They can feel the guilt and loss of an employee just as much, if not more, than anyone else.

The article Redundancy – Getting it right (2009) writes "Redundancy law is complex and getting it wrong can be costly, particularly if you end up in an Employment Tribunal." Managers and businesses need to ensure they practice the correct procedures when distributing redundancies for the safety of their own business and for welfare of their employees. It continues to explain "that when making people redundant you have to consult

with staff, consider measures other than redundancy, determine selection criteria, apply these fairly and consult with those affected, otherwise it could be deemed in a tribunal as being unfair and unreasonable." Providing redundancies is difficult enough for companies but going through the process of trials and law suits over not incorporating the correct procedures is an issue that can easily be avoidable.

There has been extensive research in the area of redundancy and different views on how to deal with it. Some researchers have discussed alternatives to redundancy and the different alternatives a company can use to implement organisational change, others have discussed what to do once redundancy has occurred and the resources and options that are available, and others have discussed the fears workers and employees feel during a time when redundancies are more frequent than ever. Organisations will always face tough times during redundancy periods but with frequent communication and trust with employees, the process does not have to as difficult. While the surviving employees of an organisation may feel redundancies may or may not have been fair or necessary, the survey carried out aims to find out if they have been affected.

Chapter 3: Research Methodology

Aims and Objectives

The aims and objectives of this Dissertation are to understand the reactions and opinions of surviving employees within two different organisations. The organisations that have been chosen for this study are Meteor and Kardio Kids. It aims to find out how employees of both Meteor and Kardio Kids have felt to the recent organisational changes made in the company through redundancy and if they feel it has been a positive or negative change for the company. It also aims to view how recent redundancies have been perceived by the remaining employees of the companies and what their opinions on redundancies are. What techniques or methods they feel the organisation could have used in place of redundancies and how management of both organisations dealt with the redundancies issued was also an aim of the study. It then sets out to prove if the size of the organisation has any effect on these changes.

Due to redundancy being a major issue in the workforce today and, over the past 2 years redundancies have occurred much more frequently, the aim was to view how remaining employees within an organisation views these redundancies. Redundancy is a sensitive subject to discuss and while it is a difficult time for people who have been made redundant, this paper aims to see how the survivors of redundancy feel about the situation.

Methodology

Based on the research question and how the organisations of Meteor and Kardio Kids implemented change into their business through redundancy, as well as understanding the different ways an organisation can implement this change, a research design of an online survey was conducted to gain a better insight and understanding. The online survey consisted

of questions that related to the recent redundancies that occurred in the company. Frahm & Brown (2007) stated that communication was vital for changes to occur. The results of the survey aim to show how well this change was communicated with the employees and to find how they felt during the process of redundancies. Communication is a very important to provide for employees and the findings aim to see if it was done effectively.

Meteor Mobile Communications was established in 2001 having been awarded Ireland's 3rd mobile licence. The latest publicly released figures show that Meteor now has over one million customers as of 30th September 2009 and almost 20% market share. For a second year in a row, Meteor was named as one of the 50 Best Companies to Work for in Ireland in 2009. Recently they have experienced redundancies throughout their company. Kardio Kids is a privately owned small business that employs 10 workers. They run a child day care centre that has children ranging from the ages of 1-8 years old. They had approximately 15 workers before redundancies were being made.

The reasons for choosing both of these companies are because both have made organisational changes recently through the processes of redundancy. Two extremely different companies were chosen to see what affect redundancies had on its remaining employees that work in much different areas. One is a major corporation that employs hundreds of workers while the other is a much smaller, tightly working environment. Both organisations knew that an organisational change needed to be made due to the economic downturn that the country is currently facing and making redundancies was the change that was required. 12 employees from each company were chosen for the reason that Kardio Kids now only employs 12 workers and the results could be understood and examined easier with the same amount of participants. The different sizes of the organisations were chosen for the reason to see if it matters how small or big the enterprise is. Does working in a larger more open organisation make it easier to accept redundancy than a smaller more closely communicated organisation?

The results of the survey aim to see if it does. Nair (2008) conducted a study on surviving employees' attitudes towards downsizing. His aim was to see how morale had been affected after the downsizing took place. The results of this survey were also to see how the attitudes of the remaining employees were affected after redundancies.

When choosing a sample to gain results from a research question, an appropriate method must be used. There are numerous methods that can be chosen depending on what type of research is being carried out.

As Langer and Thorpe (2006) suggested, change is about involving the employees in the decision. Some of the questions were designed to see if they were supported through this process. They suggested different methods and approaches that could be used to gain such answers. With this study, a lot of methods were considered but to get the results needed, it was narrowed down to two approaches.

Qualitative research looks at attitudes, behaviours and experiences through such methods as interviews or focus groups. The aim is to get more of an in-depth opinion from the participants of the study being carried out. While qualitative research has more detailed results and answers, it is used on fewer participants than quantitative research. While fewer participants are involved, this type of research is more likely to last longer.

Quantitative research produces statistics through the use of larger scale survey research, using methods such as questionnaires or structured interviews. With quantitative research more participants are generally used and contacted, and the involvement is a much quicker process than qualitative research.

While both research techniques have strengths and weaknesses, one may usually be more useful than the other depending on what type of study is being conducted. For this study, in the form of an online survey, quantitative research was used. For the participants that were being used and the aim of what the study is trying to achieve, a quantitative research method

seemed to be a more appropriate method. Although almost all of the questions from the online survey are a quantitative research method, three questions took the qualitative method to gain a better insight to the opinions of the participants of the study. These three questions took a qualitative approach because the question being asked needed a much more detailed answer than previous questions. Waters (2007) study was primarily about the reactions and feelings employees had towards redundancy. The main purpose of this survey was to understand what the employees were feeling and how it has affected them.

Research Method

An online survey consisting of 18 questions was chosen for this study. The questions that were designed dealt with the issues of redundancy and the impact it had on current employees within the organisation. An online survey was chosen as it seemed the most appropriate form of research to be carried out. When deciding on what type of research to carry out in order to address the research question, there are many different types that can be selected. As the research being carried out was defined as being quantitative research, different types of research such as questionnaires, experiments or case studies could have been chosen. After much consideration as to which type of research would be used, an online survey was decided upon. The online survey was chosen for the reason that it could be easily distributed to the participants that were taking part of the study, data from the results could be identified and analysed thoroughly, the participants did not have to take much time out of their day to contribute their opinions and all of the results gathered were anonymous which was an important factor for the participants.

The type of questions that were being asked dealt primarily on redundancy. The questions begin on asking the participants on if they feel redundancies were necessary for the company. It continues to ask if redundancies that were implemented were deemed fair and if they felt

that the right personnel were let go. Moving on through the questions, it then wanted to observe what the work experience is like now that redundancies have taken place. It continues to ask whether there is more work now that there are less people in the work place and how the actual workload has been. Following those questions, it asks if they felt management used the right processes of making redundancies and how supportive they were during the whole procedure. Coming to the end of the questions, the participants were then asked if they felt redundancies were beneficial to the organisation and if they would be willing to change the work they do in order to prevent more redundancies occurring. Lastly they were asked what organisational changes they felt could have been beneficial to the company in place of redundancies. The analysis and discussion of the results obtained will be examined in chapter 4.

Participants

Upon deciding on the research question, what type of method would be used and the design of the questions for the online survey, finding the appropriate participants that would help in gaining information on the research question was the next step. The participants that were to be used needed to be in a company that has made recent organisational changes of redundancy. Both the companies of Meteor and Kardio Kids had gone through this process so the employees of these organisations were ideal choices. The reason for choosing two separate types of organisations was to have more diverse results. Gathering information from a large telecommunications company and a small child care centre was to see how the different workers from each company felt about the affects of redundancy and if the size of the company made any difference. While the participants of Kardio Kids are all qualified child care minders, some more qualified than others, it was important to have participants that had expertise in the area. Some have degrees in their field of work while others did child care

courses and have certificates and diplomas in their area. Meteor is a large corporation and employs hundreds of employees so choosing which participants to take part in this research needed to be clarified. Employees that work in network messaging for the IT department in Meteor were chosen. In their area, there are 12 employees altogether. This worked well for the study as it had the same amount of participants as Kardio Kids. All of the contributors of the study from Meteor have degrees ranging in areas of MIS, IT and Computing. The length of time the workers have been employed in the company range from 1-10 years.

