

SOFTENING THE EFFECTS OF REDUNDANCY IN THE NEW ZEALAND CASINO GAMING INDUSTRY AS A RESULT OF THE COVID-19 PANDEMIC

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ABSTRACT

When the Coronavirus-19 pandemic hit New Zealand in 2020, the Casino Gaming Industry decided to make redundant a significant number of employees. Though the industry's decision has been financially beneficial, it has led to negative effects such as the difficulty in maintaining its good reputation and preventing employees' anxiety as there was no work security for them. Redundancy has also affected its ability to attract future employees. Solutions such as training and development, 360-degree feedback, employee referral programmes, rewards and recognition have been proven by other industries to increase productivity and decrease turnover. This is a literature-based investigation and criteria have been utilised to determine amongst five solutions, the most feasible and most suitable for New Zealand Casino Gaming Industry. Using decision criteria based on cost and business impact, employee referral programmes and recognition provided the lowest cost and the most effective business impact during the crisis period.

INTRODUCTION

The Casino Gaming Industry (CGI) is a billion-dollar industry and continues to grow significantly during the past decades in New Zealand. CGI's venue for its business is commonly referred to as a casino where spectrums of games purely based on chance are played, and various types of gambling activities are carried out. The gambling activities include an array of games such as online gaming, card room gaming, lotteries, race and sports wagering, and other gaming, such as bingo and raffles (Allied Market Research, 2021). Usually, these venues are built and operated near luxury hotels, areas with busy restaurants and upmarket retail shopping centres where people with high incomes are attracted (Allied Market Research, 2021). Only a few multimillion organisations in New Zealand control the CGI. When the Coronavirus-19 (COVID-19) pandemic hit the country in 2020, a significant number of employees in CGI lost their jobs around the country. For example, nearly 200 employees faced redundancy in one organisation located in Auckland (Nadkarni, 2020a). Though the decision to terminate tenured employees' contracts brought positive financial results to the industry, it also led to decreased organisational commitment, job dissatisfaction, job insecurity and turnover (Antoneje & Antoncic, 2011). The decision to make employees redundant has affected CGI's reputation as to keeping employees engaged. This literature-based investigation aims to provide a feasible and most appropriate plan for the CGI to boost employees' satisfaction that was lost during the 2020 COVID-19 pandemic due to employee redundancy. This report is divided into three parts. The first part discussing CGI's operation and the effects of the issue on redundancy, the second part analyses possible solutions to the identified issues, and the last part evaluates solutions that are recommended to be implemented to soften the impact of further COVID-19 pandemics.

ABOUT THE INDUSTRY

Gaming culture has been intensified especially during the last two years and 79% of the gaming population are from the age group of 34 years and over (Zhou et al., 2021). In 2019, SkyCity Entertainment group was

one of the companies which increased its earnings by 12.5% to \$2.3 million, enabling the company with strong cash flows to expand other projects (CGI Inc. Annual Report, 2019). In 2019, Jacinda Arden, Prime Minister of New Zealand, banned gaming advertising (Kay, 2019). The industry has been proactive in addressing the issue of this ban (Gibson, 2020). However, this decision may pave the way for more online casinos. CGI's business goals are focused on improving its operating performance through investment in information, communication, and technology (ICT) infrastructure (Nadkarni, 2020). The CGI has not given significant attention to how to develop the skills of its employees to keep abreast with the direction towards online casinos (Gibson, 2020). Gibson reported that with a large amount of capital invested in ICT infrastructure, profits may be delayed, or even subject to New Zealand taxes.

In early 2020, the spread of COVID-19 led to lockdowns of businesses (Gibson, 2020). On the contrary, when most of the businesses were reporting decreased sales and profits, a 9% increase in online gambling was reported in the New Zealand Health and Lifestyle Survey (Ministry of Health, 2019). Therefore, propelling the direction of the industry towards online gaming was found to be favourable in terms of profit, but on the other hand, physical casinos were negatively affected (Nadkarni, 2020).

