

REDUNDANCY WITH DIGNITY

- a guide for HR and management

Redundancy with dignity, 11th edition

Prepared by AS3 Transition
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1. Foreword

Employees are the most important resource in most companies. We can fill a workplace with computers, machinery and new technology, but without people they are all entirely worthless.

For the same reason, the way we attract, develop, retain and let go of our employees is a core task for every modern company. At some point in time, every workplace has to let go of one or more employees. The way that the company deals with this issue is of pivotal importance to the employee who is losing their job, their manager, employees who will be staying on and to the organisation as a whole.

AS3 Transition has over 30 years of experience in the counselling of private and public companies throughout the Nordic region about job redundancy processes. We run more than 5,000 outplacement programmes each year for managers and employees.

Our experience shows that companies that work strategically with job redundancies and offboarding have a lot to gain. Redundancy processes that proceed with dignity and professionalism not only strengthen a company's reputation and branding as an employer. They also make good sense and are a worthwhile investment; for the individual, for the company and for society.

Our book *"Redundancy with dignity"* compiles our years of experience, knowledge and best practice. We would like to share this knowledge with HR staff and managers.

The book is a practical review of how HR staff and managers approach the issue of making one or more employees redundant; be-

fore, during and afterwards. We cover everything from legal issues, communication and the redundancy interview, to reactions to being made redundant and outplacement.

The first edition of *"Redundancy with dignity"* saw the light of day in 1993. Much has changed since then, as evidenced by the many revisions over the years.

In this 11th edition, we have chosen to dedicate the second half of the book to events from the real world. Recommendations and good advice are one thing. Practice and actual experience are something else altogether. So we decided that we would "give the floor" to a number of companies that have all been closely involved with the issue of mass redundancies.

We would like to thank Bang & Olufsen, DFDS, Velux and VIA University College for allowing us to get up close to their experiences, considerations and experiences in connection with major rounds of redundancies.

If you have gained particular experiences in relation to a situation that involved job redundancies, we would be very pleased to hear from you.

Please contact us at info@as3transition.dk.

Happy reading.

Jørgen Uhrbrand, director and partner at AS3 Transition

2. A strategy for redundancies

A company's HR policy is being measured and weighed, from the time an employee gives a handshake at their job interview until the day that same person involuntarily packs up their things and leaves.

Management's view of an employee becomes particularly evident in a situation where they have to let that same employee go. This is often a vulnerable, emotional and conflict-triggering situation, which also has an impact on employees who are staying on.

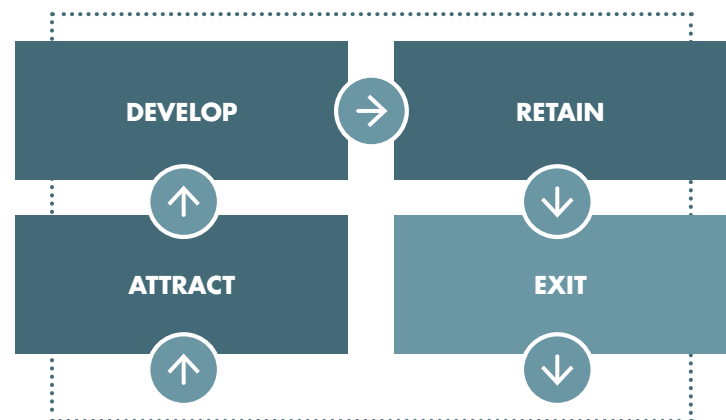
Did the redundancy process proceed in a dignified manner? This question will be the subject of discussion in the lunch room by those who are staying on, at weekend family gatherings, over the phone with the affected employee's network, on social media and possibly also in the media. Suddenly, many people will know all about how the company approached the issue.

Your employee exit policy therefore sends strong signals to remaining and future employees, as well as to customers and other important partners.

Your employee exit policy displays the humanitarian values on which the company is based and it wishes to profile itself. This applies both to companies that have deliberately formulated their values and set them down in an employee exit policy, as well as to companies that have not yet done so.

An employee exit policy is one of the four basic elements of a company's HR policy. The other three HR areas concern the company's work towards attracting, developing and retaining its employees.

The company's values should be the common thread through all four phases, including the exit phase. Professionally described HR policies and guidelines in all areas help to ensure that this is achieved.



When management deals with a redundancy process in a dignified manner, it can trigger a positive response, both internally and externally. On the other hand, there may be a number of undesired and negative consequences if the company deals with redundancies in an inappropriate or ill-considered manner.

CONSEQUENCES FOR THE MANAGER

A conflict-ridden redundancy process may result in a failure for the responsible manager. The manager risks losing credibility and authority in relation to the remaining employees.

CONSEQUENCES FOR EMPLOYEES WHO ARE LOSING THEIR JOBS

The way you handle the redundancy process has a major impact on how quickly and how well the affected employee will move forward in life. If the process has been communicated and handled inappropriately, the affected employee risks becoming embittered and getting stuck in the past.

CONSEQUENCES FOR THE EMPLOYEES WHO ARE STAYING ON AT THE COMPANY

When one or more employees disappear, they often leave a void that is filled with uncertainty and turbulence among their colleagues who are left behind. The period after the redundancy interviews will be particularly difficult if affected colleagues are to continue to work side by side with those of their colleagues who are staying on.

It is difficult to avoid this completely, but you can minimise unrest and transition problems by using the right management tools in a timely manner. Targeted efforts by management can turn around the negative mood that often arises in workplaces after a round of redundancies into a positive and forward-looking energy, where the remaining employees look towards the future with a sense of optimism and that they are part of a new beginning.

STAY AHEAD OF THE SITUATION

The consequence of a conflicted redundancy process can, in the worst case scenario, become a petri dish for disagreements that can only be resolved by arbitration or in court. Disagreements that are unable to be resolved put both management and employees who have lost their jobs in an unpleasant situation. The conflict may also have consequences for your reputation if, for example, the dispute ends up under media spotlight.

The following sections deal with the considerations you should make before implementing redundancies.

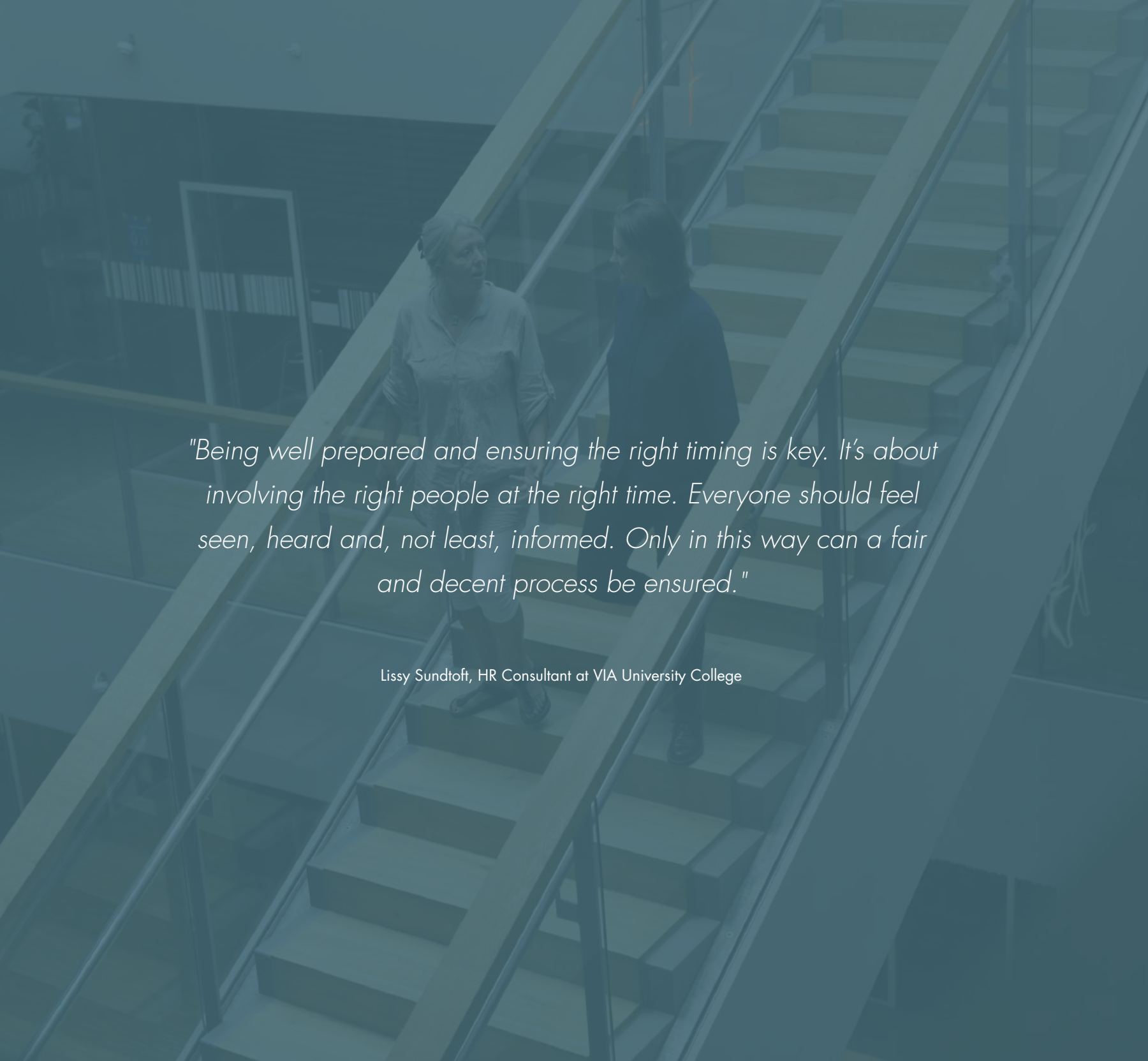
Integrating these guidelines into the company's HR policy will leave you at the forefront of the situation and allow you to prevent or minimise conflicts.

2.1 Why you need to have an HR policy for terminations and redundancies

Making an employee redundant closely resembles a divorce or an irrevocable falling out between friends. In critical situations like these, the behaviour of those involved is closely followed by those around them. If one of the parties acts in an offensive manner or fails to keep their promises and show consideration, those around them will typically turn against the guilty party. It is therefore important to conduct yourselves respectfully and keep to your word in redundancy (and other job termination) scenarios.

The primary purpose of drawing up and implementing an HR policy for the redundancy and other job termination processes is to maintain your good reputation and credibility, not just among your employees but also in relation to the outside world.

In their HR policies, companies often describe employees as the company's very foundation and most important "assets". It is essential to your credibility that your approach when saying farewell to employees is in harmony with such weighty statements. Any discrepancy between what you express and what you actually do can lead to employees no longer being able to trust your other policies and statements.

A high-angle, blue-tinted photograph of two women standing on a wide, modern staircase. The woman on the left is older, with short grey hair, wearing a light-colored button-down shirt and light trousers. The woman on the right is younger, with dark hair, wearing a dark blue long-sleeved top and dark trousers. They are facing each other as if in conversation. The staircase has a metal railing and glass balustrade. In the background, a modern building interior is visible with large windows and a white frame structure.

"Being well prepared and ensuring the right timing is key. It's about involving the right people at the right time. Everyone should feel seen, heard and, not least, informed. Only in this way can a fair and decent process be ensured."

Lissy Sundtoft, HR Consultant at VIA University College

When drawing up your company's policy, we recommend that the management group initially ask themselves and each other the following questions: How can we say "farewell" to our employees in a decent and dignified way?

A dialogue in the management group gives the individual manager guidelines to follow and enables them to manage the job redundancies process in the respectful manner that is desired.

Several companies have good experience from supplementing their HR policy with a specific job exit policy that deals with the situation surrounding redundancies and other job terminations.

An increasing number of companies are also using scripted schedules with fixed procedures for the various phases of such processes. The schedule gives the company a set of useful tools to ensure a professional process and prevent undesirable developments along the way. It also contains detailed action plans for the various activities that comprise a redundancies (or other job terminations) process.

This professional approach helps to ensure that saying farewell to employees is as considerate a process as possible, and that it will have least possible negative impact on the company's reputation and brand.

2.2 Considerations before the company chooses to make employees redundant

When a company decides to say farewell to one or more employees, this is typically due to one of two reasons:

1. Company-related factors

These might include: general cyclical downturn, falling orders, outsourcing or restructuring of production/services.

2. Factors to do with the specific individual

These might include: cooperation difficulties, lack of professional qualifications or health reasons.

PARTICULAR FOCUS ON JOB TERMINATIONS DUE TO FACTORS THAT CONCERN AN INDIVIDUAL EMPLOYEE

The period of notice varies depending on the reason. The termination of an employee's contract on the basis of issues specific to that employee is often associated with specific issues that have little or no relevance to redundancies because of company-related circumstances. Particularly when the termination is based on the individual employee's conduct or because they do not possess the necessary competences, there is the possibility that undesirable situations may arise that it can be difficult for the company to control and manage appropriately.

You can prevent this by drawing up a separate action plan for job termination processes that involve factors specific to an individual employee. The action plan should contain a list of initiatives that the HR manager is able to initiate before reaching a final decision to end the employee's contract.

- Where there are problems, should the employee be notified by their own immediate manager or by someone else?
- Should an employee appraisal be conducted beforehand?
- Should an attempt be made to implement a development plan to upgrade the employee's qualifications?
- Should you look into the option of transferring the employee to another department to see how things go?
- Does the employee need to be issued with a verbal or written warning?

Implementing a number of different initiatives allows you to limit situations where being let go comes as a shock to the employee. The affected employee and their colleagues who are staying on are all aware that the decision to let the employee in question go was not based on arbitrary decisions, but was the outcome of a professionally-conducted and well-considered process, where all other options have been tried.

At the same time, this gives the manager peace of mind, knowing that they have lived up to their managerial responsibilities in accordance with the company's ethical guidelines.

You then need to decide:

- What level of company management should notify the employee that he or she is losing their job?
- Should the employee continue to work during the period of notice, or will the company offer release from duty?

2.3 What does the company offer employees who are being made redundant?

Most companies (and especially larger ones) offer indirect as well as direct financial compensation to employees who are being made redundant. This is a positive gesture that serves as a supplement to statutory compensation schemes.

You should therefore decide whether you wish to pay one or more forms of financial compensation before commencing the actual job termination process. This gives HR managers the opportunity to have clear and unambiguous answers on hand if a union representative or the employee themselves brings the matter up in the middle of the termination process.

Joint clarification at management level also prevents HR managers in different departments from unintentionally treating the company's employees differently in scenarios when employees have to be let go.

INDIRECT FINANCIAL COMPENSATION

You can choose to pay indirect financial compensation to employees who are being made redundant. The purpose of this support is to help the person move on to another job or give them advice in their transition to life as a senior.

This kind of financial compensation does not give the employee cash in hand, but is nevertheless associated with a cost to the company. Companies often choose to employ external consulting firms to implement these compensation schemes.

Indirect compensation might, for example, be:

- Outplacement with personal meetings
- Psychological support
- The offer of additional training
- Freedom to apply for a job during working hours
- Setting up a jobs bank
- Contact with other companies
- Online advertisements presenting the various job profiles of the employee who is being made redundant
- Pensions advice

DIRECT FINANCIAL COMPENSATION

You must decide whether the company will offer employees financial compensation that extends beyond the assistance that the law obligates the employer to provide.

The most common direct financial compensation schemes are supplementary severance pay and exit bonuses.

We recommend that you contact your employer organisation or trade association. Here, you can find inspiration and knowledge about which compensation schemes are typically offered to employees within a specific professional group and industry.

Once you have decided whether the company will pay direct financial compensation, your next step is to determine the amount of compensation that will be provided. In general, there is considerable variation between the amounts paid out and the type of disbursement.

You are, however, at full liberty to set up your own framework for the amounts of compensation that you will pay out.

This framework can take into account factors such as the employee's job function, work performance, age and seniority.

Below, we take a look at how compensation schemes are often combined in various different scenarios involving employee redundancies and other terminations:

REDUNDANCY/TERMINATION AT SENIOR MANAGEMENT LEVEL

"Golden handshake" is a term that is often used in connection with this type of redundancy/termination. A senior manager is usually let go due to circumstances to do with the individual, but company-related circumstances can also be the cause.

In connection with their exit agreement, a senior manager will typically be offered a fixed sum. The size of this fixed sum varies greatly from company to company. The particular senior manager's annual income also has a major influence on the size of the total compensation package.

Compensation packages can also be paid out in various different ways. They can take the form of a one-off payment as a lump sum or be paid out as a regular monthly payment over several months.

The golden handshake is often combined with indirect financial compensation in the form of an outplacement programme that has been specifically designed for people with executive positions.

CLOSURE BONUS - AN EXAMPLE

"The company's management had made the decision to close a production unit of 100 employees. One full year before the last production day, management decided to inform all employees about the impending closure. Many of the affected employees were over 50 years old and had worked for the company for more than 15 years. A large proportion of them were unskilled workers.

Management needed to keep half of the employees on until the last day of production. Management therefore offered a closure bonus to all employees who chose to remain with the company until the last day of production. At the same time, all new employees who were hired during the closing period were given the opportunity to accrue a smaller closure bonus based on how many months they had managed to work for the company.

In addition to the closure bonus, all employees who stayed with the company until the closing date were offered a supplementary severance payment."

SAYING FAREWELL TO OTHER EMPLOYEES

Employees who do not have managerial titles usually belong to a widely diverse range of professions and perform a broad spectrum of work tasks.

There is therefore considerable variation in the amounts paid out as compensation. Often, the company will offer outplacements to these employees rather than providing direct financial compensation.

If the employee who is being made redundant performs specialised work tasks that are only required by that particular company or very few companies, the employee may stand to benefit even more from an outplacement and/or a subsidy towards supplementary training.

WHEN THE COMPANY MOVES, CLOSES OR SIGNIFICANTLY DOWNSCALES

When a company moves a department or closes completely, the local area will often be impacted temporarily by increased unemployment. Companies in situations like this often find themselves adopting a certain social responsibility towards the local community. Therefore, it is generally customary to offer employees who are being made redundant some form of financial compensation as part of the redundancy process.

Companies that are about to close or move often need to retain many of their employees in the period leading up to the final day of production. The length of this period can vary greatly, and the uncertainty of future prospects will typically make employees consider their situation at an early stage of this process.

The closing down bonus is therefore an incentive that many companies choose to offer employees who stay on during this period. On the page opposite, you can read how one company's management chose to compensate the employees it was making redundant with a combination of a closing down bonus and a supplementary severance payment.

2.4 The three phases of a process involving redundancies

A job redundancy process can be divided into three phases: The time leading up to the redundancy notice, the actual day notice is given and the period after the redundancy notice. We will go through each phase in detail in the following chapters.

BEFORE

From the moment that management decides to implement redundancies until their actual implementation, there are a number of important tasks that have to be done. First of all, you must decide who is going to be made redundant and what legal conditions are applicable. You should prepare a detailed timetable and schedule for the redundancies and put together a plan for how to communicate them internally and externally. You also need to prepare impacted managers and union representatives for this task, to ensure a process that is professional and dignified for all involved parties.

How we can help

AS3 often advises companies during the early phase of a process involving redundancies. By drawing on our expertise and extensive experience from other companies, you are sure to get off to a good start.

We provide advice about how to plan and implement the redundancies and equip management, HR and trade union representatives for the difficult tasks they face. We have solid experience of holding tailored seminars, which are typically a combination of presentations, specific exercises and training.


Here, we will discuss, among other things, the manager's role, interactions in the management group, practicalities on the day the redundancy notices will be issued, redundancy interviews, the various reactions to being made redundant and how to manage employees who will be staying on.

DURING

On the day the redundancies are issued, it is important that there is 100% control over the schedule, practicalities, messages and the distribution of roles and responsibilities. This day will have a big impact on how and how quickly you are able to move on in a positive fashion and, not least, on the "reputation legacy" you will leave with those who are losing their jobs as well as the remaining employees.

For situations where large numbers of redundancies are involved, it is a good idea to gather all affected employees for an information meeting where you review the background and reasons for the redundancies and present what you will be offering those who have been made redundant. This helps to establish a sense of security and clarity about the further process. Also consider whether you should have a crisis management team on stand-by, so you have a safety net for people who may need urgent help or advice.

Also ensure that there is a thorough debriefing. Giving people space to share experiences, thoughts and reactions helps to ease the mental strain and avoid unnecessary backlash, which can have negative consequences for both working environment and efficiency.