The participants of Meteor have seen redundancies more than those of Kardio Kids as a result of the company being much larger. They have seen redundancies in other areas of the company before it took place in their department. Both sets of participants have heard of redundancies taking place and how hard it can be, but neither had been directly affected by it until it recently started happening to their workplace. This was a positive for the study as the results would show surviving employees reactions and attitudes from a fresh point of view.

Ethical issues

With the sensitivity of the subject matter of this study, ethical issues had to be considered. With redundancies occurring frequently throughout both companies, the participants of the study were assured the answers and opinions they provided were to be used as research purposes only and would be treated with confidentiality and discretion. Any views and opinions they provided would not be disclosed by anyone and everything conducted would be done privately.

Data collection

Once the online surveys were sent to the employees of Meteor and Kardio Kids, a week was given in order for them to have time to complete the survey on their own time and not to be rushed. The online surveys were sent out to the e-mail addresses of the participants with a

link provided to answer the questions. Once they had completed the survey, the results were automatically stored on a securely and private online database. From this, the results of all the participants could be viewed individually, separately divided into the two different companies or all the responses together. From there, the results of the study could be viewed and analysed to gather the required information.

Chapter 4: Findings and Results

Once the online survey was sent out to the participants and all of them were received back within one week, analysing and studying the results was the next process. There were diverse opinions and answers from the different participants with clear results.

Question 1. How long have you been working in this company?

The reason for choosing this question was to gain information on how long the employees have been working for the companies. The results showed that the longer the employees were in the company the bigger the effects of implementing redundancy had on them.
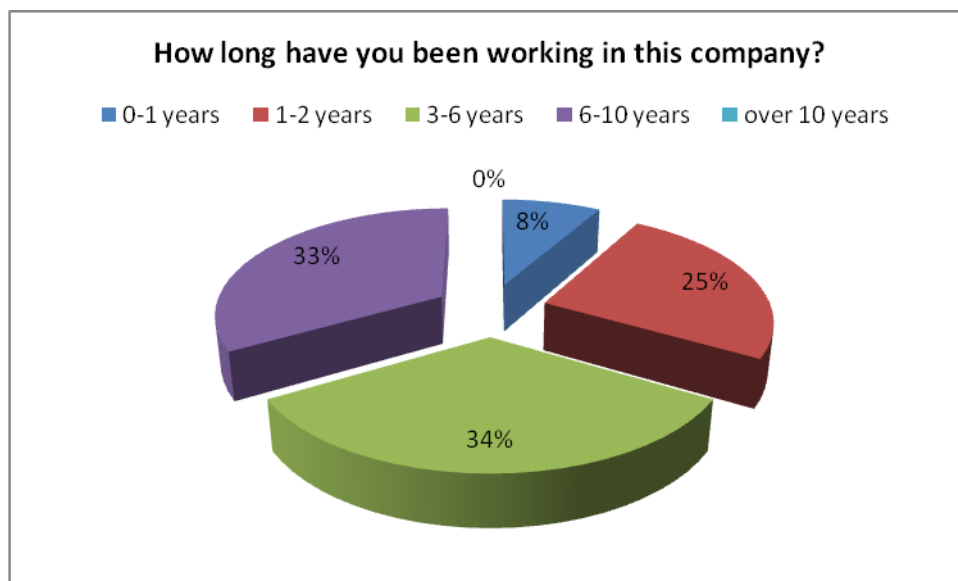
The list of possible answers to choose from this question ranged from 0-1 years, 1-2 years, 3-6 years, 6-10 years and over 10 years. With the participants of Kardio Kids, none of them have been working in the company for over 6 years. The majority of them have been working for 3-6 years. With the participants of Meteor, all have been working from 3-10 years. Of all

the participants, only two, both in Kardio Kids, have been working for 0-1 years. The aim of this question to get a general idea of how long each participant had been working.

Question 2. Do you think redundancies were necessary for the company?

Do you think redundancies were necessary for the company?
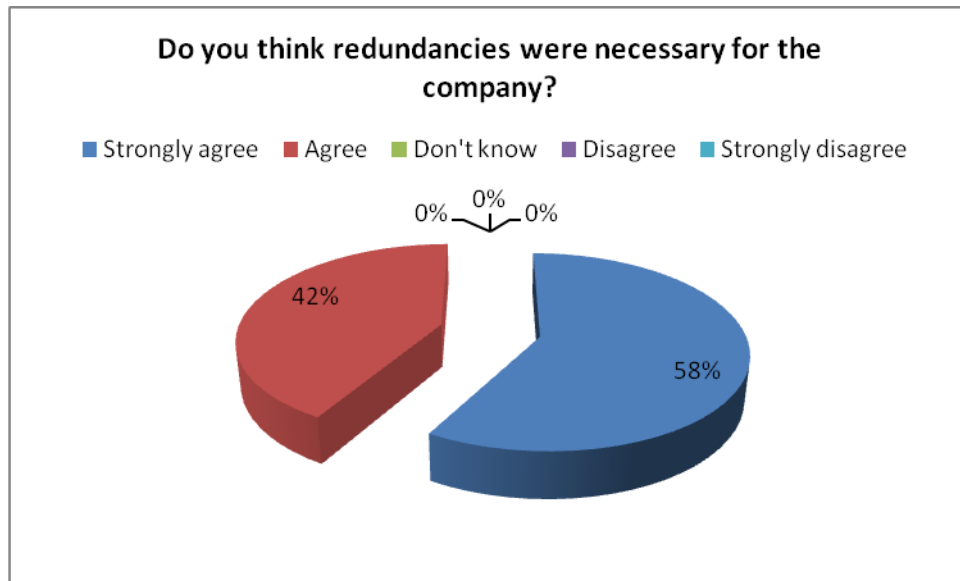
For this question, the five possible answers were strongly agree, agree, don't know, disagree and strongly disagree. From the responses, 58% sanswered that they strongly agree, while the other 42% answered that they agree. This is interesting as it shows that the employees from both companies all agreed that redundancies were neccessary. The reasons for these answers are examined in more detail in the next question.

Question 3. Why do you feel they were necessary or not necessary?

This question used a qualitative method to gain a better insight as to why the participants felt if redundancy was necessary or not for the company. When asked the question, all agreed that redundancy was necessary and that the reasons were overstaffing and that because of this

there was a smaller workload for everyone. The responses from the participants at Meteor were:

"It was necessary as too many employees in technology sector, too much dead wood!"

"I feel that redundancies were necessary because there is far too much staff, massive losses accrued by the company, and no productivity."

"Headcount is too high, legacy systems are no longer required and up skilling is not an option in some cases."

"Redundancies were necessary because 2 technology departments are being merged and this would result in possible duplications of some positions. Also there were too many layers of management."

"Too many staff in some areas of the business. Dated back a long time when there was a monopoly on the market."

These responses showed how all of the participants felt the same way as to why redundancy was necessary. From too much staff and layers of management to the merging of two technology departments, it is clear that there were too much workers and not enough work to be distributed evenly.

The responses from the workers of Kardio Kids were not as detailed and gave shorter answers such as:

"There were too many employees working."

"There was not enough work for all of us."

"It may be unfair but some people had to go because the work wasn't there for everyone."

While the responses of the participants from both companies varied, some giving more description as to why redundancy was needed in the company than others, all of the employees felt that the reasons for this necessity were simply due to overstaffing. This question was asked because an insight into the opinions of the staff on the how necessary

redundancy was for the company needed to be learned. Their views and outlook on redundancy was what the study needed to investigate.