METHODOLOGY

This investigation is desk research and the information and data used were extracted from already published literature. This method is cost-effective since all information and data were collected from published resources. On the other hand, this investigation could be considered as an exploratory study, because there are not many resources available in the area of CGI employee redundancy especially during a pandemic

HUMAN RESOURCE ISSUES IN CASINO GAMING INDUSTRY

In any organisation, the most important developmental goals for employees are to grow, be empowered, and be viewed by employees as a great place to work. This is important as employees' positive perceptions towards work can lead to attracting high performing applicants and to the promotion of the organisation's positive outlook on the industry's reputation (Katsaridou & Lemke, 2020). A self-assessment survey amongst directors of one casino organisation located in Auckland was conducted to create a concrete plan to achieve the above goals (CGI Inc. Annual Report, 2019). The results of the survey showed that human resources were considered second to the lowest competency that the directors held. The poor human resource competencies of CGI Directors' and the COVID-19 global pandemic have forced management to reduce their costs by making redundant a significant number of employees (Flaws, 2020). The following sections discuss the nature of redundancy and the effects of redundancy on the CGI.

Nature of redundancy

According to Graeme Stephens, Chief Executive of the CGI Entertainment Group, the organisation had been facing an almost \$90 million loss in revenue every month, due to costs in utilities, lease payments and labour (Nadkarni, 2020b). In May 2020, the organisation downscaled and made redundant 22.5% of its employees (mostly casino dealers and restaurant staff) (Flaws, 2020). Redundancy is a way of terminating an employee's job because either the work or the role is of no further use to the current direction of the organisation (Brougham & Haar, 2017). According to the New Zealand Ministry of Business Innovation and Employment (2020), organisations are required to follow a just process should a decision be made to dismiss an employee. Research shows that after employees have witnessed redundancies, overall performance decreased, efficiency plummeted, absenteeism increased and engagement in the workplace decreased, all leading to unmanaged attrition (Hussain et al., 2019). Additionally, employees may lose trust in their organisation because of the fear that they may lose their jobs as well (Parvin & Kabir, 2011). Redundancy damages the psychological contract between the remaining employees and the organisation (Robbins, 2019). Next, the effects of redundancy on CGI employees in the New Zealand context is discussed.

Effects of Redundancy

The effect of redundancy is analysed and discussed under three topics: difficulty in maintaining a good of corporate reputation, the lack of job security among employees, and the inability to attract future employees.

Difficulty in Maintaining Positive Corporate Reputation

Based on a survey on corporate reputation conducted for a major organisation in the CGI by Indeed (2021), their overall rating is 3.8 out of 5. This survey was conducted with CGI employees and based on their satisfaction with work-life balance, pay, benefits, job security and advancement, management and culture (Indeed, 2021). Corporate reputation is the total esteem in which an organisation is held by both internal and external stakeholders based on its previous activity that affects future behaviour (Matuleviciene & Stravinskiene, 2015). Already published evidence suggests that negative a corporate reputation impacts on the cost of hiring and may even lead to an employee retention crisis (Jung & Seock, 2016). If the management of CGI fails to pay proper attention to this managerial issue, it would negatively impact both future and current employees in the industry (Radio New Zealand, 2020). According to the survey conducted by Career Builder, 71% of labourers will not apply to join a company with a negative reputation (Jung & Seock, 2016). Moreover, this negative reputation could push an organisation's best employees away, creating a talent vacuum (Lee, 2012). Based on interpretations made by Alon & Vidovic (2015) if the CGI did not manage its employee retention, it could cost the industry 21% more in salaries. The CGI's objective in terminating employees was to reduce organisational costs; however, the effects of this decision may have impacts on the long-term sustainability of the business.

