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A netnographic study exploring the impact of consecutive redundancy programmes on employee exhaustion, cynicism and organisational detachment

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Summary

This qualitative netnographic study explores the impact of four consecutive redundancy programmes on employees from an automation and engineering organisation in the private sector. The research was conducted over a period of 26 months and highlights key components identified by the multidimensional theory of burnout (Maslach, 1998). The research draws on employee perceptions during and after the redundancy process by collecting data through two internal community tools, including comments from an intranet-based 'mood indicator' and an online engagement survey. Finally, the author highlights the implications for practice and introduces the Re-Focus, Re-Organise and Re-Build redundancy implementation model (Stevens, 2022).

Research focus, rationale and questions

The negative impact of redundancies on the workforce is well researched (De Vries and Balazs, 1997; Cascio and Wynn, 2004; Tourish et al, 2004; LaMarsh, 2009; Stevens and Hannibal, 2021). However, previous research has not considered the compounded implications on the workforce subject to multiple redundancy programmes in the same organisation.

Some of the known implications of redundancies include:

- stress
- anxiety
- poor mental and physical health
- family and personal problems
- reduced self-esteem
- depression
- feelings of helplessness
- feelings of job insecurity
- survivor guilt
- conflicting feelings of anger and relief
- survivor envy towards the employees being made redundant
- increased workload
- feelings of failure
- organisational mistrust
- lower-quality work
- decreased productivity
- low employee morale
- increased absenteeism
- presenteeism
- decreased employee involvement
- reduced management supervision
- lower levels of engagement (De Vries and Balazs, 1997; Cascio and Wynn, 2004; Tourish et al, 2004; LaMarsh, 2009; Stevens and Hannibal, 2021).

The implementation of COVID-19 restrictions has resulted in redundancies reaching a peak in 2021, with the highest rate of 14.2 redundancies in every 1,000 people in the UK (ONS, 2021). The International Labour Organization (ILO, 2021) provides additional statistics that suggest the labour market was disrupted to an unprecedented scale during 2020, with working-hour losses equalling 255 million full-time jobs globally. Therefore, human resource (HR) functions need to be aware of the sustained negative impact on the workforce and have the knowledge to mitigate the negative impact. HR functions should focus on prevention rather than cure when it comes to redundancy implementation.
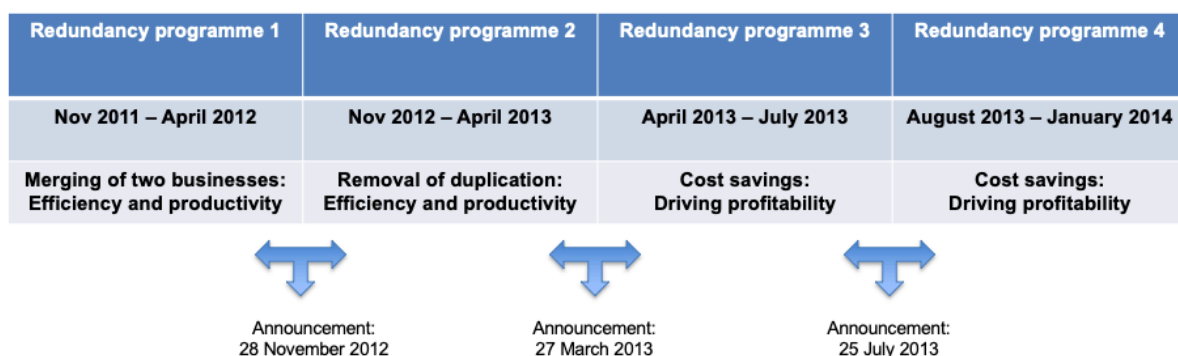
This research applies the multidimensional theory of burnout, which recognises the complexity of the relationship between burnout and engagement and different organisational factors (Maslach, 1998). The aim of the study is to understand the impact of multiple redundancy programmes on employee burnout. The research objectives for the study include:

- to investigate exhaustion experienced among the workforce
- to understand the workforce experience of cynicism and job detachment
- to explore feelings of organisational ineffectiveness and failure.

