

# New JNCHES Sustainability Issues Working Group

## Workforce Planning and Organisational Change: Case Studies of Practice in Higher Education Institutions

**NEW JNCHES**  
New Joint Negotiating Committee  
for Higher Education Staff

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## 1. Foreword

This series of case studies of workforce planning and organisational change has been commissioned<sup>1</sup> to help senior managers, trade union representatives and others in higher education learn from experience elsewhere in the sector.

The research project has focused on recent examples of change in a variety of institutions, exploring the practical realities of planning, consulting, negotiating, managing and implementing organisational change. The aim is to show what approaches have worked well, what has not worked well, and the lessons drawn by participants about handling workforce changes in the future. The common ground shared by the case studies is that they all involved changes which could potentially have given rise to compulsory redundancies.

The case study interviews were conducted by Sue Milsome, an independent researcher. We would like to thank her for her work in conducting the case study interviews and writing this report. We would also particularly like to thank the HR professionals and trade union representatives who participated in interviews for the case studies. Their willingness to share their experiences and views frankly has been invaluable.

The research project was overseen by a joint Task Group, drawn from the New JNCHES Sustainability Issues Working Group, with the following membership:

- David Belsey, EIS
- Guy Gregory, Human Resources Director, University of Bristol
- Terry Hoad, UCU
- Esmond Lindop, UCEA
- Jocelyn Prudence, Chief Executive, UCEA
- Jon Richards and Ben Thomas, Unison.

This report is the concluding piece of work of the Sustainability Issues Working Group. Other outputs from the Working Group are:

- An Insider's Guide to Finance and Accounting in Higher Education (January 2011)
- The Financial Health and Sustainability of the HE Sector (January 2011).

Both publications can be accessed on the UCEA website at:

[www.ucea.ac.uk/en/New\\_JNCHES/new-jnches-working-groups/reports-from-the-working-groups.cfm](http://www.ucea.ac.uk/en/New_JNCHES/new-jnches-working-groups/reports-from-the-working-groups.cfm)

At a time of major changes across the higher education sector, members of the Working Group hope that this publication will be of value and interest to senior managers and staff representatives in institutions to help them in developing effective approaches to managing workforce planning and organisational change.

<sup>1</sup> By the Sustainability Issues Working Group set up by the New Joint Negotiating Committee for Higher Education Staff (New JNCHES)

## 2. Key findings from the case study research

### Introduction

This report sets out the findings from five case studies commissioned in April 2011 by the New JNCHES Sustainability Issues Working Group. The case studies were conducted to discover how managers and unions in Higher Education Institutions (HEIs) can work together to avoid, or mitigate the effects of, compulsory redundancies in the context of organisational change. Some 15 institutions were identified as potential case studies on the basis that they had undertaken changes which could have resulted in redundancies. Five of those 15 were able to take part in the research in the required timescale.

### Summary findings

All the case study institutions interviewed for this research embarked on restructuring with a commitment to avoid compulsory redundancies. Consultation and negotiations with the trade unions resulted in significant reductions in the number of compulsory redundancies in the five case study HEIs, from 33 at institution C to nine, from 30 to four at institution D, from 20 to seven at institution A and from ten to one at institution E. The process was drawn out over several months, but in four of the five case studies financial targets were still met. In the fifth, most of the target was met.

The main challenges for unions in these exercises were obtaining sufficient information to make consultation meaningful and having sufficient time to explore alternatives to redundancy. Reductions were mostly achieved by unions securing recruitment freezes, voluntary severance or early retirement, redeployment, and voluntary cuts in working hours.

It took longer than managers expected to explore and implement the alternatives to compulsory redundancy, perhaps because delaying consultation with staff and unions until proposals were fully formed meant that managers were already committed to their plans. Problems were exacerbated by line managers who, in some cases, did not have the knowledge and skills to manage the change process well and support their staff appropriately.

The research found that senior managers outside the HR department do not always recognise the contribution unions can make to dealing with organisational challenges. They understand and respect trade unions' roles in individual representation and formal collective consultation exercises but are less aware that unions, by articulating staff suggestions and concerns in a timely fashion, can improve the change process. Frequent and informal discussions can pre-empt many problems.

HR directors who took part in these exercises say they intend to consult the trade unions earlier in future. They suggest that formal consultation mechanisms should be supported by informal mechanisms, to enable unions and managers to work together flexibly and productively in situations that could give rise to redundancies. They are also increasingly keeping unions informed about broad strategic and financial issues. The experience of working together on the restructures resulted in a greater appetite for partnership working in future among interviewees, who would value broadening discussions away from a narrow focus on formal consultation.

### Methodology

In April 2011 the New JNCHES Sustainability Working Group agreed to commission five case studies of organisational change to explore how managers and unions can work together to avoid or mitigate the effects of compulsory redundancies, with a view to identifying learning that could contribute to good practice.

The working party set up a Task Group drawn from its membership to oversee the project. Sue Milsome, an independent researcher who has previously researched the implementation of the HE Framework Agreement for Pay Modernisation and thus has detailed knowledge of the sector, was commissioned to carry out the research. Sue was asked to submit a report on the research, together with the five case studies, to the Task Group by the end of June 2011.

Members of the Task Group identified 15 institutions which had undertaken changes which could have resulted in redundancies. The institutions were approached in April and May 2011 to ask if they were prepared to be case study examples of practice. Five of those 15 were able to take part in the research within the very tight timescale. Case study HEIs were promised anonymity and are only identified in the report by letter (e.g. institution A).

The Task Group also approved the areas to be discussed in the interviews (see Appendix 1), and a list of questions was sent in advance to all interviewees. These questions were used as a basis for discussion rather than as a rigid schedule. Limits on the length of time interviewees were able to devote to the interviews meant that it was not always possible to discuss every topic in detail.

When HR directors agreed to take part in the research, they were asked whether they would prefer to be interviewed face-to-face or by phone. Four of the five chose face-to-face interviews. They were then asked to arrange the research interviews on a single date both with one or more senior members of HR and representatives of an academic union and a support staff union. HR and the unions could choose whether they preferred a single interview involving all participants (one institution chose this), one interview with HR and one with the two union reps, or three separate interviews.

In some cases the HR department was unable to arrange the interviews with the union representatives and the researcher therefore identified the appropriate union interviewees. Interviews were conducted, either face-to-face or on the phone, with representatives of both academic and support staff in three institutions. In the other two institutions, either the academic staff union rep or any support staff union rep declined to be interviewed. In one institution the academic staff union rep did not want to be interviewed, while in the fifth institution only the academic staff union representative was interviewed. Two out of three possible support staff rep interviewees in that institution declined. The third said he might be able to help, but then did not respond to requests for an interview. This third union representative was sent a draft of the case study for comment but did not respond. In the three institutions where both reps were interviewed, reps were interviewed separately in one case and together in the other two cases.

HR directors and deputy HR directors were interviewed in two institutions and a single HR director or deputy HR director was interviewed in three, making a total of seven senior HR staff. Three UCU representatives, one EIS rep and four Unison reps were interviewed, making a total of eight union representatives.

Interviews lasted between one and two hours. With the interviewees' permission, interviews were taped, with the researcher making detailed notes from the tape and then erasing it.

Draft case studies were sent by the researcher directly to each interviewee, asking them to check the case study for factual inaccuracies. Interviewees who did not respond by the deadline were reminded.

