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Managing change – **restructuring, redundancy, and homeworking**

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Who is this factsheet for?

Employers, national policy makers, and the community and voluntary sector.

This document highlights best practice pre COVID-19 and provides new information concerning what is a rapidly evolving situation. It was informed by a review of research, evidence-informed resources and tools offered by professional bodies, and a webinar involving experts on work and wellbeing.

The document aims to:

- provide organisations with guidance on supporting the wellbeing of employees through change and major upheavals such as restructures and redundancies
- highlight policies and practices that can help organisations support employees in transitioning to remote working and protect their wellbeing and effectiveness.

INTRODUCTION

The COVID-19 pandemic has changed the nature of work, requiring considerable adaptation on the part of organisations and employees. Labour market statistics initially showed a sharp rise in unemployment and redundancies but there are now signs of recovery¹. Nonetheless, the longer term impact on the economy is uncertain; major organisational restructures and changes to ways of working are expected as business leaders strive to be more agile and competitive.

Adapting to change – recognising change fatigue

The ability to adapt and implement change is likely to be a key driver of business recovery and success in the post-COVID economy. Nonetheless, organisations should be aware of the risks of change fatigue. This is a sense of passive resignation or apathy that employees can experience when facing rapid change². The pandemic has already caused major disruptions to people's lives and they face many uncertainties about the economy, their job security, and their health. Responding to fluctuating risks and government guidelines has also required regular adjustments and readjustments to behaviour. Managing the organisational change process collaboratively and compassionately will reduce the risk of change fatigue. In turn, this will increase employees' acceptance of change and support wellbeing and effectiveness during the change process.

Change fatigue can manifest itself in several ways: ^{3,4}

- Resistance, complaints, and dissatisfaction.
- Cynicism and negativity.
- Disengagement and learned helplessness.
- Reduced self-efficacy and initiative, and impaired productivity.
- Anxiety, exhaustion, stress, and burnout.

How to tackle change fatigue ^{4,5}

- **Ensure** that change management policies include supporting mental health and wellbeing.
- **Communicate** the reasons for change and provide regular updates on progress.
- **Formulate** and communicate long-term strategic plans, not short-term reactive solutions.
- **Raise awareness** of previous change initiatives that have led to improvements.
- **Consider** the unintended consequences of any changes that may be introduced.
- **Accept** that a drop in performance may be inevitable in the short-term, as change is disruptive.
- **Involve** employees in planning change, as their opinions may be more realistic and acceptable.
- **Listen** to employees' concerns and take them seriously.
- **Train** line managers on how to support staff through the process of change.
- **Remember** that it may take a while for change to be accepted, or to reap any benefits.
- **Evaluate** the effectiveness of any change by consulting staff at all levels.

Wherever possible, businesses are advised to limit the number of changes introduced and focus on small improvements, not large-scale transformations. This may not be easy to achieve in the current crisis, however, as rapid and extensive change may be necessary.

Guidance is available for organisations on [change management](#) and [developing resilience](#) in times of change. Also guidance on [managing change](#) and [managing anxiety and uncertainty](#) during the pandemic.

ORGANISATIONAL RESTRUCTURING AND REDUNDANCY

Organisational restructuring

- **Restructuring** refers to the act of reorganising the financial, operational, or other structures of a company to make it more profitable, or more suitable for its present needs.
- **Redundancy** is the state of being no longer in employment as there is no work available, or employers need to reduce their workforce.

Restructuring, even without downsizing, can have a negative impact on employees' mental and physical health and other key outcomes such as attendance engagement, and turnover⁶. When planning restructuring, organisations should consider how to support the health and wellbeing of staff and, wherever possible, aim to improve the working environment through the process.

Several factors can protect people from the negative effects of restructuring and be used to guide interventions⁷.

- Job control and skill discretion.
- Clear and regular communication and providing change-related information.
- Participation in decision-making.
- Beliefs that decisions have been made in a fair and just way.
- Feelings of job security.
- Acceptance of change.

