

HR has crucial role in easing the pain during challenging times

VIEWPOINT

With the likelihood of lean times ahead we're starting to see the inevitable news headlines describing employee misery at the prospect of job cuts. But in the words of 1980s cover version pop hit by Bananarama: "It ain't what you do, it's the way that you do it."

Just the other week, EMI announced swingeing job cuts. Few would disagree that new owner Guy Hands is making tough choices to turn the business into a profitable one. Finances aside, the issue that has drawn the largest media attention is the effect these redundancies have had on his workforce. Robbie Williams and The Rolling Stones are just the first to announce they'll be pulling future albums, mainly because of the departure of UK head of music Tony Wadsworth.

Ideally, HR and communications teams should have equal billing with the finance department when it comes to planning a turnaround strategy. As it is, EMI's bad press will have had an effect on long-term staff engagement and productivity, which will, in turn, affect the organisation's ability to turn the corner to a more profitable era.

Working in an environment where redundancies are occurring causes severe levels of stress among all employees. And once the redundancies have taken place, there exists an equally lengthy time of uncertainty, disengagement and resentment among those who remain.

All these symptoms will be acutely felt by those staff (artists and non-creatives) who remain at EMI. The most talented will be snapped up by competitors, and it is to these



Piers Hollier
Lead
occupational
psychologist,
Getfeedback

very people that the organisation will need to turn to help improve its ailing fortunes.

The effect of 'survivors syndrome' is evidenced by the emotions felt by staff. Shock, betrayal, anger

towards management, guilt that they have survived and uncertainty about their future leads to decreased motivation.

As colleagues leave, those who remain will lose the social networks they have worked within for many years, which can lead to loss of productivity. Staff will become more indecisive and risk-averse, and loyalty towards the company will decrease while employees become more focused on their own careers and employability.

HR and occupational psychologists have a range of skills to help mediate these effects and offer solutions. And clear communication throughout the process, along with honesty and transparency in strategy and purpose, go a long way to help rebuild the employee's psychological contract with the company. At EMI, Hands advocated a communication programme built on 'transparency and trust', but as Lucy Kellaway astutely observed in the *Financial Times*, "artists do need managing". Artists, like the rest of us, need to hear messages that relate to their needs, desires and fears, and Hands has clearly not done enough to build their trust. Only time will tell what levels of trust he has built with the rest of his employees.

Maintaining an active focus on employee engagement is vital. If an organisation

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actively invests in the development of its 'survivors', it is effectively making a public recognition that as an organisation we value you and are investing in you for the long term.

Soothing this transition period is a key role for HR and shows exactly the strategic impact that HR, organisational development professionals and occupational psychologists can have on the business.

EMI had to make some tough choices to turn the business around. The financier will assume cutting costs equals cutting people. It is the role of HR to ensure the financiers understand that their biggest asset is their people and, accordingly, their biggest chance of future profitability.

→ For the legal lowdown on EMI and redundancy consultation see p9

@ Worst year for employment since 1997 predicted
→ personneltoday.com/43783.article



Dawn Spalding
Group Editor

Testing times require tried and tested HR tactics

In the current media frenzy over the threat of a recession, HR must brace itself for redundancies in the coming months. But are we all over-reacting as suggested by our ranter (see page 16)? Are we convincing ourselves of impending doom so that it becomes a self-fulfilling prophecy?

Any downturn in 2008 is likely to mean a squeeze on HR budgets. But as our 'credit crunch' feature on p22 points out, when the going gets tough, HR can choose to be either a victim or part of the solution. Perhaps it's time for the profession to stand firm against calls from the top for a headcount review and possible recruitment freezes.

If redundancies are required, HR teams need to make sure they are up to speed with the latest case law which, in effect, forces employers to be more transparent about proposed cuts.

And now, for the first time, thanks to a landmark ruling in September, UK employers will be forced to involve both unions and employees in the decision-making process.

On the back of this, warnings are inevitably coming thick and fast from lawyers about handling redundancies in the right way. Traditionally, employers have only had to consult on ways of reducing the impact of the closure. But that is no longer enough. Not only should consultations start earlier but, most importantly, HR will need to give more careful thought to the reasons it gives for redundancies.

The penalties for failure are severe and will force a culture change across the UK as the unions delight in their increased opportunities to challenge the rationale for closures that lead to redundancies.

HR must now step up its efforts to minimise any negative media stories about employee misery over job cuts, by doing what it does best – communicating effectively and following the correct procedures.

EMI recently got caught out by failing to do either – potentially to the tune of tens of millions of pounds. Don't let your organisation be next on the list.

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