

18. REDUNDANCY MANAGEMENT

- 18.1 Managing redundancy can be a very challenging task as it involves dealing with an upsetting situation where employees are affected owing to the fact that their services are no longer needed. The latter may arise due to technological change, changes to functions of an organisation/department or other changes in work methods, or changes in the nature, extent or organisation of the functions of the entity. Redundancy, therefore, requires sensitive handling by the employer for a fair treatment of the redundant employees.
- 18.2 The Bureau provided, in its 1998 and 2003 Reports, for the setting up of a mechanism to manage redundancy as and when the need arises and made appropriate recommendations to the Government. In pursuance of our recommendations, a Redundancy Management Committee was established under the chairmanship of the Secretary for Public Service and comprising representatives of the Ministry of Finance, Economic Planning and Development, the then Ministry of Training, Skills Development, Employment and Productivity and the Pay Research Bureau, with the main objective of looking into the various problems arising out of redundancy. However, we have been apprised by the Ministry of Public Service, Administrative and Institutional Reforms (MPSAIR) that the Committee has ceased to exist since long.
- 18.3 Further to the unprecedented situation caused by the COVID-19 Pandemic, thereby impacting adversely on the social and economic landscape and considering the effects of globalisation whereby our country is more than ever compelled to be more productive and competitive, the Bureau holds the considered opinion that much emphasis should anew be laid on this subject. The Pandemic indeed took along on its toll the economy and labour market, whereby businesses were unable to operate effectively. The drastic reduction in overall activities has, as a result, caused the laying off of many employees and in some cases, companies had no other option than to close down. In the Civil Service, though losing job was not a major concern, Government was urged to take bold decisions in curtailing public sector expenditure, among others. Moreover, relevant legislations were amended to enable the private sector to, *inter alia*, better address any issue related to laying off of employees by providing wage assistance programme.
- 18.4 For the private sector, the Workers' Rights Act 2019 has made provision for the establishment of a Redundancy Board to look into cases of reduction of workforce and closure of enterprises for economic, financial, structural, technological or any other similar reasons. In principle, in the Public Sector, when a parastatal body ceases to operate, officers are given the option to either retire or be redeployed to another Parastatal Body/Ministry or to proceed on an early voluntary retirement. In addition, upon abolition of office and re-organisation in the public sector, an officer is granted an enhanced pension.

- 18.5 In foreign jurisdictions, redundancy management schemes exist to cater for Public Sector employees who have been made redundant. In the UK, there is a protocol on Civil Service Redundancy Principles that provides for redundancy management in the Civil Service. Furthermore, a Recruitment and Redeployment Working Group is responsible to identify immediate and future plans for recruitment and redeployment requirements. In Western Australia, the Public Sector Commission has established formal guidelines to address redeployment and redundancy issues encompassing the termination of employment of employees who are surplus to an agency's requirements or whose office, post or position has been abolished and alternative suitable employment cannot be found.
- 18.6 In the Mauritian public sector, the need for redundancy management mainly arises in case of defunctness of an organisation, whereby employees are most of the time subject to redeployment in other Organisations/Ministries/Departments. In this context and in the absence of a proper framework regarding the redeployment of the employees concerned, we are providing for general guidelines for a planned redundancy management scheme to ease the redeployment exercise and limit any industrial dispute that may arise thereof.

Recommendation 1

- 18.7 We recommend that the following guidelines may be adopted by Management of the Organisation/Department concerned and/or Ministry for dealing with redeployment in cases of redundancies due to the defunctness of organisations, among others:**
- (i) keeping all employees concerned informed throughout the process and to hold consultations by adopting an active and cooperative approach through collaborative arrangements with relevant trade unions/Federations, before any action is initiated, thereby ensuring harmonious industrial relations;**
 - (ii) finding suitable alternative employment in the public sector based on the positions held and level of responsibilities shouldered by the employees concerned in their previous job;**
 - (iii) identifying potential duties, priority to be accorded as far as possible to duties for which the employee is already qualified or would become qualified as a result of a top up training;**
 - (iv) giving opportunity to relevant Union(s)/Federation(s) as well as employees to put any views on proposed changes/redeployment before a decision is finalised; and**
 - (v) considering the retraining of the redeployed employees in their new organisation wherever the need is felt.**

- 18.8** The Bureau holds that Management of the Organisation/Department where the redeployed employees have been posted, should provide the necessary support to the latter. Such support may involve:
- (a) fair treatment of the employees concerned;**
 - (b) providing the employees with regular and meaningful work, in consonance with their skills and experience and schemes of service; and**
 - (c) providing appropriate training or retraining, where practicable on the job training and/or undertaking of an appropriate course to provide new skills or update existing skills.**