Once all the case studies were written, the researcher used her detailed interview notes and the case studies as the basis for drafting this report. Despite promises of confidentiality and anonymity for institutions, some interviewees did not want their comments to appear in the individual case studies. This sensitive material is drawn upon in this overall report.

## Findings

### Background

The five case study HEIs are geographically dispersed, and have enjoyed university status for periods ranging from a few years to nearly two centuries. At the time of the restructurings being studied, while some had only recently embarked on reorganisations, others had many years' experience of such initiatives. Employee numbers in the institutions range from 500 staff to over 8,000.

The organisational changes examined include departmental or course reviews, the removal of duplicated posts after mergers, campus closures and, alongside these, responses to budget pressures in all five institutions.

The impact of the organisational changes on jobs included putting the posts of 200 individuals at risk and an expectation of 60 redundancies in institution A, a proposal to lose 87 posts in institution C, and the relocation of 450 people in institution D. Restructuring of departments in institutions B and E put fewer than 20 employees at risk.

### Numbers threatened with compulsory redundancy and the outcome of negotiations

The number of posts at risk varied: 33 proposed compulsory redundancies at institution C (eventually reduced to nine), 30 at institution D (reduced to four), 20 proposed compulsory redundancies (reduced to seven) at institution A and ten (reduced to one) at institution E, in all cases after long and intense consultation and negotiation with the trade unions. Institution B made 15 compulsory redundancies after many other means of saving jobs (such as freezing recruitment, reducing working hours and redeployment) had already been tried. The redundancies there resulted from a number of cross-institution reviews and ten small departmental or course reviews over a two-year period. Long-term planning with the unions had pre-empted the loss of more jobs.

### Approaches to minimising compulsory redundancies

All five case study HEIs were committed in principle to minimising compulsory redundancies. In practice, union representatives frequently felt they had to negotiate long and hard to make this happen. Recruitment freezes, voluntary severance and/or early retirement, redeployment, and voluntary cuts in working hours were the most widely used methods of doing so.

#### *Recruitment freezes*

All the HEIs studied had imposed recruitment freezes when job reductions were being considered, and some dealt with potential redundancies by cutting vacant jobs permanently. Some 54 of institution C's targeted reduction of 87 posts, for example, were vacant at the time of the reorganisation, leaving just 33 potential redundancies. Where jobs had to be filled at institution D while the change programme was underway, new staff were engaged on fixed-term contracts up to 24 months in length. These fixed-term employees were told at the time of recruitment that they would not be eligible for redundancy payments or redeployment.

#### *Voluntary severance*

Three of the five HEIs offered voluntary severance. The other two did not because the numbers of compulsory redundancies that still had to be made after every other avenue had been explored were very small (15 over two years at institution B and four at institution D) and the trade unions were satisfied that there was no alternative.

The three institutions that used voluntary severance offered it initially only to those whose jobs were at risk. Trade union pressure to open voluntary severance to bigger groups, or to those whose skills were indispensable in the short term, resulted in freeing up jobs into which employees under threat of redundancy could move.



At institution A, 20 proposed compulsory redundancies were reduced to seven when trade union pressure led the institution to open a voluntary severance scheme to all staff. Institution C wanted to make cuts in targeted areas and did not offer voluntary severance. The trade unions pressed first for a voluntary severance scheme, and then for the scheme to be extended to all employees, contributing to an overall reduction of compulsory redundancies from 20 to nine. Institution E avoided a number of compulsory redundancies by negotiating deferred voluntary severance, in some cases deferred for up to year, for staff with skills which were vital in the short term. These arrangements were formalised with employees through individual compromise agreements.

Institution B did not offer voluntary severance because the 15 compulsory redundancies that arose over two years from a number of cross-institution reviews and ten small departmental or course reviews, involved single, targeted individuals. Moreover, other approaches to preventing the redundancies had already been considered. At institution D, the main focus of the institution's relocation of 450 employees from two campuses to the main campus was on redeployment. The trade union representative said that it was inappropriate to offer voluntary severance as neither management nor unions wanted staff to leave.

#### *Redeployment*

All five employers studied used redeployment as an alternative to redundancies, and the trade unions pressed hard for this to be considered in detail for every individual. Institution A found alternative employment for some of those at risk of redundancy and retrained them for the new posts. Institution B considered redeployment for everyone whose job was at risk. Institution C redeployed one of those under threat of compulsory redundancy while for institution D, relocating 450 staff into smaller offices and restructured operations, redeployment into appropriate roles was a higher priority than achieving reductions in costs.

Institution E now has a particularly proactive approach to redeployment. Previously, managers needing to fill vacancies were required to look at a redeployment register of those at risk of redundancy and could decide whether or not to invite staff on the register for interview. Now, however, HR controls the process. All vacancies are scrutinised by the HR department, which attempts to match them with employees throughout the institution at risk of job loss who have applied for redeployment. If managers do not interview staff on the register, they must give written reasons why redeployed staff who meet the essential criteria for the job will not be interviewed. No job can be advertised externally until signed off by HR.

#### *Voluntary cuts in working hours*

The five case study HEIs welcomed applications from individuals to reduce their working hours in order to save others from redundancy, and a number of individuals were retained in all of them as a result of such initiatives. Institution E found, however, that in most cases interest in reducing working hours waned when forecasts showed the resulting impact on pensions for those reducing their hours.

#### *Extended consultation and voluntary departures*

Extended consultation periods are discussed elsewhere, but a trade union representative in one institution made the point that the longer the consultation period went on, the more likely it was that employees would leave the institution of their own volition. Consultation went on for much longer than had been anticipated in several of the case study institutions, and many staff did leave of their own accord, with or without severance payments.

### **Challenges for management**

Case study HEIs often found restructurings and redundancy exercises hard to manage. The challenges arose from a variety of sources. These included limitations in some line managers' skills to restructure their own departments and to manage and support staff

through the reorganisations. HEIs also on occasion faced the adverse impact of ‘change fatigue’ and challenges posed by the impact of potential job losses on employee morale.

Unexpectedly long consultation and redeployment periods, and the additional expense of unplanned voluntary severance schemes were also problematic on occasion. Delays in the restructuring process meant that one institution achieved savings of £2.1 million rather its full £2.5 million target budget cut.

### **Challenges for unions**

The main challenges for union representatives were obtaining sufficient information to make consultation meaningful and having sufficient time to explore alternatives to redundancy. Some senior managers on occasion did not seem to understand that to make consultation meaningful, they had to explain to union representatives what they were trying to achieve. For example, if managers explain to staff and unions that they are trying to cut staffing costs by 5% and provide detailed information about those costs, unions could on occasion come up with ways to do this that may not involve compulsory redundancies at all. If, however, management focuses from an early stage on a set number of job cuts, negotiations may go round and round in circles until the root problem emerges and unions get sufficient information to come up with alternative proposals to compulsory redundancy.

Several HR directors interviewed recognised the issue. One said “It would have been useful to disclose more information to the trade unions at the outset. We now share the management accounts and forecasts and they get an explanation at each JCNC meeting.” Another believes “The trade unions should have been involved earlier. We would approach them differently (in partnership) another time.”

The other challenge for trade unions is that consultation often takes place only with those at risk of losing jobs, whereas they believe that all staff who will be affected by the change – for example, others in the department concerned – should be consulted, not least because they may be required to pick up additional work. One union representative said “Most of the consultation process consists of explaining to senior managers the consequences of what they’re proposing.”