Question 4. Do you think redundancies that were made within the company were fair?
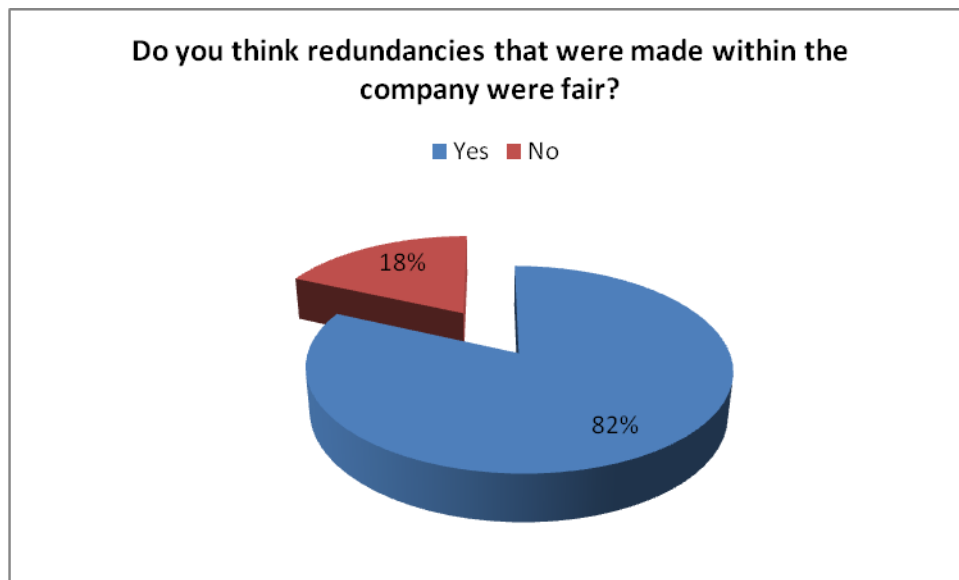
This question was to understand not only if the participants felt that redundancy was neseccary but also determine if they felt it was fair. Three of the responses from Kardio Kids and three from Meteor felt that redundancies made were not fair, while the other particpants all felt that it was fair.

Question 5. Can you elaborate on why you feel that way?

This question also used a qualitative method to understand the reasons why the participants felt if the redundancies made were fair. For those that answered no, the reasons given were:

"I don't feel it was fair because the best people for the job were the ones let go because they were the last ones in."

"In some cases the individuals had given a lot to the company and had more to offer."

"Most of the employees who were let go could do the job better than others but were made redundant because they were the last people to join the company."

These responses gave a clear understanding that the participants felt that the wrong people were let go. They felt that the employees who were better at the jobs than others should have been the ones who were to stay rather than just the last in, first out employees.

The rest of the participants felt that the redundancies were fair and that the right personnel were let go. Some of the responses that returned were:

"The redundancies were given whilst a voluntary redundancy scheme was in place. Surely you must rid the company of who should volunteer to leave before mandatory redundancy is considered."

"The workers that were let go were not here for as long as others so it was only fair that they were to be the ones who were let go first."

"Very good package offered to staff for voluntary redundancies."

"The process used for the first round of redundancies was that people had to apply for positions. And those who were not successful were made redundant."

"I think a fair package was offered for voluntary redundancy."

These responses were very interesting. With the results from Kardio Kids, most of the responses felt that the right employees were let go due to them not being in the company for as long as others. They felt that whoever was there longer should keep their job over someone who had started later than others. The results from Meteor were different. They did not feel the same as the employees of Kardio Kids. They felt that the packages offered to those made redundant seemed fair and reasonable. They continued to add that there was a voluntary redundancy period first and those who took this package were leaving on their own terms. Once this initial period was over, mandatory redundancy began. They felt that if someone took a voluntary redundancy package, then it could not be deemed unfair.

**Question 6. Do you agree the right personnel were made redundant by the company?**
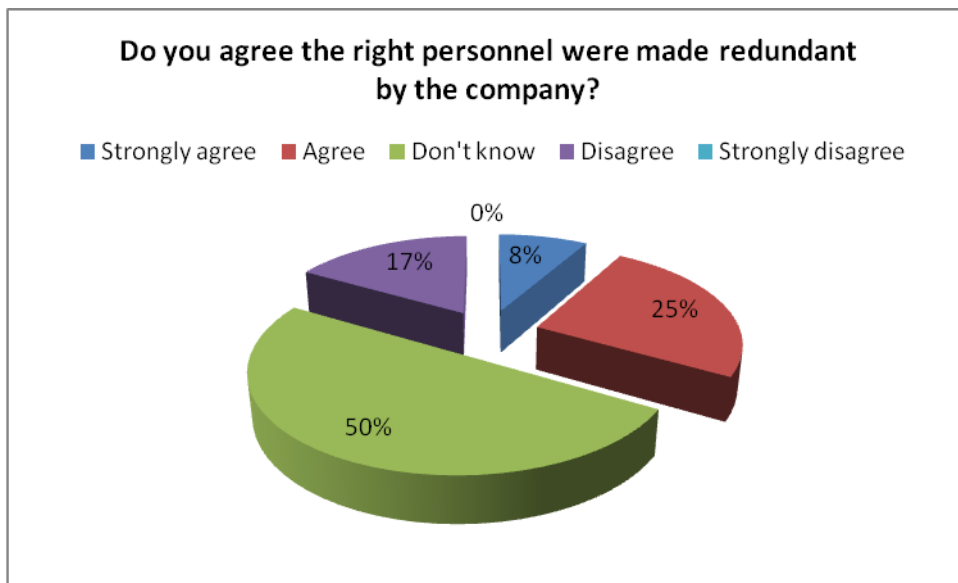
The results from this question relate back to the previous two. Two employees from Kardio Kids both strongly agree the right personnel were made, six employees from both companies agreed with the decision, twelve employees also from both companies answered don't know and four responded with disagree. These results show that while 50% of the employees were unsure if they felt the right personnel were made redundant, did not mean that the redundancies made were unfair. Most agreed that the right packages were offered for those made redundant but were uncertain if the right personnel were let go. Although a strong precentage answered don't know, 33% agreed and strongly agreed that the right personnel were let go. 17% of the participants disagreed with the decision.

Question 7. How has the work atmosphere been since redundancies were made?
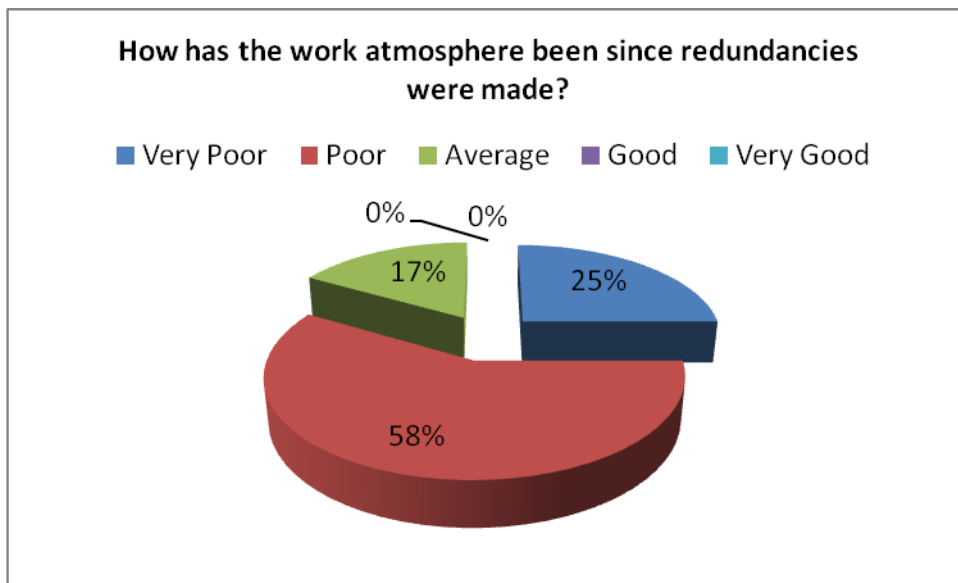
The results from this question were also interesting. Four responses of very poor were from the employees of Meteor, two were from Kardio Kids, fourteen of the responses from both companies added that it was poor and four answered average. These results show that the employees from both Meteor and Kardio Kids felt that the working environment has been poor and average since redundancies were made. It is interesting to see that even those employees who answered that the right personnel were let go, they still felt that there was a poor working environment within the company.

