

MANAGING ORGANISATIONAL CHANGE

1. PURPOSE OF THIS DOCUMENT

- 1.1 The Council aims to provide best-value services to the community, and regards its staff as its most important asset to do this. Changes to service delivery and within the organisation inevitably take place, and the Council wants to accommodate these changes in a positive way, wherever possible providing development for employees' careers and without threat to job security.
- 1.2 This document is intended to provide
- a rapid method of responding to organisational change, recognising that restructuring and reorganisation is normal within local government
 - a mechanism whereby staff and representatives are involved in the process
 - a fair way of managing the effects of change on the employees concerned, particularly where there is a risk of redundancy
 - that the Council complies with its statutory obligations for collective consultation where these apply.
 - Confirmation of the Council's commitment to mitigate against the impact of redundancy
- 1.3 The document does not apply to employees in schools under the scheme of financial delegation.

2. ORGANISATIONAL CHANGE ASSESSMENT (OCA)

- 2.1 The pressures which drive change are both internal, e.g. from suggestions to improve a service, and external, e.g. a new statutory obligation. They vary in the scale of their impact on the Council. Management at all levels must be alert to these impacts, looking specifically at their effects on the work done by the Council's employees, at an individual and organisational level. All employees have a role, too, in alerting management to these impacts.
- 2.2 Minor change that can be handled by a briefing from a manager to an individual employee and does not need an explicit organisational change assessment. For other than minor changes, management should compile an OCA as early as possible. It must:
- outline the realistic ways in which the Council may respond to the change
 - whether any of the responses involve a change to staffing levels, organisation and employment conditions, and if this could be a threat to existing employees' jobs, and
 - the scale of the impact, looking specifically at whether the response to change could involve the consideration of 20 or more employees' employment security (eg. potential redundancies). In

this latter case, it is important that formal trades union and employee consultation takes place at the earliest opportunity.

- 2.3 OCA can be brief notes, or detailed reports with a choice of scenarios and their attendant estimates of staffing impact. They will form the starting point for discussions and consultation with employees and/or the Council's recognised trade unions on how to respond to the change concerned. Sometimes they may be confidential in the early stages of the Council's consideration of change.

3. EXISTING FLEXIBILITY TO ACCOMMODATE CHANGE

- 3.1 Many changes can be met by simply giving information and training to staff to enable them to take on new tasks, allocating work to staff in accordance with their contracts of employment as necessary. The OCA should identify this, and suggest how this could be achieved.
- 3.2 Most of the Council's employees have contracts which allow a degree of flexibility to accommodate these variations in the work needed:
- it is the policy of the Council that change will be met wherever possible by using the existing flexibility in employees' contracts of employment, for example concerning job duties, work location and time of work. These flexibilities should be clear in employment contracts, and should be operated consistently with the Council's equal opportunities policy, for instance by ensuring reasonable adjustments are made for disabled employees and accommodating employees' responsibilities outside work as far as is reasonable in relation to service delivery.
 - it is the policy of the Council that job descriptions should not be exhaustive lists of job activities but should summarise the main duties and job activities in a way which makes it clear to staff what is expected of them, while allowing flexibility in the way that work is done.

Where the OCA identifies circumstances where these flexibilities are insufficient to meet the needs for change, it should consider options under sections 4 and 5 below.

- 3.3 The Council recognises that, as well as its employees having a responsibility to adapt to new methods and techniques at work, it has a responsibility to give reasonable training. Accordingly, managers and their teams should work together to cater for each individual employee's development needs in preparation for envisaged change.
- 3.4 Where it is intended to change working practices within the terms of employees' contracts, the following will take place:

- management will:
 - inform staff of the proposed change and the reasons for it,
 - consult staff about any training need that they see arising from this, and about any difficulties they foresee in implementing the change, and
 - keep staff informed of the progress and implementation of the change.
- employees will:
 - be prompt about feeding in comments about the proposed change
 - help in the identification of their own information and training needs
 - work with their managers to ensure the change goes smoothly.