The case studies show that although ways were invariably found to achieve savings in staffing budgets without making as many individuals compulsorily redundant as was originally proposed, it often took several months to bring this about. As a consequence, all the case study HEIs which previously believed consultation could be ‘done and dusted’ in 30 days now took the view that consultation should start much earlier.

### **Consultation and partnership working**

There was a wide variety of consultation arrangements in the five case study HEIs at the time of the restructures. While one did not have any kind of standing joint consultation and negotiation body, others had JCNCs which played little part in negotiations over potential redundancies. Strategic information was routinely shared in only one institution. With the exception of institution B, consultation was primarily with the individuals at risk of losing their jobs. Several case study institutions initially took a relatively narrow view of what the trade unions could contribute, and proceeded on the basis that unions were largely there to support staff when things go wrong. Information on potential redundancies tended to be shared with unions just hours before staff were informed.

This has changed in the institutions concerned. As a direct consequence of the process of negotiating the restructures, senior managers are now involving trade unions earlier in workforce planning. Financial information and strategic plans are regularly shared. In one institution, representatives already had formal and informal access to the senior management team, particularly the finance director. Workforce planning there is a long-term process, with a view to avoiding expensive and distressing redundancies. There is a rolling

process of departmental and course reviews, and a focus on increasing income rather than cutting staff. Another institution said, “We had a special meeting in May involving senior managers and the trade unions to talk about the financial situation. We are asking the unions for their views on a recruitment freeze, not implementing contribution pay and freezing increments. Discussions were constructive, more so than in the past.”

There is also now an appetite among HR directors and union representatives in the five case study HEIs for partnership working. One HR director said, “In retrospect, I would have liked to work in partnership with the trade unions on our restructure, but I am so used to an adversarial relationship that I didn’t think of it at the time.”

### **Confidentiality**

Breaches of confidentiality occurred in two institutions. Both HR directors and the union representatives interviewed for the research found this regrettable, but believed that this must not prevent the sharing of information in the future.

### **Workload**

Every case study institution realised that increased workloads could be a problem after a restructure. Some went to great lengths to study and evaluate the proposed new jobs, and to review them after a period. Others did not, relying on managers to deal with the situation. All the union reps interviewed had received complaints from members about increased workloads, though one said that none of her members wanted to raise this formally as they just wanted to hang on to the jobs they had. Increased responsibilities without an accompanying re-evaluation could leave universities vulnerable to equal pay claims. An HR director at another institution echoed this: “Workloads have increased significantly and there almost certainly are equal pay issues. People aren’t coming forward because they don’t want to rock the boat.”

### **Communications**

None of the case study employers communicated to staff jointly with the unions about the restructuring exercise. After the event, several HR directors thought joint communications would have been a good idea, though one union rep said that members would have more faith in communications solely from the union rather than from union and management together. At this institution, there was often agreement between HR and the unions about what should be communicated and by whom.

The case study HEIs placed more emphasis on communication in reorganisations that took place after the case study initiatives had been completed. These tended to be planned over a long period and set out to involve all staff. One institution that is currently restructuring one of its divisions held workshops and drop-in sessions over several months before senior managers even began to formulate specific proposals. One of the union reps interviewed was delighted that managers were really listening to staff and welcoming their ideas as to the new shape of the department.

### **Staff support**

Staff at risk of redundancy were offered support by the five HEIs, and this was available to all staff in some of the institutions. Support took the form of help with CV writing, interview techniques, presentation skills, pre-retirement counselling and free financial advice. Institution D offers three sessions of career coaching after an initial assessment. Institution B also funds training for new qualifications.

### **Equalities impact assessments**

The five institutions either carried out an impact assessment or reviewed the outcome of restructures for equalities issues. One union representative said that equalities assessments are carried out by HR and concern only staff, whereas they ought to examine the impact on students and the wider community.

## Outcomes

Despite significantly reducing the number of compulsory redundancies, the five case studies achieved most or all of the objectives of their restructures:

- One institution achieved its target saving of £1.5 million and a reduction in its staffing cost ratio to 58% while reducing 20 proposed compulsory redundancies to seven
- Another, which plans ahead at least partly to pre-empt redundancies, reduced its staff cost as a proportion of income from 64% to 56% over two years, mostly by increasing income. It made 15 people compulsorily redundant across the whole institution in that period
- £2.1 million - instead of the targeted £2.5 million - was saved by one employer while reducing 33 proposed compulsory redundancies to nine
- A target budget cut in one department of 10% at another institution was met while reducing 10 proposed compulsory redundancies to one.

## What institutions would do differently next time

Comments made by HR directors included:

- Consult the unions earlier and disclose more information at the outset
- Work in partnership with the unions
- Consider voluntary severance at the start of the process
- Improve project management throughout the institution
- Improve middle managers' skills in managing and communicating about change.

## Advice for others

Case study interviewees were asked what advice they would give to others planning restructures and reorganisations. Some of their suggestions are set out on the following page.

<b>Advice from HR directors</b>	<b>Advice from union representatives</b>
It is important to involve the trade unions at an early stage. Agree a timetable of key meetings and milestones as early as possible to keep consultation focused and on track	Consult all affected staff before you even put a proposal together
Give unions the opportunity to raise concerns informally early on, so that they can be addressed. Unions can be more candid off the record	Have early dialogue before decisions are made, with transparent guidelines, clear timescales
Provide clear, detailed information	Be transparent, honest, fair and work closely with the trade unions
Have a clear view of organisational requirements. Don't be afraid to share these early and treat people as mature adults	Have meaningful consultation. Maintain an open mind and don't assume that counter-proposals are simply defensive
Anticipate from a management point of view everything that the unions may ask for and know what your position is. Do your homework and don't raise unreasonable expectations	Trust each other to maintain confidentiality
Even if fully effective formal consultation arrangements are in place, consider whether these can deal effectively with the pace of change	Talk to people. Communicate with the staff and the trade unions
Make time to communicate and don't stick to rigid communications structures such as JCCs or monthly meetings. Pick up the phone or send an email	Offer voluntary severance at the outset
Don't just tackle the 'big ticket' items. It is the small local issues which unsettle everyone	Write documents in a positive tone
Train managers	Tackle training for the bad managers who tend not to volunteer for it. It is the better managers who take advantage of the good management training we have here. Make it compulsory for new managers and people who get promoted to managerial jobs
Have regular meetings with unions and provide financial information	Give union representatives regular access to the senior management team, particularly the finance director. This requires trust on both sides
Think carefully about the impact of staff reductions on the workloads of remaining employees.	Find ways of reducing stress, but don't rush the exercise, as that gives the impression of a fait accompli.

### 3. Institution A

Institution A and its recognised trade unions worked successfully to minimise compulsory redundancies caused by financial cuts and restructuring. Twenty proposed compulsory redundancies were reduced to seven by trade union pressure to open a voluntary severance scheme to all staff, instead of restricting it to those whose jobs were at risk. This enabled at-risk employees to be redeployed, with training for alternative jobs organised on site. The HR department supported staff by providing workshops for anyone who wanted to improve their CV, interview techniques and presentation skills and drop-in sessions for those affected by the reorganisation. A staff satisfaction survey carried out after the completion of the restructuring showed a 7% increase in staff satisfaction and morale.

Institution A has under 1,000 employees, working on a number of campuses in the South East. It was formed from the merger of two separate institutions a few years ago. The institution currently has around 7,000 students.

