

30 March 2000

Dr. Brendan Nelson  
Chair of the Standing Committee  
House of Representatives  
R1 Suite 116  
Parliament House  
CANBERRA ACT 2600

Dear Dr. Nelson

### **INQUIRY INTO ISSUES SPECIFIC TO MATURE AGE EMPLOYMENT**

#### **- ROUND TABLE DISCUSSION**

At the conclusion of last week's round table discussion you requested that those present send you their comments.

Research from many sources consistently shows that downsizing does not result in positive outcomes, increased shareholder value or operational efficiencies *unless* the people issues are handled properly - or what we, at RightD&A refer to as "Managing the Human Side of Change"

Based on our extensive experience in helping organisations and individuals work through the trauma of restructuring and job loss, we believe that Best Practice in downsizing is reflected by:

- how the termination of employees is handled individually and collectively
- the support given to departing employees
- the support provided to those employees remaining within the organisation

Termination Best Practice and Outplacement Support result in real, concrete benefits for both the organisation and the individuals involved. For the organisation:

- morale and productivity of remaining staff will be sustained
- remaining staff will be able to focus on the future and maximise their potential
- staff will perceive that a difficult and delicate task has been handled in a professional, uniform and equitable manner
- the organisation will be able to move forward in its rebuilding process
- the organisation will escape negative sentiment from other stakeholders, and minimise damage to its image and reputation

By the same token, displaced employees will:

- be able to leave the organisation with a feeling of dignity
- feel that their contribution to the organisation has been recognised

- feel supported as they work out what they want to do next; acquire job search skills; rebuild their confidence and prepare to re-enter the employment market so that they can find not just any job, but the right job

Best Practice dictates that:

Appropriately handled termination procedures, followed by outplacement support, should be available to all displaced employees - regardless of occupation, organisational level, age, industry background or experience.

Consideration should be given to practical alternatives to involuntary terminations, such as redeployment, attrition, and voluntary separation, but decisions, once made, should also be communicated and implemented quickly. Long drawn out terminations are neither good for the organisation (since they heighten insecurity and poor morale ), nor for the individual, (since they delay the important process of making a clean break with the past, and establishing a platform for moving forward).

Decisions on who leaves and who stays must be based on objective criteria. Managers and supervisors who have the responsibility for making and communicating termination decisions must receive appropriate training, coaching and support for what is an inherently difficult and sensitive task.

It is RightD&A's recommendation that a Code of Conduct, encompassing the principles of "Best Practice" outlined above should be established and promulgated throughout public and private sector employment.

Kind regards

Ted Davies  
Managing Director