A person is walking away from the camera in a large, empty industrial warehouse. The ceiling is high with a grid of lights. To the left, there are stacks of lumber and a blue cart. In the background, there are large windows and a yellow and black striped barrier.

"We spent a lot of time thinking this day through, so nothing was left to chance. You really shouldn't underestimate the importance of having all the small details in place before you get started. This brings calm to an otherwise very chaotic situation."

Tine Thorndahl Simmelsgaard, Director HR Partnering Supply at VELUX

How we can help

AS3 has positive experience in conducting orientation and clarification meetings for employees who have just been made redundant. At these meetings, employees who are being made redundant have the opportunity to share their reactions with an external party, be presented with their outplacement programme and be given answers to their questions.

Likewise, we can also help with the necessary debriefing of management. This ensures that a stressful situation is handled in an impartial, safe and professional manner.

We are also able to provide experienced counsellors and crisis psychologists who are ready to provide employees who are being made redundant with professional support and assistance.

AFTERWARDS

Redundancies are tough on an organisation and, if not handled properly, can cause turmoil, uncertainty and inefficiency among the remaining employees.

A redundancy process is not completed until the redundancies have been implemented. In fact, the way that you tackle the period after the redundancies is pivotal, if managers, employees and those who have been made redundant are to quickly move on to something positive.

How we can help

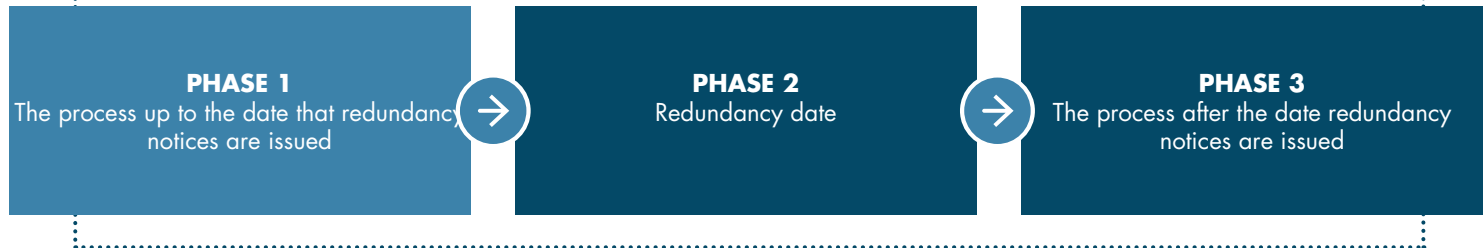
AS3 organises seminars that are targeted at the managers and employees who will help you through a difficult time and create a positive and forward-looking energy.

Among other things, we focus on how the management group ensures shared focus and understanding among the remaining employees. The aim is to ensure attractive working conditions and motivation, so that the organisation can get back to concentrating on achieving results.

We also offer outplacement programmes for employees and managers of all levels who are affected by redundancy. Helping employees who are being made redundant to move on signals that yours is a company that takes care of its employees from start to finish. Read more about outplacement in chapter 9.

3. The process up to the redundancy date

THE JOB REDUNDANCY PROCESS



Phase 1 begins at the time when management decides to let go of one or more employees and ends on the day when redundancy notice has been given to each individual employee.

This period can vary in length and involves numerous considerations and practical questions that you need to establish an overview of and reach decisions about before you can tell the employees and the outside world about the redundancies that lie ahead.

During this phase, you need to clarify:

- How many people will it be necessary to make redundant?
- In which departments there will be staff cutbacks?
- What functions can you manage without?
- Who determines which employees will be affected and conducts the redundancy interviews?
- How do you communicate/inform about the decision and its background?

During this phase, employees quickly get the sense that something big is going to happen, even before you have made your final

decisions. They may observe that senior management is holding meetings more frequently, that other meetings are consequently cancelled, and that management's announcements about the future are becoming somewhat vague.

This gets employees talking and wondering what is going on. They put two and two together and put their immediate managers on the spot with difficult questions, often questions that the manager is not yet able to answer. In these situations, there is a risk that rumours will begin to spread. It is therefore important that managers at all levels maintain an overview, and that senior management establishes common guidelines to ensure that the redundancies process proceeds according to an adopted schedule.

3.1 Prepare a schedule

We recommend that you start planning the process as early as possible and put together a schedule. To reduce rumours and myths, you should prepare communications plans for employees and business partners, for the local community and for the rest of the business community.

SCHEDULE

Completed

Comment

NEEDS TO BE CLARIFIED

Yes

No

Number of redundancies

Natural wastage

Which employees/option model

Can the employee move to a different department?

Special considerations for vulnerable employees

Legal requirements and limitations

The employee's connection to the workplace after the date redundancy notices are issued

Farewell Event

Action plan for the date redundancy notices will be issued

Managers' preparation for the redundancy interviews

The written redundancy notice

The practical closure

If the redundancies process is to get off to a good start, we have prepared a template for a schedule. This schedule can help you to maintain an overview all the way through the process, right up to the day when the affected employees are given their redundancy notice.

THE NUMBER OF REDUNDANCIES

The number of redundancies is typically determined by the need to economise or a decision to move production.

NATURAL WASTAGE

Once the number of employees has been determined, it may be relevant to assess the potential number of employees who may leave anyway. Are there any employees who are about to retire or who wish to leave the company for other reasons? Can this natural reduction in staff reduce the number of necessary redundancies?

WHICH EMPLOYEES

Naturally, the question of which job functions and employees will be affected by redundancies is related to the underlying reason why the redundancies are necessary. Regardless of the reason for the redundancies, you should establish criteria for the selection of the employees involved.

Making somebody redundant can be based on either subjective or objective conditions.

Objective conditions

- The specific job function will be discontinued.
- The entire department is moving to another geographic location.

- The company is making adjustments based on future expectations

Subjective conditions

- The employee's professional competences
- The employee's personality and collaborative skills
- Work performance
- Customer relationships

Objective and subjective relationships are often intertwined. This happens, for example, in connection with major structural changes in a company, where management has to consider whether the individual employee will fit into the newly established organisational structure and possesses the necessary professional competences to perform the new tasks that will follow the structural change.

One example might be a company that is looking to increase its focus on the Chinese market and slow down its activities on the German market. Such a restructuring would leave the company with a surplus of employees who are specialists in German market conditions. At the same time, the number of tasks that require competences in Chinese language, culture and market conditions would grow. A similar situation could arise if a company wishes to reduce outreach sales in favour of a business model that maintains existing customer relationships.

In both examples, the competences of the company's employees would no longer be a good match for the work tasks that the company will be performing after the restructuring.

THE OPTION MODEL

THE MANAGEMENT MAKES A COMPLETE ASSESSMENT:

Which job functions and employees does the company need for the future strategy?

1. The company's position right now
2. The company has X employees
3. Excess number of employees



1. This is where the company wants to go in future
2. The company needs X employees
3. Employees selected for

THE OPTION MODEL

In the event of organisational or strategic changes, it is a good idea to assess the company's needs for employees on the basis of an objective criterion. This requires the preparation of new job descriptions that are based on the new tasks that lie ahead. Management should then compare employees' professional qualifications with the new job descriptions to see which employees would be able to perform the new tasks.

Employees who do not match the new job profiles or who are unable to be uptrained to do so are the ones you will have to let go. We call this approach the option model.

The decision to make the individual employee redundant is based on an overall assessment and analysis of the company's situation and future challenges. Each individual employee may well, at a subjective level, possess highly developed, professional competences and valued, personal qualities. Objectively, their profile and competences are simply not a good match for the company's new focus areas or new business model.

CAN THE EMPLOYEE TRANSFER TO ANOTHER DEPARTMENT?

One alternative to making an employee redundant could be to offer them a job in one of the company's other departments. HR can use the period leading up to the date that redundancy notices are issued to look into possible options for offering jobs in other departments to the employees concerned. One option is also to create an internal job bank within the organisation.

SPECIAL CONSIDERATIONS FOR VULNERABLE EMPLOYEES

Many companies point out in their HR policies that they take special consideration of certain groups of employees in scenarios involving job redundancies. These might include single parents, spouses/cohabiting partners who are both employed by the company, or others who, for social or personal reasons, would be vulnerable when entering the labour market. If this is the case, you should consider in good time how and in which specific cases you will honour this commitment.

LEGAL REQUIREMENTS AND LIMITATIONS

Various pieces of legislation e.g. the Salaried Employees' Act and the Danish Public Administration Act form the framework for what companies are at liberty to do in scenarios involving job redundancies and/or other terminations. The same may be the case with collective agreements or individually concluded employment contracts. If in doubt, we always recommend that you seek external legal advice. See also chapter 8 on legal issues in scenarios involving redundancies and/or other terminations.

THE EMPLOYEE'S CONNECTION TO THE WORKPLACE AFTER THE DATE THE REDUNDANCY NOTICE IS ISSUED

Consider in good time how you want the employee to be connected to the company after the day they are given redundancy notice. Consider, for example, whether the employee should:

- continue in their job through the period of notice
- leave the company after a short period
- transfer to another department during the notice period
- leave the company after the date their redundancy notice is issued.

FAREWELL EVENT

Decide how you want to say farewell to the employee. For example, would you like to hold a reception, give a gift and make a speech? In order to avoid overlapping, it is a good idea to coordinate the company's official plans with any farewell events that may be planned by employee associations or colleagues.

ACTION PLAN FOR THE DATE REDUNDANCY NOTICES WILL BE ISSUED

Once you have decided which employees will be made redundant and taken the practical decisions about the redundancies themselves, you should prepare a detailed action plan for the actual day the redundancy notices are issued. The day itself will be somewhat calmer if the process is planned well in advance. It also allows the managers involved to prepare thoroughly.

The action plan can clarify the following:

- What date will you announce the redundancies?
- Will all employees receive their notice on the same day?
- Where should the redundancy interviews take place?
- In what order should the interviews take place?
- Which managers will be responsible for issuing the redundancies?
- How do you prepare managers for the redundancy interviews?
- What do you want the managers to say to the employees during the redundancy interviews?
- Will employees receive written redundancy notice at the redundancy interview or at some other time?
- How do you notify employees who are absent or on holiday that they are being made redundant?
- How should you inform the employees who will be staying on?

MANAGERS' PREPARATION FOR THE REDUNDANCY INTERVIEWS

Telling an employee that they are losing their job is one of the most unpleasant tasks managers have to do.

Managers should prepare for:

- The company's collective message to employees who are being made redundant
- The different reactions to a redundancy that they may encounter
- Contents of any financial compensation and outplacement offers

CONTENT - WRITTEN REDUNDANCY NOTICE

- A clear wording of the reasons for the redundancy
- A description of the employee's rights and obligations during the notice period
- Whether the employee is released from duty or suspended
- Whether the employee will be paid their salary during the notice period
- What are the conditions regarding the employee's pension?
- How the employee is to take any remaining holidays and days off and when they are to be taken
- Which work tools the employee must return to the company and when
- Which employee benefits will cease and when

WRITTEN REDUNDANCY NOTICE

As a supplement to the verbal redundancy interview, the employees who are being made redundant should receive a written redundancy notice. The manager can either present the letter of notice to the employee during the interview or tell the employee that he or she will receive an official written redundancy notice by email, e-Boks (digitally) or by letter in the next few days.

One important question is: What should it say in the letter of notice? There are no formal legal requirements for the content of a written redundancy notice. The company is therefore at liberty to formulate the content of the letter as it sees fit. If in doubt, seek legal assistance.

We recommend that you receive a receipt that the affected employee has received the letter of notice.

THE PRACTICAL CLOSURE

When the employee stops work, there are a number of practical things that need to happen. Together with the employee you must ensure that:

- the employee's access to IT systems and important information ceases
- the employee's power of attorney is withdrawn
- the employee's responsibilities are transferred to other employees
- any meetings of the employee as a representative of the company are cancelled or assigned to other employees.

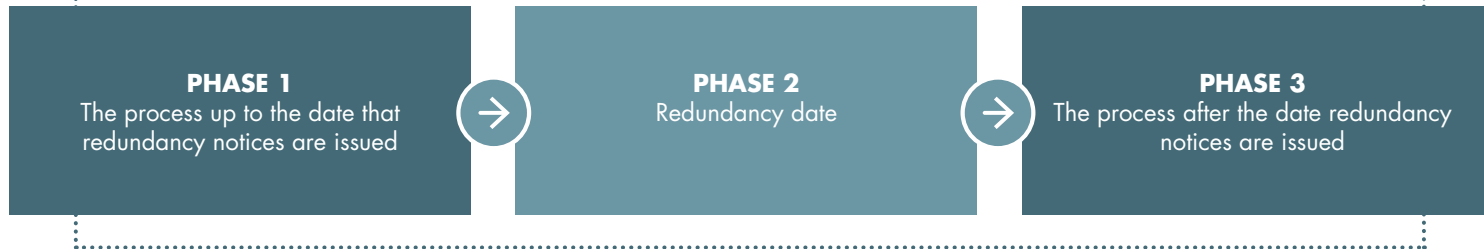
- the employee's financial balance with the company is concluded
- the employee returns keys, credit cards and the agreed work tools
- the employee is paid their severance pay and any pension
- the employee's email autoresponder signature is composed in agreement with the company.

LEGAL AND COMMUNICATION

Much of the preparation for redundancies involves legal matters and communication. See the two separate chapters on these two topics.

4. The redundancy interview

THE JOB REDUNDANCY PROCESS



The day redundancy notices are issued is the period of 24 hours during which the redundancy interviews take place.

This is a day that can have a profound impact on both the employee and the manager who is issuing the redundancy notices. It is therefore important that the interview should proceed in as considerate a manner as possible, in a way that is worthy of both parties.

In this chapter, we review key situations during the actual redundancy interview and focus on considerations about the interview content that the manager (who is issuing the redundancy notices) and the company's HR manager need to make far ahead of the day the redundancy notices are issued.

4.1 General and practical considerations

WHY HOLD THE REDUNDANCY INTERVIEW?

The purpose of the redundancy interview is for the manager to be able to convey the message clearly and directly to the employee in

a private sphere. The interview also gives the manager the opportunity to inform the employee of the background for the redundancy and of the conditions and offers associated with it. It is therefore not enough to simply send employees a written redundancy notice.

Taking the necessary time for a personal redundancy interview signals that the company treats its employees with respect and appreciation.

WHEN WILL THE INTERVIEW TAKE PLACE?

A redundancy interview is not a pleasant job. For this reason, it can be tempting for many managers to postpone the interviews until a Friday afternoon. Friday is actually the worst day imaginable, however; both for the affected employee, the manager and the organisation as a whole.

Being made redundant right up to a weekend can be considered a dismissal. At the same time, the manager who is issuing the redundancy notices loses the opportunity to retain their status as the overall authority that informs their employees and as someone who is available for a dialogue about the redundancy over the following

days. Instead, the entire organisation will spend the weekend with an unpleasant experience of the last weekdays.

Instead, select a day in the middle of the week. This gives the employee the opportunity to recover and talk to colleagues before the weekend, and for the manager who is issuing the redundancy notices to immediately address any questions and problems that may arise from the redundancy.

WHO SHOULD GIVE AN EMPLOYEE REDUNDANCY NOTICE?

Typically, redundancy interviews should be conducted by the employee's immediate manager.

If the manager is less experienced, it may be an advantage if the manager's own boss takes part in the interview. However, it is our clear recommendation that companies should consider redundancy interviews to be a task for management. A representative from the HR department can participate in the interview to ensure that employees receive uniform messages.

After the interview, HR can perform tasks related to the redundancy, such as:

- informing and assisting the employee about the compensation schemes offered by the company
- undertake the practical tasks associated with the winding down of the employee's commitment with the company

WHERE WILL THE REDUNDANCY INTERVIEW BE CONDUCTED?

Employees may find it uncomfortable to be confronted with many colleagues immediately before and after a redundancy interview. You should therefore choose a room with a discrete location. This allows the employee to avoid encountering inquisitive and compassionate gazes on their way to and from the interview.

If a manager is to make several employees redundant over multiple locations, you should consider how to tackle this challenge, including whether a deputy should take over or whether one or more interviews should be conducted online.

HOW LONG SHOULD THE REDUNDANCY INTERVIEW LAST?

It is difficult to set a number of minutes for the length of a redundancy interview. The key is to allow plenty of time for the redundancy interview. An interview that is overly brief may seem cold and inhumane. What matters here is to show human understanding and to give the employee time to recover from the message and the opportunity to ask clarifying questions. Conversely, an overly-long conversation can get off track and turn into a discussion or even an argument.

If the manager has to conduct several redundancy interviews in a row, it can be an advantage to set aside extra time so that the manager is able to get a little breathing space and time to prepare for the next interview. This also means that employees will avoid bumping into each other in the doorway.

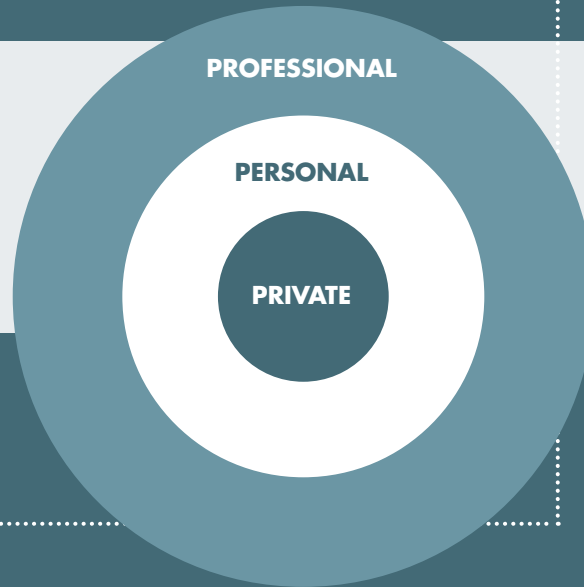
THE PPP MODEL

At what level is
communication
being conducted?

PROFESSIONAL

PERSONAL

PRIVATE



HOW SHOULD THE MESSAGE BE COMMUNICATED?

There are many ways of informing somebody that they are being given redundancy notice. As a rule, what matters is to say it in a dignified way. Losing your job is intrinsically a failure, regardless of whether it is expected or not. In such a situation, a redundancy is always a decision that has been made by others and not by the employee themselves. There is therefore every reason to provide good support during the redundancy interview.

In general, people communicate with each other alternately on three levels. This is also the case in a workplace.

We call this tiered form of communication the PPP model:

1. PROFESSIONAL COMMUNICATION

The outermost sphere is where professional communications are used. This is therefore also the domain where redundancy interviews take place.

Example of professional communication:

Manager:

"You have written a really good report. Do you feel up to starting to prepare the product presentation for tomorrow?"

Employee:

"Thank you. Yes, I would be pleased to. I'll come in and give you a briefing after lunch."

2. PERSONAL COMMUNICATION

The middle sphere is the framework where personal communication takes place.

Example of personal communication:

Manager:

"You look a bit downtrodden. Are you okay?"

Employee:

"Yes, yes. It's just the baby at home who's started teething. So every night is screaming and wailing night. I think I only got two hours of sleep."

3. PRIVATE COMMUNICATION

The innermost sphere is where people communicate their deep feelings and thoughts to each other.

Example of private communication:

Manager:

"I was very sorry to hear about your sister. Just let me know if you need to take some time off. I remember what it was like when my dad died of a blood clot. I worried for ages afterwards that it could be hereditary."

Employee:

"Yes, that thought keeps me up at night. My wife thinks I should go to the doctor for a check-up."

"It's also tough for me to sit here."

"If you need to just sit for a moment and recover a bit, that is perfectly understandable."

"I don't agree with this decision either."

"I can certainly understand that what you have just been told puts you and your family in a difficult situation."

"I have not slept well over the last fortnight either."

"We want to help you as best as possible to move on. I will tell you how we intend to do this in just a little while."



The redundancy or termination interview is most dignified when the manager and the employee communicate at a professional level and avoid factors that belong to the private sphere.

If the cooperation between manager and employee has been close, friendly relationships can affect this conversation, and the manager can be tempted out of sympathy to move communication away from the professional sphere to the personal or private sphere. Such a change in communication between manager and employee can be extremely positive in daily working environments, but this is not recommended for redundancy interviews.

On the contrary, it can obstruct the future process, and we strongly advise against taking a termination/redundancy interview down that path. This can give the employee a diffuse perception of the manager's function in the redundancy situation and can, in the worst case, trigger conflicts of a personal nature.

