**REDUNDANCY CASE STUDY – THE ENGINEERING COMPANY**

Case study – redundancy pools and criteria

Blackburn & General are a manufacturing and engineering company who specialise in high skilled work in supplying a range of products to a number of industries. These products vary from pressed and shaped details, machined parts, electrical assemblies, through to large assemblies.

They employ 1740 people made up of 800 skilled and semi-skilled shop floor operatives, 820 engineering and support staff, 20 apprentices and 100 in their middle and upper management group.

Due to a decline in workload and work being placed into other business units, they are announcing a significant redundancy for 915 jobs.

The proposed redundancy identifies a potential 600 Manual jobs to go.

On the shop floor, all electrical work and sheet metal work is being sub contracted or placed into other units, leaving only fitting, machining and treatment/paint work on the site.

The shop floor is currently comprised of:

|  |  |
| --- | --- |
|  Job Category |  Headcount |
|   | Current | Proposed |
| Fitter | 475 | 148 |
| Electrician | 97 | 0 |
| Machinist | 92 | 30 |
| Sheet metal worker | 71 | 0 |
| Paint / treatments | 63 | 22 |
|   |   |   |
| Total | 800 | 200 |

The company are proposing the following pools:

1. Skilled group (fitter, electrician, machinist, sheet metal workers)
2. Semi-skilled group (s/s fitter, s/s electrician, paint/treatments)

The proposed redundancy identifies Managerial, Clerical, Professional, Quality and Technical jobs to go. Most of these reflect their linked activity to the shop floor. These areas currently break down as follows:

|  |  |
| --- | --- |
|  Job Category |  Headcount |
| Engineering design | 114 | 108 |
| Engineering planning | 96 | 65 |
| Engineering integrity | 50 | 47 |
| Engineering support | 85 | 53 |
| Engineering plant | 8 | 2 |
| Engineering facilities | 34 | 28 |
| Engineering I.T. | 26 | 22 |
| Customer support | 27 | 24 |
| Product support | 25 | 21 |
| Project management | 52 | 48 |
| Finance | 31 | 24 |
| Logistics | 101 | 36 |
| Clerical / admin | 80 | 20 |
| Quality | 76 | 45 |
| HR | 15 | 7 |
| Management |  100 |  70 |
| Apprentices | 20 | 5 |
| Total | 820 | 555 |

Whilst there are planned reductions in all of these categories the company are optimistic that there is the potential for growth in the Engineering areas 18 months to 2 years down the line.

The company are proposing the following pools:

1. Engineering
2. Support (incl. Project Management)
3. Finance, Logistics, Clerical/Admin, Quality and HR will all be as they stand

***Consider the proposed pools and draw up what criteria which might be used.***