Key stages in planning and evaluating restructuring and other organisational changes⁸ are:

- Participation: employee 'buy-in', sense of ownership and expertise.
- Management support: vision, resources and momentum.
- Fit: relevance to the problems and the context and integration into existing procedures.
- Steering group: appointing members, developing a communication strategy, and designing the process and evaluation criteria.
- Screening: identifying psychosocial risks (possibly using the HSE Management Standards).
- Action planning: deciding who does what and when.
- Implementation: monitoring, reviewing, and adjusting action plans, gaining management support.
- Evaluation: implementation according to plan and identifying learning and any improvements to employee health and wellbeing.



Managing redundancy compassionately

Acas provides a step-by-step [guide](#) for organisations that are planning staff redundancies.

You should think about how to support:

- employees at risk of redundancy
- managers who are breaking the news
- the people leading the consultation
- employee representatives
- those staying on.

You can support staff by providing:

- counselling
- additional face-to-face meetings
- help getting financial advice
- clear plans
- time off for those selected for redundancy to look for new jobs, or to get training.

Many employers are facing difficult decisions about their workforce, with the end of the furlough scheme expected to be a critical period. When considering redundancies to save costs, employers are advised to explore alternatives. A survey of business leaders conducted during the pandemic highlighted the options that were being considered⁹.

- Recruitment freezes.
- Introducing new or more flexible working arrangements.
- Cuts to training budgets.
- Temporary layoffs through the Job Retention Scheme.
- Terminating agency or temporary worker contracts.

For many businesses, however, redundancies will be inevitable. Some **key actions** can support the wellbeing of employees during this process.

- Treating people with dignity, respect, and kindness.
- Highlighting the available support at the start and throughout the process.
- Ensuring that redundancy processes are conducted fairly, with regular communication and consultation.
- Training managers to have empathic conversations and listen to employees' concerns.
- Ensuring strict sanctions against managers found to have discriminated against employees.
- Providing as much information as possible to reduce uncertainty about the future.
- Ensuring that all workers are informed (including those on furlough, maternity, and sick leave). Keeping remote workers informed can be challenging, but use FAQs, emails, and online meetings.
- Ensuring workload reviews are implemented to avoid increasing work for remaining employees.

Government [guidance](#) on making staff redundant is available. More information on redundancy procedures during COVID-19, including how to support employees' mental health, can be found [here](#). Guidance for individuals on coping with redundancy during the pandemic is also [available](#).

Redundancy processes can also cause considerable stress and anxiety for people who implement them. They can experience considerable guilt, as well as fear, anger, frustration, sadness, and shock¹⁰, so require adequate information, training, and support to mitigate the impact on their wellbeing. Such sensitive conversations with employees are best done in person, but currently many organisations will need to conduct the process remotely. Guidance to support people through this process is available [here](#) and [here](#).

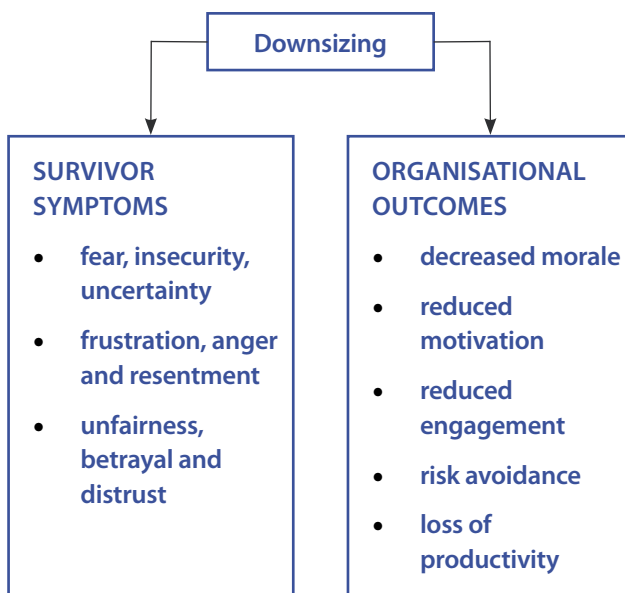
Survivor syndrome

This describes the emotional, psychological and organisational impacts experienced by those who remain employed after a redundancy programme¹¹.