#### Proposed changes

The merger resulted in the duplication of functions and senior management was restructured at that stage to take account of this. In 2008/09, a further round of restructuring was planned. This had several objectives: to continue with the restructuring required by the merger, to change the management structure to reflect university status, and to deal with an income shortfall arising from the under-recruitment of students for 2008/09.

The principles of the restructuring were to:

- Improve business performance
- Integrate and collaborate
- Eliminate duplication
- Improve communication
- Make efficiency savings.

In September 2008 each department was asked to save 5.3%, to bring staffing costs down to the sector benchmark of 57% of gross income while generating a modest surplus to contribute to campus consolidation. This involved closing one of the campuses and replacing some of the Victorian buildings on another campus.

The effect of the proposed changes was to put 200 staff at risk of redundancy, and 40 staff were affected by minor changes to their contracts of employment. The institution needed to lose around 60 jobs in total but anticipated that many employees would leave voluntarily.

#### Challenges for all

The proposed changes were the first major restructure attempted by the institution. All employees, who were told at the outset that there would be a significant reduction in staffing, were anxious. This, the institution says, affected their morale and levels of engagement. Managers were being asked to work out what needed to be done to achieve savings in their department and deal with the staff affected – tasks which they had never undertaken before and for which they had not been trained. This led to a lack of buy-in on the part of some managers to the restructuring process and difficulties for the institution in putting forward a persuasive and coherent case for change to the unions.

These difficulties were exacerbated by the absence of a functioning senior management group to discuss and agree policies across the institution. The size of the senior management team had been reduced after merger, when it was also decided to devolve most decisions down to middle management. At the time of the restructure in 2008 there was no functioning senior management group to coordinate developments.



For their part, the unions say they were presented with an upsetting fait accompli which was not preceded by local discussions or consultation. The unions believed that cutting a set proportion of staff in all departments was arbitrary and hard to understand for those staff who maintained student numbers and delivered successful programmes.

### Consultation

The institution has a Joint Consultation and Negotiation Committee (JCNC) which meets three times a year. Consisting of three senior managers and between three and six representatives (in total) of the two recognised unions, it discusses HR issues such as pay, redundancy and redeployment and equalities.

As the timetable shows (see box), the trade unions were not consulted until compulsory redundancies were imminent, when they were provided with:

- A list of current posts
- The principles guiding the restructuring
- A budget summary
- An analysis of expenditure
- The academic strategy for the current year (2008/09)
- The strategic plan
- Analysis of student enrolment
- Details of the voluntary severance scheme.

From this point on, there were a number of additional JCNC and other, informal meetings involving union representatives and senior management. In retrospect, the institution takes the view that consultation should have been broader and taken place much earlier in the process, while the unions would also have liked to see consultation with the individuals whose jobs were under threat. HR says that it would have been useful to sit down with the unions at the beginning of the exercise and plan the project, establishing terms of reference and a timetable, and agreeing the information to be shared.

### Change timetable

September 2008	Senior managers discussed budgets and impact of student under-recruitment
October 2008	Senior managers submitted reviews of each staffing area
Early December	Recruitment freeze imposed
22 December 2008	30-day statutory collective consultation of the JCNC began for 20 proposed compulsory redundancies
22 January 2009	Voluntary severance scheme open to all staff launched
23 February 2009	Deadline for applications for voluntary severance
6 March 2009	Collective consultation concluded
End March	Compulsory redundancy notices issued to seven staff

### Minimising compulsory redundancies

All parties were committed to minimising compulsory redundancies. The institution offered enhanced voluntary severance terms – double the then statutory maximum payment of £380 per week, with no cap on the length of service taken into account in the calculation – to individuals whose jobs were at risk.

The unions negotiated hard and successfully to get the scheme extended to all staff. A recruitment freeze was imposed before redundancies were announced and advertising posts

internally and providing opportunities for redeployment had a significant impact, resulting in a reduction in the number of compulsory redundancies. Training was provided for staff moving to alternative jobs.

Most of those applying for voluntary redundancy were allowed to leave, with the criteria for this being that their job could be filled by someone at risk of redundancy. Of the 60 jobs the institution originally sought to lose, 20 proposed compulsory redundancies were reduced to seven actual compulsory redundancies by opening the voluntary severance scheme to all, with 50 staff choosing to go voluntarily.

### **Communications**

A communications plan about the restructuring exercise was devised by HR and the marketing department. This included cascades of information from senior managers to their departments, e-mails to all staff and updates from the Head of Institution (fortnightly or more frequently if key information could be provided). There was little opportunity for upward feedback. The trade unions were not involved in the communications plan and sent out their own communications without reference to the management side.

A review was carried out once the restructuring had been completed. It asked for staff feedback on issues such as planning, communications, consultation and discussions with the unions. It found that staff appreciated the updates from the Head of Institution and had understood the need for savings.

In retrospect, management says that it would have been sensible to involve the unions in the communications plan and joint communications would have been better. It would also have been useful to involve the unions in the post-restructuring review of communications. In addition, HR would like to have seen more face-to-face communications between senior managers and their departments, to allow for a two-way process of information coming down from the top and staff views being fed back up again. Also, communication between departments would have improved co-ordination, HR says, and will take place in future.

### **Supporting staff**

HR is pleased with the suite of events it provided to help all employees through a difficult time. These included drop-in sessions for anyone with questions about the restructuring and 'Develop your career' workshops for all staff, regardless of whether their job was at risk. These covered CV writing, interview skills and presentation techniques. Some 75% of those at risk of redundancy attended these sessions. HR also provided a bespoke CV review process. Management coaching to help managers implement and communicate change was also organised, though the take up was poor.

### **Equalities**

The institution conducted equality impact assessments at intervals during the process of identifying which posts and post holders were at risk of redundancy. This compared the profile of the whole institution against the profile of the at-risk staff by disability, ethnicity, age, gender and permanent/fixed-term contracts. Each assessment confirmed that there were no significant variances between those selected and the profile of the institution as a whole.

### **Outcomes**

Compulsory redundancies were minimised by redeployment and cost savings of £1.5 million were achieved, bringing the staffing cost ratio to 58%, just one percentage point above the target of 57%. The institution believes that the restructuring process unfolded satisfactorily and a staff satisfaction survey carried out in the autumn of 2009 showed that staff morale had gone up by 7% and employee relations had improved, though communication and leadership weren't rated so well.



Relationships with the trade unions remained positive despite sensitivities and the difficulties experienced, and the use of informal meetings with the trade unions helped to move issues forward. “The unions adopted a professional approach, so we were able to make progress,” HR said.

Once the 2008/09 restructuring exercise was over, the institution began sharing financial information with the trade unions on a regular basis and it is currently consulting on a number of possible cost-saving measures which would not involve job losses. Discussions are more constructive now than in the past, the institution says. Both HR and the trade unions say that they would like to move forward in partnership, sharing problems in good time and working together to deal with challenges to the institution.

There is recognition that communications could have been better. The unions could have been consulted earlier and it would have been helpful to provide managers with training to help them effect departmental restructuring and support their staff more effectively. The absence of a senior management group made coordination of cuts across the institution problematic.