4. CHANGE INVOLVING CHANGE TO EMPLOYMENT CONTRACTS

- 4.1 This area of the policy applies where the changes envisaged by management cannot be accommodated within existing contract flexibility. The OCA should identify where this may be the case. Such change could include restructuring of work which would result in changes to job descriptions, changing staffing structures, changing work locations, changes to elements of contractual remuneration such as contractual overtime, shift allowances, etc., proposals to outsource a service or part of a service and situations of potential redundancy.
- 4.2 Where it is proposed to make changes which will affect employees' contracts, this should be handled:
- a) through discussion directly with the employees affected, either individually or in team briefings, as appropriate; and
 - b) in consultation with the recognised trade unions..
- 4.3 The broad principles and aims of the envisaged change should be discussed with the employees involved and with departmental representatives as early as possible. It is expected that early involvement of the employees and their representatives in consideration of such possibilities will ensure maximum influence in the formative stage, thereby reducing the potential conflict of subsequent stages in the process.
- 4.4 Where the OCA shows that there is a realistic possibility that 20 or more employees' contracts may be terminated as a result of the change within a 90-day period, consultation with the Council's recognised trade union(s) for the employees affected must be completed before a firm decision is made to adopt the proposal which necessitates these dismissals. HR must be involved at the outset in all

such cases. Where this paragraph applies, the statutory consultation requirements are in turn likely to apply.

- 4.5 Consultation with employees/trade unions should continue as the detailed implementation of the change is being developed.
- 4.6 Where a proposed change cannot be accommodated within existing contracts of employment, but the proposals do not involve dismissal on the grounds of individual redundancy:
 - (a) management will identify appropriate jobs in the revised structure for individual staff bearing in mind comparability of current job duties and grade as part of the consultative exercise. Where there is little change in job content and no change in grade, staff should be matched to jobs in the new structure.
 - (b) where more than one person could be identified competitive interviews will be held with assessment against selection criteria.
 - (c) the manager will inform employees of the proposed change and the reasons for it and try to reach agreement with each employee on new contract terms
 - (d) employees may be represented by a trade union representative or work colleague at meetings with management to this end
 - (e) reasonable time must be allowed for the employee to respond
 - (f) a target maximum period of 20 working days should be used for this phase
 - (g) where individual agreement is not forthcoming, management will decide whether to propose ending existing contracts of employment and offering new contracts. If such a proposal is made, management will consult the employee about the proposals, keep him/her informed of progress, and remain open to the employee's agreement on the new terms. Collective consultation with the recognised trades unions will also take place. Consideration of redeployment will apply in the same way that applies to redundancy proposals.

5. CHANGE INVOLVING POTENTIAL REDUNDANCY

- 5.1 Where the changes proposed involve potential redundancy (N.B. for larger-scale redundancy proposals of 20 or more staff, see regarding S188 notices: Duty to consult Trade Unions at the end of the manager's notes)
 - the manager must prepare documentation for employees/trade unions showing the proposed staffing arrangement and how, if appropriate, existing employees may be able to take new jobs in any proposed new structure. Where selection for redundancy is being considered, the proposed selection method should be

given (see guidance notes). This may include seeking volunteer first.

- reasonable time must be allowed for employees/trade unions to respond
- if employees/trade unions suggest alternatives, these will be considered and if the suggestions are not accepted, the manager will explain why
- a target maximum period of 30 working days should be used for this phase
- where the manager decides to proceed with the proposal, he/she will notify employees/trade unions.

- 5.2 A meeting with each employee must take place if it is proposed to terminate his/her employment, even if an alternative contract of employment is to be offered. The manager must:
- tell the employee in writing that the termination of his/her employment will be considered at the meeting, and that he/she may bring a work colleague or trade union representative to the meeting
 - hold the meeting at a convenient time, explain the proposals and allow the employee to respond
 - confirm the decision at the end of the meeting, and if dismissal is to proceed, advise of right of appeal
 - where the employee appeals, this will be handled through the Council's normal appeals mechanism.