The wellbeing of survivors is often overlooked, but they often experience an initial feeling of relief, quickly replaced by a range of negative reactions, such as:

- anger or grief at the loss of colleagues
- guilt and feelings of unfairness and injustice
- disruption of social networks and reduced social support
- concerns about increased demands and workload
- lack of trust in the organisation and feelings of betrayal
- risk aversion, reduced motivation, and lack of commitment
- insecurity, fear, and apprehension for the future.

In turn, such reactions can have a major impact on the organisation.



Source: <https://www.employment-studies.co.uk/system/files/resources/files/mp28.pdf>

How to support the wellbeing of survivors¹¹

- Knowledge and understanding of the process and beliefs that the people who have been terminated were treated fairly provides a sense of clarity and confidence for the future.
- Belief that the organisation is aware of the difficulties that may arise due to downsizing, such as increased workload, reorganisation of teams, potential job redesign etc. offers reassurance.
- More information on support for survivors of redundancy is available [here](#) and [here](#).

Managing change: supporting remote workers

- The proportion of people who reported working from home exclusively rose from 5.7% to 43% during the initial lockdown¹².
- Levels have fluctuated but a report published in spring 2021 indicated that around four employees in ten are currently working at home.
- Research has found that nine employees out of ten (93%) wish to continue homeworking in some capacity¹² and nearly three-quarters of businesses (74%) plan to maintain or increase homeworking¹³, but the situation is uncertain and changing rapidly.
- Hybrid arrangements (blending on-site/off-site approaches) are particularly popular among employees and organisations.

While working at home can be beneficial, there can be challenges for organisations and employees. Employers have the same health and safety responsibilities for home workers as for any other employees, so risks should be recognised, assessed, and managed. The following issues should be considered¹⁴.

- How will they keep in touch with them?
- What work activity will they be doing (and for how long)?
- Can it be done safely?
- Do they need to put control measures in place to protect them?

Employers have a legal duty of care to protect the health and safety of homeworkers, but research findings show that some employers are not carrying out a risk assessment¹³.

Supporting the wellbeing of homeworkers

Assessing physical health and safety risks for homeworkers is undoubtedly important, but the wider psychosocial risks should also be considered. Although working at home is popular, studies conducted during the pandemic^{14,15} have found that homeworkers can experience difficulties.

- More than half (56%) found it harder to switch off from work, with 30% reporting that their work-life balance had deteriorated.
- 80% felt that working from home had a negative impact on their mental health.
- Nearly two-thirds (59%) felt socially isolated and 67% less connected to colleagues.
- Over a third (36%) felt more pressure to respond quickly to emails/queries etc.
- More than one-third (34%) indicated that it has placed a strain on family relationships.
- Musculoskeletal problems (39%) and poor sleep (37%) were also commonly reported.

To support the mental health and wellbeing of homeworkers, businesses should¹⁶:

- promote safe and healthy working practices
- manage stress and mental health, identifying specific risk factors
- provide support and regular check-ins
- encourage routine and structure
- review and, if necessary, revise goals and targets. Involve staff in this process
- trust staff and avoid excessive monitoring and measuring of productivity such as remote tracking
- be aware of 'Zoom fatigue'¹⁷ and place limitations on online meetings where possible
- promote informal support mechanisms, such as virtual coffee mornings, book clubs etc.
- provide guidance on setting physical and psychological boundaries between 'work' and 'home'
- discourage 'e-presenteeism', as the pressure to be 'present' can be greater when working at home
- ensure managers role model healthy behaviours, such as switching off from technology and avoiding presenteeism.