### Looking to the future

Institution A will handle future restructurings differently from the one described here. As a result of what happened in 2008/09, it has:

- Started to brief the trade unions regularly on financial developments, sharing management accounts and forecasts, and overall strategy
- Started to consult with the trade unions earlier in the change process
- Improved the consistency and timeliness of communications
- Embarked on training managers to manage change effectively, providing development events such as one-to-one coaching sessions with HR
- Put in place a senior management group to meet regularly to talk about issues which impact on more than one department and the overall strategy. This shares knowledge and considers the implications of changes
- Decided that any future reorganisations will focus on overall strategy, academic portfolio and services rather than percentage cuts in each department.

### Advice for others

- When asked what advice they would give to other employers embarking on organisational change, HR said “It is important to involve the trade unions at an early stage. Agree a timetable of key meetings and milestones as early as possible, to keep the consultation focussed and on track and to manage expectations. Share proposals and consider the impact savings in one area may have on another. And think through the impact staff reductions will have on the workload of others.”
- The unions said: “Be transparent, honest and fair and work closely with the trade unions.”

## 4. Institution B

Institution B follows closely the principles outlined in the Acas Digest on Job Security, that is, it tries to avoid redundancies by planning its staffing requirements well in advance of developments likely to necessitate retrenchment. It works in close partnership with the recognised trade unions, regularly sharing financial information and strategic and operational plans and welcomes union input to those plans. As a result, there have been no wide-scale cost cutting exercises in recent years, although there have been other cross-institution reviews and ten small scale departmental or course reviews in the past 15 months.

Staff numbers have grown since 2009 and plans to achieve a reduction of the ratio of staff costs to income have been achieved largely by increasing income. There have been 15 redundancies over the past two years, including changes to the senior management team, which the unions, after consultation, accepted as they believe everything possible had been done to minimise them.

Institution B is an English institution employing around 650 staff on a single campus, with just under 6,000 students.

### Major reviews

In the past four years, the institution has carried out two institution-wide reviews of its activities and curriculum, which had the potential to impact on jobs. It also launched a 'financial resilience' programme in 2009, intended to address the budgetary challenges facing the institution over the forthcoming three years and to target a return to at least a 3% surplus to protect the overall sustainability of the institution. This programme has ended and had the effect of reducing the ratio of staff costs to income from 64% to 57%.

Institution B is keen as an institution to look a long way ahead and plan for the future pre-emptively. Its guiding principle is: "What can we do now to make approaching changes less painful?" So reviews since 2007, whether part of the three large projects mentioned above or smaller reorganisations, have focused on improving business methods, not cutting costs – how the institution runs itself, how systems and processes can be improved and how people are organised.

### Minimising redundancies

The institution introduced a new job security framework in March 2011, based closely on the Acas Digest on Job Security and with reference to the Redundancy Avoidance Agreement and Code of Practice presented by the trades unions as part of the 2009-10 national pay negotiations. This framework reasserts the principles that the institution was already working to, such as: "It is the policy and intention of the institution to ensure, by careful and rigorous planning, the security of employment of its employees, as far as possible." There is also a redeployment procedure whereby the institution commits to "implement a structured redeployment approach, including a positive approach to retraining and skills development with individual training needs being assessed with active help and support being provided."

Where the reason for redundancy is funding or budget cuts, the institution is committed to considering:

- making savings on non-staff budgets, where possible
- reductions in staffing levels by natural turnover
- reducing or eliminating overtime working
- reviewing reward strategies
- cutting back or freezing recruitment
- ending arrangements with agency staff or external contractors
- considering voluntary part-time working (temporarily or permanent) or job sharing
- approving extended periods of unpaid absence for career breaks or sabbaticals

- approving secondment opportunities
- identifying alternative sources of funding.

Where the reason for redundancy is business reorganisation, the institution will consider:

- redeployment of the affected staff
- facilitating retention or redeployment by providing training and development
- thinking creatively about work organisation and mitigating potential consequences by providing for part-time or job-share opportunities.

### Formal consultation

Formal consultation only begins once the institution has considered the possible alternatives to redundancy as set out above. The trade unions are given additional information, such as information on the reasons for the redundancies, the posts affected and the total number of employees of that description employed by the institution, the proposed method of selecting for redundancy and the proposed method of calculating redundancy payments. Formal consultation is seen as a way of engaging with the unions to identify ways of avoiding or reducing redundancies or mitigating their effects. Ring-fencing vacancies that represent potential suitable employment and tailored or enhanced severance terms may also be discussed at this stage.

### Handling restructures

Proposed restructurings are often preceded by informal discussions with those affected and the unions. Managers are expected to get input from their team. When the proposed restructuring is announced formally, those affected are always given a written document which sets out:

- the existing structure
- the proposed new structure
- the business case for change
- why change is thought necessary
- a rough outline of the change process, including the timetable.

One reason for putting everything in writing is to ensure that everyone gets the same information. According to the Unison representative, this is useful because when people attend a meeting thinking their job is at risk, they don't hear what is said. Presented with a written document, they "flick through to the end, generally see that their job is not at risk, heave a big sigh of relief and then concentrate on the discussion."

HR is closely involved with every restructure. Jobs are looked at carefully. Proposals may start with a suggested grade for a new or modified job, but the actual job is evaluated and graded once the look and feel of the new job has been finalised following consultation. The grading panel includes a union representative. Where appropriate, it is often agreed that a new structure will be reviewed after 12 months to see how effectively it is working.

As noted by the UCU representative, there was one 'blip', in the summer of 2010 when a restructuring was commenced and several individuals placed at risk of redundancy without prior consultation with the trade unions. The lack of consultation was justified on the grounds that, on this particular occasion, it was felt more appropriate to approach the individuals concerned on a one-to-one basis before approaching the unions. Unison's representative comments: "We'd been spoilt with really good systems and processes and this woke us up a bit." The unions protested strongly. The institution accepted that – on reflection – it should have engaged the unions earlier and apologised. The institution consulted with the unions from then on and involved them throughout the subsequent process. The number of potential redundancies was reduced by redeployment.

## Challenges

The Unison representative says that although management does not have job loss as an objective, staff believe that it does, especially as restructurings in practice often end in job losses, albeit on a small scale. And although the reviews outlined above were separate initiatives, staff perceive them as unending change which makes them feel insecure and may involve changes in working practices for them as individuals.

Both Unison and UCU representatives say that increased workload rather than job loss is the main concern, although staff tolerate this because they are dedicated and believe that one day “things will get back to normal”. Staff are also less inclined to raise this as an issue when they are scared they may lose their job. The UCU representative says that this is a particular issue for academics and points out that the only element of an academic’s job which is currently measured at institution B is contact teaching hours, not the entirety of academic jobs. This situation will change with the introduction of a new Academic Work Planning Model. The model is still in its infancy and institution B and UCU are working together in relation to the planned implementation of the model in the next academic year.

HR accepts that the impact on workload following a restructure, especially where it involves the removal of a post, is not always something that is given detailed consideration and it needs more attention moving forward. For example, when managers suggest disestablishing a post they don’t always consider what’s going to happen to the work. This also applies where a vacancy is ‘held’. This will be highlighted in the management development training programme and guide on change management which are currently under development.

HR is also working to create a culture where people can raise their concerns and receive a supportive response. Unison’s representative says that the union always asks whether the individuals whose jobs are changed have been consulted before restructuring plans are drawn up, on the grounds that the people doing the work are best placed to identify how to do the work more efficiently.

Both unions and HR say that they have a good relationship, but the relationship between senior and middle managers and the unions is not as good in some areas. Both HR and the unions agree that line managers need skills development in relation to managing changes, communicating these effectively to staff and supporting their staff through them. To remedy this, HR are currently developing a change management programme for managers, as mentioned above.

