

Empowered Exits

Do Redundancy Right

**A Guide for Employers
Planning Redundancies**

Why Us?



The team at Empowered Space has been supporting people following redundancy for over 15 years and we know the way in which the redundancy process is handled, plays a huge part in how people internally process it and come to terms with the situation.

Redundancy triggers a whole host of emotions.

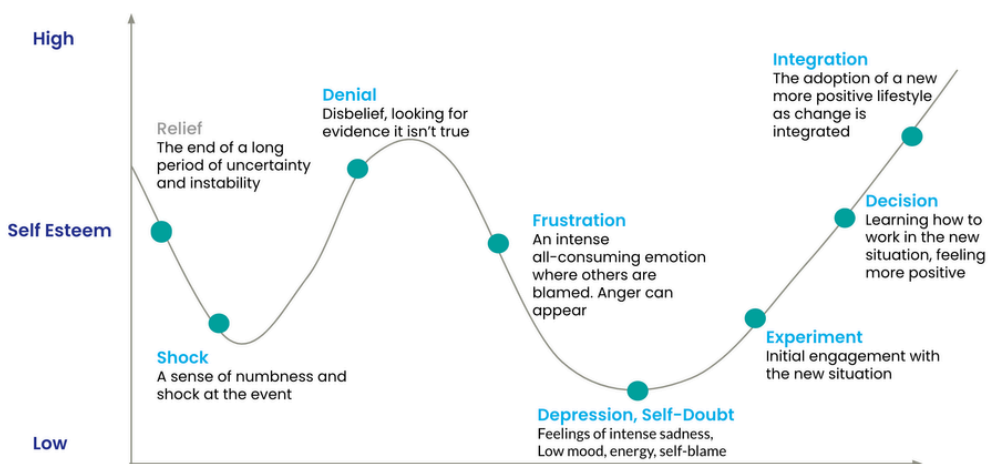
Usually when an employee leaves an organisation, it is their choice. But in a redundancy situation, it is imposed on the individual and is out of their control. This can trigger a whole host of emotions, including shock, sadness, grief, anger, anxiety and depression.

You may already be familiar with the Kubler Ross Change Curve, used in organisations across the globe to show the typical patterns of emotions that occur when people experience change.

We also use this model to train leaders on how to lead change and uncertainty (see next page).

The Change Curve

Elizabeth Kübler-Ross 1969



Research shows that redundancy is one of the top 5 most stressful life events people experience.

So kindness and compassion cannot be underestimated at this challenging time. It doesn't just affect departing employees, it affects employees who will remain, leaders who will deliver the message and HR, who often manage the process.

A note from our Founder

I have put this guide together to give tips and information, based on expertise and experience of supporting thousands of professionals with outplacement support, of how to manage the process with compassion.

The information in this guide does not, and is not intended to constitute legal advice. Instead, all information contained is for general informational purposes only.

Please note that while some changes are proposed and included in the Employment Rights Bill currently progressing through Parliament, they are not yet in force. Employers should stay informed on the bill's progress and be prepared to adapt policies and procedures accordingly.

All information is provided in good faith. Before taking any actions based upon such information, we encourage you to consult with the appropriate professionals. The use of and reliance of any information contained in this guide, is solely at your own risk.



Suzanne Penny
Founder & Executive Coach



The Important Basics



1 – As an employer, you must follow your own contractual redundancy policy (if you have one) and / or in any event, a fair redundancy procedure (as advocated by ACAS).

2 – Seek your own HR advice alongside this ebook.

3 – Ensure your redundancy process is meaningful and not a tickbox exercise. It must not be a process where you know the outcome (i.e. you must not make a list at the outset of who will be leaving). The process will benefit from meaningful and transparent conversations.

4 – The need to make redundancies should be about "roles" and not "individuals".

How can you Do Redundancy Well?





Consider Alternatives

Consider all alternatives to redundancy, such as redeployment or a cut in working hours.

Look at other cost cutting exercises before reducing headcount, such as:

- Redeploy or retrain staff for other roles
- Restructure roles to meet changing business needs
- Reduce hours or move to part-time arrangements
- Offer sabbaticals or unpaid leave (voluntary)
- Job sharing or compressed hours
- Freeze hiring, pay rises, or bonuses
- Voluntary redundancy or early retirement
- Consult staff for cost-saving ideas
- Explore remote/hybrid work to reduce overheads

ACAS tells us: "redundancy is usually a type of dismissal when a role is no longer needed. You should only consider making redundancies if part or all of the organisation is:

- Closing, or has already closed
- Changing the types or number of roles needed to do certain work
- Changing location."