Lack of Job Security

To further reduce the operational cost, Senior Executives of a major organisation in CGI reduced their pay by 20% to 40% and directors' pay by 50%, and the rest of the employees were asked to take 80% of their base pay and take the New Zealand government's wage subsidy (Radio New Zealand (RNZ), 2020; Treen, 2020). Such a decision to decrease the employees' pay may have impacted negatively on employee's job security. Based on a study conducted by Cullen & Perez-Truglia, (2018), a decrease in the salaries of employees caused them to spend fewer hours in the office and increased absence, and the majority consider leaving the organisation. This is supported by 'Maslow's Hierarchy of Needs', stating that humans have five levels of needs that are required to be met based on individual expectations (Naderpajouh et al., 2020). Based on Maslow's theory, the second basic need to be fulfilled is safety, and job security plays an important role in this context (Lester, 2013). If employees feel a lack of job security this could lead to increased anxiety, depression and to a lack of trust in the organisation.

The CGI needed to investigate how each organisation provides job security to make their employees feel secured. According to a study by Edwin Locke, keeping employees feeling safe and secure creates a positive work environment boosting sales, meeting organisational goals while maintaining loyalty to the organisation (Pomerance et al., 2020).

Inability to Attract Future Employees

In October 2020, one of the leading CGI companies in New Zealand finished refurbishing its Auckland Very Important Persons (VIP) area by doubling the size of the previous gaming area (Morrison, 2020). This expansion itself resulted in a demand for more employees such as VIP hosts and food and beverage waiters (Opportunities in CGI, 2020). Due to the previous redundancy process, this organisation has already lost their experienced VIP hosts and waiters. According to Organisation Science magazine (United States of America (USA)), each employee redundancy may cost an organisation about \$5000 (US\$3500) in both direct and indirect turnover costs (Mueller, 2020). Based on the present expansion, the VIP area in Auckland needs more employees but they are facing the challenge of recruiting competent employees with

experience (Mueller, 2020). The inability to attract competent employees has had an adverse effect in attracting new and returning customers because they expect quality service from experienced staff (Markovich, 2019).

Overall, CGI is facing several effects from the removal of their experienced tenured employees. The effects of redundancy have resulted in difficulties in maintaining a positive corporate reputation, a lack of job security for the remaining employees, and an inability in attracting future employees. On the other hand, the industry has invested and opened few new facilities around the country, and they need competent, reliable, and experienced employees. Considering the current COVID-19 pandemic situation and high demand for experienced employees, the implementation of strong training and development, 360-degree feedback, employee referral programmes, rewards and recognition are recommended to soften the effects of redundancy in CGI.

CRITICAL EVALUATION OF SOLUTIONS RECOMMENDED TO SOFTEN THE EFFECTS OF REDUNDANCY

There are five solutions identified to soften the effects of redundancy in CGI. This section analyses both the advantages and disadvantages of each solution and aims to show how each solution may contribute to softening the effects of redundancy.

Training and Development

Training is considered one of the most significant strategies to empower employees (Sinha & Sengupta, 2020). It provides a way to develop knowledge and skills for both performing and underperforming employees, so targets set can be met. In a study by Garg (2017), training influences the motivation of employees and affects how individuals can be proficient in their roles. Garg reported that the correlation between training and motivation was further reinforced by Herzberg's theory of motivators and hygiene factors. This theory dictates training which influence motivation and affect achievement (Schunk & DiBenedetto, 2020). According to Elnaga and Imran (2014), appropriate training developed employees' knowledge and skills, connecting the difference between present job output and target outcome. The CGI may find training advantageous, as it may improve employee motivation to be at their best at work. Thus, this could be a favourable result as far as this industry's reputation and the efficiency of employees. Training may lead to an increase in motivation having a significant correlation with productivity (Zhao & Kularatne, 2020). Success in training may stimulate employees to become more efficient and more capable in their roles for future positions within the organisation.

Though developing an organisation's most valuable asset employees, the training and development entails time and cost (Masalimova et al., 2016). Currently, some organisations in the CGI have online training or computer-based training (CBT), but this type of training may be ineffective with employees who have low motivation (Hiranrithikorn, 2019). This is reflected in the industry's 35% completion rates of required online training (CGI inc. Annual Report, 2019).

Considering all the above facts, the current training programmes are ineffective. The best solution would be creating face-to-face training sessions; however, these would require costs to run in-house or via external trainers and organisations will need to pay for their employees' hours of training, instead of working.