Keeping the conversation at a professional level does not necessarily mean that the manager has to adopt an icy attitude. The manager who is issuing the redundancy notices can easily demonstrate their sympathy and sincere compassion while maintaining a professional level of communication.

CHECKLIST FOR THE REDUNDANCY INTERVIEW

EMPLOYEE:

RESPONSIBLE MANAGER:

TIME AND PLACE:

HOW THE CONVERSATION SHOULD PROCEED:

Introduction

The message

The reason for the redundancy

The written redundancy notice

Give space for reactions

The reason for the redundancy

Redundancy terms

Outplacement offer

Practical information

New meeting

4.2 The interview's content and progression

INTRODUCTION

A good way to start is to say that "We need to have a serious conversation". This can prepare the employee for the idea that they may be being made redundant.

If the manager who is issuing the redundancy/termination notice(s) is unsure of the situation, it can be a good idea to have a crib sheet to rely on, to ensure the interview gets off to a good start and covers all important points and information.

THE MESSAGE

It is important that the actual redundancy/termination message is brought up early in the conversation, and that it is formulated clearly and unambiguously:

"This means that we have to let you go, which is why I have asked you to come in for this conversation."

Once the message has been given, it can be a good idea for the manager to make room for a small break so the employee can recover or give an immediate reaction. The manager can then continue the talk.

THE REASON FOR THE REDUNDANCY

As part of the redundancy interview, the manager should review the objective background for the redundancy. As previously mentioned, the background for the decision to end an employment relationship

with an employee may be based on either person-related or company-related circumstances.

This part of the conversation should be relatively brief. The employee often has a clear sense of what is to come and is most concerned with finding clarification about their specific situation.

WRITTEN REDUNDANCY NOTICE

The written redundancy/termination notice contains the actual message of the redundancy. The letter of notice will typically contain all the terms and conditions that apply in connection with the redundancy/termination.

It is a good idea for the manager who is issuing the redundancy/termination notice(s) to give the employee their written notice early in the interview. A personal handover during the interview allows the manager to review all the points of the redundancy verbally with the employee and finally ask for a receipt.

LEAVE SPACE FOR REACTIONS

As human beings, we usually want to get unpleasant and emotional situations over with as quickly as possible. This means that the manager who is issuing the redundancy/termination notice(s) may unintentionally find that they are speaking quickly and rushing from one point to the next. In a redundancy/termination interview, it is important to avoid an accelerated pace and give the employee time and space to react.

Once the message of the redundancy/termination has been delivered, it may mean that the employee becomes clarified after a long period of uncertainty. Such clarification can trigger emotional reactions such as tears or anger. Employees are often so affected that they do not take on board what the manager has to say afterwards.

If the employee reacts with anger or tears, a good way to deal with the situation can be to listen in silence or offer a paper handkerchief. Let the employee finish speaking or shedding tears without commenting. If the employee becomes angry, it can be a good idea for the manager who is issuing the termination notice to bear in mind that the employee's anger is not directed at him/her personally. As far as the employee is concerned, the manager is just the person who happens to be nearest at the time of their reaction.

Do not:

- become defensive
- make empty promises to the employee
- belittle the employee's feelings
- talk about your own feelings

Adopting a defensive position in response to the employee's anger can easily lead to a heated discussion, which both parties will regret afterwards. It is a bad idea to make empty promises to improve the mood, such as offering potential re-employment at a later date. This can give the employee false hope. Belittling the employee's feelings can come across as offensive and crass. It is better to remain silent than to make comments like:

- "Remember that many other people are in the same situation as you are today."
- "There's no reason to cry about this."
- "Just wait. In a couple of weeks, you'll have found a new job and forgotten all about us."

Read chapter 6 for more information about how people react to losing their jobs.

THE REASON FOR THE REDUNDANCY

"Why me?" This is an important question that employees need to have answered. They will therefore often press the manager to give them a personal reason.

However, it is often not possible to provide a personal justification for the redundancy. This will typically be the case in situations where a redundancy is based on, for example, declining orders, restructuring, the closure of a department or other company-related factors. In such situations, the justification would be to outline precisely these conditions.

In scenarios where only some of the department's employees are being let go, the manager can justify the redundancy more generally on the basis of the previously outlined option model: The affected employee is surplus to requirements because of the changed strategy.

If the redundancy is due to company-related circumstances, it is important that the interview does not go off at a tangent about personal circumstances and lack of skills. The manager should always stick to the reason stated in the letter of notice, even though it can feel awkward to repeat the same thing over and over.

When person-related circumstances are the reason for the redundancy, the employee can often benefit from being given a clear justification for the redundancy, e.g. that a previous promotion was a misjudgement, that the employee's expertise in a specific field was inadequate, or that the chemistry was just not right.

"The only thing I focused on during the rest of the redundancy interview was the message itself: You're fired! And then the reason he gave me; that I lacked the right professional qualifications in relation to the company's future challenges.

He then went on to describe various conditions and gave me some practical information. I heard virtually none of what he said. For sure, I saw his mouth moving, but my brain was all locked up in a repeat cycle.

All that echoed in my mind was that I had lost my job and the reason he gave me; my lack of professional qualifications."

Middle management employee, after 15 years
with the company

If the company has followed the previously mentioned action plan prior to the termination, it would be a good idea for the manager to refer to previous interviews and other initiatives initiated by the company prior to the termination.

It is important that the manager provides the same justification at the termination interview as the one stated in the written termination. Divergent justifications and alternative justifications that serve to conceal the actual grounds for termination can give rise to legal consequences.

TERMS OF THE TERMINATION

Various individual and general terms and conditions will typically apply to the termination. The manager should outline these terms during the interview and review, among other things, the time the person will leave, severance pay, work tasks during the notice period and who to contact in connection with the reassignment of tasks, areas of responsibility and work tools.

The company's HR department can be a good partner when preparing and presenting these terms. HR often has in-depth knowledge of these terms and conditions and an overview of the contents of the various employment contracts.

It may be a good idea to give or send the affected employee a written copy of the terms and conditions. The employee may find it difficult to take on board and remember all of this information during the interview itself.

OUTPLACEMENT OFFER

If you are offering outplacement to employees who are being made redundant, the manager can advantageously present this option in the final part of the interview.

This offer sends a clear signal that you care about your employee and consider them to be of value. At the same time, the outplacement offer functions as a specific and forward-looking initiative, which shifts focus away from experiencing losing their job as a defeat.

The employee and the manager can reach agreement about when the outplacement process should begin during the interview itself. Alternatively, HR can take care of the outplacement internship afterwards.

PRACTICAL INFORMATION

At the end of the conversation you need to associate various items of practical information to the redundancy and make specific agreements:

- The employee must return work tools.
- Another employee will be taking over the employee's work tasks.
- Any powers of attorney and employee benefits will cease.

It is therefore good practice at the end of the redundancy interview for the manager who is issuing the redundancy notices or an HR representative to discuss how the company wishes to resolve these practical issues with the employee's cooperation.

It may be a good idea to involve the HR department in the subsequent execution process. This frees up time for the manager to focus on the employees who will be staying on. Alternatively, the manager and the employee can arrange a new meeting shortly before the employee leaves the company, to take care of the final practical details.

NEW MEETING

We recommend that the manager who is issuing the redundancy notices and the employee hold a new meeting when the employee has had time to recover from the redundancy interview. This gives the employee the opportunity to react on a well-thought-out and less emotional basis, which is more conducive to a dignified dialogue and conclusion.

Here, the manager can begin by repeating some of the information that he or she has given the employee during the redundancy interview. If the redundancy came as a shock, the employee may not have been able to take all important information on board.

At the same time, the meeting gives the manager the opportunity to follow up on the practical winding down of the employment relationship and to ask how an outplacement process (if offered) is going.

BANG & OLUFSEN

"I had made it clear to everyone that it was up to them whether they were on camera or not. But I'm glad that most people chose to turn theirs on. It was a bit odd not being able to have eye contact when facing someone person for such an important call."

Jacob Juul Frederiksen, Senior Director of Planning & Operations at Bang & Olufsen

4.3 How to make an employee redundant digitally

We always recommend that the manager sits face-to-face with the person who is being let go. Any termination or redundancy is emotional and it is easiest to deal with the affected employee's reactions when the manager and employee are both in the same room.

However, in certain situations it is only possible to issue a redundancy notice online. Typically, this would be if you have to make several employees redundant collectively and they are all at different locations. Many companies have experienced this very challenge during the COVID-19 lockdown (see for example the Bang & Olufsen case history at the end of the book).

So, what is the most dignified way to make an employee redundant digitally? Here is some good advice:

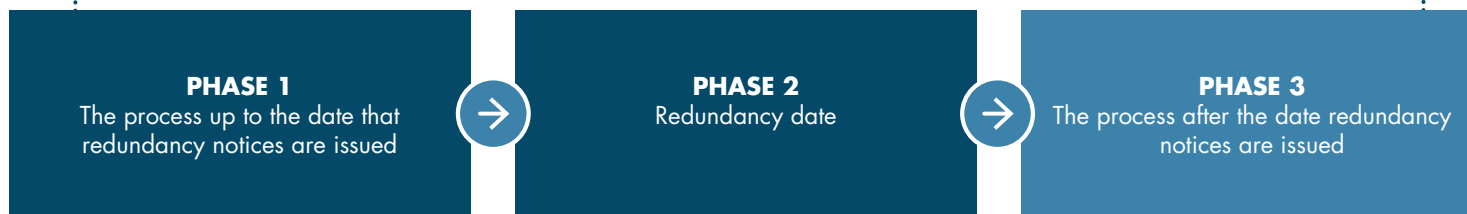
- Invite the employee to the digital meeting in advance of the event. Ask the employee to make sure that they are sitting alone and is able to speak without disturbance.
- Have the redundancy material at hand so you can send it by email during or immediately after the interview.
- Start by apologising for the fact that the interview has to be conducted digitally and otherwise follow the other recommendations for the redundancy interview.
- Keep the camera on and remember to maintain eye contact rather than looking down at your papers.
- Leave room for breaks and reactions, even though this can feel

like even longer during an online meeting. You can encourage, but not force, the employee to have their camera on.

- If the person is at the workplace, make sure that a local management colleague is present and will follow up.
- If the person is at home, ask if the employee has anybody with them. Emphasise the importance of talking to someone about the situation. Be particularly aware if employees live alone.
- The union representative or HR could contact the employee afterwards to hear how they are doing.

5. What follows
the day the redundancy
notices are issued

THE JOB REDUNDANCY PROCESS



Phase 3 begins after the redundancy interview has been conducted.

The time after the redundancy interview has a considerable impact on the employee's experience of being given redundancy notice. A good experience of the process leading up to their time of departure has a positive effect internally in the organisation and on what the employee will have to say about the company in future. The way you manage this period is therefore very important. In the period after the redundancies it is also important to remember the employees who are staying on and to focus on ensuring that the organisation is able to move on in a positive fashion.

5.1 What is the next step for the employee who is being made redundant?

It is important that you establish clear guidelines about whether the employee should continue in their position until the end of the notice period or will be laid off immediately after the redundancy interview.

As a rule, we do not recommend one solution over the other. The best solution will often vary by individual, and there are of course advantages and disadvantages associated with both solutions.

IF THE EMPLOYEE WILL CONTINUE WORKING

If the employment relationship continues during the period of redundancy notice, the company has the advantage of giving the employee the opportunity to pass on their knowledge and train colleagues up in their work functions.

When an employee who is being made redundant remains at the workplace it allows them to maintain a large part of their social network during a difficult transition phase, where there is often an overwhelming need to talk through the entire situation.

A large part of our lives, social relationships and identity are built around our workplace and colleagues. An employee who continues working at the company until the day that notice of redundancy is given will be able to gradually wind down their relationship with the company, while simultaneously establishing a new identity and forming a new network.

On the other hand, staying at the workplace can have the negative effect that the employee can be unmotivated in their work and feels uncomfortable being around colleagues who will be staying on.

Retaining the employee during this period means that they should be assigned actual work tasks during the notice period, participate in meetings and be included in any duty rosters. The planning of the employee's work tasks during the notice period should take place as a dialogue between the affected employee and the day-to-day manager.

The period from the day redundancy notice is issued to the date of departure can be a difficult time. There are often many emotions in play, both among colleagues who are staying on and with the affected employee. The employee who is being made redundant may find being at the workplace uncomfortable and may react without thinking in certain situations, while employees who are staying on may be uncertain about how to relate to their affected colleague.

After a redundancy/redundancies, the company goes into a restructuring phase, during which it is important that the remaining employees focus on future challenges. If the employee who has lost their job continues at the workplace, their presence can make this difficult and cause the adjustment process to take longer.

IF THE EMPLOYEE IS SENT ON GARDEN LEAVE

If there are competition considerations or a risk of abuse of inside information, the employee who has been let go should leave immediately after the redundancy interview. The same applies if the employee performs a work function with access to vital information/systems.

An immediate release from work duties allows the employee to make a start right away. They can dedicate all their time to looking for a new job and will avoid being confronted with the unpleasant experience that a redundancy often entails.

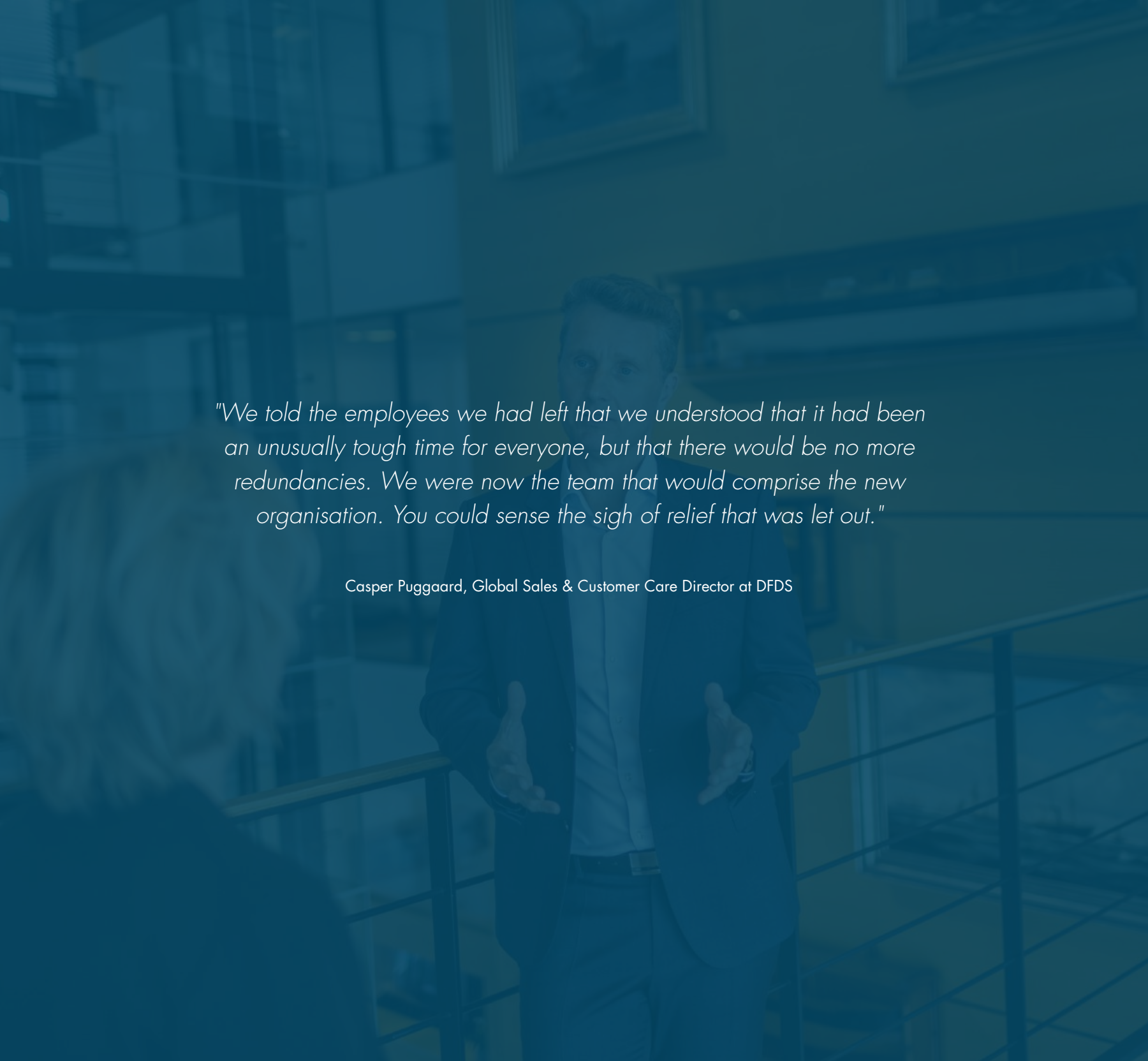
On the other hand, the release from work duties may entail that the employee is abruptly deprived of part of their identity and network. This can reinforce the disorientation that employees who are being made redundant often experience when a secure and familiar framework disappears, and the person must begin to build a new life.

Before the employee is sent on garden leave, it is important that their day-to-day manager has established an overview of the employee's work functions, areas of responsibility and current tasks and has reached a decision about which employees will be taking over. If the company does not make these decisions until afterwards, important tasks may be missed and knowledge may be lost.

FLEXIBLE TRANSITION

It is often advantageous to come up with individual, flexible solutions with regard to the employee's departure. One intermediate solution could be to transfer the employee to another department during the period of notice.

Other options include offering the employee reduced working hours during the period, time off for to look for a new job, outplacement or supplementary training. This would be an obvious choice, for example, if there are insufficient work tasks that could be offered to the employee during the period of notice.

A man in a dark suit and light blue shirt stands on a balcony, gesturing with his hands. The background shows a cityscape with buildings and a bridge, all under a blue tint.

"We told the employees we had left that we understood that it had been an unusually tough time for everyone, but that there would be no more redundancies. We were now the team that would comprise the new organisation. You could sense the sigh of relief that was let out."

Casper Puggaard, Global Sales & Customer Care Director at DFDS

5.2 Initiatives to support employees who are staying on

Efforts directed at the employees who are staying on are an important element of the process that follows the redundancies. This allows you to ensure that the organisation is able to move on quickly and positively.

In particular, four focus areas have shown positive results:

- Generous communication
- Encourage conversation and dialogue
- Specific, forward-looking projects
- Courses and internal training

COMMUNICATION

Communication to the employees who are staying on is key to a good (re)start after a process of redundancies. Inadequate or poor communication is one of the most criticised aspects of a process involving redundancies. Too much information is better than not enough. Frequent group meetings, videos from management or emails give employees peace of mind.

It is important that the communication contains information about the situation of the employees who are being made redundant, as well as the future scenario for the employees who are staying on. In this way, management signals that both groups of employees are still part of the company and that it has the situation of all employ-

ees in mind. At the same time, the meetings and frequent communication tell the remaining employees what they want to know about the company's future strategy.

ENCOURAGE CONVERSATION AND DIALOGUE

Encouraging conversation and dialogue sends an important signal that you acknowledge employees' need to evaluate the redundancies, including their cause and consequences.

The employees who are staying on will often have thought the same thoughts during the period of notice. They may have wondered whether they themselves risked redundancy, how they should relate to the an employee who has been made redundant, and they may also want to plan a farewell event for their colleague. A partner or private friend cannot relate to these questions and thoughts in the same way as colleagues. Talking to each other allows the remaining employees to not get stuck on speculations about which they are unable to find the same understanding at home.

Giving employees who are staying on enough space to talk through the process with each other is also part of the process of moving forward and looking ahead. The evaluation process often leads by itself to a collective desire among employees to put the uncomfortable experience behind them and to address the challenges of the future. The immediate manager should make themselves available for questions in connection with the redundancies.

UPCOMING PROJECTS

New projects can inspire the remaining employees to shift their focus away from the turbulent notice period, to instead orientate themselves towards the new organisational structure. When employees are involved in specific projects, the transition phase seems less diffuse.

One option is to create several project groups, each of which has a clearly defined and defined task. This might be the development of an existing product or a work process, researching in a new market area or revising the company's marketing plan.

Combining the groups across the various departments allows you to strengthen the sense of community internally and to open up for a new dynamic, as employees break with their usual working routines and get to see each other's competences in other contexts.

COURSES AND INTERNAL TRAINING

A round of redundancies is a good starting point for developing the competences of the employees who are staying on, and training can also help to create renewed energy and motivation.