Refer to ACAS website for more info,
www.acas.org.uk

Performance



Do not use redundancy as a tool to manage underperforming employees out of the business.

Performance related exits are different and should be managed under the appropriate process with an opportunity for the individual to improve, whilst providing training/ support for the areas they require development. If the concern is performance related, look at following your capability procedure.

Preparation



The redundancy process, when not carried out correctly, could lead to an Employment Tribunal claim. We recommend that you produce a business case before commencing the process, especially if multiple posts will be at risk.

The business case should set out:-

- Why redundancies are necessary;
- What the redundancies seek to achieve;
- Who will be affected;
- The process that will be followed.

Section 1 – What is the rationale?

The why – the context as to why you need to reduce posts, make savings in the staffing budget.

Section 2 – What do you have currently?

Consider your current structure /organisational chart of existing posts for the team/ department/ location the process is to impact.

Section 3 – What is the proposed new structure?

What is to be achieved by this process? i.e. the posts remaining in the proposed structure (revised/new org chart).

Section 4- What are the key changes resulting from the proposal?

i.e. How many posts will be removed, which posts will be directly and indirectly affected, what cost savings will be achieved, and how will this address the problems set out in section 1. (in other words, how will the proposed new structure, achieve resolving the issues in section 1).

Section 5 - What is the proposed timeline for the process?

Make the business case a factual document that you can refer to and share with individuals as part of the process.



Compliance



Redundancy involves a legally defined process, and getting it wrong carries significant financial and reputational risk.

This section outlines key legal considerations, but employers should always work alongside HR or legal advisors to ensure full compliance.

You will need to seek advice from your HR team and check your redundancy policy.

If you do not have internal HR support, we can connect you with trusted HR partners to ensure your process is compliant and well-managed.

Employees who are to be at risk of redundancy should be carefully and fairly selected based on their job role and the reasons why redundancy is necessary. This is called redundancy pooling.

Compliance



Redundancy Pool

Defining the correct redundancy pool is a critical step. Errors at this stage are a common cause of unfair dismissal claims.

A group of employees considered to be 'at risk' of redundancy, from which redundant staff will be selected. A redundancy pool is not relevant if only one employee performing a unique role is being made redundant.

It is important to use a fair selection method when choosing who will be made redundant. The selection criteria should not be discriminatory (either directly or indirectly), and should reflect the skills required in the roles that are to remain afterwards. A fair process will build in consultation on the proposed selection criteria, with those in the redundancy pool.

Selection Criteria

The criteria used to select employees for redundancy should be objective, evidence-based, and aligned to the future needs of the organisation.

Criteria may include, for example:

- skills, qualifications and experience
- performance and capability (based on documented evidence)
- disciplinary record
- attendance record (adjusted where appropriate for disability or other protected reasons)

Criteria should be clearly defined and capable of being consistently measured. Poorly defined or inconsistently applied criteria are one of the most common areas challenged in employment tribunals.

The chosen criteria must be applied fairly and consistently across all employees within the redundancy pool to identify those provisionally selected for redundancy, subject to consultation.

Employers should ensure scoring is documented and, where possible, carried out by more than one manager to reduce bias and improve consistency.

Meaningful consultation is a legal requirement. This includes:

- explaining the business rationale
- exploring ways to avoid redundancy
- considering alternative roles
- allowing time for questions and challenge

Currently **“collective consultation”** rules apply if an organisation is making 20 or more employees redundant within any 90-day period at a single establishment:-

- 20–99 redundancies: minimum 30 days consultation
- 100+ redundancies: minimum 45 days consultation
- Fewer than 20: consultation must still be meaningful and reasonable

Failure to comply with collective consultation requirements can result in a protective award of up to 90 days' pay per employee, increasing to 180 days under upcoming legislation (expected April 2026). Employers must consult with recognised trade unions or elected employee representatives where collective consultation applies. Longer planning periods will be required with collective consultations (employee representatives will only be required for collective consultation or where you have existing redundancy commitments to that group).

If you plan to make 20 or more people redundant, you need to complete form HR1 to notify the Government Insolvency Service,

Employees with Enhanced Protection During Redundancy.

