



## Advice from Alan

# Mistakes in the redundancy process

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Getting the redundancy process wrong can be very expensive in terms of compensation awarded to employees who bring

personal grievances for unjustified dismissal or disadvantage. From my experience, the seven most common mistakes employers make are:

1. No genuine reason. An employer must have a genuine reason that can be supported with sound data and information. What are the cost savings, what contracts have been lost, what other alternatives have been considered, what is the financial position now and projected position if the proposal is implemented?
2. No consultation. Employees must be consulted before any decisions are made to implement the proposal. The employer should meet with anyone affected (one on one if possible) to tell them about the proposal and later to get their feedback. At these meetings, notes should be taken so any feedback received on the proposal can be considered.
3. Failure to provide information. Employers must provide enough information for employees to genuinely be able to consider the proposal and give feedback.

4. Not allowing a reasonable time to respond. Employers must give affected employees a reasonable amount of time to go away, consider the plan, and get advice to assist them with responding to the proposal (should they decide to do so).

5. Not advising of the right to a support person. A support person plays an important role in the consultation process and can assist an employee to put forward their best responses and ask important questions of the employer.

6. Taking too long with the process. Allowing the process to drag on will create uncertainty and stress for all involved. A process that drags on for months will impact other employees as well, and badly erode morale.

7. Not considering alternatives to redundancy. Before anyone is made redundant, the employer must genuinely consider alternatives. Suitable alternatives should be offered to the employee, as they have the right to redeployment (uncontested from outside applicants) if there is a suitable position available.

Getting the process right means that the proposal is able to be implemented with the least chance of being challenged.