Presenting an employee with new knowledge or new tools can inspire them to make an extra effort, or the offer of a course can make the employee feel like an asset that the company has made a positive choice to invest in.

6. Reactions to a redundancy

Losing your job is usually an unwanted and often unexpected life change and is one of the greatest psychological strains that a person may have to face. Losing a job will therefore be reflected in some form of reaction by anyone who experiences the discomfort of being given their redundancy notice.

The redundancy also affects others than the affected employee, however.

The manager, who has been tasked with informing employees of their redundancy, will be impacted by the experience, as will the work colleagues of the person who has been let go. If the company completes a major round of redundancies, many of the remaining employees will typically be affected both emotionally and in relation to their specific work tasks.

In this chapter, we review the typical reaction patterns of the employee who has been let go, the manager who is issuing the redundancy notices and the employees who are staying with the company and give good advice about what initiatives the company should take to accommodate and remedy unwanted reactions.

6.1 The reaction of the employee who has been made redundant

Losing your job can be a serious psychological burden. Both the employee's identity and financial stability are suddenly eroded.

Receiving redundancy notice can affect a person in the same way as a breakup with their partner, a definitive diagnosis of a serious

illness or the loss of a relative. It can trigger a crisis, which is a normal reaction to an abnormal condition.

The reactions of employees who have been made redundant to the often unexpected change is very individual, but will most often affect the person's mood, self-image and attitude towards the company and colleagues.

For some people, redundancy can bring a sigh of relief, while others slide into a state of crisis, which can in the worst case lead to depression.

Common to the vast majority of people who lose their jobs is that they feel angry, doubt their own abilities and experience mood swings. It takes time to live through the crisis that is triggered by losing their job. Reactions to the redundancy evolve over time, and an affected employee will typically go through various different phases before they are able to perceive the loss of their job from a perspective of distance.

Typical reactions to being made redundant are:

- Anger
- Hostility
- Tears
- Sadness
- Grief
- Depressive moods
- Self-blame
- Shame
- Self-control / indifference
- Isolation from others
- Absence from work or agreements

THE PROGRESSION OF CRISIS



Source: Johan Cullberg

6.2 The four phases of the crisis

Studies show that crisis after being made redundant typically spans four phases. The duration of each phase and how it is expressed varies from person to person.

1. THE SHOCK PHASE

There is a high probability that the employee will be in a state of shock when they receive their redundancy notice. The shock phase can last from a few minutes to several days.

During this phase, the employee perceives the message of their being made redundant with their common sense, but is unable to understand or relate to it at an emotional level. It seems to be rather unreal, like when a dream continues when you are only half awake. This reaction is because the message is too impactful. The employee is unable to immediately accommodate and assess the consequences of the redundancy.

During the redundancy interview and in the period afterwards, the employee will often focus on controlling their feelings and the situation as a whole. As a rule, much of the information that is provided during the redundancy interview is forgotten. Mentally, the employee is elsewhere and unable to take specific information on board.

The visible reactions rarely reflect what is going on in somebody's head. Some people appear completely calm and unconcerned by the announcement of their redundancy. Others react with a distant gaze, apathy, tension or by becoming very talkative.

In the time that follows, others may seem almost indifferent to their boss and colleagues, or as if they are fully clarified with the situation. They may take a relaxed approach and even joke around, which, however, may simply be a way of covering over their denial of reality.

A reaction like this can sometimes be replaced by an attempted negotiation. The employee can turn 180 degrees and suddenly ask if there is no possibility of being transferred or staying in the company for just a couple of months longer.

In this situation, it is important that the manager who is issuing the redundancy notices sticks to the original message and makes no empty promises.

2. THE REACTION PHASE

The reaction phase begins when the employee realises what has happened at an emotional level. With this phase comes the emotional reactions: Tears, anger and depressive moods.

The reactions we see are often similar to how we humans react when we suffer losses and failures in other contexts. This phase can start at the moment they receive their redundancy notice and last up to several weeks.

The question "why me?" comes to the surface in this phase and gives rise to many speculations and presumptions. Providing correct and unambiguous reasons for the redundancy will help the employee during this phase.

REACTIONS TO A REDUNDANCY

"I still feel that when I meet my boss, or (should I say) my former boss then I don't say hi. I can't bring myself to do it."

"My self-confidence suffered. I can see that with hindsight. My mood fluctuated dramatically. I felt bad about going to work and went on sick leave. After two weeks, I needed to talk everything through and reported in fit for duty. But I didn't feel able to talk to my colleagues."

"On the whole, it was a very unpleasant period. One by one, my work tasks disappeared, and just as slowly I became isolated. That's how I felt. So I went to my boss and asked to be laid off."

"The shock from that interview became an indescribable anger. I had worked hard for that company for 15 years and had happily accepted both overtime and responsibility. I had done my best and probably a bit more. Nobody had ever said that I didn't do my job well enough. So in reality, I never had an honest chance to change anything or improve my skills. They just fired me. Goodbye and thank you after 15 years."

"Normally, I have an overview and a good grip on things. But it completely slipped. I couldn't bring myself to tell anybody that I'd lost my job. Only a few people in the family knew. My children weren't told until a long time afterwards. Finally, I realised that I needed help."

The employee may be unrealistic about the redundancy and make statements that are disproportionate, such as exaggeration, imploring or sounding off.

Managers often prepare for violent outbreaks of anger and a hostile attitude from employees who are being made redundant. Anger is also a typical reaction among employees who are being made redundant, but unbridled anger is rare at workplaces, even in a situation involving redundancies. On the other hand, the manager will experience that the anger manifests itself in two very different ways; either as an outward-facing or inward-facing anger.

Anger, which the employee directs outwards, will often be directed towards the company and/or the manager who is issuing the redundancy notices. This could, for example, be in the form of accusations of incompetence. The purpose of projecting the anger outwards is to place responsibility somewhere other than the person him/herself.

Conversely, the employee can direct their anger inwards. This will typically be expressed through self-blame, where the person regrets previous actions, with the implication that they are themselves responsible for their redundancy. Employees who direct their anger inwards have often taken a hit to their self-confidence.

Both forms of employee anger are an expression of an unconscious desire to place responsibility for their redundancy.

Managers may experience employees who are in a completely neutral emotional state in relation to their redundancy; almost a kind of "shrugged shoulders" reaction. This can of course mean that the employee is not actually emotionally affected by the redundancy.

However, more often than not, such a reaction is simply due to a strong sense of self-control and an employee who refuses at all costs to lose any kind of face.

Therefore, these employees usually avoid talking to other people about their redundancy, which can trigger a sense of isolation. If the terminated employee reacts in this way, they may end up in a deadlocked situation and find it difficult to move on in their life.

In rare cases, it can be necessary to provide employees who are being made redundant with psychological help to get them to move on from the reaction phase. This may be the case, for example, if the redundancy comes on top of other life challenges.

3. PROCESSING PHASE

During the processing phase, the employee who has been made redundant will have a more realistic perception of and attitude to their situation. Emotions fade. This leaves space for the employee to reflect and process the harrowing experience that being made redundant often is.

The processing phase can be long-lasting and can persist for six months to a full year.

During this phase, the employee often achieves a more nuanced understanding of the reason for the redundancy and begins to see advantages in leaving the workplace: more free time, new challenges, a more suitable job.

This "processing" process is a natural consequence of the two preceding phases. The purpose here is for the employee to accept their redundancy and its consequences. Only when this acceptance has

been reached can the person focus on the future and find out about new job opportunities.

During this phase, the employee will be more willing to start an outplacement process than they were during the reaction phase, when their feelings were the controlling factor. The person has more energy to assess their strengths and weaknesses, to specify their job wishes, to update their CV and to seek out new job opportunities.

The employee moves gradually from this phase to the new orientation phase.

4. THE NEW ORIENTATION PHASE

During this phase, the redundancy can now be considered from a distance. The employee has a more relaxed and natural relationship with the redundancy and is now able to talk about it without being affected emotionally.

Focus shifts to the new state of existence and the new job, which the employee will often have found during this phase.

6.3 The manager's reaction

In most cases, terminating an employee is an unpleasant experience, regardless of the reason for the redundancy. The manager is aware that being made redundant can have a profound impact on the employee's life.

In many situations, the manager who is issuing the redundancy notices merely acts as a messenger, executing a decision on savings/

organisational changes that was made at a higher tier of management. This can put the manager's loyalty to the company to the test; for example, if the manager himself/herself has experienced being given redundancy notice, does not agree with the decision, or if the manager can see that being made redundant will have very significant consequences for the affected employee.

Typical reactions from the manager who is issuing the redundancy notices are uncertainty about the impending redundancy interview and feeling guilty for having to give a good employee their notice. On the other hand, the manager can also be relieved about getting rid of a "problem employee".

UNCERTAINTY

The redundancy raises many unanswered questions on the part of the manager, which can fuel uncertainty. This includes the redundancy interview itself, the employee's well-being and the reaction of the employees who are staying on:

- How will the employee react?
- What should I do if the employee starts to cry or becomes aggressive?
- What should I say during the redundancy interview?
- What should I provide as a justification for the redundancy?
- What if the employee is knocked over backwards?
- How about the employee's finances?
- What should I say to the employees who are staying on and how will they react?

The better prepared for the redundancy interview and the subsequent process the manager is, the better they will be able to deal with the inevitable uncertainty that will follow such a difficult management task.

FEELINGS OF GUILT

In a situation when job redundancies become necessary, this sense of guilt usually stems from the manager's self-identification as the judge of the employee's competences and work performance. As judge, the manager is entitled and in some cases also duty bound to hand out a harsh judgement: I am giving you your notice. Often, the sense of guilt can be due to speculation about whether the redundancy could have been avoided, whether the manager has done enough on their own part in the events that led up to it and whether they were sufficiently capable of fulfilling their managerial responsibilities.

The feeling of guilt can extend to the remaining employees if there will be fewer people to perform the same workload. This uncertainty and sense of guilt can result in the manager making one or more textbook errors in connection with a redundancy process:

- Leaving the redundancy interview until Friday afternoon
- Shifting communication from the professional to the personal or private level
- Changing the justification for the redundancy
- Entering into a discussion about the background and entire basis for the redundancy
- Putting a potential rehire on the table
- Making offers that extend beyond the manager's own authority

The manager's reaction can extend to the period after the redundancy interview, while the employee is still working at the company. Unconsciously, the manager can try to avoid contact with the employee who has been made redundant, which serves only to make the situation even worse.

However tense the atmosphere may be and how difficult it can be to find a topic of conversation, during this period the manager is responsible for ensuring that the employee has proper working conditions and a decent working environment. This includes maintaining a natural dialogue during the notice period. If the company offers supplementary training or outplacement to employees it is making redundant, this can serve as a natural input for positive and dignified conversations during the final period of the employment relationship.

DEBRIEFING

Many mistakes and inappropriate reaction patterns can be avoided if the manager is prepared for how both the employee and the manager can react and why.

It is quite natural for the an employee who has been made redundant to feel the need to get things off their chest after a redundancy interview. The manager may feel the same need.

It is common practice in both the police force and the hospital system to give supervision or hold a debriefing when difficult work tasks are over. A redundancy interview involves elements of the same psychological pressure to which police and emergency room employees are exposed. The company should therefore conduct debriefing interviews with the manager who is issuing the redundancy notices(s) immediately after the redundancy interviews.

In the event of large-scale rounds of redundancies, we always recommend that managers conclude the day the redundancy notices are issued with a joint meeting where they will have the chance to discuss their experiences.

6.4 The reactions of employees who are staying on

The way that remaining employees react will depend on whether the redundancy/termination is individual or whether the company is in the process of conducting a major round of redundancies. In the event of a single redundancy/termination, they are not themselves in the danger zone, whereas no one can be sure when the company is making lots of people redundant.

The thoughts and speculations of remaining employees during a process of redundancies are diverse and change over time. The same applies to their reactions. Uncertainty, anger, relief and a guilty conscience are all typical reactions among the employees who are staying on.

UNCERTAINTY

For employees who are staying on, uncertainty about their own situation will often begin to appear at the start of the process. Later on, employees may become unsure about how to deal with colleagues who are being made redundant.

ANGER

Anger is an almost unavoidable reaction during a major round of redundancies. It is partly a reaction to the employees' uncertainty about their own situation, but it typically also covers a sense of powerlessness. The anger is often expressed as blame directed at management and can, for example, manifest itself as doubts about management's competencies.

If only one employee is let go, that anger will typically be limited to that employee's close colleagues, whereas a process that proceeds inappropriately can lead to the spread of frustration and anger throughout the organisation.

RELIEF

Relief occurs when management has named the employees who are being made redundant and the employee's name is not mentioned.

GUILTY CONSCIENCE

That relief can be replaced by a guilty conscience when the employees who are staying on are confronted with their colleagues who will be losing their jobs. An awkward atmosphere can arise between the employees who are staying with the company and their colleagues who are being made redundant.

6.5 Conditions that affect the reactions

Two people rarely react in the same way. The reactions of the remaining employees vary in the same way.

THEIR REACTIONS CAN BE AFFECTED BY:

1. How closely they were collaborating

When a close colleague is given redundancy notice, the impact will typically be greater.

2. How high the employee's self-esteem is

The lower their self-esteem, the stronger the person will typically react because the uncertainty surrounding their job is perceived as

a threat. In this situation, employees with limited confidence in their own abilities and competences can find it difficult to see alternative job opportunities.

3. How management handles the redundancy process

It often has a positive effect if the company thoroughly informs the retained employees about the background for the redundancies, as well as the offers and support schemes that the company is offering their colleagues who are being made redundant. Anger can be turned into understanding, security and pride in a workplace that looks after their colleagues who have lost their jobs.

4. The state of the market

A general slowdown in the market and/or major challenges within the company's industry or niche can increase understanding of the redundancies.

5. How long it takes

The reactions of the remaining employees are usually strongest in the period immediately after the redundancy interviews. When life returns to normal, these reactions will gradually dissipate.

After a certain period of time has passed, the remaining employees will have had their fill of discussing the situation surrounding those of their colleagues who have been made redundant. Instead, they want to look forward and focus on the new organisation, of which they are now a part.

The employees who are staying on could change their attitude to their redundant colleagues as time goes on. The employees who are

being made redundant may have been offered outplacements, or been given time off to apply for new jobs and attend courses while they themselves have to continue working as normal.

5. What the future looks like

Uncertainty about a possible new round of redundancies can affect remaining employees' reactions. This can, for example, be reflected in self-promotion or enquiries to the day-to-day manager about whether they are able to set tangible success criteria for the employee's job function. Reactions like these typically involve the employee feeling uncertain and therefore needing to demonstrate their importance to the company in the event of a new round of redundancies.

The reactions of the employees who are staying on can have an extreme impact on their work endeavours at the company. During the normal day, this can lead to a negative atmosphere in the workplace and result in an increasing frequency of people taking sick leave. Employees' motivation and productivity can also decrease significantly during and after a process of redundancies.

If management fails to take action towards the employees who are staying on this can, in the worst case scenario, set a self-reinforcing, negative spiral in motion where the company fails to achieve the goals that have been set and cause employees to lose faith in the future.

Restoring a healthy organisational culture within the company can take years of development work.

7. Communication

Clear communication before, during and after the redundancies is essential if a round of redundancies is to remain dignified.

It is important that the overall communication is already in place when the first announcement is made that there will be redundancies. Communication must first and foremost be clear, honest and straightforward and must be unassailable. It has to be built to last through the entire process.

In this chapter, you will find some good advice on how the company should approach the overall communication in connection with a round of redundancies.

7.1 Create a communication plan

When planning a round of redundancies you should prepare a communication plan. The plan should allow you to act proactively and answer questions such as:

- **Why?** Why are we doing this? Why now?
- **What?** What is the background? What story do we want to tell?
- **When?** When do we announce what information?
- **Who?** Who are the primary and secondary target groups and how do we communicate to them?

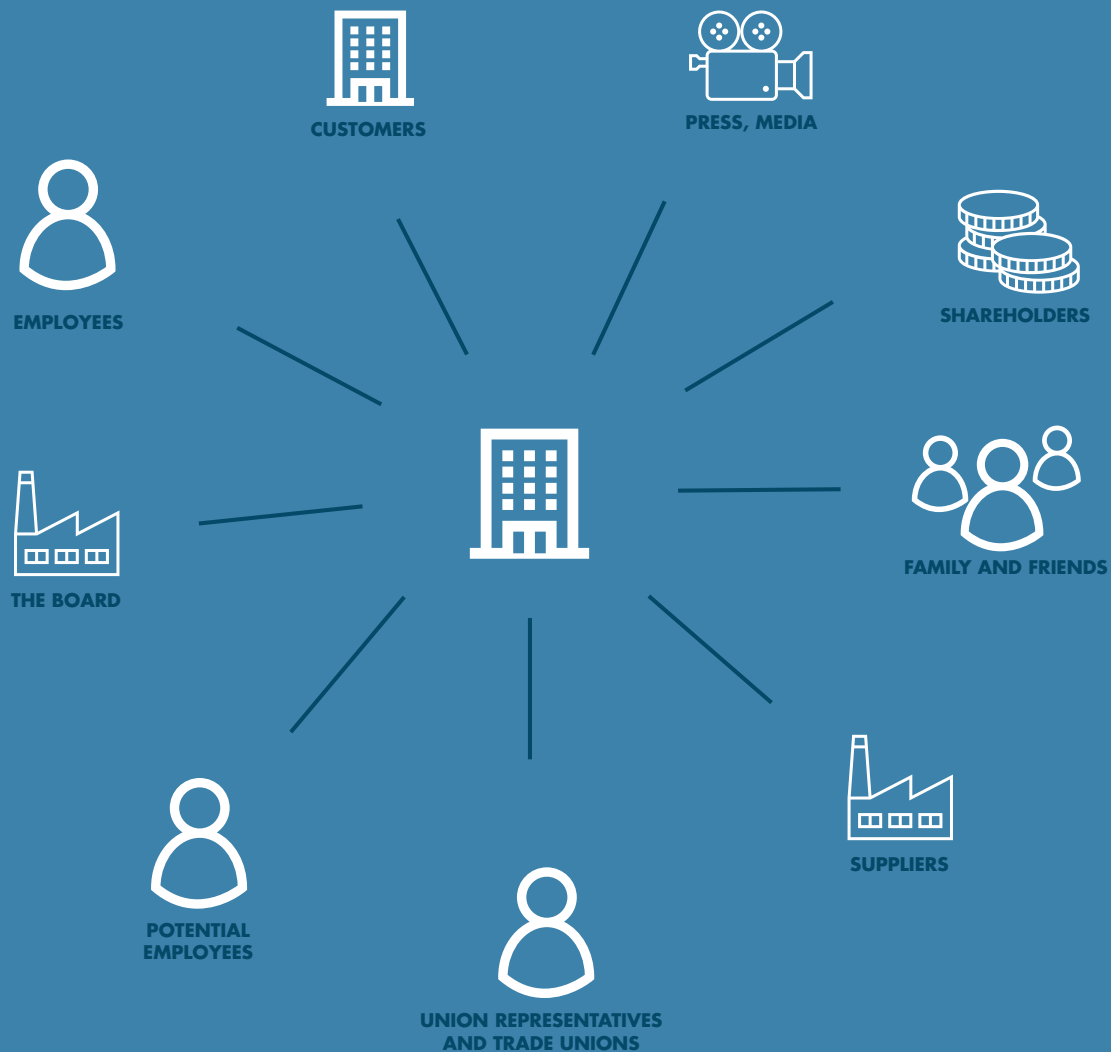
Communicate the truth and make sure that you provide the same information both internally and externally. The degree of detail can

vary in different contexts, but the basic narrative must be constant. Otherwise, rumours and uncertainty can arise quickly.

Ensure that all relevant key persons and managers in the company are equipped for the task of communication. It may be a good idea to prepare a FAQ to rely on in the various forums and contexts in which you will have to communicate the redundancies. This allows you to ensure consistency in communications and avoid different stories being narrated.

For example, an FAQ can answer the following questions:

- How many people are being let go?
- When will the redundancies take place?
- What is the reason for the redundancies?
- Which areas or departments will be affected?
- Have you tried to come up with alternatives to avoid redundancies?
- What do you do to help those who have been made redundant to move on?
- What is the impact of the redundancies on the company's future?
- Do you expect there to be further redundancies?