6. SPECIFIC PROVISION IN RESPECT OF TEMPORARY EMPLOYEES

- 6.1 Where the redundancy of temporary employees is proposed:
- these employees must be considered in the OCA, and should be included in the assessment of the scale of the proposals for trade union consultation unless the temporary employee was expected to be employed for under three months' continuous service with the Council, and has not completed three months' continuous service;
 - redeployment will be considered for the temporary employee, but he or she will normally be regarded as a lower priority for an alternative vacancy than a suitable employee on an indefinite contract who also needs redeployment;
 - the temporary employee will be declared redundant in preference to other employees where he or she has been taken on for the specific purpose of interim staffing prior to the proposed change.

7. TRADE UNION CONSULTATION IN LARGE-SCALE CHANGE

- 7.1 This section applies where the OCA shows the potential dismissal of 20 or more employees, therefore there is a realistic possibility that s.188 of the Trade Union and Labour Relations (Consolidation) Act 1992 applies where consultation requirements are stated as:
- (a) “The Consultation shall begin in good time and in any event where an employer is proposing to dismiss 100 or more employees at least 90 days and
 - (b) otherwise, at least 30 days before the first of the dismissals takes effect.”
- 7.2 The manager must involve HR immediately. HR will decide whether the requirements of the Act apply, and if this is the case, will work with the manager to issue the appropriate notifications. (See guidance re s.188 notices.)
- 7.3 No final decision to proceed with dismissals in these cases must be made until the required collective consultation has been completed.

ORGANISATIONAL CHANGE: MANAGERS' NOTES

Introduction

The following are lists of things that managers may find useful in handling the various stages of the Organisational Change policy. They are not part of the policy, but are intended to be used as checklists and, if it would be useful, prompts during discussions with employees and the trades unions

There is no reason why individual employees and the trades unions could not be shown these notes: the processes we are dealing with are intended to be open and operated in good faith.

Content

The document covers three types of organisational change:

- (i) minor changes, eg. reporting lines, which do not impact on contracts (Section 3)
- (ii) changes that have contractual implications and where agreement is needed from individual staff (Section 4)
- (iii) changes that will result in potential redundancy of staff (Section 4.7)

The key to dealing with these various situations is to undertake an organisational change assessment. This can become a document that is the basis for consultation with staff and trades unions and which describes the reasons for change, what is required in future and how we are going to get there (see para 2.3 of document).

Organising work

You are responsible for ensuring that:

- the staffing structure is flexible and effective in serving our customers
- staff have job descriptions which set a proper performance framework
- you change job descriptions promptly when there has been a genuine change in job requirements
- the pay band of revised jobs is determined in accordance with the Council's pay scales and the relevant job evaluation scheme adopted by the Council.

You are accountable for the service provided, but staff are most likely to respond positively to change when they are involved in developing service proposals. Encourage them to express their views on and contribute to the development of the changed services, wherever possible, and aim to make change a collaborative process. You will need to consider the most appropriate form of consultation with the workforce who are subject to the change/s e.g. in certain service areas management might find it more useful to hold team meetings with staff backed up by written documentation rather than relying too heavily on the latter.

Decide how best to:

- develop the proposals
- secure commitment to the change and implement it successfully
- consider how the changes will affect:
 - service quality and delivery
 - the way the work is done
 - the work of other jobs
 - the pay band of the jobs

You should be satisfied that the proposals reflect the interests of customers and borough residents and take account of the views of:

- the relevant managers
- the staff affected
- the relevant trade union representatives
- the Council Members, where appropriate (ie. large scale reorganisations)

Formalising job re-design

Before finalising the design of a new job, the redesign of an existing job, or the evaluation of that job, you should be able to show that you have:

- consulted the relevant trade unions
- consulted the relevant staff
- supplied adequate documentation to the relevant staff and trade unions.

This should normally include:

- organisation chart(s)
- draft job description(s)
- a draft of any report setting out the reorganisation
- a request for itemised written comments on the proposals/report and job descriptions
- a reasonable opportunity for the trade unions to respond to the changes

Staff should have genuine changes to their work reflected in their job descriptions and staff should be advised to inform their manager in writing of any changes to their work that should be reflected in their job description.

Where the manager considers the changes in duties are accurate, necessary and permanent, a revised job description should be prepared and issued to the relevant employee indicating the new or additional duties and a review initiated of the evaluation of the post.