Organisational context

This research involves a London-based private sector organisation, specialising in automation and engineering within the construction industry. The economic crises that began in 2008 impacted numerous companies that faced tough trading circumstances, posing a direct threat to their survival (Schoenberg et al, 2013). The market crash impacted the organisation within this study in 2012, which led to the exploration of business turnaround and recovery strategies. As a result, several redundancy programmes were implemented to mainly drive cost savings. Figure 1 demonstrates the timelines of the four redundancy programmes. Redundancies were implemented on a smaller scale with the intention to not overreact and unnecessarily remove surplus headcount. Unfortunately, strategies to gain new business did not come to fruition and subsequently more redundancies were mandated.

Figure 1: Timelines of the four redundancy programmes with the respective reasons for the redundancies

Redundancy programme 1	Redundancy programme 2	Redundancy programme 3	Redundancy programme 4
Nov 2011 – April 2012	Nov 2012 – April 2013	April 2013 – July 2013	August 2013 – January 2014
Merging of two businesses: Efficiency and productivity	Removal of duplication: Efficiency and productivity	Cost savings: Driving profitability	Cost savings: Driving profitability

Announcement: 28 November 2012

Announcement: 27 March 2013

Announcement: 25 July 2013

Research methods

This study used a qualitative methodology, netnography – an interpretative method that uses written data from online or computer sources (Kozinets, 1998). Specifically, humanist netnography collects data connected with deep social values through social media channels which aims to influence social change (Kozinets, 2015). This method captured data from two specific community tools, a 'mood indicator' and an engagement survey, which aim to understand the impact of the redundancy programmes on employee morale, levels of redundancy fatigue, and overall wellbeing.

Mood indicator

The 'mood indicator' was an internal bespoke social media monitoring tool that captured the perceptions of employees during the redundancy programmes, as well as post-redundancy implementation for a period of two years. To check the data reliability, data was ratified through the comments obtained from engagement surveys during and after the redundancy programmes.

Over the course of the study, a total of 2,033 comments were captured and analysed. Each week, a group of employees (66 out of approximately 400 employees) were invited to post feedback. Over the duration of 26 months, all employees were invited to post feedback several times. As redundancies were finalised and the headcount reduced, the sample size of employees invited to participate reduced accordingly. The average response rate was around 50% and employees mostly chose to post comments as a standalone post instead of forming a discussion board.

Engagement survey

To verify employee sentiment and complement the mood indicator data, data from the organisation's engagement survey was analysed. Employees gave anonymous feedback using a rating scale and free-text boxes. The engagement survey provided valuable, insightful data on how employees perceived the organisation, the changes being made, and the challenges and successes of the redundancy programmes.

Figure 2 demonstrates how both 'community tools' were used over the timeframe of 46 months to capture the data.

Figure 2: Netnographic study timeframe using two in-house community tools
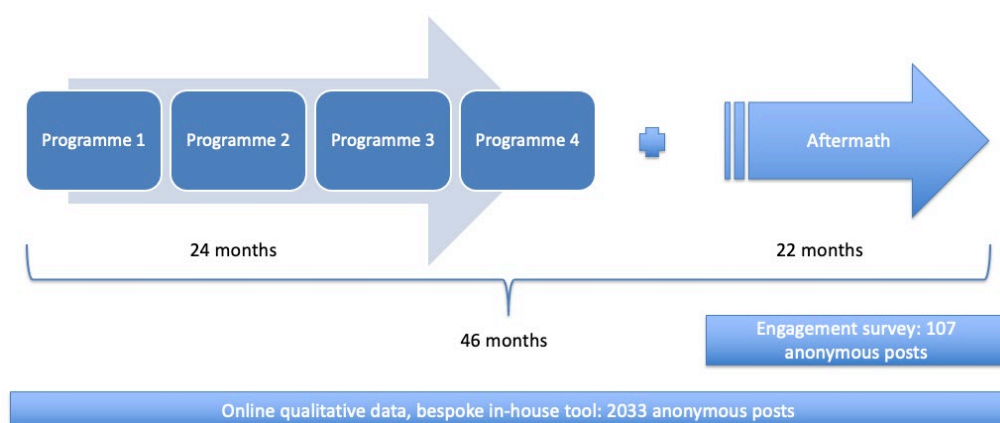
Data analysis

Data captured was reviewed and analysed to inform the research questions, and to improve the organisation's strategy for redundancy implementation.

