



Jobs Australia

Community Sector Industrial Relations

A GUIDE FOR LEADERS

Resilience - during the tough times

Forward



ONE OF THE INEVITABLE CONSEQUENCES OF THE COMPETITIVE PURCHASING OF COMMUNITY SERVICES IN AUSTRALIA IS THAT SOME ORGANISATIONS ARE SUCCESSFUL AND SECURE NEW CONTRACTS AND OTHERS ARE UNSUCCESSFUL AND EITHER SECURE SMALLER CONTRACTS OR NO CONTRACTS AT ALL. ONCE THEY BECOME AWARE OF THE OUTCOMES OF PROCUREMENT PROCESSES, LEADERS IN COMMUNITY SERVICES ORGANISATIONS ARE SOMETIMES CALLED UPON TO MAKE DIFFICULT DECISIONS TO REDUCE THE NUMBER OF THEIR EMPLOYEES BY MAKING STAFF REDUNDANT.

This can be a stressful and difficult time for CEOs, managers, Board members and their staff, as people work to provide for their families and their futures and deal with changes that are often beyond their control.

This can cause health problems, both physical and mental, that need to be dealt with so those affected are able to manage any negative impacts.

This booklet is a revised version of a booklet originally produced in the context of a re-tendering of Disability Employment Services in 2012. We would like to acknowledge the publications and resources of beyondblue: the national depression initiative in the production of this booklet, which provides practical tools to assist you in supporting the resilience and wellbeing of your staff and your own resilience and wellbeing during difficult times.

People are at the heart and centre of the mission and values of specialist homelessness services. Building their resilience and maintaining the resilience of our own people is central to who we are and what we do. We know and appreciate the central importance of ensuring people (including our staff and our clients) are treated well and with dignity and respect – and this is especially so when the going gets tough.


I hope you find this booklet useful and encourage you and your people to seek relevant help and support from the many available sources if it is needed.

A handwritten signature in black ink, appearing to read 'David Thompson', with a small dot at the end.

David Thompson AM
CEO

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Organisations in the not for profit community services sector provide a range of services for government on a funded contractual basis. Funding is typically annual or for defined periods of up to 5 years.

From time to time, particular programs will be re-tendered. Re-tendering creates a risk for currently funded organisations that they might lose some or all of their funding for that program. At the same time, re-tendering may create an opportunity for some organisations to obtain increased funding.

As a result, some organisations might decide to merge with other organisations, while others will restructure and downsize. Some organisations will grow but be faced with significant restructuring challenges to make that work.

And, of course, sometimes programs are simply cut.

Regardless of the eventual tender outcome, in the short term uncertainty will be a significant problem for all organisations involved.

This guide is designed to assist leaders to navigate their way through a period of difficult change. We aim to help you manage this process in a way that is consistent with your organisation's own values of fairness, dignity and respect, and in a way that will achieve the best outcome possible for all in the circumstances.

A note about the redundancy process

This guide deals with managing the realities of managing staff where there is the possibility of retrenchment due to redundancy. But before implementing retrenchment, there needs to be a proper redundancy process. The process is important not only because of legal and industrial obligations, but also as good business and ethical practice.

For detailed information about the important legal and industrial obligations of employers managing potential redundancies, please see Jobs Australia's comprehensive publication **Guide to Managing Redundancy** or consult your own advisers.


What is redundancy?

Redundancy occurs when a job is no longer required to be done by anyone.

Redundancy is an outcome of structural change within the organisation. If a position has become redundant, a further consequence is that the employee who fills that position has become potentially redundant. If there is no other suitable work available for that employee, it may be necessary to terminate (retrench) that employee.

Termination in this context is not due to ordinary and customary turnover of labour, and is also not due to any performance or conduct issue with the employee.

But termination is not the only possible outcome. It is the job that is redundant, not necessarily the employee. Other outcomes can include redeployment, transfer to another employer, or agreed reductions in hours.



Some of the key elements of the redundancy process include:

- Providing information and communicating clearly with affected staff about why redundancy is being considered, and about the process;
- Consultation about proposed action or options (might only be 1 option if all funding is lost), to test the practicality of proposed restructuring and other changes;
- Consultation to minimise the adverse consequences for staff:
 - Explore redeployment, reductions in hours, transfer of business
 - Consultation is “opportunity to influence decisions” – agreement is not necessary, although it is desirable if reasonably practicable;
- Finalise the decision, taking reasonable account of any issues raised during the consultative process; and
- Advise employees about the process, entitlements, assistance available, and timelines.