7.2 Target groups

There are many considerations to take and target groups to communicate with in connection with a major round of redundancies. As well as the internal target group, you as a company must consider e.g. shareholders, customers, suppliers, family, trade unions and the press.

First and foremost, you need to ensure that communication to employees is thoroughly prepared so that they feel well-informed in a proper, honest and respectful manner. From our experience, once internal communication is in place, communication to the other stakeholders becomes much easier.

INTERNAL TARGET GROUPS

Employees must not be able to read or see news about their workplace in the media until they have been informed by the company's management. This rule is even more important when it comes to redundancies.

It is almost impossible to communicate too much to employees in the lead up to and during a round of redundancies. On the contrary, the need for information will often become insatiable once the decision has been announced. The better prepared you are for questions, the better you will be able to handle and manage communication once the round of redundancies gets into gear.

Examples of questions ahead of a round of redundancies:

- When will we learn more?
- Who decides who should be made redundant?

- When will the lists be made?
- Which selection criteria are used?
- Which departments will be affected?

Examples of questions after a round of redundancies:

- Will there be additional redundancy rounds?
- Why did you issue the redundancy notices just before the holidays?
- What will happen to X tasks now?
- How do we say goodbye to our colleagues?
- Are any of the vacancies being filled?

Ensure that communication to employees is timely and is provided both verbally and in writing. Use the below channels and forums in the ongoing orientation and agree in advance who is to communicate what, where and when:

- Email to all employees with a decision on and background for the redundancies.
- Ongoing information on the employee portal/intranet
- Dialogue meetings with senior management, where employees have the opportunity to ask questions
- Department meetings
- Meetings in the collaborative organisation

Note that internally you are talking to two different target groups: employees who are being made redundant and employees who are staying on.

The employees who are being made redundant need to know why they have been selected and what the process will be leading up to their final day at work.

Employees who are staying on have a particular need to know the reason for the redundancies; why the company finds it necessary to make people redundant and what things will be like in future. Should they be concerned that their job may also be threatened?

It can be tempting to hide behind cold and factual language when you need to communicate about redundancies as a company. However, this creates an unnecessary distance and leaves an unfortunate impression on both the employees who are losing their jobs and the employees who will be staying on. This way of communicating will also often be in stark contrast to the normal tone within the company.

Therefore, be aware of your language and tone of voice when communicating and avoid speaking down to or over the heads of employees. Use simple and straightforward language where you do not hide behind legal or HR terms that the ordinary employee may not be familiar with. This allows you to avoid unfortunate misunderstandings and employees being left with more questions than answers.

EXTERNAL TARGET GROUPS

Customers, partners, the board of directors, shareholders, local communities and media are examples of external target groups, all of which may have a natural interest in being kept informed about cutbacks and redundancies in the company. Be at the forefront and ready to communicate externally. This signals that you are professionals and are not trying to hide anything.

Taking proactive action can be advantageous, especially towards the media. If you expect the redundancies to attract a lot of media attention, you should draw up a specific media strategy, prepare

a press release and make a plan for which media outlets you will contact. For example, you can reach out to journalists with whom you have previously had constructive partnerships. This helps you to control both narrative and timing.

Be prepared to be asked critical questions and appoint one or two spokespersons to handle all media contact. Prepare yourself for the questions that may come up and prepare your spokesperson for dialogue and collaboration with the media. The more proactive and co-operative you are, the greater your chances of influencing the press agenda and messages will be.

7.3 Timing and overview

Timing is crucial in the company's communication about redundancies. The right timing can allow you to avoid many unfortunate situations, rumours and speculation.

When you are faced with the reality of a round of redundancies you should prepare a detailed communications timetable, so that HR and management are aware who has been informed of what and when, such as if different levels of management receive the information before its broad internal announcement.

Knowing that the situation is under control and that the company understands the employees' and the surrounding environment's need for ongoing information is a way to provide security:

- When should you announce it internally?
- When should you announce it to external parties?

FIVE TOP TIPS

1. Create a communication plan.
2. Keep track of the basic narrative and appoint a spokesperson.
3. Identify the most important questions and create a FAQ.
4. Train and equip management for the task.
5. Be proactive and take control both internally and externally.

FIVE TYPICAL PITFALLS

1. Believing that the organisation is airtight, also when only the management group has been informed
2. Not daring to what is considered dangerous into words, even in a closed environment
3. Underestimating the power of the media
4. Underestimating impact on employees
5. Communicating cold hard facts instead of showing a human face

- When should employees expect to receive further information?
- When do you expect the redundancies to be completed?
- When will management be available for interviews and/or to answer questions?

Keeping people informed throughout a redundancies process does not mean that you need to announce your plans before you are ready, or when there is a risk that it would be detrimental to the company,

provided that you clearly signal that you will be willing to provide further information when you are ready. Be sure to follow up regularly to keep the different target groups inside the loop and to ensure that no important information is overlooked.

7.4 Communication after the termination

A redundancies process is not over when the final redundancy interview has been held. There will often be a need for targeted communication efforts aimed at rebuilding trust, well-being and motivation among employees who are staying on at the company.

Redundancies are almost always hard on an organisation. Retained employees may become uncertain about their own job security, while employees who are being made redundant can potentially create a poor atmosphere and tone in the workplace. This can lead to anxiety and, in the worst case, distrust and failure to thrive.

Clear and credible communication in the period after the redundancies can minimise unrest and help to rebuild trust, well-being and motivation.

FOLLOW UP AND MAKE ROOM FOR DIALOGUE

It is important that all managers are present and visible not only on the day the redundancy notices are issued, but also in the weeks that follow. Take responsibility for re-establishing the calm that is needed to shape a new working day where each individual employee can feel secure.

Managers often need to repeat the background for the redundancies. The employees must experience that they have been informed, heard and participated in management's considerations and future plans.

Be aware that employees who are being made redundant and employees who are staying on can process redundancies in very different ways. Leave space for the many different reactions and facilitate an open and honest dialogue.

Encourage employees to ask questions, both in groups and individually in private. And as a manager, you need to listen and provide through answers. Acknowledge that the time after a round of redundancies can be a very difficult time for many people.

FOCUS ON WELL-BEING

Make an extra effort to gather employees for joint events in the period after the redundancies. Examples might be: seminars, off-premises activities or "go-home" meetings for different management and employee groups with the purpose of putting well-being, motivation and job satisfaction on the agenda.

Be aware that timing is important, however. An invitation to social events immediately after a round of redundancies can come across as both inappropriate and lacking in empathy. Put your ear to the ground and consider when you are ready to look ahead.

8. Legal issues associated with redundancies

By attorney and partner Marianne Granhøj and attorney and director Maria Bekke Eiersted, Kromann Reumert

"Making somebody redundant in a legally correct manner is not so difficult, as long as you prepare for it. And doing so is always worthwhile, in every way..."

Bringing somebody's employment relationship to an end is a decision with far-reaching consequences for both the employer and the employee, so it is important that the employer prepares thoroughly before its implementation. This is partly because legal errors send an inappropriate signal to an employee (and his or her trade union/advisor, if any), and partly because errors can ultimately be very costly.

When you have reached the decision to let go of one (or more) employee(s), it is therefore in the company's best interests to prepare and plan their exit process with a focus on the legal, commercial and communication aspects, ensuring the implementation of the process in the most professional and dignified way for the employee, while protecting the company against unnecessary risks.

In the following sections, we provide a brief introduction to the legal conditions that companies should be aware of when giving employees their notice.

8.1 Written redundancy notice/ notice of termination

A redundancy notice can be given in both oral and written form. Written notice is not a requirement for the validity of a redundancy notice, but the company must be able to prove that notice has been issued, and this requirement for documentation is fulfilled with a written redundancy notice. This will often also be specified in the contract. The redundancy notice must be clearly formulated.

The notice does not need to include a reason, but if the employee asks for a justification, the company is obliged (in accordance with the Danish Salaried Employees' Act) to provide a written justification.

The letter of notice should state the terms that will apply to the employee during the period of notice and after the end of the period of notice.

Notice must have been received by the employee before the end of the month or day from which the company wishes it to take effect. The sender bears the risk that a redundancy notice does not reach its intended recipient.

If, for example, the company wishes to let go of an employee with three months' notice for an exit date of 31 December, it must be able to document that the employee has received the letter of notice no later than 30 September. 1 October would be too late, as the period of notice would not start until 1 November.

CHECKLIST OF WHAT A NOTICE OF TERMINATION/REDUNDANCY NOTICE SHOULD INCLUDE

- The actual redundancy/termination notice, period of notice and expiry
- The reason for the redundancy/termination
- Work, suspension or garden leave
- Taking holiday, extra days of holiday and time off in lieu
- Handling of free car, free telephone, free newspaper and other benefits
- Staff benefits during the notice period
- Handling bonuses, share options, warrants and similar
- Severance pay in accordance with the Danish Salaried Employees' Act, collective agreement or individual agreement
- Reminder of duty of loyalty during the notice period
- Reminder of, lapse or termination of non-competition or non-solicitation clauses
- Reminder of duty of confidentiality
- Reminder of the rules in the Act on Business Secrets
- Return of keys, access cards and various effects and documents

The employee should acknowledge receipt of their notice if it is handed over in person. If the notice is sent to the employee, it is recommended that it is sent with signed-for delivery to serve as documentation of receipt.

Today, many redundancy notices are sent by email, as this is the usual form of communication between the employee and the employer. When sending by email (often supplemented by a telephone call, SMS or other form of contact), the employer must still be able to document that the email has been received by the employee before the end of a month.

8.2 The Employer's notice of termination

As a rule, the terms of notice that apply to the employment relationship are set out in:

- The employment contract
- The Danish Salaried Employees Act
- The collective agreement

The length of the company's redundancy notice for salaried employees is regulated in section 2 of the Danish Salaried Employees Act. The notice period is extended over time, in line with the salaried employee's length of service. The period of notice is between one and six months. If a probationary period has been agreed, only 14 days notice has to be given, and that notice must have been issued before the expiry of the probationary period.

It is possible to agree that the employee's contract can be terminated with a shortened notice period of just one month if the employee

has taken 120 days of paid sick leave within a period of 12 consecutive months. In this context, employers need to be aware of how the 120 days are calculated, and that not all absence due to illness can be counted automatically. Notices of termination in collective agreements are typically determined by length of service, but vary greatly from collective agreement to collective agreement. The notice may, for example, be somewhere between 14 and 120 days, depending on the employee's length of service.

The period of notice set out in the employment contract may be extended by agreement in addition to the current periods of notice as set out in the Danish Salaried Employees' Act or the collective agreement. If this is the case, the period of notice specified in the employment contract will apply.

For non-regulated employment relationships, such as director contracts, the period of notice should be agreed and stated in the director contract. For employment relationships that are not subject to the provisions of either the Danish Salaried Employees' Act or a collective agreement on period of notice, and where the contract also makes no such provision, the director/employee will be entitled to an "ordinary" or "reasonable" period of notice.

8.3 Does an employer have free rein when deciding which employees to let go?

For salaried employees and for most employees employed under a collective agreement, the rule is that a termination of an employment relationship must be objectively justified. This rule does not apply until the employee has achieved a certain length of service:

- One year for salaried employees
- Typically 9 months for employees covered by a collective agreement in the private sector
- Typically eight months for public-sector employees covered by a collective agreement

Termination of employment may be based on reasonable grounds, either in relation to the employee's or the company's circumstances.

The company's circumstances may, for example, be rationalisation, restructuring or salary cutbacks.

The employee's circumstances may, for example, be unsuitability, poor performance, collaborative problems or illness. Termination due to circumstances for which the employee can be blamed is often only valid if a prior written warning has been issued concerning the same circumstances.

An employee can be awarded compensation if the termination is unfair. Employees covered by a collective agreement may be re-recruited. However, the latter is rare.

8.4 Prohibited Criteria

Legislation sets out a number of criteria which the company may not bring to bear when it ends an employment relationship. These prohibited criteria include the following:

- Pregnancy and the employee's absence due to maternity, paternity or parental leave

- The employee's skin colour, religion, political opinion, disability, etc.
- The employee's membership of an association or performance of certain statutory functions


In most cases, protection takes the form of the employee being awarded significant amounts by way of compensation if the termination violates legislative protections. In addition, the burden of proof is often reversed, so that it is the employer who must prove that the prohibited criterion is not the reason for the ending of the employment relationship.

Certain collective agreements also prohibit job terminations during illness and holidays.

8.5 Specially protected employee groups

Certain employee groups enjoy special protection against job termination due to their function as employee representatives. This special protection applies to the following employee groups:

- Union representatives
- Health and safety representatives
- Employee-elected board members
- Employee representatives elected in accordance with the Danish Act on Information and Consultation
- Liaison committee and European Works Council Members



"We discussed the Mass Redundancies Act because we were making a significant number of job reductions. At the same time, we also had to make some legal considerations with regard to the stock exchange. We therefore also had to be completely open about our plans at a very early stage, in the awareness that this would create enormous uncertainty for the employees who were being sent home"

Anne-Mette Novrup, Senior Manager at HR Operations in Bang & Olufsen

According to the collective agreements, trade union representatives can usually only be let go if there are “essential reasons” to do so.

Generally, legislation provides other employee-elected representatives with the same protection that applies to trade union representatives.

If the employer is not covered by a collective agreement from which such protection can be derived, there needs to be an assessment of whether there is a collective agreement on the relevant or equivalent professional area, and whether it includes special protections against having their job terminated.

In the absence of such a collective agreement, the employee representative does not, as a rule, enjoy special protection against termination. However, in accordance with the cooperation agreement between DA/LO (now the main trade union collective organisation), members of a liaison committee are only granted extended notice.

8.6 Rules of procedure when making one or more employees redundant

Privately employed employees who are not covered by a collective agreement can have their employment terminated by the company without management having to comply with special procedural rules. However, this does not apply if the termination is subject to the Danish Mass Redundancies Act, as described in section 8.7. Certain collective agreements contain provisions that the employee and trade union (if applicable) must be consulted before the company decides to end the employees contract. Special rules of procedure apply to specially protected employees, trade union representatives and health and safety representatives in relation to consultation and duty of information.

Public sector employees are subject to regulations set out in state administrative legislation, including requirements for consultation with the employee’s representatives before the employer decides to terminate employment.

8.7 Mass redundancies

For mass redundancies, there are special procedural rules in the Act on Notice, etc. (also known as the Danish Mass Redundancies Act).

The Mass Redundancies Act does not apply if the company, according to a collective agreement, has similar obligations to those set out in the Act. Here, the company is required to adhere to provisions of the collective agreement.

The Mass Redundancies Act applies when an employer intends, within a period of 30 days, to terminate the employment of:

- At least 10 employees in a company that normally employs more than 20, but fewer than 100 employees
- At least 10% of the employees in a company that normally employs at least 100 but less than 300 employees, or
- At least 30 employees in a company that normally employs at least 300 people

As part of the rules of procedure, the employer must negotiate with the employees’ representatives. The purpose of this is partly to avoid or limit the number of planned redundancies and partly to mitigate the effects thereof, e.g. by discussing options for reassignment, re-training, etc.

Failure to follow the rules of procedure may result in criminal penalties and compensation being awarded to employees. If the company is covered by a collective agreement in which these rules are stated, the company can also be fined for violation of the collective agreement.

8.8 What will happen after redundancy notice has been issued?

When notifying an employee that they are losing their job, the company should consider whether the employee should:

- Sent on garden leave
- Be suspended
- Work through the notice period.

Garden leave means that the employee's work obligations will end definitively from the time when the employee is notified of their redundancy and until the end of the employment relationship (i.e. the end of the period of notice). The employee has a duty to seek other work during the period of garden leave. If this is successful, the company will be entitled to set off salary during the notice period from the new salary the employee has been paid by the new employer. For salaried employees, however, an employer may not set off against the "minimum compensation", which is the salary for the first three months of the notice period.

Suspension means that the employee must be available to the company during the notice period to perform work for the company according to the company's needs. The employee has the right to take

other work if this does not prevent fulfilment of their duty of availability. However, the company may not set off against any salary that the employee may receive in this regard.

If the employee is subject to non-competition or non-solicitation clauses, a decision should be made when issuing redundancy notice about whether these provisions can or need to be enforced after the date notice of redundancy is given. It may also be relevant to emphasise the duty of confidentiality and/or rules on the protection of business secrets.

8.9 Severance compensation

Employees may be entitled to severance pay as a consequence of:

- The Danish Salaried Employees Act
- Individual agreement
- Collective agreement

In accordance with the Danish Salaried Employees' Act, an employee may be entitled to severance pay of an amount equivalent to one or three months' salary if the employee has been employed for longer than 12 or 17 years.

In individual employment contracts, the employee may have negotiated an entitlement to voluntary severance pay, just as some collective agreements entitle employees to receive a severance payout.

8.10 Good advice from practice

1. PLAN THE PROCESS CAREFULLY AND IN GOOD TIME

All too often, we experience that redundancies are rushed through on one of the last days of the month, even though the decision has been looming for a long time, and this does not always leave enough time for the company to reflect on how it wants the process to be before the process has already started.

2. CLARIFY INTERNALLY WHICH TERMS THE EMPLOYEE WILL BE OFFERED DURING THE NOTICE PERIOD AND DO SO BEFORE THE EMPLOYEE IS NOTIFIED;

Garden leave, set-off during the garden leave period, holiday leave, time off in lieu, voluntary severance pay, relocation process, etc.

3. DO NOT BE AFRAID OF DIFFICULT QUESTIONS.

Communicate openly, honestly and credibly. Many companies believe, for example, that organisational changes are a reliable justification for a redundancy, but if organisational changes cannot be documented by the company, or if the company verbally notifies the employee of another (real) justification, the company will often make it more complicated than if the actual justification was used.

4. USE WARNINGS AS AN ACTIVE TOOL

The purpose of a warning is to give the employee a chance to improve and thus keep their job. At the same time, the employer

is far better positioned in a redundancy/termination situation if the warning does not result in the desired behaviour. We are often informed that an employee has been given a reprimand, but typically the reprimand is too vague and inconclusive to be recognised as a warning, or that there is no documentation that the warning has been given. It is a misunderstood consideration not to make the employee clear that the employee may lose their job if the employee does not change their behaviour.

5. CHECK WHETHER THE EMPLOYEE IS COVERED BY SPECIAL PROTECTION RULES

Unfortunately, employers often overlook the fact that the employee the company is considering letting go is subject to special protection rules. This can be an expensive mistake.

6. KEEP A LITTLE IN RESERVE FOR THE NEGOTIATIONS PROCESS.

If there is reason to expect the employee to raise a claim in connection with their redundancy notice, it may be a good idea to have something to negotiate with. The employee will often appreciate that specific wishes are heard during the process, both in terms of finances and other more individual conditions.

9. Outplacement

WHY OFFER OUTPLACEMENT?

After issuing redundancies, many employers want to give their employees who are being made redundant the best chances of moving forward. An outplacement process can make a significant difference in this regard.

Offering an outplacement to a manager or employee who is losing their job is a business-oriented counselling process of personal interviews aimed at helping the employee to find a new job. An offer of outplacement gives the company the chance to help build a bridge for the employee towards a new, secure life.

When the company, as part of its resolution policy, offers employees who are being made redundant some form of compensation for the loss of their job, the choice is often between an extra month's salary, a supplementary training course or outplacement.

Think of the old saying here when comparing the different compensation solutions: If you give a person a fish, they will have food for one day. If you offer them a fishing rod, you give them a tool to help them put food on the table every day.

By offering outplacement, the company shows that it is ready to help the employee with what the company is itself unable to offer; a new job.

In addition to signalling orderliness and responsibility, an outplacement process can ensure that the employee is a positive ambassador when they leave the company. Outplacement equips the employee with some tools that they will always be able to use in their future working life.

FROM AMBIGUITY TO CLARIFICATION AND OVERVIEW

An important part of the employee's process is to "make peace" with the loss of their job and the organisation the person is to leave. Therefore, an outplacement programme almost always involves more than just specific job counselling. It is also a clarification phase where the employee learns to accept and process the situation, and can then look forward.

It is during this phase that the employee discovers that "there are so many things I can do". Self-insight is fundamental to the further process of looking for a job.

The personal interviews give the employee insight into their professional competences and personal strengths. They clarify their skills profile and job goals and thus have a strong foundation for their future job search.

WHY COMPANIES OFFER OUTPLACEMENT

1. Responsibility This both signals and manifests that you are helping those who are being made redundant and who have made a good and loyal effort for many years to move on in their work lives. At the same time, you are taking social responsibility by stopping people from becoming unemployed.