The researcher thematically analysed the data (Braun and Clarke, 2006) to identify the success of initiatives implemented throughout each redundancy programme. The researcher adopted a participant observer role (instead of a passive observer), given their knowledge of the organisational context, for example, reason for redundancies, redundancy programmes, and the related communities. Belk and Kozinets (2017) argue that passive observers do not have the same opportunities as participative observers, who experience a deeper understanding of the embedded culture.

Research findings

The research findings indicate that each element of the multidimensional theory of burnout is prevalent among the workforce. The data is displayed over the four redundancy programmes, including employee perceptions during the aftermath.

## Extent of exhaustion experienced among the workforce

Exhaustion is evidenced through increased levels of workload, poor work design, a lack of resources and change fatigue:
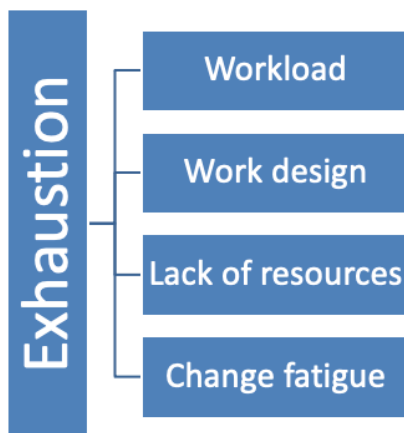
Programme	Employee posts
Programme 1	'Too much work not enough time or people.' 'Not enough support in the Department to help.' 'Changing priorities.'
Programme 2	'This company is being ripped apart, I have never seen morale so low.' 'It's like being on the edge of a cliff.'
Programme 3	'Lack of staffing in the office leading to stress levels for the increase of work load. 1 person covering three peoples jobs.' 'Stress levels are beginning to have a negative effect on every aspect of my life.'
Programme 4	'Very worried about the future of the company. How much more change can a small business go through??!!' 'Not seeing any change in my division, despite all the upheaval of 2013.'
Aftermath	'Still feeling the impact of people leaving.' 'Work load is through the roof, it's constantly fast paced with no let up.'

Workforce experience of cynicism and job detachment

There was prominent evidence to indicate feelings of job detachment where employees are seeking alternative employment and feeling disenchanted with the organisation. The three key themes identified were negative impact on morale, motivation and job insecurity:
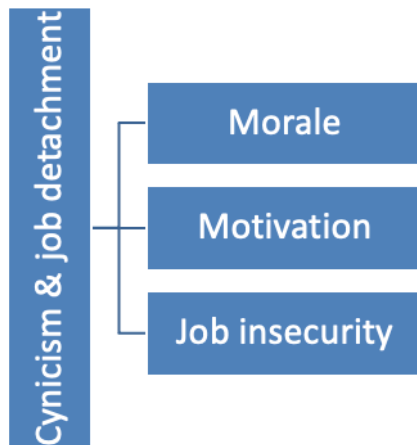
Programme	Employee posts
Programme 1	'There is not enough resource in most of the departments we use, to complete the various stages of work that our projects require.'
Programme 2	'Very unsettling times at the moment, even for those not at risk of redundancy.' 'Targets that don't seem achievable and a worrying scenario of a possible management buy-out or being sold off within the next 2 years.'
Programme 3	'What a rubbish company to work for. I hate it.' 'I have to spread myself so thinly to try to meet so many demands, I feel I achieve nothing. It is hard to enjoy work now.'
Programme 4	'All this and no new meaningful change of direction or strategy. Just continuing to pretend everything's going well?' 'Unsure where we are going, what my role is and if what I am doing is right.'
Aftermath	'Morale and motivation at an all time low' 'Lack of motivation'

Cynicism & job detachment
- Morale
- Motivation
- Job insecurity

Evidence of feelings of organisational ineffectiveness and failure

The data indicated that perceptions of organisational effectiveness are very low. Participants indicated low levels of confidence in leadership, poor communication and an overall lack of accountability:

Programme	Employee posts
Programme 1	'Too many people not seeing job tasks through' 'The divide between management and staff is getting bigger, and my confidence with the management is very poor.' 'No leadership, no organisation.'
Programme 2	'We have engineers that have no authority to make decisions yet cannot contact their line managers for advice. This results in delays - poor customer service - poor customer retention ' 'Just feel that everything is so negative at the moment and I wish somebody would tell us what is really going on.'
Programme 3	'We need to see a confident leadership team to help us through these lean times, which at present is lacking.' 'No leadership, no direction, no help, no future, no money, no hope, constantly trying to do the job with hands tied, no organisation.'
Programme 4	'The company is bumping along the bottom, with virtually no profitability.' 'Poor management - reactive style of management; you only see action when a manager above them gets involved and they want to be seen to be doing their job.'
Aftermath	'Because there is nobody with any knowledge or experience running the business.' 'Frustrated. Often feel there is a lack of trust in my capability and everyone else knows better how your job can be done. This then leads to confidence challenge and indecision.'

