

Doing the right thing in difficult times

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Kirsty Watt, Director of Strategy and External Affairs

Kirsty Watt is the Director of Strategy and External Affairs at Acas. Kirsty was previously Deputy Director (Disadvantage and Place) at the Department for Education. She led teams to help tackle disadvantage issues faced by children and young people.

[New Acas research shows a third of employers report they are likely to make staff redundancies over the next year](#), with larger companies more likely to make redundancies.

While redundancy rates have fallen in recent months, the number of vacancies also appears to be falling. The most recent data from the Office of National Statistics (ONS) shows that in April job vacancies fell for the 10th time in a row and the number of people looking for work has risen.

The 10 May [Recruitment & Employment Confederation Report on Jobs](#) also emphasises the uncertainty that employers are feeling right now. It shows vacancies rising, but slowly, and permanent staff appointments contracted at the fastest pace in over 2 years. Meanwhile, figures from the Insolvency Service show a sharp rise in the number of firms going bankrupt in March 2023.

Uncertain times make for difficult decisions. 2022 to 2023 saw an increase of calls to Acas about redundancy. Behind each of those calls is someone struggling in the worst of times, be it an employer seeking to manage unmanageable running costs or an employee facing redundancy.

Finding alternatives to redundancy

Since joining Acas, I've been struck by my helpline colleagues' confidence when it feels like there are no good answers for employers or employees to find a way forward.

The last 3 years have been hugely challenging for many businesses who have had to navigate covid-19 (coronavirus), working from home, inflation, supply chain delays and challenges around exports. Acas helpline advisers are reporting a steady increase in callers who are exhibiting extreme stress and anxiety (estimated to be around half of all callers), but help those callers navigate a path with

more clarity and certainty.

We have heard from employers who are looking for creative solutions to avoid redundancies, and seeking Acas's advice on good practice and legal requirements.

Rather than making redundancies, some employers have:

- been able to increase the availability of part-time and flexible working
- reduced the availability of overtime
- offered their staff alternative roles and retraining in areas which might be expanding but where the skills do not yet exist in-house

Successful, pragmatic outcomes can emerge when employers, unions and employees work together with open and creative minds and a sense of shared purpose. This can help ensure loyal skilled staff are retained, workplace morale and mutual trust is maintained, and (crucially), it can help avoid the costs of redundancy, potential employment tribunal claims and (future) recruitment and onboarding costs.

Acas advice when redundancies are necessary

Sometimes redundancies are necessary.

Advice from Acas on the principles of a fair redundancy process includes:

- **Be fair:** The law is clear. All aspects of your redundancy procedure must be conducted fairly and without any form of discrimination. Do not make assumptions on who it would be better for, or who could afford to take redundancy based on any particular characteristic.
- **Be open:** There are some rules for redundancies which differ depending on the number of redundancies being made. Whatever the scale, the sooner people understand the situation, the better for everyone.
- **Be thorough:** To understand what's happening people need information and guidance. Be clear on the process, share whatever information you can and ensure information is transparent and consistent.
- **Be genuine:** Listen to people's views before you make a decision – be open to alternatives from individuals or unions. Always feed back the results of your decision as fast as possible.
- **Be respectful:** The way you let people go says a lot about your organisation's values, and impacts how your staff, your investors and your community see you. Remember that the managers supporting staff through the process will also be affected. How you handle people in times of difficulty will affect those leaving, and those staying.

Faced with making difficult decisions in a fragile economic environment, it can feel as if there are no good answers. Help is out there. Accessing Acas support and advice can be invaluable. You can:

- [read our advice on redundancy](#)
- [contact the Acas helpline](#)
- get [Acas training on redundancy](#)