INSIDE REDUNDANCY

The hidden consequences of mismanaged change

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Introduction

For over 40 years, Right Management has worked with organisations navigating change – providing human-centred support for their people to ensure a positive outcome for all involved.

With constant transformation being driven by today's world of ongoing geopolitical uncertainty, automation and shifting employee expectations, **organisations are increasingly wanting to do right by their people.**

However, despite their best intentions, our latest research of 1,000 UK employees who have faced redundancy, shows that many businesses still aren't getting the formula quite right when it comes to organisational transformation. A lack of preparation, capability and consistency is too often resulting in **inconsistent support for individuals impacted by redundancy.**

And as experience tells us, **mismanaged change has hidden consequences** that can negatively affect businesses long after any restructure takes place. Read on to learn more about the hidden consequences of mismanaged redundancy.

*"A more **structured and empathetic approach to communication** would have made a significant difference. Providing emotional support and checking in with employees would have **made the experience feel more respectful and supportive**."*

- Respondent impacted by redundancy







Lorraine Mills, Talent & Change Director – Right Management UK

*"Many organisations are **struggling to keep up with rapid technological and structural change**. We know that making, embracing and realising the potential of change comes **when people are at the heart of the strategy and solution**. Those who focus on the human side of change are the most likely to **avoid any hidden pitfalls** and see their initiatives succeed."*

Methodology

The research was commissioned by Right Management and conducted by Censuswide, among a sample of 1,000 UK employees who have faced redundancy in the last 3 years. The data was collected between 31.03.2026 - 07.04.2026. Censuswide is a member of the Market Research Society (MRS) and the British Polling Council (BPC), and a signatory of the Global Data Quality Pledge. They adhere to the MRS Code of Conduct and ESOMAR principles

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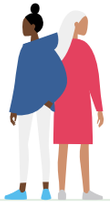
THE HIDDEN CONSEQUENCES



A missed opportunity to enhance brand

In 2026, the concept of ‘a job for life’ is well and truly a thing of the past. It’s widely understood that any role could be deemed surplus to requirements through no fault of the individual filling it. But a redundancy process needn’t mean bridges are burned; the employer-employee relationship is only completely lost when the change is mismanaged – and in fact, a well-handled process can even improve employee sentiment in some cases.

39% of survey respondents said the way the company handled their exit **made them feel more positive about their employer**



78% of people who received outplacement support from an external provider **secured employment within 3 months**





Sarah Hernon, Talent & Change Consultant – Right Management UK

*“As organisations continue to navigate shifting workforce demands, the message is clear: those that handle redundancy well do not just protect their brand – **they have the opportunity to enhance it.**”*



The business impact

Organisations who aren’t providing sufficient support are **missing an opportunity to preserve ties to their employees** for the future: protecting brand and building a future talent pool.

3x Outplacement support consistently delivers a return on investment 3x greater than its cost. (1)



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(1) World Metrics

The spread of misinformation

With any change, consistent and clear communication is essential to ensuring workforce understanding and buy-in. Leaders who are responsible for handling the change will inevitably have taken time to plan and understand it themselves, but under pressure to implement transformation at pace, the fundamentals of good communication can be forgotten.