Avoiding redundancies

You should:

- make every effort to avoid redundancies by considering how existing staff may fit into new or revised jobs (although this will not be possible if the

new structure is not big enough to absorb all staff, or if the jobs are substantially different from those in the old structure).

- consult staff at the earliest opportunity, keep them informed of progress and, where possible, take into account their views
- advise the staff affected of any organisation change proposals, the job descriptions and pay bands
- set a timetable for the new organisation structure to be put in place
- provide information and support in relation to the redeployment process.

Selection for Redundancy/Alternative Employment

The aim is to retain the best staff able to provide the service and to achieve a high quality, motivated workforce in the area affected by the reorganisation.

However as a first step you may decide to seek volunteers first. Other steps can include:

Where reductions are being made in the number of posts carrying out work of a similar kind (eg. the jobs are generic or homogenous or interchangeable):

- (a) selection for the remaining posts should be by competitive interview between staff;
- (b) selection criteria for the posts should be produced;
- (c) the pool of staff affected by the changes identified.

Where a reorganisation is particularly complex management will need to:

- (a) analyse the delivery requirements for the new service;
- (b) review current job descriptions and work experience to identify which members of staff should be ringfenced to compete for the various opportunities in the new structure. Under 5.7 (b) use wording about selection of best fitted to new posts.

In both circumstances interviews should be conducted as quickly as possible.

Be aware of the following:

- Any redeployment at a reduced grade should avoid disadvantaging staff at a lower pay band who should be considered first for posts on the same pay band as themselves.
- Women on maternity leave have special protection under the law and take priority in relation to any suitable alternative jobs: seek HR advice.

After the process of recruitment to new jobs is complete, an employee with no job in the new structure should be considered for redeployment.

Rejection of Alternative Employment

Where an employee unreasonably refuses an offer of suitable alternative employment he/she may be ineligible for redundancy payment

- you should make this clear to your employees when you are consulting them about the redeployment process.
- in very general terms, a 'suitable' job is one for which the employee has the necessary skills and qualifications, but whether their refusal is 'reasonable' or not can look more broadly at their personal circumstances as well.
- the Council starts from the position, however, that the employee should ordinarily be able to move into posts for which he/she is suitable, and in which their skills will be valued. To lose these skills and pay a redundancy payment as well is to be avoided if possible
- consult HR about cases where the employee may refuse a job offer.

s.188 notices: Duty to consult Trades Unions

- 1) Where an employer is proposing to dismiss as redundant 20 or more employees at one establishment within a period of 90 days or less, the employer shall consult about the dismissals all the persons who are appropriate representatives of any of the employees who may be [affected by the proposed dismissals or may be affected by measures taken in connection with those dismissals].
 - 1A) The consultation shall begin in good time and in any event –
 - a) where the employer is proposing to dismiss 100 or more employees as mentioned in subsection (1), at least 90 days, and
 - b) otherwise, at least 30 days, before the first of the dismissals takes effect.
 - 2) The consultation shall include consultation about ways of –
 - a) avoiding the dismissals,
 - b) reducing the numbers of employees to be dismissed, and
 - c) mitigating the consequences of the dismissals, and shall be undertaken by the employer with a view to reaching agreement with the appropriate representatives.]
 - 3) In determining how many employees an employer is proposing to dismiss as redundant no account shall be taken of employees in respect of whose proposed dismissals consultation has already begun.
 - 4) For the purposes of the consultation the employer shall disclose in writing to the [appropriate] representatives-
 - a) the reasons for the proposals,
 - b) the numbers and descriptions of employees whom it is proposed to dismiss as redundant,
 - c) the total number of employees of any such description employed by the employer at the establishment in question,
 - d) the proposed method of selecting the employees who may be dismissed
 - e) the proposed method of carrying out the dismissals, with due regard to any agreed procedure, including the period over which the dismissals are to take effect [and
 - f) the proposed method of calculating the amount of any redundancy payments to be made (otherwise than in compliance with an obligation imposed by or by virtue of any enactment) to employees who may be dismissed].
 - 5) That information shall be [given to each of the appropriate representatives by being delivered to them], or sent by post to an

address notified by them to the employer, or [in the case of representatives of a trade union)] sent by post to the union at the address of its head or main office.