2. Security You demonstrate that you treat employees who are being made redundant in a decent manner, which creates a sense of security among employees who are staying on.

3. Reputation. You demonstrate that your employee and CSR policy covers the entire employment relationship, from initial greeting to a proper farewell. This will be seen as something positive by potential

EMPLOYEES AND MANAGERS IN OUTPLACEMENT PROGRAMMES AT AS3



9 OUT OF 10
find a job with
our support



97 %
are satisfied or very satisfied
with their AS3 programme

job applicants. At the same time, you increase the likelihood that employees who are being made redundant will leave the company as good ambassadors.

4. Economy A good outplacement process typically costs less than one month's salary, and if an employee quickly finds a new job, you can often save on salary for a few months of the notice period.

5. Action employees who are being made redundant receive immediate assistance, which helps them to find a brighter perspective for the future and their opportunities than would otherwise be the case.

6. Professional counselling You are given the opportunity to receive professional advice before, during and after redundancy notice is given, which ensures that there is structure, good communication and peace of mind within the organisation.

9.1 Outplacement at AS3

No employee or manager who loses their job is the same, and each of them has very different needs for counselling. Therefore, no two outplacement programmes at AS3 are exactly the same.

We customise the process to the individual candidate to give them the greatest benefits from their counselling, and it is of course always possible to align the process with the company's wishes.

Employees and managers at all levels of a company can be helped to move on by an outplacement programme.

We have extensive experience in organising programmes for top executives, directors, managers, project managers, specialists and salaried employees in all industries, from both private companies and the public sector.

Our large team of professional counsellors allows us to satisfy the needs of different people and ensure a perfect match between counsellor and candidate.

EXECUTIVES

Our process matches the conditions for executives in a global labour market, including by focusing on the directors' contracts, personal branding and networking. The programme provides unlimited access to personal coaching with an executive counsellor.

MANAGERS

We offer outplacement programmes that are dedicated to managers, with free access to personal counselling, networking with other managers, personality tests and offers of job assurance.

EMPLOYEES

Outplacement programmes with personal counselling, workshops, participation in job teams and free access to our digital job universe with a wealth of modules, guides and articles.

They all have in common that they will quickly be able to answer these questions:

- What are my capabilities?
- What do I want?
- How do I do it?

ELEMENTS OF AN AS3 OUTPLACEMENT PROGRAMME



**THE PERSONAL
COUNSELLOR**



GROUP ACTIVITIES



**DIGITAL JOB
UNIVERSE**

THE PERSONAL COUNSELLOR MAKES THE DIFFERENCE

Individual sparring is the focal point of our outplacement process. Therefore, the terminated employee will be assigned a personal counsellor who will follow them throughout the entire process.

The counsellor knows the psychological mechanisms in the job applications process, has knowledge of both the national and local labour markets and can provide individual guidance in connection with each job application. The counsellor also matches the employee's industry and job function.

At the same time, the counsellor has insight into the mental process that people live through after losing a job and can adjust the process accordingly.

The counsellor begins the process with a personal interview, where the employee has the opportunity to put into words the many feelings and experiences that are associated with losing a job and to reflect on what they expect from the process.

During the initial phase, the counsellor gains insight into the employee's career progression, competences and previous job search experience. Together they will then plan the continued process to matches the employee's needs and expectations.

GROUP ACTIVITIES

The individual coaching is the focal point of an outplacement programme, but most people find the various group activities that the programme involves to be very beneficial.

The employee will be assigned to a job team with other job seek-

ers, who will typically meet up every two weeks. Here, the person can spar with other job seekers and experts and build a valuable network that can support and develop the person in the process of finding a new job.

The employee will have the opportunity to participate in workshops, webinars and network cafés with other job seekers, where they work with different career and job-related topics, such as:

- CV and LinkedIn
- Job goals and application
- The Job interview

DIGITAL JOB UNIVERSE

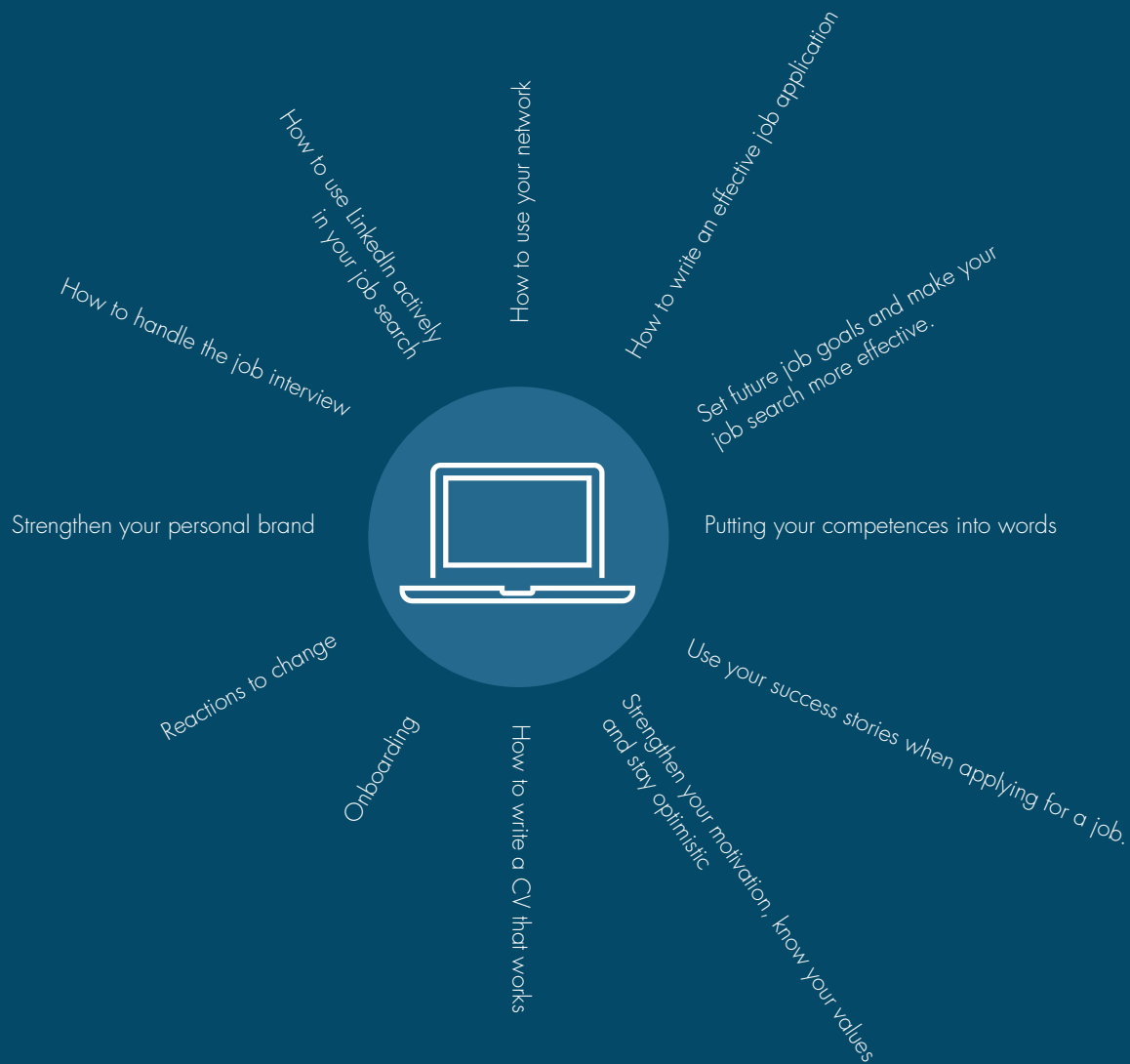
The employee gets their own profile in AS3's digital learning platform, where they can follow their outplacement process and maintain an overview of planned meetings and activities.

The platform provides free access to a wide range of modules, workshops and webinars covering all topics to do with professional job searches. The employee can work anywhere and at any time, and immerse themselves in various exercises, tools and topics.

Throughout the outplacement process, the employee will receive professional and specialised counselling within all the areas that are necessary to a professional job search:

- Clarification about competences and competence profile
- Job targets
- Network method
- LinkedIn and personal branding

EXAMPLES OF THEMES IN AS3'S DIGITAL LEARNING PLATFORM



- Applications and CV
- Job plan
- Communication and interview training
- Follow-up

BLENDED LEARNING

By switching between text material, auditory and visual learning, the employee maintains motivation and momentum during their job search process.

The combination of different learning methods is called blended learning, and is the most effective help to towards moving your work life onwards.

CLARIFICATION ABOUT COMPETENCES AND COMPETENCE PROFILE

Feelings of emptiness and disorientation often follow losing a job. It is therefore important to identify the impacted employee's competences and prepare a competence profile. The exercise creates an overview and clarity while also helping to reestablish the person's identity and self-esteem.

In their collaboration with the counsellor, the employee maps the experiences, input and results that the person has achieved and acquired during their working life and then lists them as a competence profile.

- What is the person good at?
- Where have they previously found success?
- What professional and personal competences does the person possess?

The competences profile is an important tool later on in the process, where the employee has to find the right types of jobs for them. The clarification of competences also established a strong foundation for the job interviews that lie ahead.

JOB TARGETS

The job target analysis is essential to the continued task of finding the right job for the employee. We help the employee to clarify, define and prioritise their job goals to help them to work with focus towards landing the right job.

THE NETWORK METHOD

Personal recommendations and networks are often the shortcut to a new job. Studies show that only a third of all positions are filled on the basis of a job advertisement. The rest are filled via networks, recruitment on social media and unsolicited enquiries.

We advise employees on how to form an overview of their network, expand their network and market themselves to those who can help them to move their career forward. We also provide guidance about how the employee should use their network to look for knowledge, information and good advice.

LINKEDIN AND PERSONAL BRANDING

LinkedIn is an important tool and a central communication channel in a job search. A professional profile is therefore essential to the employee's personal branding and ability to market themselves to potential employers.

We help the employee to update their profile and provide advice about how to use LinkedIn in their job search and, not least, how to develop, nurture and activate their network.

APPLICATIONS AND CV

A well-researched and well-written application, a professional CV and possibly a video presentation are essential to being considered for a new job.

We help the employee to target the different types of presentation material according to the jobs and companies to which they are trying to market themselves.

JOB PLAN

The employee and the counsellor work together to create a job plan and set sub-goals for the initiatives that the employee wishes to take during the outplacement process.

The plan makes the job search targeted and concrete and provides an overview of developments. At the same time, the sub-goals serve to motivate the employee by allowing them to achieve small and large successes along the way.

COMMUNICATION AND INTERVIEW TRAINING

The employee receives communication training, for example in connection with unsolicited enquiries to companies or people from their network:

- How do you initiate the conversation?
- How do you present yourself and your competences?
- How do you ask about job opportunities within the company?

The counsellor conducts fictional job interviews with the employee, which help the candidate to train and prepare for actual job interviews.

FOLLOW-UP

During the process, the counsellor will regularly follow up on the employee's job plan and initiatives towards finding a new job.

THE COMPANY CAN STAY UP TO DATE

The company will be informed that the employee has found clarification and a new job. The company receives information about where the employee has been hired, in which position, and from when, unless the employee specifically declines to do so.

10. Cases

Explore the different stories about terminations and redundancies from four different organisations. Here, management and HR managers share their actual experiences with everything from planning, communication and execution to follow-up, evaluation and the time that followed the redundancies.

BANG & OLUFSEN

Bang & Olufsen was in a dilemma when 115 employees had to be made redundant as a result of cutbacks. The announcement came less than a week after Prime Minister Mette Frederiksen locked down large parts of Denmark due to the corona pandemic, so the redundancy notices had to be issued digitally.

Read the story on page 105

DFDS

Preparation was crucial when DFDS had to make 650 employees redundant. Together with AS3, DFDS prepared a detailed schedule for how to implement the redundancies. The plan included everything from the distribution of tasks and time schedules to room allocation for issuing redundancy notices.

Read the story on page 115.

VELUX

No employees had to be left behind when VELUX closed its factory in Skærbæk. Alongside the gradual closure of the factory, the 135 employees had to be retrained and prepared for new jobs.

Read the story on page 123.

VIA UNIVERSITY COLLEGE

When VIA University College had to conduct a major round of cutbacks over multiple stages, the notification, consultation and involvement of the collaborative organisation was an important part of the process. The lengthy process was very demanding of both managers and employees.

Read the stories on pages 133 and 143.

BANG & OLUFSEN



BANG & OLUFSEN found itself facing a dilemma when 115 employees had to be made redundant

"B&O to save money - says farewell to 115 employees"

This was the headline of a brief Ritzau telegram, which hit the country's news media a little after 9am on 16 March 2020, a Monday morning.

A few minutes earlier, Bang & Olufsen informed the stock exchange that the company would be reducing its workforce by more than 10 per cent.

Even though the announcement came less than a week after Prime Minister Mette Frederiksen had locked down large parts of the country due to the corona pandemic, the corona outbreak was not, however, the reason for the redundancies at Bang & Olufsen.

"The redundancies came as a result of a so-called 'fitness programme' that was launched to employees at a Town Hall meeting two months earlier," says Anne-Mette Novrup, Senior Manager at HR Operations in Bang & Olufsen.

"After some poor financial statements, we needed to refocus and redefine our business and strengthen the areas where we wanted to be stronger, including in sales," she says, adding:

"It was at the same time impossible to avoid the need to streamline the organisation by closing down a number of support and support functions across the entire company.

STATE OF LIMBO

Work on the fitness programme was initiated in mid-January, and almost two months later, the extent of the redundancies had become clear to senior management. The redundancies were so extensive that the company had to inform the market about the impending terminations for ethical reasons.

However, the announcement was overtaken by Prime Minister Mette Frederiksen's first major corona-related press conference, which locked Denmark down with a bang.

The normally bustling headquarters at Bang and Olufsen Allé 1 in Struer were almost empty. Only the most necessary employees were at work, while all others had been sent home.

"We found ourselves covered under the Act on Mass Redundancies because a significant number of jobs had to be wound down. At the same time, we also had to make some legal considerations with regard to the stock exchange. Therefore, we also had to be completely transparent about our plans from a very early stage, while being aware that this would lead to considerable uncertainty for the employees who had been sent home," says Anne-Mette Novrup.

Shortly after the stock exchange announcement, all employees were invited to a Town Hall Meeting via Teams. Here, Bang & Olufsen's CEO, Kristian Teär, was able to tell the employees what message the company had made public and what the continued process would be.



Anne-Mette Novrup, Senior Manager at HR Operations in Bang & Olufsen

An extraordinary liaison committee meeting was held that same morning.

"When you fall under the auspices of the Act on Mass Terminations, there is a fixed procedure that any such process has to follow. Among other things, this included having to involve employee representatives to look into what we could do to limit the number of redundancies," says Anne-Mette Novrup.

It quickly became clear that it was not possible to do much about the 115 jobs that would have to go. Therefore, the focus quickly shifted to negotiating redundancy terms and conditions of redundancy employees.

"We started working on negotiations on a Tuesday morning, which continued from early in the morning to late on Wednesday evening. Because collective redundancies require a certain amount of processing time, this meant that we could only start to implement the redundancies in the middle of the following week.

This was a very long time to keep the employees in a state of limbo, and most of them were stuck at home, unable to meet up in person and try to give each other some encouragement over a coffee," says Anne-Mette Novrup.

Of the 115 jobs that were to be lost, the number of actual redundancies turned out to be significantly lower. There were also a number of work functions in IT, HR and Finance, where the company first had to investigate its options to outsource the positions. However, this meant that a number of employees could not be given an answer right away.

"We were completely transparent about how we would try to create a business case within each area in relation to outsourcing. The drawback here was that those employees would not be able to clarify their situation at the same time as the others, but would have to wait a further two months," she says.

ONLINE NOTICE OF REDUNDANCY

A new problem came up half way through negotiations. How should the redundancies be handled in practice when Denmark had been locked down by the authorities and the vast majority of employees were working from home?

"Normally, we wouldn't use digital solutions to hand out redundancy notices, but we neither could we start bringing people into the office. This would have contravened health authority recommendations to limit social contact during the pandemic," says Anne-Mette Novrup.

Therefore, Bang & Olufsen, in collaboration with AS3, started preparing a schedule for how to issue redundancy notices digitally.

"There were three points of focus in our process: First and foremost, we had to prepare managers to conduct the difficult interviews, and then we had to equip them to do so digitally. We also had to ensure that everything was discussed and that the employees who are being made redundant could move on properly," she says.

On 20 March 2020, Bang & Olufsen was ready to conduct the first online training sessions for managers, who in some cases were to conduct their first redundancy interviews.

"We took care of the first part of the training in HR. We focused on what they would have to do as managers, and what it was important for them to focus on. This affected both the managers who had employees who would be affected by the redundancies and (equally) the managers who would have none or who were in charge of departments that were at risk and could not be given immediate clarification," says Anne-Mette Novrup.

AS3 took care of the second part of the training and focused on implementing a dignified redundancies process digitally.



"It was very hands-on with some specific guidelines for how managers should conduct the interviews with as much respect for the employees as possible. Among other things, we encouraged managers to have their webcams on, but we could not force our employees to turn their own webcam on. It was important to us that the employees had the opportunity to read the manager's body language and facial expressions," she says.

To help managers, we also prepared a script sheet, which managers could adapt to each individual employee. The sheet was intended to ensure a common thread in the explanations given to all employees during the forthcoming redundancy interviews. The script was prepared in three different versions, with one version for those who were to be made redundant, one for those whose jobs were safe and one for those whose job situation still remained unclarified.

CREATE A CALM ENVIRONMENT

On Tuesday 24 March, eight days after the stock exchange announcement, HR went onto Bang & Olufsen's intranet and announced that all employees would be notified about their job situation the following day. Employees were told that they should be available at their computer between 9 am and 11:30 am.

At the same time, all managers were asked to make bookings for all their employees during the same time period, regardless of whether they were to be made redundant or not.

"It was important to us that all employees were booked throughout the entire period. We didn't want the employees to wonder why they were the first or the last," says Anne-Mette Novrup. "We also encouraged managers to tell their employees to put themselves in a calm environment," she continues.

In the departments where nobody would be affected, managers were able to make a joint call to all their employees at once. How-

ever, this joint call should be made as late as possible so as not to give rise to speculation in other departments.

"Speculation only increases when you are sat at home with no opportunity to talk to your colleagues," says Anne-Mette Novrup.

3-5 FOCUSED MINUTES

The day after, on 25 March, Senior Director of Planning & Operations Jacob Juul Frederiksen sat ready in his kitchen.

Just three weeks previously, he had taken over responsibility for Planning & Operations, and had spent the time leading up to the execution of the fitness programme putting together the team that would comprise the department in the future.

"I was hired to take care of business, so that was where my focus lay. Already when I was hired, I knew that I would have fewer hands to work with in the future, so I also had to take extra care to ensure that I had the right competences on board," says Jacob Juul Frederiksen.

As agreed with HR, he had booked his 20 employees between 9 am and 11:30 am, and in front of him was the list of the 15 employees who would be allowed to stay and the five employees who were to be given their redundancy notices that morning.

"I had never had to make employees redundant in this way before, so I was somewhat nervous. But I had promised to be the support for a managerial colleague who was a first timer, so I had the opportunity to make some observations before it was my own turn to get started. And then it was just a matter of throwing myself into the task," says Jacob Juul Frederiksen, continuing

"We had been thoroughly trained in the formal practical training for these redundancies. Among other things, there was an email with some redundancy terms, which I was to send during the call,



Jacob Juul Frederiksen, Senior Director in Planning & Operations

and which the employees had to acknowledge receipt of before the call was concluded. I had, of course, prepared these emails in advance," he says.

"We had also been trained in how we could start the conversation, what was good to say and what we were not to say," he continues.

In his kitchen, Jacob Juul Frederiksen turned on the camera on his computer so the employees could see him. And with just one exception, all the employees followed his example.

"I had made it clear to everyone that it was their own decision whether or not to have their webcam on. But I'm glad that most people chose to turn theirs on. It was a bit weird not being able to have eye contact with somebody during such a decisive call.

"I am usually very conscious of how I act, especially when I'm nervous. And it's hard not to be able to see the reaction of the person you're talking to. I missed it," he says.