Question 8. Do you think other employees are working harder now that redundancies have been made?
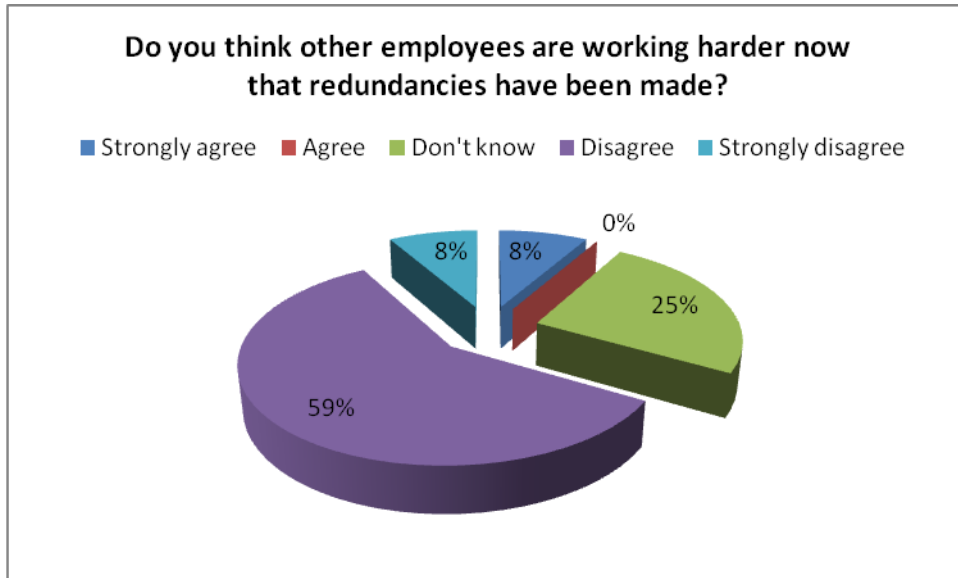
This question was to get the view from the participants on if they felt other co-workers were now working harder in light of the recent redundancies. 59% of the responses disagreed employees were working any harder than before, 25% did not know, and 8% strongly agreed while the other 8% strongly disagreed. The participants who answered strongly diagree were both from Meteor and the responses who answered strongly agree were from Kardio Kids. While only 2 responses agreed other employees were now working harder, over half of the responses disagreed. This shows that even though all of the participants felt that redundancies were needed for the company and 33% agreed that the right personnel were made redundant, 67% still felt that the employees were not working any harder than before redundancies were neing made.

Question 9. How would you rate the workload of your position since redundancies have been made?

This question relates to question 8 but is trying to determine not if employees are working any harder but if the actual workload of their job has increased or decreased since redundancies were being made.
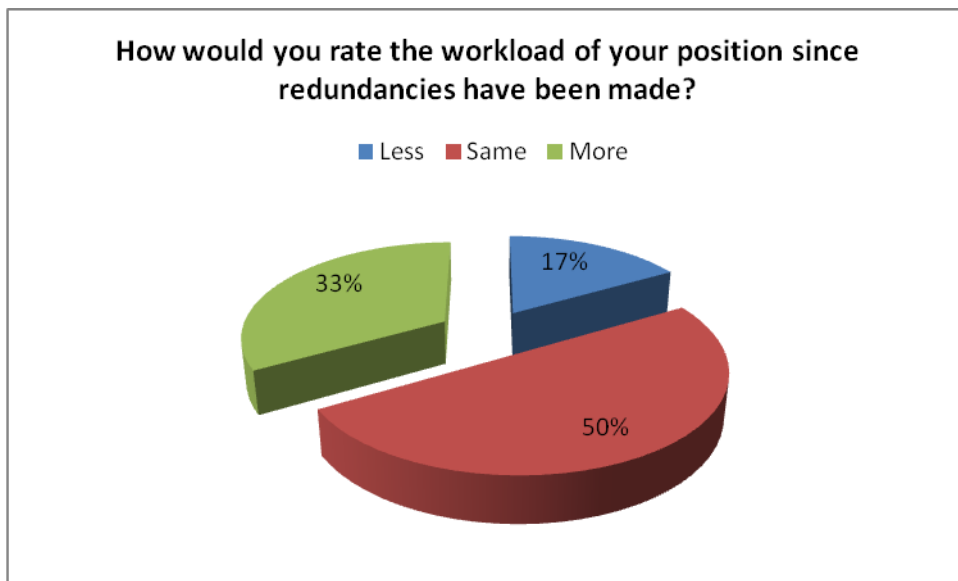
Twelve of the participants answered that the workload remained the same, eight felt that there was more of a workload and four answered that there was less work. Three of the four responses that felt there was less work were from Kardio Kids and five of the eight that responded with more work were from Meteor. These results are surprising because when asked if they thought redundancies were necessary for the company all of the particiapnts agreed they were necessary. When asked to comment, most of the reasons were answered as overstaffing and too many workers.

Question 10. Do you agree management made the right choices in making redundancies?
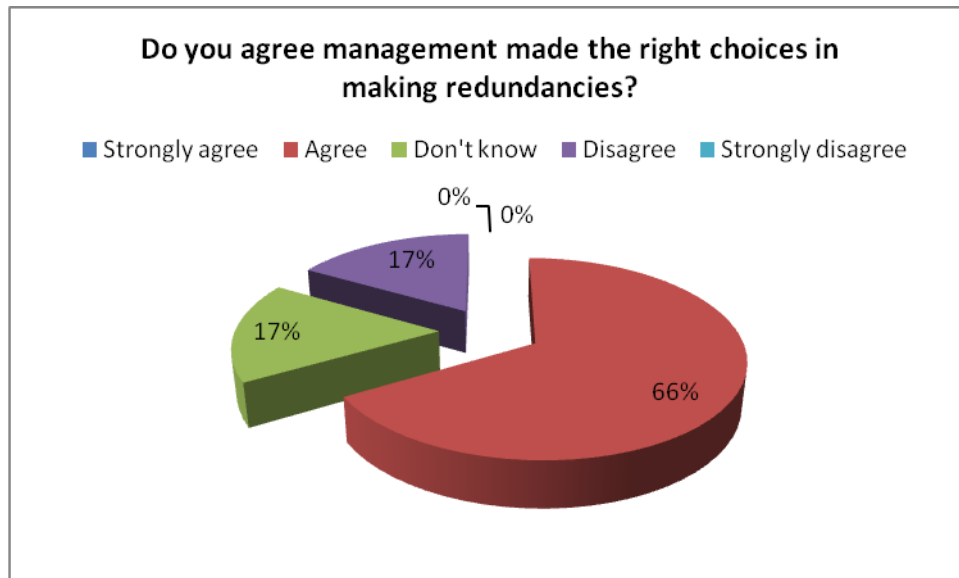
This question saw 66% of the participants agree that management made the right choices in making redundancies. 17% were unsure and the other 17% disagreed. Of the four participants that did not know, all were from Kardio Kids and the four who disagreed were from both companies. With 66% participants agreeing that the right choices were made by management, this is a strong indication that they believe the right personnel were made redundant.

