

Reed's Research Highlights the Impact of Job Cuts



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Reed has undergone an extensive research process in order to compare the reaction of recessionary pressures in 2009 to those of the 1992 recession. This comprehensive study is a part of the Keep Britain Working initiative, which was developed by the [recruitment services](#) provider.

From the very beginning of this research it is clear that today's employers are responding very differently to recessionary pressures than those of 1992.

This is in spite of the fact that an identical percentage of organisations in both the 2009 and 1992 studies – 44% – said they had made redundancies as a direct response to the downturn.

Where organizations in early 1992 felt compelled to radically re-engineer their staffing structures, in 2009 something else is happening. In 1992 over 67% of organisations indicated that staffing structures had been changed by the recession. Managers were particularly hard hit by redundancies and were predicted to be least in demand in the upturn, as companies de-layered across the board. The multi-layered, hierarchical organisation was replaced by something much flatter and therefore more flexible.

Redundancies seemed to be imposed with what often sounded like brutal relish. They were characterised by phrases such as "stripping out the dead wood" or "cutting out anyone over the age of 50", heralding the end of the "job for life".

Two decades ago 40% of employers identified their most successful recession-driven change as "increasing central controls". In contrast only 20% encouraged greater employee co-operation. This smaller group actively introduced higher levels of internal communications and staff training, multi-skilling workers to perform across previously rigidly demarcated roles. While it was feared at the time that mass redundancies would jeopardize what was known as the "psychological contract", in retrospect the actions of this smaller group sowed the seeds of a new relationship between staff and managers which the best organisations appear to have built upon ever since.

In 2009, in contrast to 1992, redundancies have hit across the board, but have not changed the shape or staffing structure of organisations. In 1992 67% said a fundamental shift in staffing patterns occurred, today people are split 50/50. This report shows a different process is occurring, involving a more fundamental shift in attitudes amongst employers and workers.

Key findings for 2009 include the following:

Staff number changes within the organization since the down turn:

- Decreased: 44%
- No Change: 36%
- Increased: 20%

Effect of Recession on staffing patterns within the organization:

- No Change: 51%
- Change: 49%

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