Under normal circumstances, a manager would also be able to follow an employee out the door after a redundancy interview and ensure that the employee is okay under the circumstances. But this interaction was, of course, also impossible due to the technology.

"Once I had ended the call the screen would go black, and I had no idea what was happening at the other end. As a manager, I had no sense of whether an employee had shut down completely or was more or less unaffected. I had no way of knowing," says Jacob Juul Frederiksen, who also sees some advantages in this technology.

"It is a very intensive process, where you have to perform relatively briefly and ensure that the employee is at least made redundant with some dignity. But after each call, I did have the opportunity to get up and shake off the previous conversation before I had to talk

to the next one. This technology might actually make it easier for me, but I would prefer to conduct this kind of interview face-to-face, any time," he says.

When Jacob Juul Frederiksen had been through the entire list of employees, he conducted a group call with all 20 employees in his department. Here, he informed the employees about what had happened earlier in the morning and how it had impacted their own department.

"In this way, everyone was informed about the same thing, and even though it was hard for some employees to see their own name on a list in a group call, I think it was the best way to inform the team," he says.

SATISFACTION DESPITE CHALLENGES

When Anne-Mette Novrup looks back on the days that surrounded the execution of the fitness programme, she is also satisfied with how the process went, despite the difficult circumstances.

"The managers say that they felt well-equipped for the task. And in a situation like this, it is simply not possible to take preparations too seriously. We received positive feedback about the process because we tried to manage it as much as we possibly could," she says.

The biggest challenge did not actually come in relation to the people who were to be made redundant, but concerned the people whose jobs were in the risk zone due to possible outsourcing.

"Communication with these colleagues turned out to be more difficult than we expected. The only message we could give them on 25 March was that their situation would be resolved before the end of May. It turned out to be a far too harsh announcement to make in a situation where we were still largely having to work from home.

BANG & OLUFSEN



However, I'm not aware that there was a way we could have gone about it differently," she says, adding:

"I think that it would have been a bigger mistake if we had told these employees on 25 March that they could keep their jobs. and then told them just two months later that they would be given redundancy notice. Instead, we played an open hand and tried to keep our employees informed about what was going on. Of course, there is a fine balance in how much you can say without making people nervous, but you shouldn't overlook the importance of communication in a process like this," says Anne-Mette Novrup.



Anne-Christine Ahrenkiel, Chief People Officer at DFDS

Casper Puggaard, Global Sales & Customer Care Director at DFDS' passenger division

DFDS had to make 650 employees redundant. Their preparation was crucial

There could be no doubt that the situation at DFDS' passenger division was untenable when the corona pandemic spread across Europe at the end of February and the start of March.

The shipping line's two largest passenger ferry companies, Crown and Pearl Seaways, which operate the routes between Copenhagen, Frederikshavn and Oslo, each able to carry almost 2,000 passengers, were largely empty when travel restrictions between the two countries were tightened in the early spring.

"We operate in an industry where you really feel the global pulse. Everything that happens around the world has a knock-on effect on our business," says Anne-Christine Ahrenkiel, Chief People Officer at DFDS.

"We started to show an interest in COVID-19 already in January, because we were about to build some new ships in China. So at that time, our concern was first and foremost about whether we would even be able to get these ships back to Scandinavia. We never imagined that the infection could spread to Europe," she continues.

However, it did not take long before the pandemic began to impact travel activity at DFDS. The Asian tourists on the Oslo ferry were the first to evaporate, the situation soon escalating further, when the first Danes were found to be infected with COVID-19.

With an imminent risk that DFDS would be sailing empty passenger ferries, management began to outline different crisis scenarios. The dialogue with the various trade unions on negotiating redundancy terms and conditions had actually progressed relatively far when Denmark was locked down in March.

The closure meant that the Danish companies were given the opportunity to send employees home with salary compensation paid by the Danish state. DFDS took advantage of this offer and the redundancies were postponed for a while.

INITIAL UNCERTAINTY

Victor Dahlgren, Business Leader for Food and Beverage at Crown Seaways, experienced these dramatic days first hand.

"I was at sea the week we shut down. It was a very intense time. One day we were told that we needed to cut back on a number of employees, and that we had to adapt our business in a scenario where we had to expect a certain decrease in the number of passengers. A new announcement came the following day, where we would have to find further savings. This was repeated three or four times, where we would have to come up with new scenarios for how we could manage the decline in passenger numbers," he says.

"However, before we were able to issue any redundancies, all of Denmark went into lockdown and all our employees were sent home with compensation



packages," continues Victor Dahlgren, who had to pack up his own cabin and go back home.

While Victor Dahlgren and most of the other employees in the DFDS passenger division were sent home with no opportunity to follow developments from the inside, DFDS management worked on what the organisation would be like when things opened up again at some point and the help packages expired.

"It was pretty obvious when we had to send people home on support packages that we would also have to do something about the organisation," says Casper Puggaard, Global Sales & Customer Care Director in DFDS' passenger division.

"There was an expectation by group management that we would adapt our cost structure to a post-covid situation, so it was clear that we would not be able to go back to the same organisational size when things reopened, and that our business would have to be rebuilt from scratch. So we started working towards a restructuring already at the point when we sent people home," he continues.

Although it was primarily the passenger division that was hit by the corona pandemic, the occasion was used to give the entire organisation a holistic check to ensure that DFDS had the right set-up to serve its customers in a post-covid market.

"We came up with some different scenarios, where we looked at how our passenger business could return at different speeds. We produced nine different scenarios, and if scenario nine was the worst imaginable, we probably landed on a seven. It was a very serious situation," says Casper Puggaard.

When the group's management had completed its work to come up with the new structure for the entire DFDS Group, it was apparent that 650 employees from seven different countries would have to be made redundant, 200 of whom were in Denmark.

UNAVOIDABLE REDUNDANCIES

After more than two months ashore, Victor Dahlgren was recalled to work at Crown Seaways on 17 June. By this time, society had opened up so much that it made sense to increase the number of crossings between Copenhagen, Frederikshavn and Oslo, but with significantly reduced crews.

"The management group was called in to a meeting, where we were told that it would not be possible to re-hire every employee when the help packages ran out in June. We were therefore asked to find out who should be rehired," says Victor Dahlgren.

18 employees had to be made redundant in Victor Dahlgren's team alone.

"I took a look at every single employee. The most important thing was that people should be adaptable because we wanted to return to an organisation where there would be numerous changes. There would be fewer passengers and therefore fewer employees who would therefore have to perform more functions on each ship," he says.

TRAINING BECAME AN EYE-OPENER

Together with AS3, DFDS prepared a detailed schedule for how to implement the redundancies. The plan contained all imaginable information, ranging from the distribution of tasks and time schedule to the distribution of rooms during the actual redundancy interviews. 29 June was chosen as the day on which the plan was to be executed, which gave managers a few weeks to prepare and rehearse for the redundancy interviews they would have to conduct.

This training was something of an eye-opener to Victor Dahlgren.

"In my time as a manager, I have had to tell employees that they were out of a job before, but it has always been isolated cases where there were specific reasons to do so. This time it was a com-



pletely different scenario. We had to give notice to employees who were entirely blameless, and this required a different approach," he says.

"During our training, the teacher came up to me. I had to give him his redundancy notice in front of the other course participants. I started by explaining why he should no longer be part of the team, and focused on specific episodes where he had not performed well enough. This was the wrong thing to do. The teacher went on the offensive and began to argue and present counter-arguments. He sidelined me completely," says Victor Dahlgren.

The right tactic was for managers to be less specific.

"The reality here was, after all, that our employees hadn't done anything wrong. We were having to make employees redundant because of falling passenger numbers and a new strategy. Here, management had chosen the team that was best suited to the future strategy, and there would unfortunately be no room for them; a short and precise message with no lengthy explanations," he continues.

TRAINING AND PREPARATION

On the day before the redundancy notices would be issued, HR sent an email to all affected employees telling them that they would be informed about the future of the passenger division on 29 June. Employees who were at work had to come in as normal, while employees who had been sent home had to be available for phone calls between 9 am and 10:30 am.

"The email from HR was written in such a way as to leave no doubt that this was a serious situation," says Casper Puggaard, who arrived on the third floor at DFDS House in Sundkrogsvej in Copenhagen that morning.

He had to conduct redundancy interviews with nine employees that morning.

"There was a strange atmosphere. Many of them had been sent home for several months, and they were happy to see each other. But at the same time, you could see that people were very nervous about what was going to happen," says Casper Puggaard.

Kasper Moos, the head of the passenger division, briefly explained that they had been brought in because DFDS had to adapt to its new reality and that it was therefore necessary to carry out an appropriate restructuring of the organisation, which unfortunately meant that a number of redundancy notices would have to be issued that day. Of the over 30 employees on the floor, about half of them would be given redundancy notice.

"We were two managers on that floor who had to make employees redundant, so we set ourselves up in our meeting rooms and went out to pick up the employees who would be affected by the restructuring," says Casper Puggaard, continuing

"It was horrendous. Every time I opened my door, silence would descend upon the room. It was a large room, so it wasn't easy to orientate yourself and find exactly the employee you needed to talk to. On my first venture out I made the mistake of looking an employee right in the eyes, and I just felt him go stiff, so I tried to navigate the next excursions out without looking at people before I had reached the person I needed to talk to," he says.

Inside the meeting room, Casper Puggaard followed the script that HR had put together in collaboration with AS3, but it was at the same time important that the conversation should be personal and present.

"I emphasised that their being made redundant had nothing to do with the employee in question being at fault, but that this was a consequence of corona's impact on DFDS and our passenger business," he says.



Each interview lasted between five and 20 minutes. The duration depended on the needs of the individual employee.

"We did not want to send the employees who are being made redundant straight home after the interviews. But at the same time, we needed to gather the employees who would constitute the future part of the Danish organisation. Of course, we also had to take care of them properly. And this would have been difficult if there were still many employees who are being made redundant on the floor. I was therefore pleased that most of the employees who were being made redundant had chosen to go home when we were done," says Casper Puggaard.

Immediately after the last interview, the rest of the room was informed about what would happen next.

"We told the remaining employees that the last few hours had been unusually tough for all concerned, but that there were to be no further redundancies. We were now the team that would comprise the new organisation. You really felt a collective sigh of relief from the people there," he says.

THE RUMOUR HAD ALREADY GOT OUT

While Casper Puggaard held interviews on the third floor of DFDS House, Victor Dahlgren was at Crown Seaways, calling the employees in his team who were to be made redundant.

"I had eight people to call. AS3 had recommended that we start with the employees whose interviews we assessed would be the most difficult. However, I decided to just start from one end of the list so as not to speculate too much about it," he says.

"This was a task that had to be done if we were to save the remaining workplaces. I would remind myself of this as the day went on. And after just 15 minutes on the phone, rumours had spread among the employees, so the next employees in line knew what was going

to happen. This meant that the employees were better prepared and less shocked," continues Victor Dahlgren.

When the interviews were over, a debriefing was held with the managers, where the events of the day were discussed. DFDS also had a psychologist on standby if middle managers experienced that there were employees who might need to have a conversation with a professional.

PREPARATION WAS IMPORTANT

According to Anne-Christine Ahrenkiel, DFDS came out stronger from one of the darkest days in the company's history.

"We can see that the spring initiatives mean that things are going better for our business," she says.

"Every minute we spent preparing in detail for the redundancies was well spent. But retrospectively, I wish we had been just as well prepared for the follow-up phase as we were for the actual execution. We should have been better at ensuring that, after the big event we would have an even closer dialogue with our managers, so they could give us continuous feedback on how the employees that were staying on were feeling," says Anne-Christine Ahrenkiel, adding:

"But that's probably a pretty classic thing. When you have completed a large project, you end up gasping for breath afterwards, but a large amount of ongoing work still has to be done after the implementation of the redundancies if we are to bring the remaining organisation together and move it on as far as possible," she concludes.



Per Laursen, General Manager, VELUX

VELUX closed its Skærbæk factories and no employees were to be left without support

"Well bloody hell. Why now?"

This was Per Laursen's reaction when he was told one early spring day in March that VELUX's senior management had decided to close production at its factory in Skærbæk, where Per had been the senior director for the factory's 135 employees for 12 years.

"It came as a shock, and I probably went little quiet," is how Per Laursen recalls his immediate reaction when he was informed of the decision by his immediate manager during a one-to-one conversation.

"But once you've recovered a bit, you pick yourself up again and start looking forward," he says.

The closure of the factory in Skærbæk was part of a production optimisation programme across the 27 factories in 10 countries where VELUX has operations. The factory in Skærbæk was a wooden components subcontractor to the VELUX' factories in Østbirk, Hungary and Poland, where there was available production capacity. This meant that there was potential to streamline production by moving the production lines from Skærbæk to the other three factories.

"By the time I became involved in the process, there was nothing I could do to change the decision. Our focus therefore quickly fell on shedding light on some of the themes that the decision makers may not have taken into account before involving the employees," he says.

BUSY DESPITE CLOSURE

Soon after Per Laursen was informed of the decision, a small working group was set up in HR to prepare for the announcement to the employees and the further work that would have to be done.

"It was a strange time, because the corona pandemic hit Denmark at the same time as we started to wind down the factory, and everything was locked down," says Per Laursen, who continues

"To be honest, I didn't actually believe that we would ever open back up again. I thought it all would just stop. But it didn't. The opposite was true. We became incredibly busy and worked incredibly long hours. In the middle of our preparations to close down we even had to start hiring people to keep up," he says.

The HR working group therefore quickly realised that it would be necessary to postpone the planned date of closure. Management risked a production halt if VELUX moved forward too quickly and reported the closure to the employees too soon. At the same time, the working group assessed that the corona pandemic would make it harder for employees to move on to their next jobs right away, because many workplaces were more or less shut down.

We had a responsibility towards both the company and our employees, so we therefore worked hard to influence the time schedule," says Tine Thorndahl Simmelsgaard, who is responsible for HR at all the VELUX factories in Western Europe.



Tine Thorndahl Simmelsgaard, Director HR Partnering Supply at VELUX

"Per informed senior management quite clearly that we had to have maximum influence on the timing at local level," she says.

TWO MODELS IN PLAY

Several things had to come together before a final schedule could be determined, however. While the HR group was working, a process was also going on within the business, which would ultimately determine what the next step would be," says Karina Visborg, a central figure in the working group that is responsible for HR at VELUX's window factories in Denmark.

"The big discussion was about whether we should close down "lights out" style where all production in Skærbæk stopped at once, or whether there should be a gradual winding down. The model we chose would of course have a major impact on the task that HR would subsequently have to deal with as training and outplacement programmes," she says.

However, the working group could not wait for a decision to be reached on which model to follow.

"We had to continue working with a number of unknown factors in the plan, which made the job really difficult. It was, however, a major task to gain an overview of each employee's contractual obligations, including terms of redundancy, training conditions, severance pay and so on; you know, all the legal stuff. So this was where we started," says Karina Visborg.

THE MANAGEMENT GROUP BECOMES INVOLVED

It was not until after the summer holidays, just over five months after Per Laursen was first informed about the closure plans, that the final model for the closure was decided. The decision was reached in dialogue with the factories that were to take over the production lines, and the decision meant that the VELUX factory in Skærbæk would be closed down in stages.

"It was necessary for us to get lose some of the production so that we could realise the plan that was taking shape in HR. Among other things, it mean having room to train the 135 employees and get them ready for new jobs," says Per Laursen, who would then be able to start preparing to inform managers and union representatives about the closure plans.

The managers were the first to be informed.

There was an ordinary management meeting in the calendar for 22 September, and it was decided that this would also be the date when the seven members of the management group would be informed.

"This meeting should actually have taken place at the factory. But we agreed that it was better to move it away from the factory, as it would be difficult to predict how the managers would react, and we did not want the rumour to leak out to the employees," says Tine Thorndahl Simmelsgaard.

However, the relocation of the meeting was not something that immediately caused alarm bells to ring within the management group.

"We have previously held management meetings externally, so there was nothing intrinsically odd about this. I called the meeting a strategy seminar, which is essentially what it was. As a manager, it is important to constantly stick to the truth in such a process," says Per Laursen.

The meeting was held in the afternoon, about 24 hours before the shop stewards and then the employees were to be informed of the closure.

"We had set up a hotline to AS3 so managers could call a consultant in the evening to discuss the situation before they had to be ready to take care of the employees the following morning. This



meant that several of them had already discussed various issues before we met up once again the next morning," says Karina Visborg. At the morning meeting we went over the plan for the day and talked through what would be the managers' most important role; keeping an eye on the employees and taking care of them.

While the managers were being briefed on the programme for the day, Ole Kær was getting ready to go to work. He was actually set for an evening shift on 23 September, but as one of two employee-elected shop stewards, he had to attend a meeting of the liaison committee at 11 am.

"I checked my calendar just before I left. It said that this was an "extraordinary" meeting. This surprised me a little. It was a long time since I had accepted the invitation, and I was sure it was an ordinary meeting. But I can guarantee that this meeting was indeed extraordinary," says Ole Kær.

Two hours later, all employees had to come together to be given the same message that Ole Kær had just received. Along the way, he walked past the company's 'hall of fame' - an anniversary wall with pictures of all the employees who have been with the company for more than 25 years.

"We're 135 employees at this company. 48 of them hang there on the wall with their 25th anniversary picture. Nine are there on the wall having celebrated their 40th anniversary," says Ole Kær, who had been with the company for 28 years at this point.

"So we're not exactly casual workers. We are all rooted in the local community, and this would suddenly change after the announcement that awaited the employees," he continues.

"I have experienced several rounds of redundancies during my time at VELUX, and it's never pleasant. But if there was anything positive about the situation we were in that day, it was that we were all in

the same boat. No one felt the need to ask afterwards why it was them and not somebody else," says Ole Kær.

SHOCK MESSAGE AT MASS MEETING

The employees were invited to a mass meeting with just over 24 hours' notice. Everyone showed up; even the night shift, who had not had many hours of sleep.

"When we have extraordinary liaison committee meetings and we invite employees to a joint briefing, there is also a culture of backing them up," says Per Laursen.

Exactly 15 minutes before the announcement, the external people who would take part in the meeting arrived, including consultants from AS3 and VELUX Global Production Director Jens Ozel, who would start the proceedings.

"When Jens comes in, you know that a there's serious message coming. He has probably been at the factory on many an occasion, but I can only remember seeing him when there are layoffs. You're well aware that he's not come to tell us that we have to increase production from 2,000 laminates to 3,000," says Ole Kær.

"This is why it was also important that the external people did not come in before it was necessary," explains Tine Thorndahl Simmelsgaard.

"We spent a lot of time thinking this day through, so nothing was left to chance. You really shouldn't underestimate the importance of having all the small details in place before you get started. This brings some calm to a very chaotic situation," she says.

Jens Ozel took the floor at 1 pm and gave the shock message to the employees. The information was very concise, and the choice of words was carefully planned. Then Per Laursen got up to address the employees. This took no more than 15 minutes, after which the



Ole Kær, Shop steward at VELUX

employees were given three quarters of an hour to swallow the message and discuss it among themselves a little. After this, it was possible to ask questions to the management.

"Per and Karina were very focused on communication at eye level and on not drawing the point out too far. When you come from corporate and need to make this kind of announcement, you may well have a tendency to show a few too many Power Point slides and speak from a macro perspective. We wanted to avoid doing this in this situation, and we succeeded in that regard," says Tine Thorndahl Simmelsgaard.

The AS3 consultants who were in attendance were part of the crisis team we had on hand to answer questions from the employees. So did Ole Kær.

"We were two shop stewards who had the same task. It was our role to be a kind of buffer between management and the employees. We had to help to ensure that communication was presented to employees in a comprehensible way and to get all the questions and answers in the right places," he says, and continues:

"We all react differently in situations like this. Some people become angry, while others go completely quiet. And it's probably the ones who go quiet that we must be most attentive to," says Ole Kær.

The questions session ended up being relatively short, and the last employees had gone home after about half an hour. It was decided that for safety reasons there should be no more production that day.

THREE WEEKS OF NEGOTIATIONS

The liaison committee met two days later to negotiate redundancy terms. A total of five meeting days were allocated, over a 21 day period.

"Our job is to try and negotiate the best conditions for the employees who are being made redundant. And the best conditions for

employees in such a situation doesn't just mean giving them a bag of money. The most important thing is to be helped to move on to a new job," says Ole Kær, adding:

"It's not all that helpful to be given some money here and now if you still haven't found a job a year later. It is much more valuable for employees to get the right help to move on.