**Question 11. Would you agree the right processes were used by management?**

After asking the question if the employees felt the right choices were made by management, the aim of this question was to see if the participants believed that after the choices were made, were the right processes used.
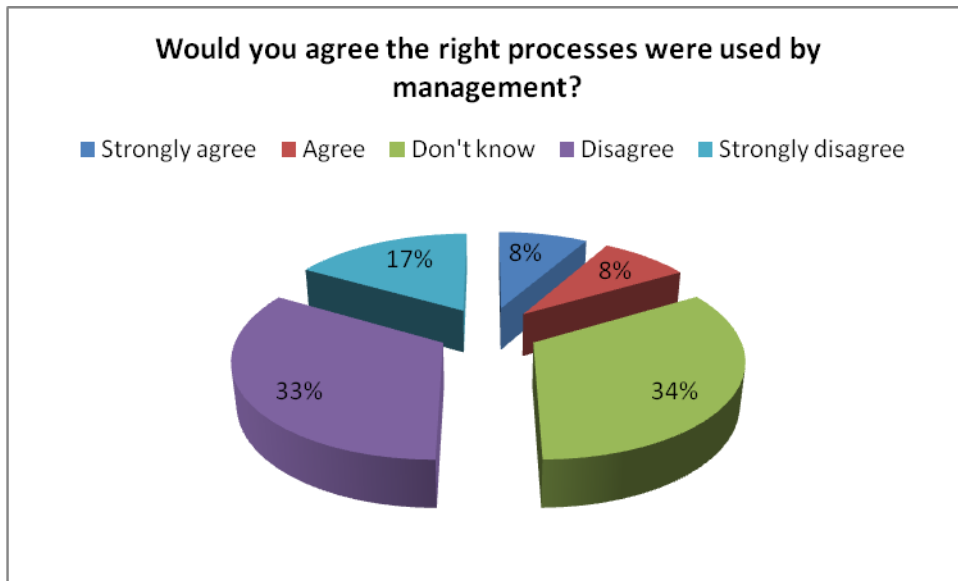
The highest results shown here was 34% unsure and 33% disagreeing. Of all the responses that were gathered, this question was the most diverse in the answers. 17% of the participants strongly disagreed that the right processes were used by management and only 16% agreed and strongly agreed with the question. Each possible answer had a response from the employees of both companies. Six of the eight participants who disagreed with the processes used by management were from Meteor, while five who were unsure worked in Kardio Kids. These results show how the employees of Meteor and Kardio Kids all have different views on which processes they feel would have been best used by management.

Question 12. How supportive have management been through the process of redundancies?

This question relates to the previous two on the topic of how management dealt with the redundancies. Once asked if they felt the right choices were made and processes used, the study wanted to view how supportive management was through the entire process.
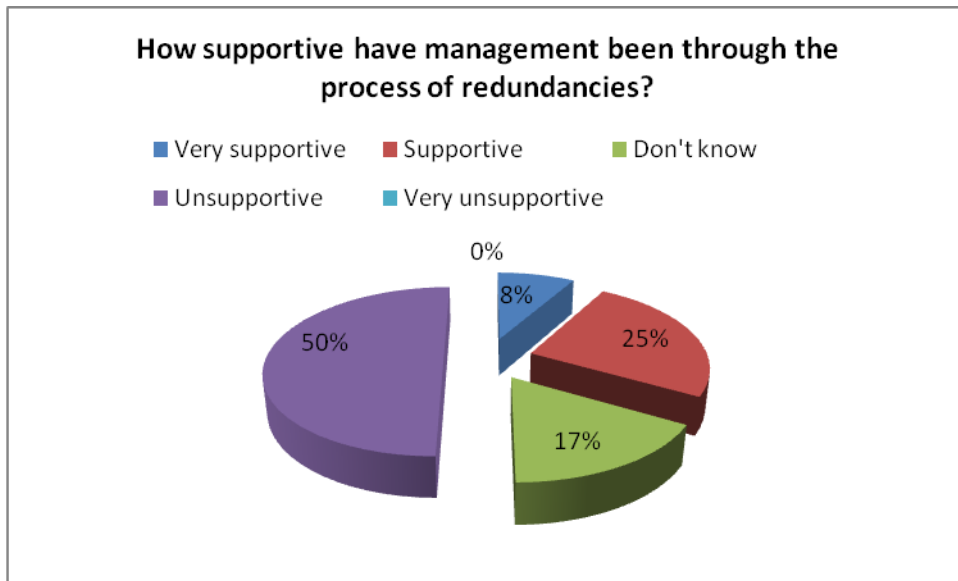
50% of the answers showed that the employees of both companies felt that management were unsupportive during the process of redundancy. This is a relatively high number for the question that was asked. Ten of the twelve participants who answered unsupportive were from Meteor while only two were from Kardio Kids. Two responses from Meteor were answered with supportive and the 8% who answered very supportive were from Kardio Kids. The results from this question are also interesting. It seems that because Kardio Kids is a much smaller working environment that Meteor, there is more time for management to be supportive towards its employees due to the much smaller workforce. Meteor has a much larger workforce and it could be more difficult for management to support all of its employees during this time.

Question 13. Do you agree the new changes brought in through the process of redundancy have been beneficial to the company?

At this stage of the questions, the aim was to see how organisational change of implementing redundancy was viewed by the employees as better or worse for the company itself.
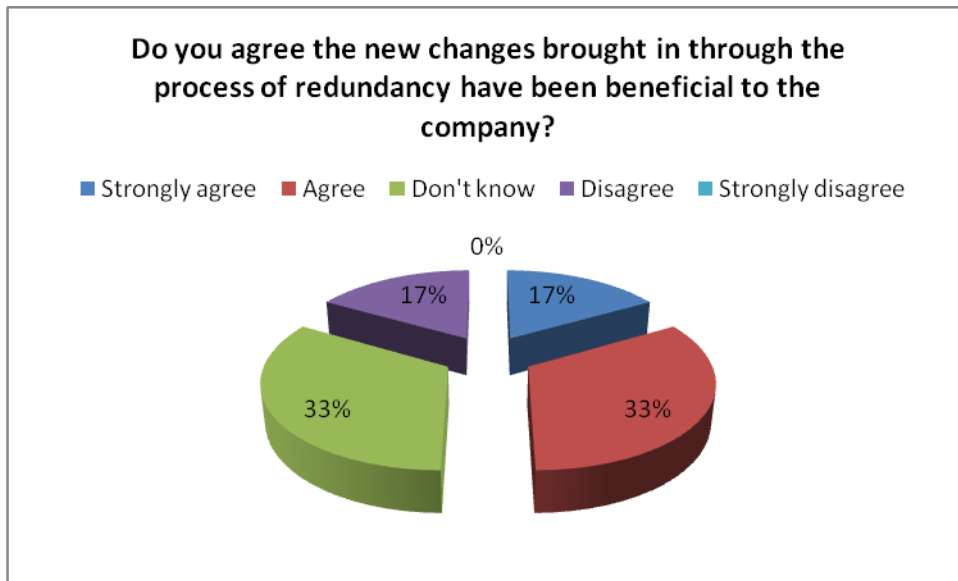
The answers provided in this question were very even. Of the participants of both companies, the answers were nearly identical. 33% agreed the new changes were beneficial to the company, while 33% were unsure. 17% then strongly agreed and the other 17% disagreed. The four responses that answered strongly agree were from Meteor and Kardio kids, and the four that answered disagree were also from both companies.

Question 14. On a scale from 1 to 5 (1 being the lowest and 5 being the highest), how safe do you feel your job is?

This question was asked for the purpose of how the participants of the study were feeling about their own jobs and if they feared of losing it in the future.
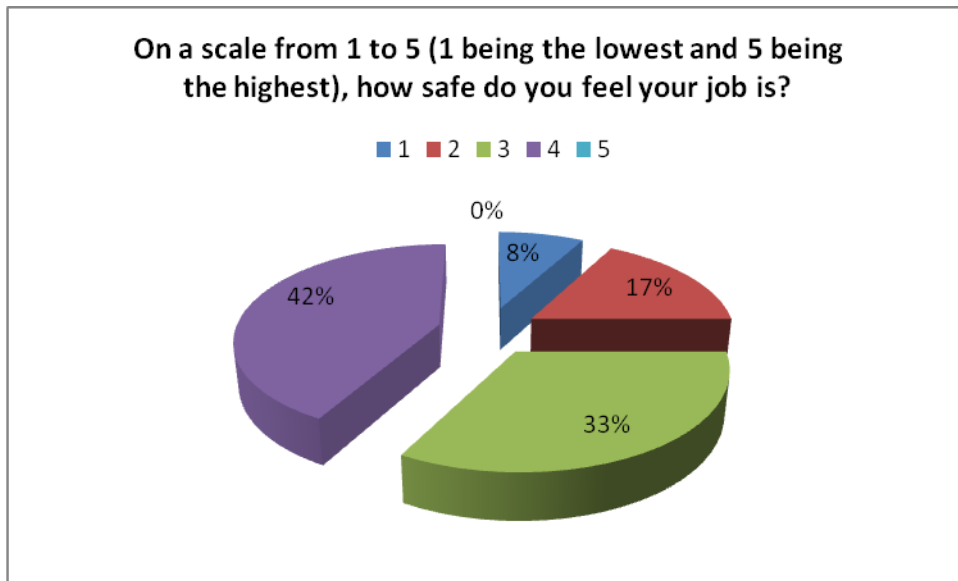
With 5 being the most confident about their job and 1 being the lowest, no participant answered with a five. The highest result was 4 with 42% of the answers, 3 receiving 33%, 2 receiving 17% and 1 receiving 8%. Two of the participants were from both companies that answered with a 1, while seven of the ten that answered with a 4 were from Meteor. With almost half of the responses scoring a 4, it seems that redundancies do not seem as high a worry for the participants of the study. These results show that while redundancy has had an effect on the participants in other areas, fear of their jobs being in jeopardy does not seem like a big concern for the employees of Meteor and Kardio Kids.