360-Degree Feedback

The CGI may utilise a feedback mechanism, such as 360-degree feedback which encompasses various responders (participants). Most organisations in the CGI have no feedback mechanisms available to employees (Fleenor & Chappelow, 2020). So, the opportunity to get formal feedback on the genuine performance of each employee is not evident. The 360 degree feedback mechanism is as multi-rater and is said to be the most complete evaluation where all parties are connected to the performance of an

employee and given a voice to provide feedback anonymously (Lepsinger & Lucia, 2009). This form of mechanism overrides “leaders’ blind spots”, as ratings come from employees with different points of view who have close contact with the employees’ job performance (Chandana & Easow, 2015). The 360-degree feedback method uses a survey that has a list of behavioural-based strengths and weaknesses recognised by employees, supervisors, co-workers and managers, and occasionally even clients (Lepsinger & Lucia, 2009). The 3 system gives a structure and a detailed view of the performance of an employee and consequently it can consume a great deal of time (London & Beatty, 2006). The CGI essentially would require adjusting its scheduling and capacity planning to make 360-degree feedback effective (London & Beatty, 2006). The time needed to take employees away from work to provide this feedback would entail an additional cost to the organisation.

According to Chandhana & Easow (2015), the world’s biggest and highest ranked casinos use 360-degree feedback with middle management, including Bellagio in Las Vegas (USA), the Venetian in Macao (China), Monte Carlo Casino in Monte Carlo (Monaco), Casino Baden-Baden in Baden-Baden (Germany) and Marina Bay Sands (Singapore) (CGI Inc. Annual Report, 2019). Chandhana & Easow reported that the study conducted by success in implementing 360-degree feedback is based on the effectiveness of training given to each of the anonymous respondents, regarding the procedures, and how each item should or should not be translated into the employee’s overall performance.

The focus of the 360-degree feedback should be on the employee’s strengths, not on weaknesses, as this could lead to resentment among the respondent and the assessee (Bracken & Rose, 2011). Failure to provide proper training in giving feedback may result in erroneous and unreliable results. The 360-degree feedback system requires appropriate training before implementation.

Employee Referral Programme

Unlike training and development and 360-degree feedback, the employee referral programme is a more cost-effective strategy to grow a highly skilled workforce (Simmons, 2020). The expected expansion of the CGI will require skilled employees (Morrison, 2020). In general, this industry utilises advertisements, third party recruitment and website recruitment (Rahman et al. (2014) reported that social media was also been used as a recruitment method. However, it would appear that most of these avenues have not captured experienced employees (Stockman et al., 2017). An employee referral programme motivates employees to recognise and to choose employee aspirants within their public network (Van Hoyer, 2013). It is also the least costly method of staffing, as it does not require much cost to pay a third party to hire a suitable external candidate (Löjdqvist & Nilsson, 2016). The employee referral programme has been shown to be more efficient when it came to providing a better offer to the candidate, and higher acceptance rate and lower attrition rate, than online recruitment or direct application and advertisement (Mani, 2012). Thus, the CGI could promote an employee referral programme by giving a monetary bonus or incentive to the referee, should the candidate be accepted for the position (Schlachter & Pieper, 2019). On the other hand, the disadvantage of the employee referral programme is the risk of personal conflicts, such issues arise among employees (Van Hoyer, 2013) For this programme to be effective, the CGI should use various selection tools within the pool of candidates to recruit appropriate employees for the position (Fernandez & Castilla, 2017).