Under UK employment law, certain employees have enhanced protection during redundancy and must be prioritised for suitable alternative employment:-

This includes:

- pregnant employees
- employees on maternity leave
- employees on adoption leave
- employees on shared parental leave
- employees on neonatal care leave (under the Neonatal Care (Leave and Pay) Act 2023, effective from April 2025)

In addition, employees returning from maternity, adoption or shared parental leave are entitled to this protection for a period after they return to work.

Priority for Suitable Alternative Vacancies

These individuals have the right to be offered any suitable alternative vacancy before other employees, even if they are not the most qualified. Failure to prioritise suitable alternative roles for protected employees can lead to automatic unfair dismissal claims

- Identify protected employees early in the redundancy process.
- Proactively search for and offer suitable roles before finalising selection decisions.
- Document all offers and responses to ensure compliance.

The Employment Rights Bill (currently progressing through Parliament) is expected to strengthen redundancy protections further, including increased financial penalties and broader collective consultation requirements.

While these changes are not yet fully in force, employers should begin preparing now to ensure future compliance.

Be Human



Redundancy is a process that should always be done with sensitivity and compassion.

Research shows that losing a job is one of the most stressful situations people go through other than death and divorce. It has a huge impact on mental well-being and affects not just the person, but the entire family.

Give people sufficient notice and the opportunity to come up with alternative suggestions to the proposal. Consider these suggestions and whether you could accommodate them in the proposed new structure.

Invite the employee affected to bring someone with them to their consultation meeting for support.

It is not a legal right for someone to be accompanied to a redundancy consultation, but it is good practise for them to be allowed to bring a work colleague with them.

As a manager, **show empathy and compassion** and know that this can be a huge shock for someone. Don't expect them to head back into the office after the news to get on with their day.

Tell people affected well in advance and keep them fully informed.

This gives the opportunity to plan their potential departure and massively helps to process the “what” and the “why”. Be transparent and open about why this is happening.

Be sensitive in your communication

Equip managers and leaders with how to lead through change and uncertainty, so that they are able to help departing and remaining employees navigate through change.

Listen carefully, clarify information and consider how the change impacts them.

Signpost to any support you have such as **Employee Assistance Programmes**, which may also support with both the emotional and financial impact.

Also consider what support Trade Unions can give through the process . If your organisation does not recognise a Trade Union or have an employee assistance provider, then individuals can contact Citizens Advice.

Offer Support



Supporting Employees During Notice Period

Employers are encouraged to take a flexible and supportive approach when managing employees through their notice period following redundancy.

Time off for Interviews and Job Searching

Employees with two years' continuous service who are under notice of redundancy have a statutory right to a reasonable amount of paid time off to look for new employment or arrange training.

- What is considered "reasonable" will depend on the circumstances
- Employers are only required to pay up to 40% of one week's pay for this time off, even if more time is granted

Offer Support



Practical Considerations

In addition to legal requirements, a supportive and pragmatic approach can make a significant difference to both employee experience and organisational reputation.

Employers may wish to consider:

- allowing flexibility for interviews (including short-notice requests)
- agreeing an early release date where an employee secures a new role
- supporting a smooth transition into new employment where possible

Where applicable, Trade Unions or Employee Representatives may also provide additional support to employees throughout this period.

Why Offer Outplacement?



Outplacement makes a huge difference- to departing employees, existing employees and the wider organisation.

“Suzanne I am so pleased my organisation offered this support with you. I was so scared about my redundancy.

But you have made me see it in a completely different light. I have, thanks to you, secured my dream role”.

Janet - Communications Manager



With ongoing economic uncertainty and continued restructuring across many sectors, more employees are facing redundancy and career transition than we have seen in recent years.

This is not just a professional challenge, it has a real impact on people's confidence, wellbeing and sense of identity.

At the same time, many organisations are investing significant time and budget into attracting new talent, refining onboarding processes, and working with recruitment partners.

But far fewer are giving the same level of attention to how people leave.
And this matters.

Because how you handle redundancy is a direct reflection of your leadership, your culture, and your employer brand.

Organisations that approach off-boarding with care, clarity and structure not only support their people more effectively, they also protect their reputation and strengthen future hiring.



Questions worth considering:

- How confident are you that your redundancy process would stand up to both legal scrutiny and employee perception?
- What structured support is in place to help employees move forward with clarity and confidence?
- How are you supporting the employees who remain, and maintaining trust during periods of change?

*How you say Goodbye
is as Important as
how you say Hello.*



Outplacement support is...