Question 15. Would you consider a pay cut if it was necessary?

The question being asked here is to determine how the employees would feel if a pay cut was essential in order for them keeping their jobs.
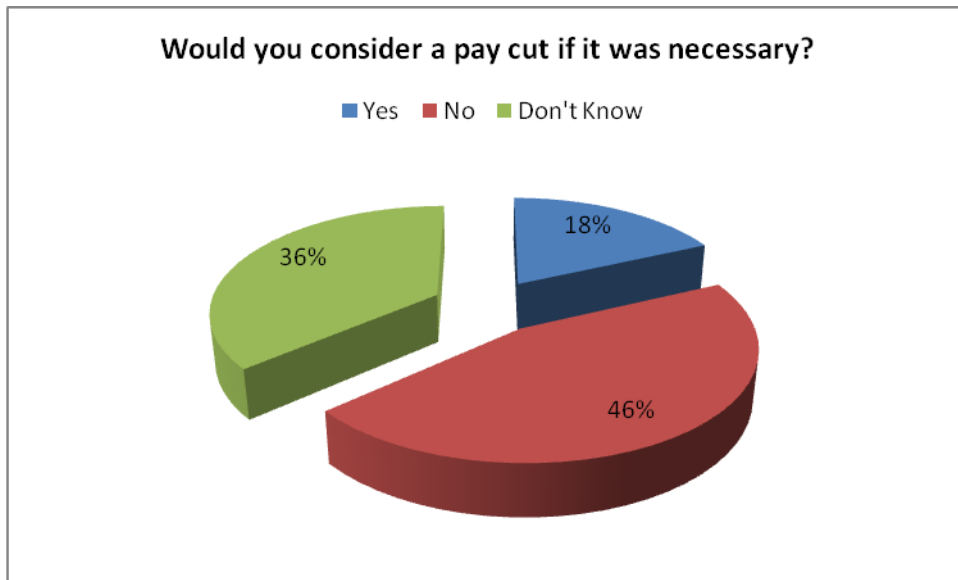

Of the responses collected, only 18% of the participants answered yes, almost half with 46% answered no, and 36% was unsure. These results are unexpected to see as only 18% of the participants would consider a pay cut. With the number of redundancies that have occured and the answers the participants gave in earlier questions, it was surprising to see that almost half were unwilling to consider a pay cut.

Question 16. Would you have been willing to cut down your working hours to reduce the number of redundancies?

This question relates to number 15 as it is another question enquiring about the willingness of what the employee is prepared to give up to help save more employees losing their jobs. As previous questions found, some of the employees did not believe redundancies were fair, so

this question was designed to see if they would sacrifice their own working hours to help out others.
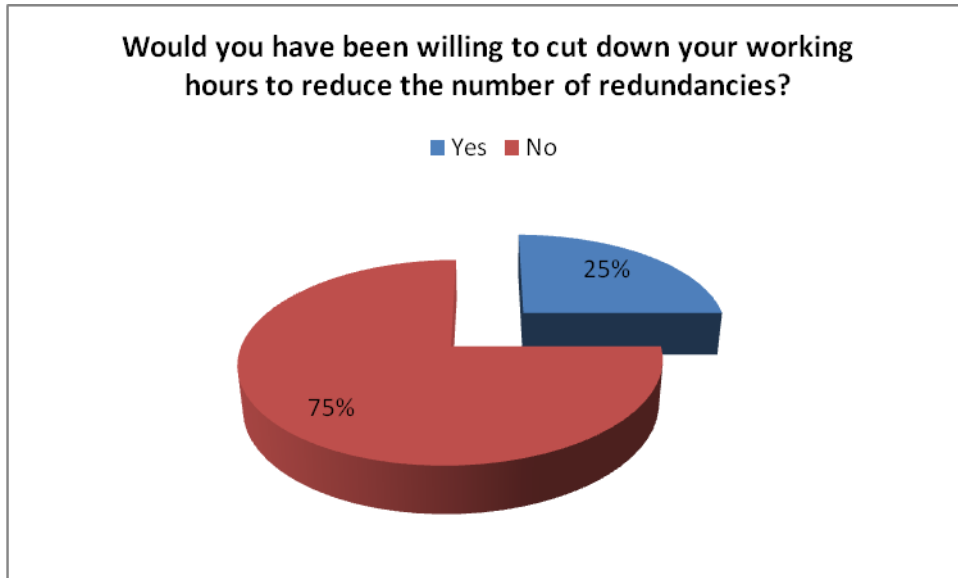
As the results show, 75% of the participants answered no and only 25% answered yes. These figures show that while the employees of Meteor and Kardio Kids felt that redundancies were necessary and a small percentage feel that redundancies were unfair, three times as more people would not consider cutting down their hours than those that would.

Question 17. How likely do you think redundancies may happen in the future?

This question was asked for the reason that because redundancies have already occurred in the organisation, it was aiming to see what the chances are that they will arise again sometime in the future from the opinions of the participants. They are the employees working within the companies; therefore their view on how likely it could happen again is necessary.

How likely do you think redundancies may happen in the future?

■ Very Likely ■ Likely ■ Don't Know ■ Unlikely ■ Very Unlikely

0%
8%
17%
42%
33%
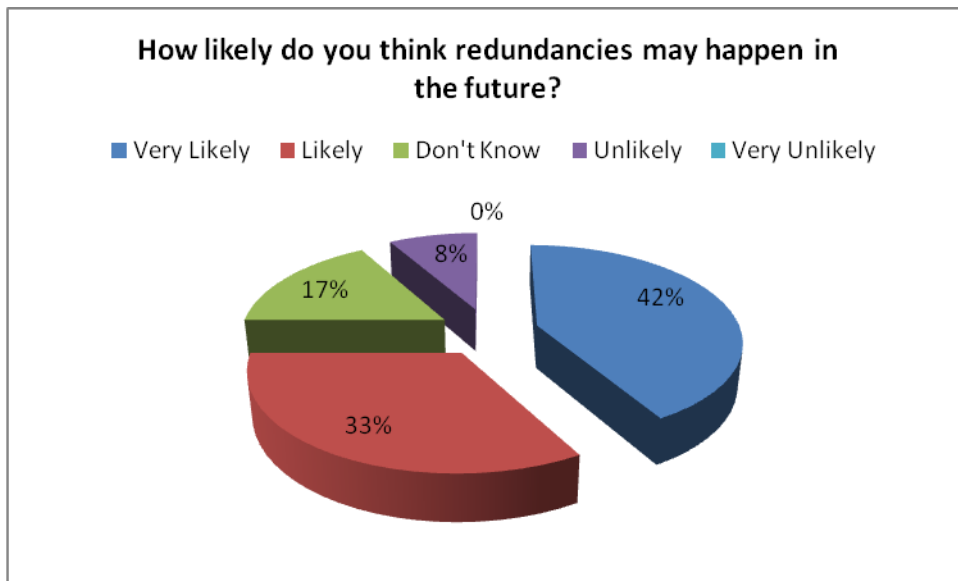
From the responses ranging from very likely to very unlikely, the highest result was very likely with 42%. The figures started to become lower with each possible answer to choose from. 33% answered likely, 17% answered that they don't know, 8% unlikely and no one answered very unlikely. 42% answering very likely is a high figure considering redundancies have already been made within both companies. The likliness of redundancy happening again, combining very likely and likley, is 75% according to the employees of Meteor and Kardio Kids. That is a relatively high number considering both companies have just gone through the process of implemeting redundancy.

Question 18. What other organisational changes could have been made instead of redundancies in your opinion?