Employee loyalty is considered one component of an organisation’s success (Khan et al., 2020). One employee referral programme demonstrated employees’ loyalty as it concretely showed positive effects; amongst their employees, there was a desire to endorse the organisation to other prospective employees (Antoncic & Antoncic, 2011). This was reinforced by McClelland’s Theory of Needs (1965), stating individuals are motivated by three basic drivers: achievement, affiliation and power (Osemeke & Adegboyega, 2017). Affiliation indicates a need to have a close friendly relationship with others (Royle & Hall, 2012). So, referring an employee from your network may create an affiliation within the workplace and this may increase the employee’s motivation. McClelland’s Theory of Needs was reinforced by Winter and Barenbaum (1985), which indicated that achievement, affiliation and power are not the only drivers for motivation, but also are

considered essential human aims. Results from the study of Royle and Hall (2012) demonstrated that there was a correlation between McClelland's Theory of Needs and a person's accountability, wherein an employee's motivation to complete assigned tasks was anchored to the affiliation created. Thus, each employee was accountable for the action of the other and this was highly based on the effectiveness of the employee referral programme (Jayanthi, 2017). Employee referral may affect the motivation level of employees, both intrinsically and extrinsically (Kuvaas et al., 2017); intrinsic motivation would be actions that led to internal rewards, such as independence and a sense of responsibility; whereas extrinsic motivation was an action led by external rewards, such as money, gifts, and travel. (Sansone & Harackiewicz, 2000).

Providing travel incentives may intrinsically motivate employees, as it provides a sense of responsibility for their preferred candidate to become successful in the recruitment process. It also gives extrinsic motivation for the employee to refer applicants knowing that a tangible reward might be expected. The CGI could replicate the success of other employee referral programmes by providing travel opportunities to employees. During the COVID-19 pandemic, the CGI could concentrate on providing travel incentives within New Zealand, not only be beneficial to the industry and its employees but would also to the national tourism industry (Kay, 2019).

It is vital for organisations to monitor the motivation level of employees regularly and to maintain this enough to gauge employee engagement (Garg, 2017). Previous studies have indicated that employees who showed a high level of commitment to the organisation were those who encouraged others to join their organisation (Edward, 2000; Mangkunegara & Octorend 2015). There was also a correlation between employees' emotional attachment to the organisation, and a high level of intrinsic motivation to add value to the organisation (Chen, 2019). Employees must be valued particularly those who exhibit a genuine commitment to their work and the organisation (Khan, et al, 2020).

Rewards

Rewards are tangible benefits received by employees in the attainment of goals based on job performance (Raj et al., 2018). According to the Harvard Business Review, 78% of employees were happier in their work after being rewarded (Robbins, 2019). Research indicated that when employees were happy, they contributed to higher morale and were at least 20% more productive than previously (Tohidi, 2011). When employees' morale was high, employees saw greater value in staying loyal to the organisation (Wati et al., 2020). Turnover however is lower in organisations that provide rewards to employees but there it has a greater opportunity to fully succeed in attaining revenue targets and company goals (Raj et al, 2018). Organisations in the hospitality industry, such as Marriott, rewarded employees with healthcare benefits and free weekend hotel stays for life (Marriott International Benefits, 2020) using rewards as a tool to keep employees engaged and this was highly correlated to an increase in profits (Salah, 2016).

Rewards may vary from fringe benefits to an increase in wages, bonuses, profit sharing, pension plans, paid leave, purchase discounts, and to even occupying a more attractive corner office or having an allocated parking space (Siwale et al., 2020). Currently, Skycity, rewards for their employees ranges from subsidised dining facilities, discounted car parking, health insurance benefits and employee discounts in all of the organisations' hotels, restaurants and benefits with third-party suppliers.

However, the CGI needs to consider certain disadvantages in using tangible extrinsic rewards. These may result in increased operational costs since they require a certain amount of expenditure to reward an employee. Monetary reward may lose its value in the long term as it could lose the value of appreciation in employees and performance, which could be dependent on expected rewards (Tohidi, 2011).

Recognition

Employee recognition is the act of acknowledging an exemplary performance (Bradler et al., 2016). Rewards and recognition are usually joined together; rewards are tangible and connected to business goals; whereas recognition is intangible and may be given as often as possible (Ghosh et al., 2016). Recognition is essential in boosting the morale of the employee as it reinforces behaviour, practices or activities that may contribute to positive organisational results (Lim & Xavier, 2015).