Organisational ineffectiveness
- Leadership
- Communication
- Accountability

Practical importance and implications of research

With the possible continued impact of the COVID-19 virus, or other external disruptors, organisations may continue with the implementation of redundancy programmes as a strategy for organisational survival but should do their best to limit the negative impact of redundancies.

The Re-Focus, Re-Organise and Re-Build redundancy implementation model incorporates eight redundancy implementation stages, as demonstrated in Figure 3 (Stevens, 2022). This model has been developed with the combination of over 20 years' experience of implementing redundancies as an HR practitioner underpinned by extensive academic research into the best practice of redundancy implementation, commencing with PhD research. This model was carefully designed to support organisations with redundancy implementation. The main aim is to mitigate the negative impact of redundancy programmes on the organisation as well as the individuals.

More information about this model is available in the book: Stevens, M. (2022) *Strategic redundancy implementation: re-focus, re-organise and re-build*. London: Routledge.

Figure 3: Re-Focus, Re-Organise and Re-Build redundancy implementation model
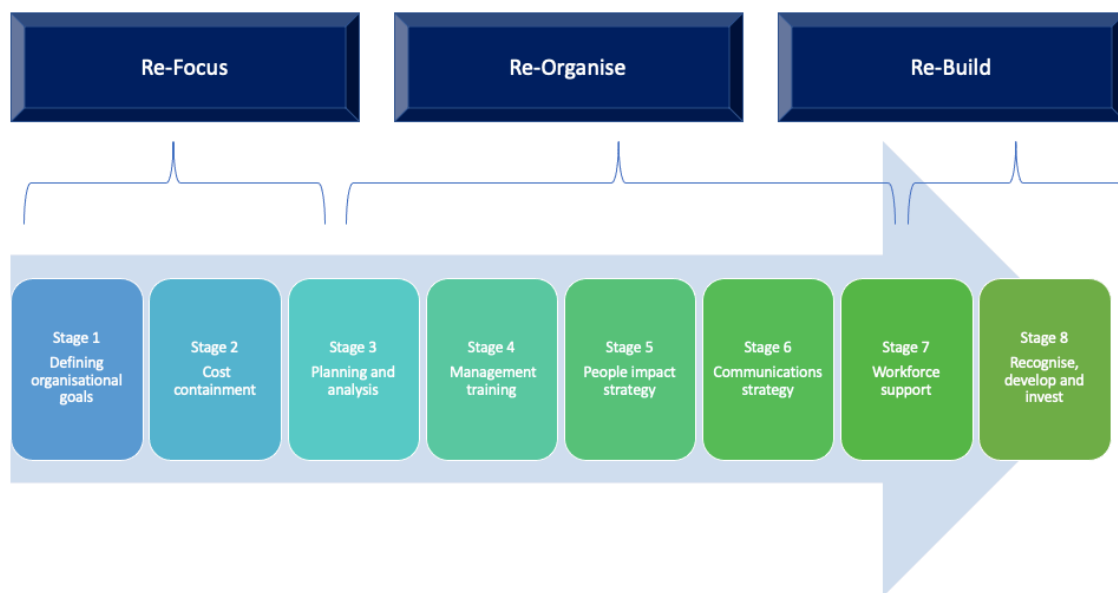
Stage 1: Defining organisational goals

Before employers implement redundancies, they need to have a clear strategy that incorporates the organisation's vision, mission and values. Implementing redundancies needs to align with the organisation's strategic goals and employers should be able to demonstrate to their employees how and why the decision was made to implement redundancies and how this aligns with the organisational culture.

Stage 2: Cost containment

Before announcing redundancies, the organisation has a moral and legal obligation to fully explore options to save costs with the ultimate aim to reduce or avoid redundancies. There are two main perspectives of cost containment: first, addressing operational cost savings,

and second, various initiatives to reducing the wage bill, such as recruitment freezes, reducing working hours, unpaid sabbaticals and limiting overtime.