The final question of the online survey asked an open ended question to get a better insight from the participants on what changes they felt could have been made instead. A multiple choice question could have been used but because the question could have a broad range of answers, asking the employees what they think would have been best, appeared to be the best way to go. They are the employees who have to work in this environment thus their opinion

on what could have been done in place is the aim of the research question. From the responses returned, the most informative answers given by the employees of Meteor were:

"Overtime ban, call out restrictions, and a change in work practices."

"Review working practices and procedures prior to redundancies."

"Not sure about what organisational changes could have been made however spending could have been reduced in more areas."

"A reduction in the number of managers was made; some of these managers could have gone back to non-managerial positions."

"Our company was merged with another. The 2 companies should have cleaned house separately before the merge. The way it is being done now is too disruptive for both."

These are interesting responses as most of the employees from Meteor have different views on what organisational changes could have been made. Reviewing work practices was mentioned by a number of participants and the amount of spending could have been reduced. The company merging with another was mentioned by three of the participants. All agreed that the two companies that merged should have dealt with their own companies before the merger tool place. The number of managers who were let go was also a popular response from the participants. Many of them felt that the managers who were let go could have been given a less paying job or a transfer to another area or department.

Some of the answers from the employees of Kardio Kids were:

"Have pay cuts from all employees."

"None, it had to happen."

"Each of the workers' hours could have been cut down a little from everyone and there would have been more hours for other workers."

"Maybe if they advertised the business more, then more clients would bring in their children and there would be more work."

It was interesting to see the employees of Kardio Kids looking for more ways to bring in more business. Two of the responses answered that more advertising could be done, while another answered more promotional packages for their clients. Most of the responses gathered answered that pay cuts would be the best organisational change to introduce. From the responses of all the participants of the study, only one answered that there was no other option but redundancies.

Chapter 5: Discussion and Conclusion

Discussion of Results and Findings

Once the online survey was conducted and the results were analysed, there were clear findings of what the study was aiming to achieve. Upon asking if redundancies were necessary for the company, all of the participants answered with a strongly agree or agree. This shows that the employees knew that an organisational change was needed for the companies they work for and that there was not enough work for everyone when asked why they thought it was necessary. In the company of Meteor, there seemed to be too many layers of management and there wasn't enough work for all the managerial positions. Organisational change needed to be brought into the company as most of the employees felt overstaffing was the biggest problem and there was little or no productivity. The employees of Kardio Kids also felt there was too much staff for the work that was available. While a lot of the staff believed that some of the redundancies made were unfair, they knew it still needed to be brought in for the running of the business.

When asked if the redundancies made were fair, over 80% from both companies agreed it was. While a very high number agreed redundancies made were fair, only 33% agreed the right personnel were let go. This shows that the employees felt the redundancies issued were decent just unsure if the right personnel were given these redundancies. The results between the two companies showed that there was little difference in the how big the firm was. It aimed to see if Kardio Kids thought redundancies were less fair than Meteor due to all the staff knowing each other more than those of Meteor. Despite the fact that in Kardio Kids the staff were losing more closer relationships, they still felt redundancies were fair. Van Dam, Oreg & Schyns (2008) said that it was important for the co-operation and understanding of its

employees for a change to work. The results from these questions show that both companies knew these changes needed to occur.

The results on how the working environment was after redundancies were made were interesting. As the employees knew organisational change was required and the redundancies made were fair, over half of the responses felt the working environment was poor. These results did not seem surprising as witnessing another co-worker leaving the business can be difficult, but witnessing several can be extremely difficult. Most of the employees understand this but if change is a necessity for the company, sacrifices must be made. This was the first time the results showed a difference in the size of the organisation. In Kardio Kids the participants all felt it should be last in, first out due to the working environment being very close. Knowing redundancies had to be made; they felt it was the fairest way. The staff of Meteor felt the right personnel were let go due to work performance and reward packages. This shows the staff of Kardio Kids had a closer working relationship with the let go employees more than those of Meteor.

When asked about how much harder the employees were now working, a high number did not think other employees were working any harder than before. This may be due to the fact that the working environment itself is very poor among the companies. People can find it difficult to get back into the working disposition after a major organisational change has occurred. This may take some getting used to before employees start to work harder once again. Both companies suffered losses therefore to see if the size of the organisation made a difference could only be seen over a longer period of time when the initial shock had worn off. Smith (2005) found clear knowledge is necessary to recognize when redundancies are needed. The employees understood this but felt the atmosphere was still getting used to the situation. On answering the question of how much of a workload they now have, half of the responses came back as the workload being the same as before redundancies started to take

place. This was surprising at first for the reasons that all of the employees knew redundancies were needed in the company but half then answered their workload was still the same. Before redundancies were made, the workload could have been less due to the amount of staff that was in the companies but if that was the case, the remaining employees should still have more of a workload. Kardio Kids employees felt there was less work now where Meteor found there was more. This is not surprising due to Meteor being a bigger organisation. They have let go of the people needed where Kardio Kids have also let go of the people needed but there is still not much work. This could be due to the fact that Kardio Kids could still need to let go of more staff, but management may feel it would be more disruptive to the workplace if more close employees were made redundant.

The next set of questions was related to how the management of Meteor and Kardio Kids dealt with the redundancies made. 66% of all the employees agreed management made the right choices in making redundancies. Upon reviewing the next question of if the employees felt management used the right processes, only 8% strongly agreed and 8% agreed. These results were unexpected as 66% agreed management made the right decisions. This could be argued that although management had made the right decisions when implementing redundancies, the processes in which they used were not satisfying for the employees of Meteor and Kardio Kids. Maurer (2003) and DiBella (2007) agree that management need to involve their employees. Kardio Kids participants felt unsure the right processes were made. From this result it seems Meteor participants had a better understanding of the correct processes. This could be through Meteor being a huge corporation and having different departments where correct processes are made, where in Kardio Kids processes and procedures are all made by the one manager. Perhaps management could have consulted with them on which action they should have taken to ensure it went more efficiently. Meteor staff disagreed the right processes were used meaning they know the right processes to use, where

Kardio Kids staff were unsure meaning they know less of which are correct procedures to use. The management of Kardio Kids should have informed their staff more of how the processes of redundancies work. This is a disadvantage for the smaller firm as they would have far less resources to get this message across.

On how supportive or unsupportive management were during the changes occurring, 50% of the employees answered they were unsupportive. Only 25% answered supportive and of them, only two were from Meteor. The 8% that answered very supportive were from Kardio Kids. With only two out of twelve from Meteor responding with supportive, it shows the different management styles for both companies. As suggested earlier, Kardio Kids has only twelve employees therefore making it much easier to communicate with all of the staff. They are a much smaller working group and as a result will be able to communicate easier with the management of the company. Meteor has thousands of people working for the company and it could become extremely difficult for management to be supportive to all of its employees because of the huge workforce. Time and resources would be a big issue in this instance. How beneficial the new changes of redundancy have been to the company was asked to view whether the employees thought it was better or worse for the company. 33% agreed they were beneficial and 33% answered they don't know. 17% was answered with strongly agree and 17% with a disagree answer. From the previous results of how the working environment was after redundancies were made, almost all of the results came back poor or very poor. Perhaps the need for redundancies was required for the companies to survive but, due to the low results from the how the work atmosphere has been, the employees feel once redundancies were made it had a negative impact for the remaining employees. These results were very even across the two companies. This is understandable as the employees would not have direct access to how well the company is doing. It is up to management if they want to provide this information.

Appelbaum (2002) conducted a study on surviving employees after downsizing. His results showed that employees feared more of a termination plan than morale and the impact on surviving employees. Both companies here felt quite secure on their jobs for the time being. The question how safe do you feel your job is on a scale of 1 - 5, was answered with mostly positive results. 42% gave an answer of 4 and 33% gave an answer of 3. With redundancies having already taken place, the participants were not that concerned for their jobs being in trouble. With results from previous questions that most felt redundancies were fair and the right decisions were made by management, the possibility of redundancies occurring again did not seem as big an issue.