## Supporting staff

HR and the unions support individuals at risk of losing their jobs. People can ask for meetings to discuss their situation and efforts are made to organise these quickly, though this can be challenging in a small institution with a limited number of union representatives, all of who have other full-time commitments. Once an individual is given notice of redundancy, there are funds available in the staff development budget to give them the support they need. This support has included help with writing CVs, interview skills, early retirement or undertaking training for new qualifications.

## Handling communications

Unions and management do not currently communicate jointly at institution B, although there are plans to look at how the institution might do this in the future in relation to certain projects or key messages. The Unison representative pointed out that joint communications may undermine their message to their members, who often place more faith in union communications.

At present communications methods include e-mails, website notices and staff open forums. Historically, the forums were not always that well attended, but attendance has increased significantly since the institution started using the forums to openly discuss finances and its

plans in relation to the future vision and fee setting. Unison says that its members at the institution will engage with managers who are transparent and authentic – a view confirmed by the UCU representative.

The staff satisfaction survey shows that staff are happy with communications from senior management but less so with those from line managers. HR is working with the marketing department on a communications strategy for the institution and is trying to ensure that processes, such as regular team meetings, are in place.

### **Equalities assessments**

Equalities impact assessments had been undertaken for the large scale reviews but not on the smaller restructurings. The Unison representative commented that it can be hard to see patterns when the numbers are so small. The representative also pointed out that equalities assessments are conducted, but they are done after the event and with a focus on equalities monitoring and impact on staffing rather than a true and full equality impact assessment, which should be carried out beforehand. HR accepted that a more robust approach to equality analysis was needed. It is currently finalising a new equalities analysis tool which will look at the impact on students and services, as well as staff.

### **Advice for others**

- HR said: “Engage early with the trade unions and don’t stick to rigid communications structures – pick up the phone or send an e-mail. Make time to communicate and respond quickly to queries or requests for meetings.”
- UCU’s representative suggests: “Talk to the unions before decisions are made, have clear transparent guidelines and timetables and trust each other to maintain confidentiality.”
- Unison’s representative believes it is important to: “Be very transparent and develop a cooperative relationship between unions, management and HR.”
- And HR and the unions agreed that giving union representatives regular formal and informal access to the senior management team, particularly the director of finance, is vital.

## 5. Institution C

Institution C worked with its trade unions to mitigate the effects of potential job losses caused by a sizeable financial deficit. Some 33 potential compulsory redundancies were reduced to nine, the majority of which took the form of the non-renewal of fixed-term contracts. The unions negotiated voluntary reductions in working hours, enhanced voluntary severance terms and an extended consultation period which freed up jobs as individuals left of their own volition for posts elsewhere. One of the trade union representatives described this as win-win: the institution achieved most of its target cost savings and staff were treated fairly. In addition, he said, the relationship between the trade unions and management improved as the process of detailed consultation demonstrated how trade unions could work with management to achieve the shared objective of minimising job losses.

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Institution C has around 500 staff and 6,000 students. It became a university about five years ago.

### Proposed changes

In the summer of 2009 the institution faced a growing financial deficit. New senior managers realised that this had to be tackled, so they carried out a portfolio review and developed a financial recovery programme. These initiatives led to the drawing up of restructuring plans designed to save £2.5 million by losing 87 posts, 54 of which were already vacant. The institution hoped to complete the restructuring between January and June 2009.

### Consultation

Institution C does not have a standing joint consultation and negotiation committee but instead consultation takes place on an ad hoc basis as matters arise. The formal consultation process began on 21 January 2010 when the institution gave notice of redundancies of more than 20 posts and presented the unions with a list of the areas to be restructured. The unions accepted that costs had to be cut but were dismayed that they had not been consulted earlier. They had concerns regarding the redundancy proposals and would have liked to have had some input into the restructuring plan. They thought that, had discussions of the deficit commenced a year or two earlier, any job cuts could have been handled by vacancy management.

The institution's aim on 21 January 2010 was to give a broad indication of its intentions. However, by giving formal notice of redundancies, it triggered the trade unions' legal entitlement to meaningful consultation, which must cover:

- ways to avoid redundancies
- the reasons for redundancies
- how to keep the number of dismissals to a minimum
- how to limit the effects on those dismissed (e.g. by offering retraining).

In addition, giving notice of redundancies obliged the institution to provide the trade unions with written information setting out:

- reasons for the proposed redundancies
- number of employees that are proposed to be made redundant
- different types of employees that are proposed to be made redundant
- number and types of employees
- how any employees to be made redundant will be selected
- time period over which any redundancies may be carried out
- how any redundancy payments would be calculated.

Although the initial notice of redundancies was followed by fortnightly meetings between senior institution managers and representatives of the four trade unions, it took some time for all the relevant information to emerge. Consultation over the potential redundancies did



not begin until 24 March, when the institution identified groups of 'at-risk' individuals and said that 33 of these employees would be made redundant.

HR and line managers then met with those at risk of redundancy. Managers were looking for ideas from staff. Staff were sent a formal at-risk letter and were invited to submit counter proposals or make a case for keeping their job. The unions questioned this approach because they believed that individuals could not challenge what might happen to them when the redundancy selection criteria were still unclear. The unions also raised concerns that staff were not all being told the same things by management in individual consultation meetings and were worried that there seemed to be no structure in place to consider individuals' responses. The deadline for the counter proposals was extended to take account of this.

### **Challenges**

The redundancy consultation took longer and cost more than the institution had envisaged. When the institution began the consultation process in January it anticipated that it would be drawn out, but hoped that the redundancies would take effect before the end of the academic year. In practice the situation was not resolved until August 2010. This extended period was caused by the unions' insistence on their right to meaningful consultation, giving them the chance to understand how the institution had arrived at its proposals and to have their views on alternatives taken into account.

In addition, the unions argued successfully for an enhanced voluntary severance scheme, which reduced the number of compulsory redundancies but was more expensive than compulsory redundancies would have been. This, together with delays in satisfying the unions requests for information, meant that the institution was unable to make all the savings it had hoped to make.

### **Minimising redundancies**

Both management and unions sought to minimise redundancies, but perhaps institution managers did not all fully recognise how the trade unions could help achieve that. In the event, management and unions agreed to the introduction of a voluntary severance scheme and voluntary reductions in working hours. These initiatives, together with the extended consultation period, had the effect of reducing 33 proposed compulsory redundancies to nine compulsory redundancies - almost all of which were achieved by the non-renewal of fixed-term contracts rather than the loss of permanent jobs - ten voluntary redundancies/early retirements and one redeployment. Another 13 jobs were lost through voluntary departures for jobs elsewhere.

Voluntary severance was not originally envisaged as the cuts were in targeted areas and the institution believed it did not have the funds to offer enhanced terms. The unions were able to persuade management that offering voluntary severance, and thus encouraging staff to leave voluntarily, would be a good investment in maintaining the morale of the workforce. Statutory redundancy terms were enhanced by offering normal weekly pay rather than capping it at the statutory maximum at the time of £380 per week. At the beginning, voluntary severance was offered just to those in redundancy pools, but this was extended to employees in similar areas. It was not offered to the whole workforce. Although support staff jobs were among the 33 original proposed job cuts, staff turnover meant that soon only academic jobs were at risk, so support staff were not eligible for voluntary severance.