Signs that homeworkers may be struggling

Employers should be vigilant for signs of struggle and stress in teams and individuals. This can be more challenging than face-to-face but should be addressed at an early stage. Employees may be:

- visibly stressed or tearful
- easily irritated
- confused and lacking in focus
- making more mistakes than usual, or missing meetings and deadlines
- socially withdrawn
- changed in their behaviour and attitudes.

Several resources are available to help employers support the wellbeing of homeworkers.

- A [toolkit](#) provided by the Health and Safety Executive (HSE) offers guidance on key issues such as stress and mental health and lone working without supervision. The HSE Management Standards [framework](#) can also help employers assess the psychosocial risks of homeworking and inform interventions.
- The Society of Occupational Medicine provides [guidance](#) on homeworking and display screen equipment during COVID-19.
- The CIPD provides a [guide](#) for organisations to support ongoing homeworking, that includes developing policies and assessing the homeworking environment.
- The British Psychological Society provides organisations and employees with evidence-informed [guidance](#) on supporting homeworking.
- A [Wellness Action Plan](#) can identify the individual behaviours, thoughts or actions that may affect the wellbeing of homeworkers and the support that their manager and colleagues can put in place. This can be useful for spotting signs of struggle (see above).
- Guidelines on taking an inclusive approach to supporting employees during the crisis, which includes information on homeworking, can be found [here](#).

BUILDING BACK RESPONSIBLY

When considering implementing change, the CIPD provides [guidance](#) for leaders on building back responsibly during the COVID-19 crisis.

- Think about the role of the organisation in the community and broader ecosystem.
- Consider reshaping your organisation's purpose, both to survive and thrive in a post-COVID-19 economy and to play a bigger and more responsible role within its communities/ecosystem.
- Leaders must communicate honestly, clearly, and transparently with all stakeholders about the difficult decisions to be made.
- Bring new talent into your boardroom.
- Leaders must be aware of what they do not know and be transparent about this.
- Organisations and leaders should be active in addressing inequalities, including low pay for those in front-line roles and inequalities linked to ethnicity.
- Build a bridge between the past and the future.
- Maintaining the humane and personal leadership that has emerged during COVID-19 means encouraging vulnerability at all levels.

FURTHER RESOURCES

Acas. **Managing staff redundancies: step by step**

<https://www.acas.org.uk/manage-staff-redundancies>

BPS. **Taking trauma related work home**

<https://www.bps.org.uk/coronavirus-resources/professional/taking-trauma-home>

CIPD. **Responsible business through crisis**

<https://www.cipd.co.uk/knowledge/strategy/corporate-responsibility/responsible-business-through-crisis>

Deloitte Review. **Humanizing change**

https://www2.deloitte.com/content/dam/insights/us/articles/developing-more-effective-change-management-strategies/DR19_HumanizingStrategy.pdf

IES. **On notice: Estimating the impact on redundancies of the COVID-19 crisis**

<https://www.employment-studies.co.uk/system/files/resources/files/On%20Notice%20-%20estimating%20the%20impact%20on%20redundancies%20of%20the%20Covid-19%20crisis.pdf>

International Labour Organisation. **Teleworking during the COVID-19 pandemic and beyond. A practical guide**

https://www.ilo.org/travail/info/publications/WCMS_751232/lang--en/index.htm

McKinsey. **How companies can make remote working a success**

<https://www.mckinsey.com/business-functions/organization/our-insights/reimagining-the-postpandemic-workforce>

Mind Tools. **The four principles of change management**

https://www.mindtools.com/pages/article/newPPM_87.htm

NHS Employers. **Enabling and supporting staff to work from home**

<https://www.nhsemployers.org/covid19/health-safety-and-wellbeing/supporting-staff-at-home-and-work/enabling-and-supporting-staff-to-work-from-home>

People Management. **Managing the impact of redundancies**

<https://www.peoplemanagement.co.uk/experts/legal/managing-impact-redundancies-jemma-pugh>

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