35%

of respondents felt employer's messaging around the change was **inconsistent**

23%

said the explanation for why the redundancy was happening was **unclear**

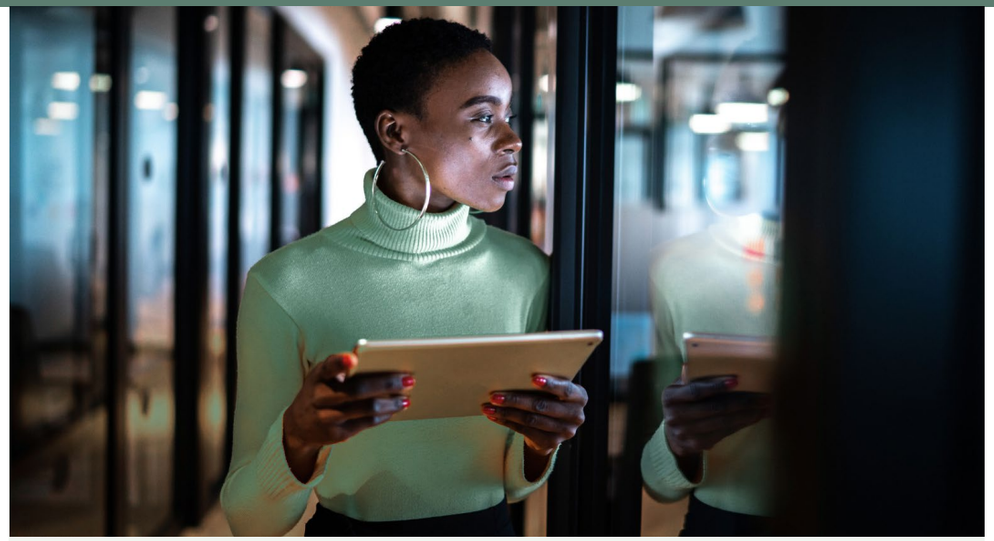
21%

said their organisation **lacked transparency** during the process

44%

Less than half of employees impacted by change **fully understood** the reason for their role being made redundant





The business impact

Employees feel left in the dark and can **become disengaged, demotivated or frustrated** – leading to the spread of misinformation internally that **unsettles organisational foundations**.

85%

of employees feel more engaged **when leaders communicate transparently** during change. (2)



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(2) LinkedIn

A message distorted by technology

Living in such an online world, calls and meetings conducted via Zoom and Microsoft Teams are now the norm. But when these platforms are used to deliver highly sensitive messages, context and a sense of human empathy can be lost or misinterpreted. Managing the messaging with consistency, compassion and within a clear timeframe is essential for any change programme.

54% of employees **found out their role had been made redundant electronically** (via email, phone or video call) as opposed to a face-to-face announcement – and **9%** found out indirectly (not via a message from their leaders)

29% Less than 1 in 3 employees **benefitted from access to a human coach** as part of their support

41% of organisations **rely on online tools to provide wellbeing support** during times of change

60% of employees say their leaders lack empathy during redundancy processes. (3)



The business impact

Employees perceive a **lack of empathy from leadership** and are without a trusted advisor or coach to support them – resulting in **sustained resistance to change** that reduces their chances of success.



Lisa Stone, Head of Coaching – Right Management UK

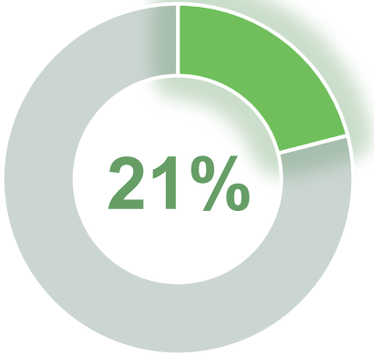
*"In a world being reshaped by technology, **human interaction remains the number one driver of successful career transitions**. In working with a coach, employees have the space to make sense of the change, what it means to them, and **identify a path forward**."*

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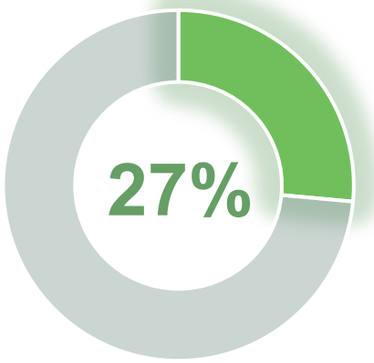
(3) Workplace Intelligence

Employees left without support

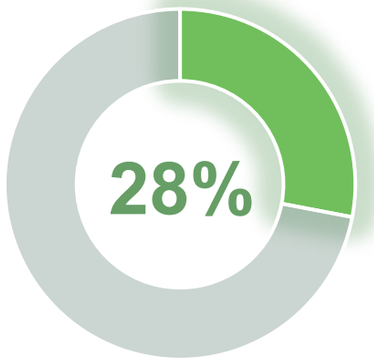
Restructures and redundancies are often unavoidable. But in trying to save money during times of change, many businesses are cutting corners in a way that leaves their employees to fend for themselves. Whilst these people may be leaving the business, their colleagues aren't – and poor sentiment can soon spread across the workforce.



said their employer **provided nothing to make them feel their wellbeing was considered**



say they **lacked support from their manager** after they round out their role was at risk



said they **received no career transition support** at all

30% Employee engagement can **drop by up to 30% during redundancy periods** due to stress and uncertainty. (4)





The business impact

The **psychological toll of redundancy** remains neglected by organisations implementing change – leaving employees **lacking the resilience** needed to navigate it.