The unions also proposed that staff should be able to reduce their working hours voluntarily. Volunteers came forward and new hours contracts were implemented before the consultation formally ended. Enough individuals reduced their hours to save two jobs.

## Managing redundancies

The redundancies were managed using a new redundancy protocol and redeployment protocol agreed with the unions in November 2009, before the restructuring exercise took place. This sets out the process for:

- establishing a new structure, whereby restructured jobs are graded using the HERA job evaluation scheme, with comparisons subsequently made between the new jobs and existing jobs, to see which jobs and job holders might be affected
- transferring to posts in a new structure
- the consultation process for dealing with redundancies, which includes the statement that the consultation will be carried out “with a view to reaching agreement with the trade unions and to reduce, avoid or mitigate the impact of potential redundancy dismissals”
- redeploying staff
- supporting staff under notice of redundancy with professional help to improve job seeking skills.

## Communications

Fortnightly meetings were held with the trade unions throughout the process, supplemented by informal e-mail exchanges in between times. There were also smaller meetings of differing levels of formality from time to time. Individuals at risk had meetings with their line manager, supported by HR.

The four trade unions held regular joint meetings which were well attended. The Head of Institution promulgated the rationale for the restructuring in May 2010 to all staff, but thereafter communications from the institution were directed at those immediately affected by the restructuring plans.

## Supporting staff

The redundancy and redeployment protocol sets out the institution’s commitment to provide career support to staff under formal notice of redundancy. The institution provides professional support using internal expertise, external specialists and government agencies. Support includes assistance with:

- compiling a CV
- internet and journal job searching
- interview techniques and practice
- opportunities for external training.

There is also access to independent and confidential counselling services for staff experiencing difficulties dealing with the possible or actual impact of redundancy.

## Looking to the future

The institution is content that it achieved most of its target savings from this exercise and was able to work well with its trade unions to save jobs. It also says that over the next academic year it will continue to strive to develop, plan for and implement change as far as possible without compulsory redundancies. It will, however, do some things differently next time. HR says that it would involve the trade unions earlier in any restructuring process and will be looking to improve line managers’ change management skills.

The absence of regular formalised joint consultation arrangements makes it more difficult for the institution to involve the trade unions in future planning. However, since the restructuring took place informal, regular meetings between HR and the unions have started. The unions welcome these, despite their current focus on HR matters rather than the broader change agenda. The trade unions and management say that what was accomplished together during the restructuring exercise encourages them to try to continue working together in partnership.



HR hopes to continue to have regular meetings and provide financial information to support partnership. The EIS representative welcomed this and said: “We all have a shared interest in the health and prosperity of our institution: I’m all in favour of partnership.”

#### **Advice for others**

- HR suggests providing clear communications, tangible information, training managers to handle organisational change and ensuring staff know who to contact if they have questions or need support.
- The EIS representative said “Consult early, often and meaningfully. You will reap what you sow in terms of organisational culture. Management by surprise is unhelpful.”

## 6. Institution D

In the academic year 2008/09, institution D closed two satellite campuses. Some 450 employees' jobs were relocated eight miles away, to the main campus. The institution's top priorities were to maintain good employee relations and student/customer services while these relocations took place, and it hoped to achieve efficiency savings by centralising some activities and taking advantage of improvements in IT. The changes had the potential to result in around 30 redundancies.

This case study describes how management and trade unions negotiated innovative flexible working and home working policies to enable staff to carry on working for the institution despite, potentially, much longer journeys to work. The two parties also agreed a recruitment freeze, early retirements and long time periods for searches for redeployment openings for affected staff, to help those being moved to the new campus to find jobs there.

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Institution D has just under 1,900 staff and over 35,000 students. Its origins rest with an amalgamation of colleges, many of them set up in the 19<sup>th</sup> century, and it became a university in 1992. It is situated in a busy, congested city. It has several campuses, but is gradually moving all its activities to a single campus, necessitating a programme of campus closures.

### Proposed changes

The institution wanted to move 450 people from two campuses to the main site eight miles away. The staff involved included the senior managers and support staff providing the institution's central administrative services as well as some academics. There was to be a certain amount of centralisation of previously devolved functions, and the relocations provided the opportunity for restructuring, which could have led to job losses. Efficiency savings and job losses came second to trying to fit relocated employees into available jobs. There was an additional complication, though, which was that the new building to which people were being moved had neither the amount of office space nor parking space the employees had previously occupied.

The staff affected by the move were mostly Unison members, although a small number of academics also relocated. The Unison representative says that although she accepted the rationale for consolidating on a single campus, she was sorry to see the old campuses go, as each had its own distinctive ethos.

### Retaining staff

The institution accepted that having to travel an additional eight miles to work, in a traffic-congested city, which equated to an extra hour each way a day for many, was unpalatable. This was especially so as parking spaces on the new site were restricted, so staff might be unable to park after their extended journey. It therefore negotiated with the unions a number of new policies to make the best use of the available space by enabling people to travel to work on fewer occasions. These included:

- A home-working policy, which allows occasional home-working (one or two days each week) or permanent home-working (three or more days each week). The policy says that the institution supports "the provision of home-working wherever practicably possible, although the arrangement will always be on a voluntary basis. This is based on the reality that many of our jobs can be undertaken within the employee's home and do not require attendance at the workplace. While certain jobs are not suited to home-working, our investment in IT systems has made home-working increasingly possible, even where only as an occasional arrangement."
- A flexible working policy, which promotes compressed working weeks such as nine-day fortnights, term-time only working, part-time working and job sharing. "We are committed to the positive consideration of flexible working requests from all our staff, irrespective of their personal circumstances."

Some managers were worried about managing home-workers and other forms of flexible working, faced with the issue: “How do I manage people if I can’t see them?” HR provided briefings for senior managers to assuage their fears.

The Unison representative comments that although her members were positive about opportunities for home-working and flexible working, in practice permission to do so depends on individual managers, whose enthusiasm for the idea varies considerably.

Compensation offered to staff who moved to the new campus included a free annual season ticket for four years to cover the whole journey; or car mileage allowance for the additional miles for four years; a free bicycle, or contribution towards a motorbike. Free car parking is also provided for car sharers - the standard charge for parking is 0.5% of salary, capped at £500 a year.

### **Minimising redundancies**

The Unison representative says that the union worked hard with the institution to ensure that anyone who wanted to be redeployed could be, arguing successfully for an initial 12-week redeployment search period for all. In addition, the flexibility agreement allowed staff to reduce their working hours - for example, by moving to job sharing - thus avoiding redundancies. Where some staff, for example, the cleaners, could not be redeployed, the cleaning work which had previously been outsourced on other campuses, was brought back in house alongside the cleaning contract, to provide jobs for the cleaners who were generally low-paid and often part-time workers for whom a job move was too difficult. It was not appropriate to press for voluntary severance, the Unison representative said, because neither management nor unions wanted employees to leave. The whole focus was on retaining the existing workforce through redeployment, home working or flexible working and accommodating them in the new, but smaller offices.

As soon as the campus moves were announced there was an immediate freeze on filling permanent jobs. Where posts had to be filled, new employees were engaged on fixed-term contracts lasting a maximum of 24 months. These fixed-term employees were also told that they would not be eligible for redeployment or redundancy payments. This was a big help, HR said, with reducing the number of staff who needed to find jobs in the new offices.