Asking if they would be willing to take a pay cut was not an issue for the participants. Of all the responses, only 18% said they would take a pay cut. These results are unexpected since the number of redundancies happening all over the country is still very high. Even with the knowledge and the first hand experience of seeing redundancies take place, the participants still would not consider a pay cut if it was necessary. It can be very difficult to receive a pay cut knowing the amount that was being made before. When asked if cutting down their hours to prevent more redundancies occurring, the participants answered with 75% saying no and 25% saying yes. This relates back to the previous question of taking a pay cut. While many would find it difficult to see co-workers being made redundant, they still would not consider a reduction in working hours. From the number of redundancies that have happened, it is understandable most of the participants answered no due to the fear of possibly losing their own jobs eventually in the future. Nair (2008) found that the more experienced workers felt more a job threat than those less experienced. While most participants of this study responded they wouldn't take a pay cut or cut back hours, the staff of Meteor felt a little more safe than those of Kardio Kids. These results differ from Nair, as the employees of Meteor have more experience in their work more than Kardio Kids.

How likely redundancies would happen in the future was answered with the most responses being very likely at 42%. 33% went onto answer it would be likely. Considering these results and the responses of a previous question on pay cuts, it was unusual to see most of the employees felt redundancies would occur again and still not a consider a pay cut or reduction in the number of hours. With the employees believing redundancies would most likely happen again, there would not be a reason to cut back working hours or pay considering redundancies are expected to occur once more regardless of how much they cut back.

The question on what organisational changes they felt could have been made in place of redundancies was answered with different opinions from the two different companies. The employees of Meteor had good opinions on what those changes could be from reviewing the different work practices that were in place to the reduction in spending across the different departments of the company. The employees of Kardio Kids mentioned cutting back the working hours for everyone to advertising the business more. They were valid points and all seemed to have a good idea of what they thought could have been best for the companies.

From the results and the discussion, redundancy did have an impact on the employees of Meteor and Kardio Kids. They understood that redundancies were needed but not all have been fair. The work atmosphere has been affected by the recent redundancies which can lead to poor productivity and staff morale. Some knew management made the right choices in what organisational choices were needed but did not necessarily use the correct practices in doing so. Considering what both companies have been through and the major changes that have occurred, the employees still had a positive attitude toward their company and knew the organisational changes implemented were essential for the running of the business.

The aim was to see if there was a difference in the size of the companies. The answer is yes, but only in certain areas. While most of the employees had the same opinions on redundancies being made, future of jobs and pay cuts, the major difference between the two

companies are the management styles. Meteor employees seem to have better knowledge of the practices and processes that are made throughout the company when it comes to redundancy, where the management of Kardio Kids may view their employees more as colleagues rather than employees. The management need to change this and start informing their staff on what processes need to be made. Due to Meteor being much larger, the management does not seem to have such a personal relationship with their employees as Kardio Kids.

Conclusion

From the results and findings of the online survey from the employees of Meteor and Kardio Kids, it is clear that implementing organisational change through the process of redundancy was the right option to choose for both companies. During an economic downturn, organisations must see what needs to be done to make a transformation of their business and how that change is to be implemented into the company. While the organisational changes in the two companies of this study was the process of making redundancies; that does not always have to be the case for all organisations. Organisations can see opportunities and future prospects of bringing in new changes to make the business strive even better than it was before. Organisations that can see an opportunity and set out goals and strategies to achieve, will have a better chance of succeeding at future organisational change and transformation. The organisations of Meteor and Kardio Kids did not have other options at the time but to make redundancies. That is not to say they cannot make different changes in the future if such changes are once again required. There are many obstacles to organisational change and some may be harder to overcome than others but if the correct set of practices are set in place and communication is used, the change process can be easier for all employees involved.

While the organisations of this study didn't seem to have much employee resistance during the implementation of redundancy, many organisations face this problem at one stage or another throughout the implementation of change. While the results were seeking to find more diverse results from the two sets of participants, it still showed that the management styles used in an organisation are crucial. A manager is not there to be your friend, but to lead and direct you to your highest goals. That is not to say there cannot be a relationship between employer and employee, as long as the correct processes and direction is given. Van Dam, Oreg & Schyns (2008) found that "employees who perceived a high-quality LMX (leader member exchange) relationship and a strong development climate had received more information and opportunities for participation, experienced more trust in management, and subsequently reported less resistance to the change." The organisations change structure can advance more efficiently if there is a high quality relationship between employer and employee, and a strong development climate is in place. If employees are being communicated to more by management about changes that are occurring; their resistance to such change will less likely be an issue and their productivity will most likely be improved. Szabla (2007) states that "many researchers emphasize that the main obstacle to organizational change achievement is human resistance." From the findings of the study, the employees of Meteor and Kardio Kids seemed to have gone through this process without much resistance, which is a positive result as it is believed that employee resistance is the main difficulty in achieving organisational change.

From the various topics and papers that have been written on organisational change and redundancy, the reviewed literature has shown there have been countless authors that provided their insight and expertise into the two subjects. While there have been debates in the past on the best approaches and techniques that an organisation can use to implement change, or the best solutions that can be used to overcome the resistance and barriers to

change, all organisations differ in the practices they use. Some techniques may be used by some organisations with positive results while the same technique could be used by a different organisation and fail. It all depends on the organisation and the styles that best suit their practices. Once communication, honesty and trust are built on the relationship between employers and employees, a major obstacle has been passed. The whole idea of organisational change is to change the business for the better. Regardless of an economic downturn or a downturn in business itself, if organisational change is what is needed for the business to survive, it is the crucial to get it right. Meteor and Kardio Kids decided that the change they needed was to implanted redundancies. With the time and cost it takes to build, it is critical that it is implemented effectively. This report showed that organisational change can be implemented through redundancy effectively with the right approaches, practices and committed employees. Management techniques may need to be reconsidered and communication more effectively but the overall results show that there is a strong working environment within the two companies. The economic downturn has still had a significant impact on a lot of companies all over the country, but with change comes difficulties, and although the employees of this study did have issues with some of the practices used by management, they knew redundancy was the best organisational change for their company.

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Appendix A

Online Survey

1. How long have you been working in this company?
   - years
   - 1-2 years
   - 3-6 years
   - 6-10 years
   - over 10 years

2. Do you think redundancies were necessary for the company?
   - Strongly agree
   - Agree
   - Don't know
   - Disagree
   - Strongly disagree

3. Why do you feel they were necessary or not necessary?

4. Do you think redundancies that were made within the company were fair?
   - Yes
   - No

5. Can you elaborate on why you feel that way?

6. Do you agree the right personnel were made redundant by the company?
   - Strongly agree
   - Agree
   - Don't know
   - Disagree
   - Strongly disagree

7. How has the work atmosphere been since redundancies were made?
   - Very Poor
   - Poor
   - Average
   - Good
   - Very Good

8. Do you think other employees are working harder now that redundancies have been made?
   - Strongly agree
   - Agree
   - Don't know
   - Disagree
   - Strongly disagree

9. How would you rate the workload of your position since redundancies have been made?
   o Less
   o Same
   o More

10. Do you agree management made the right choices in making redundancies?
   o Strongly agree
   o Agree
   o Don't know
   o Disagree
   o Strongly disagree

11. Would you agree the right processes were used by management?
   o Strongly agree
   o Agree
   o Don't know
   o Disagree
   o Strongly disagree

12. How supportive have management been through the process of redundancies?
   o Very supportive
   o Supportive
   o Don't know
   o Unsupportive
   o Very unsupportive

13. Do you agree the new changes brought in through the process of redundancy have been beneficial to the company?
   o Strongly agree
   o Agree
   o Don't know
   o Disagree
   o Strongly disagree

14. On a scale from 1 to 5 (1 being the lowest and 5 being the highest), how safe do you feel your job is?
   o 1
   o 2
   o 3
   o 4
   o 5

15. Would you consider a pay cut if it was necessary?
   o Yes
   o No
   o Don't Know

16. Would you have been willing to cut down your working hours to reduce the number of redundancies?
 - o Yes
 - o No

17. How likely do you think redundancies may happen in the future?
 - o Very Likely
 - o Likely
 - o Don't Know
 - o Unlikely
 - o Very Unlikely

18. What other organisational changes could have been made instead of redundancies in your opinion?