Pippa Cronk, Talent & Change Consultant – Right Management UK

*"The emotional aspect of change cannot be understated. For many people, **work is a key source of identity and purpose** – one that isn't easily replaced. Leaders who fail to support their people are setting their change initiative up for failure."*

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(4) LinkedIn

Reduced productivity & engagement

When employees lack clarity and feel unsupported through a period of uncertainty, engagement and organisational output will inevitably take a hit – particularly in instances where organisations choose not to invest in outplacement support for their people.

31%

of employees ***without*** outplacement support said their productivity significantly reduced or stopped altogether



VS.



Only

8%

of the individuals who ***benefitted from*** outplacement support reported the same reduction in productivity



Claire Scholes, Talent & Change Consultant – Right Management UK

*"Career transition support **provides a sense of stability and structure at a time when everything and everyone feels unsettled** – enabling employees to maintain focus despite the uncertainty surrounding them. When people are left to fend for themselves during times of change, **the negative impact on organisational output can ripple well into the future**."*



The business impact

Employees leaving the business down tools and those who remain are required to pick up the slack – **placing unnecessary strain** on an already unsettled workforce.

20%

Following a restructure, 'survivors' can experience **a 20% decline in job performance**. (5)



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(5) LinkedIn

Costly workforce reparations

And the risk doesn't stop at productivity and engagement. Restructuring the wrong way – without proper consultation with and support for your people – can trigger a disproportionate increase in voluntary resignations among remaining employees: increasing disruption and incurring significant recruitment costs at the precise moment organisational stability is most needed.



1%

reduction in workforce can lead to a

31%

increase in **voluntary turnover**. (6)

36%

Survivors of a restructure exhibit a 36% decline in **organisational commitment** (7)

10% Following a poorly managed restructure, organisations can expect **reputational damage to increase their cost per hire by 10%.** (9)





The business impact

Organisations are left to contend with the **cost of replacing lost talent**, which can range from anywhere between **50-200% of the employees' salary,** once direct and indirect costs are factored in. (8)



Tim Gilbert, Managing Director – Right Management UK & Ireland

*"The financial implications of mismanaged transformation can be devastating. The **long-term costs of unmanaged exits and any subsequent attrition** can quickly escalate, making an intended cost-saving measure anything but."*

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(6) Academy of Management Journal; (7) Forbes; (8) Society for Human Resource; (9) Glassdoor

MANAGING CHANGE THE RIGHT WAY



Managing Change The Right Way

Working with an outplacement partner ensures organisations are supported through the entire transformation journey – from consultation to announcement and implementation. And the data tells us it makes business sense. When receiving outplacement support from an external provider:

Employees are over **7x** more likely to **feel positive** about their previous employer

Employees are over **4x** more likely to **be willing to return** to their employer in the future

Employees are over **3.5x** more likely to **recommend** their previous employer

Beyond simply being the right thing to do, providing outplacement support is proven to enhance the employee experience during transformation, while protecting employer brand and reputation.

*"To them I was a number, but the job and **redundancy was life changing** and affected me deeply."*

- Respondent impacted by redundancy







Tim Gilbert, Managing Director – Right Management UK & Ireland

*"When organisations invest in their people through **meaningful, human-centred support**, they move beyond simply limiting reputational damage. They are creating conditions where **employees feel valued even at the point of exit** – turning redundancy into an opportunity to enhance brand, limit unintended talent loss and even **reduce future recruitment costs**."*

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Interested in learning more?

We'd love to chat.

Increasing confidence, wellbeing and future job success through market-leading outplacement support.

Right Management partners with organisations to power the human side of change, offering over 40 years' experience in supporting businesses and their employees through some of the most challenging times. Our human-centred, data-driven outplacement programmes are designed to create long-term, sustainable impact for every participant, from senior executives to entry-level roles.

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THE RIGHT WAY