Our values

Jobs Australia members have a strong commitment to their communities, and express this in terms of concepts such as social justice, equity, human dignity and fairness. These values are fundamental to what the not-for-profit community sector is all about. So it is particularly important that our values are at the fore front of everything we do when things get tough.

Apart from the ethical requirement that employers should treat affected employees fairly, good processes also send important signals to other staff. The negative impact of a badly managed restructure can have a destabilising effect on those employees who are not selected for redundancy and remain with the employer. The morale of the remaining employees may be critical to the success of the restructure and the viability of the organisation.



The decision has been made ... what next?

Differing and overlapping interests



All of the employees of the organisation have a stake in what is happening when jobs need to be cut. Clearly, there are some differing interests for different groups, but also overlapping interests.

It's a people thing – colleagues will be concerned for each other, as well as for how the process affects them personally.

It starts with information:

If an employee faces potential retrenchment they deserve, and have a right, to know why:

- > In a situation such as the loss of a major funding contract, the reason for retrenchment is pretty clear and objective.

- > Even if the employee disagrees with the decision, at least clear information can help prevent arguments based on wrong assumptions.

Retrenchment or potential transfer is inherently stressful for all concerned. One of the biggest sources of stress during any time of change is uncertainty. So providing employees with clarity and certainty as far as practicable can go a long way to managing and reducing unnecessary stress. Information which managers should be able to provide to assist employees include:

- > Timelines
- > Entitlements
- > Where to get financial advice
- > Other sources of support such as outplacement services and Employee Assistance Programs (EAP).

At a time like this, people absorb information in different ways. Be prepared to communicate with your staff in a variety of ways as they come to grips with the new reality. For example:

- > Group meetings
- > Individual meetings
- > Email circulars
- > Hard copy bulletins

Managing change

There will be a reaction

Anyone facing the loss of their job has to deal with a range of pressures – emotional and psychological stress for themselves, concern about their family, financial concerns.

Some of the normal emotional reactions people experience when faced with major financial loss include:

SHOCK	DISTRESS	ANGER	GUILT
WORTHLESSNESS	SADNESS	POWERLESSNESS	HELPLESSNESS

Source: beyondblue - Taking Care of Yourself: After retrenchment or financial loss (2011)

Often these reactions can manifest themselves physically with symptoms such as:

PROBLEMS SLEEPING	TIREDNESS & FATIGUE	MOOD SWINGS
MUSCLE TENSION, PAIN	WITHDRAWING FROM OTHERS	ANGER, IRRITABILITY
HEARTBURN, HEADACHES, SKIN RASHES, STOMACH PAINS	FORGETFULNESS, VAGUENESS	EMBARRASSMENT & GUILT

Source: beyondblue - Taking Care of Yourself: After retrenchment or financial loss (2011)

These reactions are normal and usually diminish with time. But if the symptoms persist for a prolonged period or start to have a significant impact, beyondblue recommends talking to a health professional as there may be a risk of developing depression or anxiety.



Managing redundant staff

Remember:

In situations of redundancy, it is not the individual's fault.

While there is little you can do to change government decisions about funding for programs, there are steps you can take to make sure appropriate support is offered to retrenched staff.

- > Listen to concerns raised and refer to other sources of help where appropriate.
- > Expect heightened emotions, including anger, but at all times stay in your role as manager; and
 - Stay calm
 - Be respectful
 - Restate the message about the reality of the funding cuts
 - Restate clear messages about process and timelines.
- > Don't make promises you can't keep.
- > Keep in mind that it is the job that is redundant, not the person.
- > It's a difficult time and people are likely to be upset. Managers need to balance their need to complete the task, with empathy and respect for what the employee is going through. Patience will be needed as people absorb the bad news and work through their response.
- > Sometimes, redundancy happens quickly and the retrenched employees will leave within a matter of weeks in accordance with the relevant minimum notice period, or more quickly if the notice is paid out.



