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Improving Retrenchment Processes - Observations

General Comments

General agreement on the difficulty of the retrenchment process for both employee and employer.

General recognition that retrenchment is not handled well in a significant number of cases.

Disagreement on scale of problem - emphasized by support agencies, downplayed by industry.

Agreement that poor handling of retrenchment contributes to psychological / social problems.

Government role supported by non-industry / opposed by Industry representatives.

Regulation

Supported most by non-industry representatives.

- Businesses will not drive necessary standards, training, cultural change, without regulation.
- Poor record and current performance of industry in this area (downplayed by industry).

Opposed by industry at unwanted interference - prefer internally driven cultural change.

- Some key aspects covered by existing regulation - not effective in some cases.
- Most small business managers will ignore regulations due to other pressures.
- Regulation may push marginal businesses to close when they may otherwise survive.
- Large businesses will pay lip service to regulations unless already focussed on issues.

Better Practice Option (eg BHP model)

Qualified support from non-industry representatives:

- Focus on minimizing risk of long term unemployment, psychological damage to employee.
- Maximum pre - retrenchment warning to employee(s) and Centrelink (outplacement agent).
- On - retrenchment job search training, financial advice, support, placement assistance.
- Need to be supported by regulation, or will be ignored by industry.

Opposed by Industry representatives:

- Small business - limited resources. unable to take long term view (as in BHP example).

- Difficulty of defining what best practice is - eg timing issues - various examples.
- Different practices may be best in different circumstances (union agreement).
- Different perspectives of employee and employer - eg physical of data / workplace.
- Ignored by overloaded small business managers, lip service in larger organisations.

Guidelines / toolkits (Qualified support from most present)

- Potential educational role - awareness raising and back information.
- Potential resource for (small) employers who are confronting a retrenchment decision.
- Could also include resources / basic guidance for employee(s) to be retrenched.
- Would need to be generalized - difficult due to different circumstances.
- Risk of being ignored by employers under pressure - too hard basket.
- Most likely to be used where employer is already predisposed to assist employee(s).

Union Negotiated Agreements

- Requires early involvement of Unions - has produced some good outcomes.
- More flexible than above - can be tailored to industry, workforce, circumstances, individuals?

My perspective

- A good option but not generally applicable - eg white collar., other non-union situations.

My Comments / Suggestions

- This is a complex issue and is only one part of a major and growing problem.
- A lack of industry involvement / support will lead to self fulfilling (negative) prophecies.
- Ignorance and a lack of employer training and information all contribute to poor outcomes.
- Review current relevant regulations, improve community awareness and application of them.
- Identify options for / components of effective retrenchment processes – guidelines / flowcharts.
- Industry organisations to develop consistent industry-specific guidelines (or accept regulation).
- Develop generic small business guidelines, toolboxes etc, including and checklists.
- Promote awareness (advertising) - reduce the role of ignorance and refer to info resources.

Richard Barratt