



looking ahead at tomorrow's agenda

Facilitating Organisational Change and Headcount Reduction, What is it really, really like?

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Agenda

1. Planning and the Initial Announcement.
2. Employee Reps and Managers.
3. Establishment.
4. Selection Pools and Scoring.
5. Behaviours.
6. Management of Change
7. Voluntary Redundancy
8. Suitable Alternative Employment and Maternity

1 – Planning & Initial Announcement

- Maintaining confidentiality whilst trying to understand potential impact.
- Agreeing potential timings.
- Managing the media or reacting to media.
- Pre-briefing key senior management managers.
- Managing logistics for announcement
- Ability to respond post announcement
- Key to success, detailed HR & Communication Plan

2. Employee Reps and Managers

- Election of Reps or use current Employee Consultative Committee
- Roles and responsibilities
 - To inform, consult and represent the views, opinions and concerns of our colleagues
 - To collate and represent consensus opinions
 - To facilitate the flow of timely information between the ECC and Colleagues in the business
 - To proactively contribute to the future of the business through creative problem solving, effective influencing and facilitation of messaging with employees
- Reps - training and awareness
- Managers – awareness of process and responsibilities
- Paperwork – auditable trail, consistency, fairness

3. Establishment

What is an Establishment?

- The entity or unit at which the workers proposed to be made redundant carry out their duties
- It does not require its own management
- An individual shop therefore is a single establishment
- Leaves open questions in an offshore context about individual installations/rigs/ships, etc.
- Where are workers employed to carry out their duties
- Secondments?

4. Selection Pools/Scoring

- There are no fixed rules about how a redundancy pool should be defined. Show your choice of pool was reasonable and it will be difficult for an employee to challenge the decision.
- When considering the choice of pool, the business should start by asking two questions:
 - which particular kind of work is disappearing?
 - which employees do the particular kind of work that is disappearing?
- Risk of large pools:
 - Scoring consistency
 - Administrative burden
 - morale
- Problems
 - Who scores? Clients? Criteria? Adjust to reflect relative importance in the role. Disabilities? Length of service?
 - Justification for scores? Inconsistencies with appraisals?
 - Consultation. Discuss basis for selection; selection pool, selection criteria and the way in which scoring carried out
- Reflect discussions in correspondence!

5. Behaviours

- Expect the unexpected from any of those affected
- Emotional process for all involved
- Stages of loss
 - Shock & Disbelief
 - Anger
 - Bargaining
 - Depression
 - Acceptance and Recovery
- When to step in
- Looking after HR

6. Management of Change

- Key aim in this process is to minimise the disruption to the business both during and after the change – need to understand the implications of change.
- In the review process, do senior managers fully understand all processes, procedures, roles and responsibilities.
- Have they really scoped out what will be stopped, standardised, simplified and the reasons why.
- Realistic timing been set to achieve these changes.
- Sharing these changes to key stakeholders, when and how. What is you key stakeholders are clients?
- Communicating these changes to the rest of the organisation.

7. Voluntary Redundancy

- No obligation to consider voluntary redundancies
- Voluntary redundancies still count in determining whether the trigger for collective consultation has been reached
- Advantages of offering voluntary redundancy?
- Risks/disadvantages of offering voluntary redundancy?
- Enhanced terms?
- Early retirement? Financial advice?

8. Suitable Alternative Employment & Maternity

- Additional protection for those on Mat Leave – a priority right to suitable alternative employment. Care must be taken to distinguish between reducing posts and new posts .
- Scoring - care must be taken to avoid overcompensating, given the risks of claims from males in the same pool (Eversheds v De Belin)
- A woman who is dismissed or resigns at any time after the qualifying week is still entitled to full SMP. A woman entitled to work her notice but who is given a “PILON” and hence does not qualify, may have a contractual claim for the loss of SMP
- What about enhanced maternity pay? Obligation to pay that for the remaining period if made redundant?
- Allow to remain employed and review redundancy/alternative employment at the end of maternity leave period? Rate of pay for notice for women on maternity leave?
- Practical problems – how do you consult with a woman who gave birth 10 days ago? Risks of simply proceeding to offer a settlement agreement?