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### **1. Retrenchment Code of Practice**

On the idea of a Code of Best Practice for retrenchment, I would make the following observations:-

#### **1.1 Human Resource Valuation**

A code of Best Practice must be underpinned by a positive unconditional regard of the Human Resources at the disposal of an employer. Available workplace research does not suggest that this is common in Australia. Most often retrenchment is seen as a negative experience by the victim and presented as such by the employer who, quite logically, minimises his/her perception of liability and responsibility if the individual wears the emotional blame. In effect this means that retrenched employees leave the workforce with low self esteem. This is confirmed by my past experience as an employer with two memorable exceptions. Both were aged 55, in quite separate organisations at different times. Each had been locked into a position for the previous 10 years at least and had built a reputation for efficiency on which they developed their self-image.

By using my professional counselling skills I was able to ascertain that they felt trapped by their reputations and that to maintain honours they had to keep being more perfect than perfect. Over a period of 6 months each began to listen to me about the need to become comfortable with change and to visualise that a 'steady state' lifestyle was an illusion created by them to make them feel comfortable. Over time these ideas were accepted and they were encouraged to look at new options. Eventually their retrenchment was offered on positive terms as a door opening to a new future.

In June 1999 I attended a breakfast with Professor Rosabeth Moss Kantes as the guest speaker. With all her expertise in change management, she stated time and again that success in the USA workplace was only really apparent when workforces were not afraid of retrenchment and were not treated badly as part of the termination process.

#### **1.2 Termination Management**

Throughout my professional training in psychology and social work I noted how the research literature identified that termination as a process in most western countries was poorly handled. It is my view, therefore, that retrenchment management will only be successful on a general basis when the external socio-cultural context is positive about termination.

In practical terms this means Australian culture will need to turnaround its generic approaches to termination so that it is no longer

- a death-denying society
- a society with high levels of uncertainty avoidance in its profile
- a society with a strong undercurrent of anti-intellectualism

Workforce terminations like retrenchment and their codes of practice will be hollow words if the sociological, psychological and cultural contexts are not transparent positive reinforcers of the code and its preferred procedures.

### **1.3 Social Research Investment**

It follows, in my opinion, that far too little is invested in research into these areas, and further that there are far too few avenues for social scientists like myself to obtain funding to look at these workplace issues. Put bluntly, I left the university sector because the bureaucratic culture and the petty sniping about "tall poppies" became counter-productive. However, the hidden cost of the departure of intellectual resources like myself from the public domain has not been realised, let alone measured. I would encourage the Committee to look at ways of buying our skills back at least on some part-time basis that offers intrinsic as well as financial rewards. For example, if an exclusive national college of Workplace Research consultants was established, with notional Associate Professional status via, say, the ANU, then I for one would be pleased to work part-time on/or supervising the kind of workplace research that I have alluded to in my written and verbal submissions. I am interested in supplying my expertise to issues like 45+ unemployment but I cannot afford to do that at the cost of earning an income.

Yours sincerely,

Murray Cree  
President