Managing redundant staff ... cont'd

- > But situations can also arise where announcements have been made about funding cuts and employees are potentially redundant, but their jobs are still expected to continue for several months while the program winds down. In this situation there are additional challenges for managers.
- > It is reasonable and should be expected that potentially redundant employees will start looking for work elsewhere.
- > As manager, there are things you can do to improve the likelihood that employees will stay to the end of the program when there are extended timelines.
- > It makes sense to discuss individual needs and find ways to help your people on a case by case basis. Options might include:
 - Facilitating relevant training, and access to RPL, to help the employee position themselves to move to a new job later on;
 - Organising access to outplacement services;
 - Paying attention to the personal and emotional state of the employee – referral to an EAP if necessary; and
 - Keeping the employee informed about progress on any potential redeployment or transfer of business opportunities.



Managing the remaining staff

IT IS COMMON TO SEE INCREASED TURNOVER AMONG STAFF WHO REMAIN AFTER A ROUND OF REDUNDANCIES.

This might seem counter-intuitive.

After all, these are the employees who have been told their jobs are safe. But the causes usually relate to the emotions, stress and uncertainty associated with any significant job losses. They may be experiencing a range of conflicting emotions such as relief, guilt, resentment, sadness and anger.

- > Keep all your employees informed about the business situation and the process occurring.
 - Expect some remaining staff to be worried about their own job security, so be honest and clear with them about what is and is not happening.
 - If there are questions you can't answer – be honest about that, but try to follow up as more information becomes available.
 - Rumour and false assumptions thrive in the absence of clear and objective information.
- > Monitor workloads and stress levels.
- > Check if there are any training needs where there have been changes to duties.
- > Listen to concerns raised by the remaining staff:
 - being responsive to your employees is even more critical in this period;
 - but remember you are a manager not a counsellor – recognise the limits of what you can do and refer to other sources of assistance where available.
- > And importantly, your remaining employees have witnessed the redundancy process and have imagined themselves being subject to it. Make sure that the process you followed in implementing the redundancies can be demonstrated to have been unavoidable, fair and respectful.

Managing yourself

As a manager and leader, you have a commitment to the organisation and to your people. It hurts to have to cut jobs. Be aware of the emotional impact on yourself.

You may be experiencing many of the same emotions of your staff, both those being made redundant and those who remain with the organization. During this process, it is important to keep things in perspective. While difficult, try not to get emotionally involved. Try to recognise the things that you can control and what you can't control.

Emotional impact

For anyone affected by major events involving loss such as retrenchment (including redundant employees, remaining staff and yourself as manager), it is important to monitor the emotional impact.



beyondblue suggest keeping track of the following sorts of indicators about your own well-being:

> Are there any particular worries or concerns that I can't get out of my mind? If so, what are they?	> Am I drinking alcohol, smoking or taking drugs more than before?
> What is my sleep and diet like?	> How much exercise am I getting?
> How is my general health? Should I go to the doctor for a check-up?	> Do I have family members and friends to whom I can turn for support?
> Are there any pre-existing medical conditions that may be aggravated by a period of stress?	

When to seek professional help

Help should be sought from a GP or a mental health professional if:

- > Emotional reactions are severe or persist for more than a couple of weeks;
- > There is an inability to function and carry out day-to-day tasks;
- > Alcohol or other substances are being used to “self-medicate” or cope;
- > Thoughts of self-harm or suicide are being experienced.

Outplacement Services

While perhaps not for everyone, there is one way you can help retrenched staff to move forward once they have left the organisation: provide access to an outplacement service. An outplacement service helps individuals with tools such as:

- > Resume and letter writing skills;
- > Career assessment and counselling to find the right career choice;
- > Job search coaching and assistance with job market trends;
- > Action plans.

Providing this service helps to ease the distress and trauma caused by redundancy and recognises the important contribution that they have made during their time with the organisation. It sends a positive message to remaining staff that the redundancies were necessary and you will assist them ease the transition and this goes a long way to maintaining morale. Those made redundant are more likely to be friendly advocates of your organisation well into the future.

If an outplacement service is unrealistic for your organisation, you could offer similar services in-house if you have the resources.

Acknowledgements

This booklet has drawn on material contained in the beyondblue booklet:

[Taking care of yourself after retrenchment or financial loss](#)

For further information

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