Developing a Strategic Redundancy Implementation Model for Organisational Resilience and Sustainable Futures

Dr. Madeleine Pickles

Reader in Organisational Transformation and Teaching Innovation

Abstract

In today's rapidly evolving business landscape, redundancies have become a well-established management practice (Wilkinson, 2005). However, the acceleration of artificial intelligence (AI) and automation is fundamentally reshaping industries, altering the nature of work, and intensifying workforce transitions. While AI introduces efficiency and innovation, it also raises concerns about job displacement, with many roles becoming redundant due to automation.

According to a report from the World Economic Forum, AI and robotics are expected to displace 85 million jobs by 2025. However, this transformation is also forecast to create 97 million new roles in areas such as AI development, data science, and human-AI collaboration. Despite these opportunities, the immediate impact on businesses and employees remains significant, necessitating strategic workforce planning to manage the transition effectively.

Already, various organisations have begun implementing redundancies linked to Al adoption. For instance, Klarna has announced plans to reduce its workforce from 3,800 to around 2,000 employees, citing efficiencies gained through Al-driven automation. Such cases highlight the growing urgency for organisations to adopt structured approaches to managing redundancies.

While redundancies are often viewed as a cost-saving measure (Gandolfi & Hansson, 2011; Schoenberg, Collier, & Bowman, 2013), research suggests they rarely result in improved financial performance or increased productivity (Cascio, 2013). Moreover, Luan, Tien, and Chi (2013) argue that implementing redundancies during economic downturns can further weaken organisational performance, reinforcing the need for a measured and strategic approach. Redundancies also have long-term repercussions at both the organisational and individual levels, making it imperative for businesses to prioritise sustainable workforce strategies (Quinlan & Bohle, 2009).

A Strategic Approach to Redundancies

This five-year research project introduces an innovative Strategic Redundancy Implementation Model, trialled within a global engineering and technology business. The findings demonstrate that compassionate leadership and proactive strategic planning can mitigate the negative impacts of redundancies, fostering organisational resilience and employee wellbeing. By balancing the needs of individuals and the organisation, this model offers a sustainable approach to workforce restructuring, ensuring long-term adaptability and business continuity.

As industries navigate the complexities of Al-driven transformation, this model provides a structured framework for organisations seeking to implement redundancies responsibly, preserving innovation, competitiveness, and workforce sustainability in an era of rapid technological advancement.