The types of recognition can range from bonuses to something non-monetary such as, written or verbal praise or a celebration such as an Employee Appreciation Day, or the acknowledgement work of anniversaries (Lim & Xavier, 2015). However, most organisations in the CGI are limited as to monetary rewards and currently, most do not have effective recognition programmes for their employees. According to organisations who do not have an employee recognition programme, this opens them up to a 39% employee turnover and in fact may decrease employee engagement by 39% (Amoatema & Kyeremeh, 2016). So, successful casinos, like Metro-Goldwyn-Mayer (MGM) Grand, utilise employee recognition programme to the fullest extent (MGM Resorts, 2021).

MGM Grand, the biggest casino in Las Vegas was awarded the "World's Most Admired Company", because of its employee recognition programme (Robbins, 2019). This programme has increased annual revenue from US\$ 714 Million in 2018 to US\$1Billion in 2019 (Ghosh et al, 2016). It was not only financially beneficial for the organisation, but it also bred a positive workplace culture and thus increased employee motivation (Cavero-Rubio et al., 2019). MGM's employee engagement increased by 94% and job satisfaction rates grew to 97% (MGM Resort, 2020). According to a study conducted by Lindner (1998) employee motivation brings creativity and the high level of commitment needed to succeed in a fast-changing workplace (Lazaroiu, 2015). The positive result of recognition resonates with Herzberg's theory, that the presence of motivating factors such as recognition increases the productivity of an employee (Malik & Naeem, 2013).

However, if recognition is based on monetary incentives alone, it could bring competition that can lead to conflict amongst employees (Elnaga & Imran, 2014). An efficient recognition programmes should reinforce employee motivation and it would only be effective if honest and individualised (Zojceska, 2019). Should the CGI use an employee recognition programme, authenticity is a key factor for it to benefit both the organisation and its employees.

RECOMMENDATIONS

The five solutions to soften redundancy such as training, 360-degree feedback, employee referral programmes, rewards and recognition have their own advantages and disadvantages. With the current financial situation of the CGI solutions that could be cost efficient such as a recognition and an employee referral programme, would be most feasible. The following section discusses how recognition and employee referral programmes could be the best solutions for the CGI to soften the effects of redundancy. Decision-criterion, which refer to guidelines used to make sound business decisions, were used to determine which would be the most appropriate solution for the CGI. The decision-criterion used for this evaluation is cost, and its impact on the business.

Cost

The huge monthly loss in revenue in the CGI is the main reason why the industry had to make employees redundant (Hussain et al, 2019). A solution that is cost-efficient yet effective would be the most suitable way ahead. Organisations across industries spend \$1252 (about US\$870) per employee per year in training and development (Petters, 2019). If an organisation in the CGI had 6,000 employees in 2019, they may have incurred approximately \$7.5 million on training and development (Nadkarni, 2020b). Though training and development may soften the effects of redundancy; the cost to the organisation is not a financially compelling reason for the CGI to use this solution.

Compared with training and development, the CGI may need 360-degree feedback survey software to capture responses from various respondents who work on different shifts. The average cost of 360-degree feedback survey software is up to \$1057.53 and \$133.95 per person after installation (Fleenor et al., 2020). So, if a New Zealand organisation used a 360-degree feedback system it would spend roughly \$6.3 million in its first year, with an ongoing cost of \$0.8 million per year. This is 5.3% less expensive than training and development in the first year, and a 90% saving for all subsequent years. According to the Payscale website, the average salary of an employee in the CGI is \$64,000 per year (Payscale, 2021). This would mean that the cost of 360 degrees feedback survey software for the first year would be equivalent to the annual salary of 110 employees. The cost for each subsequent year is equivalent to 12 employees' annual salaries. When the COVID-19 pandemic hit the country, more than 200 employees of the CGI faced redundancy in one organisation alone and, the organisation reduced its labour cost significantly (Nadkarni, 2020a). More than the amount of money mentioned above could have been saved by implementing 360-degree feedback survey software.

