

# Employees Opt For Reduced Hours as Alternative to Job Cuts

Submitted by: Media Jems

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Over half of employees would rather have their hours reduced than see their colleagues made redundant, according to the findings of a new research report by workforce change management and outplacement specialists Rialto.

In the report, which draws together the views of 30 global organisations as well as leading industry commentary, Rialto reviews how organisations are managing their people cost base in the global downturn and reveals that both employees and management are keen to explore alternatives to redundancy as a way of riding the economic storm.

One key finding included in the report tackles the issue of alternative cost reduction strategies and draws on the results of research by GRS which revealed that over 50% of employees would take a cut in hours to save another colleague from redundancy.

"It is much more cost effective to reduce a salary by 5% than to make 5% of the workforce redundant because there are no severance payments but it also prevents a possible exodus among survivors, in some instances creating losses much greater than the cuts achieved through the layoffs. A few years ago, such tactics were unheard of but in the current recession, people are being forced to think more creatively about how to retain talented staff in the long term whilst riding this relatively short period of economic turbulence," says Richard Chiumento, CEO of Rialto.

The report comes at a time when almost half of Britain's councils are planning major job cuts in the next 18 months as the recession bites and their funding is cut by up to 15%. Richard Chiumento says "The next few months won't be easy, but many can avoid the damaging effects of redundancy by exploring options such as hiring freezes, reducing hours, delaying raises, trimming salaries, cutting temporary employee contracts and offering early-retirement packages. Our approach with clients is to provide the kind of support that ensures that those who remain, remain engaged; and those for whom there is absolutely no alternative but to leave, leave with dignity and with our support to enable them to re-invent their careers".

"No-one wants to see their fellow worker lose their job and many are willing to sacrifice their own incomes to save that of another. Smart companies will capitalise on this opportunity to rebuild trust and security by looking at alternative cost reducing strategies that help retain the majority of top talent. Such strategies will provide the entire workforce with a sense of community, pulling together to help one another out, and will also show that management do care about their people and are not just out to cut costs in the short term," explains Richard.

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Notes to Editor

About the report - "Managing your people costs in a recession".

Primary research was undertaken with around 30 global organisations, either headquartered in the UK, or with a strong UK presence. These organisations also have global reach in one or more geographical areas. Questions were posed to HR Directors and Operational Board level directors to ascertain activities related to people cost management in the current downturn, and to understand any differences in approach in different geographical areas.

This was not intended to be a statistical survey. Responses were used to confirm or enhance significant secondary research focused on activities currently occurring, and those which have taken place during previous recessions.

#### About Rialto

Richard Chiumento is Chief Executive of Rialto and a leading expert in the field of workforce change management, executive career transition and outplacement.

Rialto is a professional services firm specialising in executive career services and workforce change management programmes. Their services include executive coaching and career transition support, executive search and interim management provision, outplacement and workforce change management solutions for organisational restructures, mergers, acquisitions, and outsourcing projects.

Clients include: Nationwide Building Society, Barclays, British American Tobacco, Oxford Instruments, The Guardian News & Media, British Nuclear Group, Birmingham City Council, Ministry of Justice, MOD, Linklaters, Dixons Store Group, Ladbrokes and London Business School.

For more information about Rialto visit [www.rialtoconsultancy.com](http://www.rialtoconsultancy.com)

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