Off-boarding with care. It is a benefit awarded to departing employees to help prepare them to navigate the job market and land a new role. **Career coaching with practical job search and resilience / well-being support to help departing employees navigate the job market and land a new role quicker than alone.**

Many companies question why they need to provide support to their departing employees. Sometimes it's because they don't think of the emotional implications of redundancy. Some don't realise that **the job market and recruitment methods have changed considerably the past few years.**

Some don't consider that ending things well, when things pick up again, could mean employees returning in the future if care was taken when leaving.

Many also don't consider the impact on employees remaining and the grief and loss they also experience, on top of having to do more with less.

It is important to know that outplacement support is beneficial not just to the departing employees, but **to the company and remaining employees as well.**

The Benefits of Outplacement support



To Departing Employees:

Receiving that notice of dismissal or termination is a life changing event to any working individual. Being in work one minute, then out of work the next, has a huge impact on emotional and mental well-being.

With outplacement support, it can massively help the affected person to know they are being given support to get back on their feet and navigate their next career chapter.

Furthermore, professional support prepares the employee for heading back into the job market. For someone who has been employed for many years, suddenly entering the job market is often overwhelming and daunting.



To Remaining Employees:

How redundancies are handled has a profound impact on the morale and trust of remaining employees. Offering outplacement support not only aids those leaving, but also reassures your current team that, should they ever face a similar situation, they will be supported in navigating the job market and transitioning confidently into a new role.

Poorly managed redundancies make remaining staff feel guilty and demotivated, *something we have experienced this firsthand in our corporate careers.* **There is even a term for this, called "survivors guilt".**

It is important to remember that following redundancy, things change – culturally as well as people's workloads (ie people have to do more with less people) and so consider what support you can offer those remaining.



To the Company:

Outplacement support is an essential tool in ensuring the company's brand reputation is kept intact. Nowadays, everyone has access to the internet, so it is important for companies to consider their employer branding and reputation. When companies enforce a reduction in headcount and redundancies, everyone, not just their employees, takes a closer look into the reason behind their decision.

Compassionate off-boarding can result in employees returning in future and with anticipated talent shortages, you may well want the door to be open.

**“Red Carpet In.
Red Carpet Out”.**

About Our Services



Empowered Space is a professional training and coaching company set up by Suzanne Penny, who has over 20 years experience in Recruitment, HR and Outplacement and is an ILM7 executive coach.

We work with a small and amazing group of qualified associate coaches and deliver services within the UK and internationally.

Core areas we cover:



Empowering Transitions

Onboarding & Offboarding

Advancing Careers

Leadership & Team
Training / Coaching



Empowering Transitions



Navigating Change



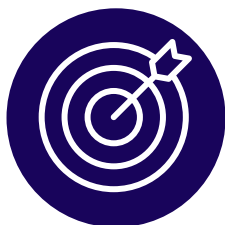
**Leading Redundancy
Consultations**



**Resilience &
Growth Mindset**



**Networking
Personal Brand**



Career Clarity



CV, LinkedIn



Interview Skills



First 90 Days

Advancing Careers



Leading Change



Leader as Coach



**Time & Energy
Management**



**Networking and
your Leadership Brand**



**Taking Control of
Your Career**



**Self-Aware Leaders and
DISC training**



**Resilience &
Growth Mindset**



**Interview Skills
for Managers**

EVERYTHING **DiSC**
A Wiley Brand

 **insights®**

Empowered Leader



Connect, Learn & Grow with Leaders Across Other Organisations

Modules Include:

Your Unique Leadership Style and Strengths

Imposter Syndrome and Growth Mindset

Holding challenging conversations and enhancing relationships collaboration

Leading Change & Building Resilience

Boundaries, Delegation and Accountability

Holding effective Career Development Conversations to Empower Employees

Building Your Leadership Brand and Networking and Taking Control of your Career

Virtual Group Programme

Find out more at:

WWW.EMPOWEREDSPACE.UK

Testimonials



"I feel so much more confident to lead my team and empower them to solve challenges."

"I have a greater awareness now of the characteristics of team members, how they differ from others and how to adapt my own leadership style to develop them further. This will massively benefit me and the company".



Get In Touch



***Thank you for
downloading
this guide.***



It is great to know you are wanting to off-board with care and do redundancy well .

If you are looking to make redundancies, do get in touch to see how we can support your team.

www.empoweredspace.uk

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Reach out now for a confidential discussion to find out how we can support your people.