Providing rewards to employees on the other hand would cost an average of at least 1% of an employer's annual salaries (Salah, 2016). Considering that the average salary of an employee in the CGI is \$64,000 per year, the cost of rewards may be equated millions of dollars. Providing rewards can be extremely beneficial to employees but employing this solution could harm the organisation's budget. Therefore, during the COVID-19 pandemic, rewards may not have been a feasible solution.

Different organisations implemented their employee referral programmes using different methods for example, monetary incentives as bonuses, verbal appreciation, displaying referee names on a wall of fame, letters of appreciation, gift vouchers, the use of organisational facilities as a guest and discounts on products or services (Jayanthi, 2017). As Löjdvist and Nilsson (2016) stated, this is the least costly type of incentive in terms of employing new staff because there are no hiring costs such as advertising, or payments for recruitment agencies. The negative aspect of this programme would be the risk of personal conflicts among employees (Löjdvist & Nilsson, 2016). This could be managed through a strong effective training and development programme (Schlachter & Pieper, 2019).

The pandemic has put the industry to have a limited budget, and thus becomes a primary factor to consider finding a solution, would be a good option. Zojceska (2019) reported that about 70% of United States of America's organisations rewarded their employees cash prizes between US\$1,000 to US\$5,000 (approximately NZ\$1,400 to NZ\$7,000) for recommending a successful candidate. An employee referral programme would be the most cost-effective option to recruit new employees (Zojceska, 2019). To reinforce a positive corporate reputation, building job security and establishing the ability to attract talent in the future, on top of a employee referral programme would be cost effective options. Therefore, considering all the costs of the five solutions discussed above, the employee referral programme and recognition, were not only effective but the most cost-efficient methods in relation to the CGI.

Business Impact

Business impact provides insights for the organisation to prioritise and allocate the correct resources to meet objectives (Fernando, 2020). By analysing the impact, organisations can see the value in an initiative (Meng & Berger, 2012). The impact of each solution above was based on productivity and turnover. According to the Harvard Business Review, productivity leads to the meeting of organisational goals and provides a positive reputation, making it a desirable organisation for future candidates (Garton & Mankins, 2020). The same authors stated that a decreased turnover was directly correlated to job security within an organisation. Productivity and turnover can be used as measurements to understand the effectiveness of each solution provided above. This is further supported by Stuebs and Sun (2010), that the customers' perception of an organisation is based on its productivity and the efficiency of its employees.

Based on the percentages of increased productivity and decreased turnover, employee referral programmes

and recognition would appear to have the highest impact. Considering the decision-criterion above, recognition and employee referral programmes are the least expensive, easiest to implement and are the solutions that provide the most return on investment. Recognition schemes are recommended as a tool to soften the effects of redundancy (Robbins, 2019). An increased motivation has a direct effect on performance and there is a direct link between increased motivation to create a sense of security in an organisation (Parvin & Kabir, 2011). Recognition schemes such as verbal praise and walls of fame would be effective in addressing the issues that the CGI has in terms of redundancy.

Another recommendation is the use of the employee referral programmes which have been proven to be effective in attracting competent employees (Tikhonov, 2019). In employee referral programmes organisations can re-establish their credibility by 30% since referral is done by employees who have personal experience in the organisation (Keeling & McGoldrick, 2013). This builds a positive corporate reputation among the industry as it builds a culture of promoting the organisation to the employees' networks (Jayanthi, 2017)

CONCLUSIONS

The COVID-19 pandemic in 2020 led the CGI in New Zealand to terminate tenured employees. This decision resulted in negative effects such as damage to the CGI's positive reputation, job insecurity among remaining employees and discouraged competent future candidate to apply for positions. Based on the scale of effectiveness of other organisations which used training and development, 360-degree feedback, employee referral programmes, reward and recognition; the effects of redundancy can be softened. Each solution can contribute to establishing a positive reputation for the CGI, improving job security and attracting future qualified employees. However, the most realistic solutions recommended would be the employee referral programme and recognition. Both would suit the fast-paced environment of the CGIs in softening the effect of redundancy as a result of the COVID-19 pandemic and are most cost-efficient.

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