

Top tips for restructuring and redundancies

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To be in a position to do so, it is important for businesses to adapt as necessary. If things change and you need to consider making some staff redundant or materially changing the terms of their employment as part of a restructuring, there is a legal process that needs to be followed. Restructuring often involves creating new roles, merging existing roles and disestablishing roles that are surplus to requirement. Navigating your way successfully through a restructuring process can be a complex exercise, so here are some top tips that may assist you:

Key steps for restructuring

Step 1 . Document the proposal: What are you proposing to change? Why? Set out your business case for why the changes are required or desirable;

Step 2. Arrange a meeting: Explain the proposal to all impacted employees and answer any questions they have in relation to the proposal;

Step 3. Receive feedback: Allow time for your employees to provide feedback and listen to their suggestions;

Step 4. Consider feedback: Will any of the suggestions raised by the affected employee/s be adopted? If not, are there genuine reasons for the decision to implement the proposal to proceed?

Step 5. Meeting to discuss outcome: Advise the employees of the outcome and what this means for their role. What alternatives are available to them if their role has been disestablished?

The overall key consideration is that you need to follow a fair and reasonable process. This includes considering all other reasonable alternatives to redundancy. The consequences of not doing so could expose you to a costly personal grievance claim.

This article is a general guideline only and we recommend seeking specific advice from our employment team who will be happy to guide you through the process.