Stage 3: Planning and analysis

When implementing redundancies, employers need to consider the organisational impact on a broader basis, which may include the streamlining of functions, systems redesign and fine-tuning the policies aimed at cutting costs (De Meuse et al, 1994). To achieve this, as with any significant organisational change programme, a proper plan needs to be put in place in advance of implementation that involves all the key stakeholders. Planning should also include identification of risk and how to avoid it, a robust project plan for implementation, and planning and analysis to help identify the redundancy pool.

Stage 4: Management training

Before decisions are made on whom, when and how to select people for redundancy, management training is recommended. Managers should learn how to dismiss employees with sensitivity and empathy. Providing training for managers not only equips them with the necessary skills to make better decisions, and protect the organisation against potential unfair dismissal claims, but it is also an important component of building confidence to ensure they are ethically and emotionally ready for the process. Training should be extended to line managers, junior HR employees and employee representatives to ensure consistency in knowledge and understanding.

Stage 5: People impact strategy

Once training is complete, it is time to focus on the people impact strategy. Management and employee representatives now have a better understanding of how to implement redundancies and the associated risks. At this point, it is important to start making more strategic and challenging decisions about how implementation will work in reality. There are two main people strategies to consider: 'push' and 'pull' (Tomasko, 1991). 'Push' strategies are the most direct and insensitive approach, essentially forcing employees to exit the organisation via compulsory redundancies. 'Pull' strategies involve less aggressive approaches, such as the encouragement of voluntary resignations. This stage will also incorporate key decisions regarding what skills, talent and critical roles in the organisation need to be preserved to ensure its future sustainability.

Stage 6: Communications strategy

Communication is pivotal during any change programme, and especially so when effective communication can influence key factors of employee and organisational wellbeing. The absence of effective communication during a redundancy programme could lead to employees feeling excluded, disillusioned and rumours spreading (Appelbaum et al, 1999; De Meuse et al, 2004). Transparent communication can help retain employees with skills that are critical to organisational success (Brockner, 1992; Cameron, 1994). The lack of convergence between the implementation of redundancies and the communication plan is often a cause of stress for employees and can be circumvented with a clear communications strategy.

Stage 7: Workforce support

Irrespective of whether employees leave the organisation or remain, employers need to act with compassion and strong ethical foundations to ensure a redundancy programme is as painless as possible (Jacobs, 2020). To ensure the success of a redundancy programme, the focus should be on victims as well as survivors, with specific support in place for each group. The decision by management to embrace employee wellbeing at work is likely to improve employee attitudes and productivity, which in turn can enhance organisational effectiveness and decision-making (Baptiste, 2008). Support can thus extend from providing financial aid and advice to counselling services to help employees transition through the change curve.

Stage 8: Recognise, develop and invest

This stage focuses on re-building the organisation post-redundancy implementation. Isabella (1989) contends that the value of the survivors' expertise to the new organisation is often not understood or appreciated, and recognition is of key importance. Recognition can also take the form of employee development that is linked to performance (Labib and Appelbaum, 1993). In Isabella's (1989, p39) model, 'Employee Needs After Downsizing', she addresses the needs of survivors as crucial to organisational success. These needs include the importance of transforming the meaning of job security in the business, ensuring success is recognised, being understood and adequately rewarded, driving ownership for career self-management and fostering an innovative approach to loyalty and commitment to the new organisation. Applying Waldman and Spangler's (1989) reinforcement theory, when there is visible, immediate, positive reinforcement for good performance, people will continue to perform well. The organisation should make it clear that the employees are their most valuable assets.

Conclusion

It is important to understand, prevent and proactively address the risk of multiple redundancy programmes on employee wellbeing. Despite redundancy programmes on the increase, mitigating the negative impact of redundancies (Petzer, 2020) is still subject to limited research. When it comes to the compounded impact of multiple redundancy programmes on the workforce, research is non-existent. It is fundamental for HR professionals to be aware of the significant risk of burnout to their employees and to fully understand what interventions are required to minimise the symptoms identified through this study. This research contributes to a deeper understanding of the employee experience and builds on the development of targeted areas for HR departments to proactively address, such as addressing low morale, managing workload and pressure, management training and effective leadership.

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