Tine Thorndahl Simmelsgaard adds:

"In a negotiations process like this, you try to identify what the employee group needs most of all, based on their special length of experience, professionalism and local anchoring this group has. We don't negotiate individual terms, but we do have to try to come up with a suitable compromise that will be of most benefit to most people with the money we have at our disposal in the negotiations," she says.

On 19 October, the partners were able to shake hands on an agreement that, first and foremost, would ensure employees the best opportunities to move on to a new job.

"We knew that we wanted to include outplacement programmes with AS3, and fortunately this was something that was quickly agreed in the negotiations. Specifically, we agreed to put together a programme in which the employees would be divided into groups of 10, each of which would be assigned a consultant who would give them advice over four group meetings and in four individual meetings," says Karina Visborg.

"At the same time, we set up a training committee whose task it was to clarify the individual employee's training needs. This work actually started already on the day the employees were given their notice," she continues.



In addition, a close cooperation was established with 3F and the job centre in Tønder, which among other things arranged for the employees who are being made redundant to visit other companies in the municipality.

A video was also produced and shared on Tønder Municipality's job centre's LinkedIn profile. The purpose of the video was to reach out to local companies and get them involved in the task of finding work for the employees who are being made redundant. The video resulted in more than 30 inquiries from companies.

ALMOST EVERYONE HAS MOVED ON TO SOMETHING ELSE

The work has been so efficient that six months after employees were notified that VELUX was closing its factory in Skærbæk, 90-95% of the 135 employees had found clarification about their job situation. This means that they have either found a new job, have taken early or normal retirement or are have started some form of training.

"Of course, there are always things that you wish you had done differently or small details that we would have liked to be more aware of when we in that situation. But I also believe that we have lived up to everything that was expected of us - and maybe even a little more. I believe that everything we have done to help the employees move on will come back to us so many times in the form of goodwill and positive ambassadors among our former employees," says Per Laursen.

Tine Thorndahl Simmelsgaard agrees. However, the work that was done here has also provided food for thought in HR about how to organise itself in another such situation in the future.

"You really shouldn't underestimate the amount of work that still has to be done after the announcement. It goes from being extremely strategic to being incredibly operational. From an HR perspective, it will probably not be the same people who carry the task from start

to finish. This task requires very different competences. And at VELUX we need operators who can go in and be operational after the strategic employees have done all the preparatory work," she concludes.



VIA: There is no such thing as a perfect round of redundancies, but we can do it properly and in a dignified manner.

On 21 October 2020, VIA University College announced a major round of savings among the educational institution's more than 700 technical and administrative staff.

The aim was to free up more funding for the task of education and to future-proof VIA's finances in relation to demographic developments with smaller youth years and increased competition for supplementary and further education and training.

Nearly 70 percent of the savings had to be found before the end of the 2020 budget year and the rest in spring 2021.

The cold facts remained: The technical and administrative area had to be cut back by a total of DKK 17 million, and a major round of redundancies was inevitable.

THIS WAS A REAL GUT PUNCH

and, unfortunately, this wasn't the first time we have experienced cutbacks on such a scale, and probably won't be the last. But it is just as hard-hitting every time. These are the words of Lissy Sundtoft, HR consultant at VIA University College since 2008.

Throughout her long career at one of the country's largest vocational schools, with almost 20,000 students and more than 2,000 employees, she has been involved in a number of mergers, restructuring and saving rounds, which have hit the entire education sector hard in recent years.

Even long before the cutbacks were announced to the organisation at the end of October, she and a number of colleagues had rolled up their sleeves and started planning.

Because management expected large numbers of employees to be affected, a process of collective redundancies was commenced, and the HR department prepared a schedule to map out the process in detail.

"Unfortunately, we have tried major rounds of redundancies like this one before. That's why we knew what we were headed into and what we had to pay special attention to. Being well prepared and ensuring the right timing is key. It's about informing and involving the right people at the right time. Everyone should feel seen, heard and, not least, informed. Only in this way can a fair and decent process be ensured," Lissy says.

In addition to management, Finance, HR and Communication, the preparations involved the entire (extensive) collaborative organisation between management and employees.

"It's a tremendous and very comprehensive task that affects the entire organisation. There are many considerations that need to be taken into account and needs that must be accommodated," says Lissy.

One of the employees who quickly became involved was Christina Christensen. She was employed as a financial consultant and



Lissy Sundtoft, HR Consultant, VIA University College

was also a trade union representative and vice chairman of the liaison committee representing the areas that cover the affected technical-administrative employees.

She and the rest of the committee were called in at short notice by chairman and business school director Kirsten Bundgaard to an extraordinary meeting the day after the decision of the executive board and the board of directors was finally confirmed.

"It came as a huge shock. No one had seen it coming. At the same time, we quickly understood that these were a very extensive cutbacks. We were also told that it had to come about in two stages, and that the first round was actually already underway now," says Christina.

THE FIRST ROUND WENT FAST

From here, things went quickly. Within a week, meetings were held in all liaison committees at VIA's many campuses and locations in Central Jutland.

At these meetings, managers informed about the process for the individual departments, and calculations were made in close collaboration with the Finance Department about possible remedial measures that could possibly reduce the number of redundancies.

"The first round proceeded extremely quickly, which meant that we did not have much influence on the organisation of the process. Management's communication to the employees was well-timed, however. They were quickly informed of exactly what was going to happen and how the process would be. This made our job as shop stewards easier," says Christina.

The following week, the managers would have to be ready to notify the selected employees that they were being made redundant. HR therefore invited managers to a meeting, where they reviewed the notification interview and the process for the redundancies in detail;

from legal aspects and communication to psychology and reaction patterns.

"It was important to HR that managers should be well prepared for the task and had the opportunity to air any doubts and ask questions. The better prepared managers are, the better we can ensure that the employee's redundancy process is at least dignified," says Lissy.

Redundancies are a management task that nobody likes doing, that no one becomes an expert in. The day I meet a manager who can just go out there and do it, I will be terrified of them. It is a massive task that preoccupies all managers," says Lissy.

The redundancy notices were issued as a combination of a written email notification followed by a physical notification interview between the affected employee and their immediate manager.

"The conclusion for the individual employee must be as respectful as possible, given the situation. It was therefore important to us that the manager and employee should meet physically in the same room," says Lissy.

Employees were asked to be ready at their computers between 8 and 9 on a predetermined date. During this period, the affected employees received an email from their immediate manager stating that there were going to be redundancies. This was followed by a 14-day consultation deadline, during which notification interviews were conducted and negotiations were held with the professional organisations.

FINALLY, THE PRESSURE WAS OFF - OR WHAT?

When the employees who had been notified of a possible redundancy had been notified, managers sent an email to all employees informing them that those affected had now been notified. If you had only received this one email, you would not be affected by the cutbacks.



Christina Christensen, former finance consultant and union representative at VIA University College

However, this did not mean that the pressure was off. For good reasons, the managers were not able to announce the names of those who were at risk of being made redundant, as this was only a notification. The redundancy was not a formal reality until after the 14-day consultation deadline had been completed.

"Of course, this meant huge relief for individuals if they had not been given notice of impending redundancies. But the next thing you think is: Which of my colleagues has been chosen? This affected all of us to a greater or lesser extent," says Lissy.

"It's a difficult situation to be in - both for the employees who were losing their jobs and for their colleagues who are staying on. We shouldn't expect employees who have just been told they are being made redundant to speak out about it, but it is our experience that it makes the time that follows easier for all parties if they do, regardless of whether the person in question remains in their job throughout their period of notice or not.

We react differently in this situation and this should be respected. Some people need to pull the plug and do not want to be in contact with either their colleagues or their manager. Others actively seek dialogue with close colleagues to process the message they have just received," says Lissy.

At the notice interview, the employees who are being made redundant were given the opportunity to bring their trade union representative or another observer with them, and as part of the redundancy deal, everyone was offered an outplacement programme with AS3.

We had also looked into whether there were other things that could ease the transition of employees who were being made redundant into new jobs, such as skills development or continued education.

"This was a dialogue and negotiation that was conducted with the individual and based on the individual needs of each affected employee," says Lissy.

A TOUGH TIME FOR EVERYONE INVOLVED

VIA succeeded in realising savings in the common area totalling 11.3 million in the autumn of 2020. But barely had the waves calmed before it was time to think about the next round of cutbacks. In the spring another 5.7 million needed to be found.

"It was a really difficult time for everyone, that was full of conflicted feelings. Although many people were naturally relieved about having been spared first time round, we knew that new savings were just around the corner. And who would be affected next? These are the words of Christina Christensen, former financial consultant and union representative at VIA University College.

Trade union representatives and health and safety representatives therefore arranged informal, digital check-in meetings for the employees.

"We had all been sent home because of Corona, and we needed a space where we could support each other and speak openly about our uncertainties, concerns and frustrations. The meetings helped us through a really difficult period, where we grieved the colleagues who had just been made redundant and worried about who would be next," says Christina.

Christina also found that various good initiatives had been launched in close collaboration with Kirsten Bundgaard, the Vocational School's Principal. For example, a webinar was arranged for VIA's trade union representatives and health and safety representatives. Here, HR and an internal business psychologist gave recommendations about how they could best support and advise their colleagues through this difficult period.

"In general, I experienced considerable willingness from senior management to ensure a proper and decent process for the employees," says Christina.



Parallel to this, HR was in the process of preparing a new process plan that mapped out exactly what was to happen when and who was to be involved at which times.

There was more time to involve the employees in the process this time. Management and HR had listened and evaluated the autumn process," Christina says.

"We were sent the process plan well in advance of the first liaison committee meeting and were given the opportunity to provide our input. At the same time, more time was allocated for the various departments to investigate and put forward suggestions for remedial measures.

A NUMBER OF REDUNDANCIES ARE AVERTED

The remedial action process was thoroughly developed with the best intentions of both management and employee representatives. Nevertheless, there were misunderstandings that nobody had predicted.

"The reason for the savings was obvious to me from the first day. It was about future-proofing VIA's finances for the long term and freeing up resources from administration to the educational programmes. Therefore, I also knew right away that redundancies were inevitable, and that savings on things like postage or printer paper weren't going to solve anything," says Christina, who elaborates

"but I also work with finance on a daily basis and I was deeply involved in the process as a shop steward. My colleagues in VIA didn't have this knowledge. Therefore, there were several good and well-intentioned savings proposals that simply made no sense in the specific situation, when there was a specific need to look into voluntary resignations, retirements or reduced hours.

Either the communications from management had not been clear enough or perhaps in reality, assumed that too much was implicitly understood.

"Nobody was deliberately withholding information. On the contrary, the entire process was characterised by a desire for open and honest communication and a high level of information," says Christina and continues.

"I subsequently spoke to Kirsten (Vocational School Principal, ed.) about it, and I think that we were just so close to the process and so professionally involved with the entire financial part that we had failed to successfully translate it well enough for the ordinary employee."

Christina's experience underlines the importance of clear communication at eye level with the recipients, and at the same time, how difficult it is to plan an optimal process for redundancies when so many people are involved.

HR consultant Lissy Sundtoft recognises this experience.

"It is complex, if not impossible, to design the perfect process for major redundancy rounds. It's extremely difficult, both for the individual employee and for the organisation as a whole, to live with such uncertainty for such a long period of time. At the same time, it is difficult to find the optimal position for how much you need to inform before, during and afterwards. Although we really did do everything we could to inform as much and as often as possible, there will always be areas where we could have done better.

Despite bumps along the way, management and employees were together able to find a number of remedial measures, so that the final number of employees who were made redundant was significantly lower than initially feared.

According to Christina, this would not have happened if all the cutbacks had been made in the autumn.

"I've thought a lot about whether it would have been better to implement all the cutbacks in one go, but I don't actually think it would



have been. On the one hand, it would of course have been nice not to have the worry hanging over your head for so many months. But on the other hand, I am pretty sure that we would have had to say goodbye to many more colleagues. Time worked on our behalf and made it possible for us to find alternative savings.

"The feedback I have received from several of the employees who are being made redundant is predominantly positive. They have a sense that things were done properly, even though it was of course an experience they would rather have done without," says Lissy.

IT'S NOT OVER WHEN THE LAST DIFFICULT CONVERSATION IS OVER

"Overall, the DKK 17 million savings resulted in 13 redundancies. The remaining funding was found through remedial measures such as retirements and not recruiting for vacant positions.

With this announcement to all VIA's employees in May 2021, one might think that the last word has now been said. If so, you'd be wrong," says Lissy Sundtoft.

"Even though the focus is naturally very much on the affected employees, it is important to remember the ones who stayed on. There is a lot of uncertainty, sadness and frustration, which must naturally be processed.

With the help of AS3 Transition, VIA therefore decided to hold a seminar for management after the cutbacks had been implemented. Here, the focus was on the time afterwards and how managers could support and help both those who had been made redundant and the employees who were staying on," says Lissy.

"It is important to stop and acknowledge that both managers and employees have been through a very rough period. It is necessary to articulate this and get started with the dialogue that is so crucial

if the entire organisation is to move on positively. I can also see that in the feedback I have received from the managers.

Christina has noticed the same need insofar as she herself is concerned, as well as among her colleagues. The liaison committee has therefore set up two working groups to strengthen community and well-being, respectively, and life working in the new, hybrid post-Corona lockdown reality.

"We've been through two boatloads of misery in the past year. First of all there was Corona, which has kept us all at home and apart from each other, and on top of that came the grief of losing several good colleagues. It is necessary to process this and do something active to recreate the community so that we can move on," Christina concludes.



Dorthe Jensen, canteen manager at VIA University College

VIA: Redundancies are a lonely and demanding management discipline

"As a process, I am proud of the way VIA handled these redundancies. It was decent and professional. I don't feel we could have done it any better than we did." These are the words of Dorte Jensen, canteen manager at VIA University College

Dorte answers quickly and without hesitation when asked about her experience of last year's round of redundancies at VIA, where she has to say farewell to three employees. Nevertheless, she cannot think about the period without being affected.

"It was a tough experience that took a lot out of me. I had to be there for the employees who were staying on, while ensuring at the same time that the employees who were being made redundant had a decent and dignified conclusion. As a manager, I was very alone with this task, and I think it wasn't actually until afterwards that I realised how gruelling it had been."

SUPPORT FROM THE ORGANISATION MADE ALL THE DIFFERENCE

Dorte's words shed light on a loneliness, which many staff managers can undoubtedly recognise when the time comes for difficult conversations and having to make employees redundant.

Even though she received support and sparring from both her own manager and HR, the redundancies were an experience that very much put her personal leadership competences to the test.

"It was an incredibly difficult task. Even though I've given employees their notice before, it's something I will never get used to. Fortunately, I have the strong benefit of many years as a manager, and I had recently completed a management training course that was a big help.

VIA's approach to the redundancies was also a big support to Dorte throughout the entire process.

"The reasons and criteria for the redundancies were decided centrally. This helped me put on my professional hat and focus on what was best for the kitchen and the canteen. I had to put the right team together and create the best possible workplace looking forward.

"I did my best to handle the redundancies professionally, but it was extremely tough at human level. It is an experience that will stay with me, however uncomfortable it may be," says Dorte.

Dorte found a lot of security in the fact that VIA had even the smallest details under control. This made it easier to maintain a cool head in the difficult and stressful situations that inevitably arise during a round of redundancies.

"HR worked hard to prepare us for the task, and they were always ready to offer sparring and legal advice. This made me feel very secure throughout the entire process.



THE EXERCISE BROKE WITH A LOT OF TABOOS, BUT WAS WELL WORTH IT

One particular experience during the preparations made a special impression on Dorthe and would prove to be of great importance to the redundancy interviews she was to conduct later.

"HR held a workshop for all managers, where they informed us about the process and the entire procedure. During the workshop, we were divided into groups and had to practice redundancy interview technique in pairs, while a third manager looked on. It broke a lot of taboos in the practice situation, but there were many benefits. Looking back, I can see that it really made a big difference to me.

Together with the other managers, Dorthe was given a speech paper that they could use as a basis for the interviews. In this way, she was sure that all the facts and formalities were in place. However, the request from HR was unambiguous. "Take ownership of it and go home and practice!"

Dorthe took these words of encouragement to heart and spent a lot of time before the individual redundancy interviews on preparing herself both mentally and in specific terms.

"In fact, I ended up making a script for each of the three redundancy interviews I would have to conduct. I practised them several times on my own before the interviews,

so I knew exactly what I would say to the individual when in the actual situation. This made it easier for me to maintain focus during a difficult conversation," Dorthe says.

RESPECT FOR BOTH THOSE WHO ARE BEING MADE REDUNDANT AND THE EMPLOYEES

However, good preparation did not change the fact that the process surrounding the redundancies was drawn out and wearing on both Dorthe and her employees.

According to Dorthe, this was due in particular to the fact that the professional group she manages is used to a somewhat speedier process in connection with redundancies.

"VIA has decent and proper conditions, and the potential redundancies had to have been notified for 14 days before I was allowed, as a manager, to point out the specific employees who would be let go. After that it took another 14 days before the consultation deadline was completed. Only then could I announce the names of those who have been made redundant. This is a long time to spend in a state of uncertainty, and it certainly left its mark on all of us," she says, continuing

"We are close team in the kitchen, and there was no way of avoiding that people would notice when their colleagues had to come to me for an interview. Although they knew who it was, they were not allowed to say anything. This was really a trial by ordeal for many of them.

However, Dorthe is in no doubt that it is important to safeguard the process and the associated duty of confidentiality, awkward or not. This was also something she discussed with her employees along the way.

"It's about respect for the colleague who will be impacted. The rules are there for a reason and are intended to protect the employee's rights in the best possible way. Most people can understand this, and articulating it actually helped to establish greater understanding and calm in the department."

Dorthe introduced another very specific yet practical habit to support her employees through the process.

"I thought it was important that we should talk openly and honestly about how we felt. I therefore made it a habit to ask about how things were going every day during our morning briefings. This



gave rise to some positive discussions about how we could be there for each other during a difficult time. I also think it helped to loosen up the entire situation, which was of course very tense."

NO REACTIONS OR EPISODES WERE THE SAME

The interviews with the employees who are being made redundant went well, not least thanks to the thorough preparation and support from HR, where a lawyer was also present during the interviews. "Of course I was nervous before the interviews. But the fact that I had prepared so well gave me a sense of calm. I had a script to support me along the way, and I knew that one of our lawyers was ready to help if I got stuck. I took it calmly and spoke the way I usually do. I stopped and listened when someone was really upset, but avoided drifting over into more personal discussions. This was also something we had been recommended by HR.

Nevertheless, the interviews and their aftermath have given rise to many thoughts in Dorthé's head afterwards.

The reactions of the employees who were being made redundant ranged from apparent indifference to anger and tears. And even though she had tried to prepare specifically for a variety of different reactions, they still came as a surprise in the actual situation.

You're probably never going to be 100% ready to be put in that situation. It makes a big impression, and it obviously had a big impact on me.

The periods of notice would also be very different for the three employees who were made redundant. One person was laid off and found another job soon after. Another reported sick shortly after being given their notice, and the third person continued in their job through the entire period of notice. The latter ended their last working day in the canteen with a farewell cake with their colleagues.

The three processes therefore required Dorthé to exercise different abilities as a manager

"The hardest of the three was definitely the employee who went on sick leave. I wanted to make sure she was okay. HR recommended that I contact her regularly during her sick leave, but this was difficult, because she (naturally enough) didn't really want to talk to me.

THE EVALUATION PROVIDED IMPORTANT LEARNING

A couple of months after the redundancies had been implemented, Dorthé chose to evaluate the process with the employees who remained. This is something she would strongly recommend that other managers prioritise.

We sat down in groups and talked it all through. What had been difficult? What went well? What had we learned? It was really nice to round it all off together.

During this conversation, it became clear to both Dorthé and her employees just how important work-life balance is, even when it comes to redundancies.

"Your job should never be your be all and end all. It makes life too precarious. We should therefore support each other in the fact that a job is only a job and that it does not define who we are as human beings.

When she looks back today on the process that surrounded the redundancies, she is more relaxed about it.

"Even though it was a tough process, I am in no doubt today that I made the right decisions. Actually, there is nothing I would have changed, even if I could.

Several of her employees share this experience and have also told her directly that they welcomed the decisions she made and the way she handled the process.

"It's really nice to feel the support of my employees. I feel that there is a really positive energy and a strong sense of unity. I can see from the team's enthusiasm that we are even stronger as a department today."