In the event, four people were made compulsorily redundant, with redundancy payments based on actual pay rates rather than the statutory maximum of £380 a week. Unison accepted these redundancies because it believed that every effort had been made to redeploy staff, many of whom were offered several redeployment opportunities, and also because it accepted the rationale for the move. No academic staff were made redundant.

### **Consultation**

The institution started the planning of the closures two years in advance with several working committees including an HR Sub-Committee; a Travel and Transport Sub-Committee and a Communications Sub-Committee. Each committee had representatives from all schools and services affected, as well as from each union. The institution consulted formally with the unions on a service-by-service basis, and these negotiations were a standing item on the agenda of meetings of the institution’s Joint Consultative and Negotiating Committee. In addition, there were numerous informal meetings, with the HR Director holding weekly catch-up meetings, which were particularly helpful in resolving local issues. The Unison representative said that she would like to be involved in the long-term planning of such exercises, although it could drive a wedge between the stewards and their members. On the other hand, “Unison members already believe that their stewards are privy to such long-term plans.”

Every member of staff affected by the closures and relocation was consulted in an individual meeting with their line manager during which a detailed questionnaire was completed seeking their views on a range of topics associated with the move. All the responses were collated and fed into the consultation exercise and various proposals from staff were considered and implemented.

### **Communications**

Communications about the campus closures and move to the new location included road shows, workshops, cascade briefings, Q&As online and e-mails. The HR Project Manager, the Director of Estates and the Deputy Head of Institution attended the road shows and answered all the questions put to them online. The staff newsletter featured several articles about the new building and bus trips were organised to allow staff to see where their new offices would be.

Despite these efforts, the Unison representative says that some of the union's members complained about lack of information, perhaps because they didn't have access to e-mail and online information or weren't able to attend road shows or workshops. Both HR and the union commented that, although senior managers brief line managers, line managers are not always good at passing that information onto their staff.

### **Supporting staff**

The HR staff development department provided skills training for staff attending competitive interviews for internal job openings. This included CV writing and interview training and practice. The institution also provided pre-retirement courses for those thinking of early retirement.

### **Equality impact assessments**

All the new policies – home working, flexible working and car sharing – were equality-impact assessed.

### **Reviewing the experience**

Some of the staff didn't like their new open-plan offices because they had to work closer together and the environment was noisier than in the former offices. Hot desking is also unpopular with many. Academics were upset to lose their individual offices, but as they have flexibility over where they work and regularly work from home, they accepted the move to open plan. This issue has been at least partly remedied by providing an increased number of break-out areas and bookable rooms, where quiet work can be done and confidential meetings held.

Staff who had been unable to find a job into which they could be redeployed argued successfully for the extension of the search period beyond the 12 weeks, and this did hold things up. The downside of this, according to the Unison representative, was a longer period of uncertainty for the individuals involved.

The Unison representative also believes that some managers are in need of training in managing change. "There is some very good management training here, but it is only the better managers who take advantage of it. It would be useful if training was compulsory for newly appointed or promoted managers."

### **Advice for others**

- Openness and transparency is paramount, the HR Director said: "Have a clear view of organisational requirements, don't be afraid to share these early and treat people as mature adults. Ensure that every member of staff affected is offered an individual consultation meeting to discuss their own personal circumstances. Don't give staff unrealistic expectations. And even if there are fully effective information and consultation arrangements in place, give serious consideration to whether these will be

fully effective given the pace of change. Don't think you only need to tackle the big-ticket items – small local issues can unsettle everyone.”

- The Unison representative also advocates openness and as much communication as possible: “Involve unions in planning or informal discussions at an early stage, so we can make a meaningful contribution to the process. Unions can focus on issues other than HR”, she said.

## 7. Institution E

In 2009, institution E decided to restructure its IT department as part of a institution-wide plan to reduce expenditure. The director of the division also wanted to make service improvements. These two pressures resulted in a plan to remove ten posts. The trade unions negotiated alternatives to compulsory redundancy, including a more proactive management approach to redeployment, deferred voluntary severance and early retirement. Reductions in working hours, flexible working, reduced leave entitlements and delayed recruitment were also discussed. As a result of the negotiations, only one of the ten proposed compulsory redundancies took place.

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Institution E is a pre-1992 university with over 5,000 staff and more than 20,000 students.

### Proposed changes

The institution sought to restructure its IT department in 2009 with the aim of cutting its budget by almost 10% and increasing efficiency. The new structure required ten fewer posts than the existing structure.

The proposed redundancies were negotiated with the trade unions and staff in line with the institution's organisational change procedure. This was agreed in 2007 to help deal with the restructuring of one of the institution's largest faculties. The procedure, which includes a commitment by the institution to avoid redundancies wherever possible and to provide support and assistance to displaced staff to minimise hardship, sets out the steps that need to be followed in the case of any organisational change, namely:

- Production of an organisational change proposal (OCP) outlining the proposal and the reasoning behind it. The OCP must include an equalities impact assessment
- Discussion and consultation on the proposal with those affected
- Confirmation of the final proposal when the consultation is complete
- Implementation of the changes, in close consultation with those affected.

### Consultation

In late 2009 the proposal to save almost 10% of the department's budget overheads was given to the trade unions. Two days later the formal consultation process began with a departmental meeting on the proposal to make ten posts redundant. 'At-risk' individuals had already been informed in one-to-one meetings. Formal meetings with individual staff followed the departmental meeting. At these, staff at risk of redundancy were advised that:

- They could access the redeployment register
- The current vacant posts in the department were ring-fenced for at-risk staff to express an interest in
- An external coaching service was available to any staff who needed support
- Voluntary severance was available.

Unions and staff made a number of suggestions during the consultation, including extending voluntary severance to all staff in the department, reducing working hours and taking one day of unpaid leave per month to provide savings to offset staff costs. Some staff who had volunteered to reduce their working time, however, withdrew when they received a pension forecast showing the impact on their final salary pensions. Others persisted, and one job was partly saved through other staff working fewer hours. It was also agreed that staff whose skills would be needed over the next three to 12 months could receive voluntary severance when they left up to a year later.

After extensive consultation and negotiation with the trade union, the need for all but one of the compulsory redundancies was avoided through a combination of deferred resignations (voluntary severances), cuts in working time, redeployment and one member of staff taking early retirement.

## Redeployment and support

Institution E developed what the trade union representatives call “active” policies and procedures for redeployment during the restructure. The new process is handled by HR in conjunction with local managers.

The previous policy only obliged managers throughout the institution seeking to fill jobs to look at the redeployment register to see if anyone with the appropriate skills for their vacancy was on it, consider them for the post, and tick a box to say that they had done so. Although this was reasonably successful for some administrative roles, it was less successful for others, particularly researchers. HR now matches redeployees and vacancies, and signs off the process. HR must agree that there is no redeployee available before a job can be advertised.

Employees enter their details on the register, including a self-assessment of their transferable skills. They can remain on the register for between three and four months, even if their notice period is less than three months. HR provides assistance in completing employee profiles and enters details on the register for staff who do not have direct access to a computer in the course of their work. Vacancies are advertised for 14 days on the redeployment site before they are advertised externally, and staff receive alerts for all posts on the same or lower grade. Redeployment is not a route to progression to a higher grade, since “it would give redeployees unfair access to vacancies before they are advertised.”

Under the new policy:

- HR scans all vacancies and the redeployment database to identify any potential suitable employment opportunities, liaising with redeployees and recruiting managers where they think there is a suitable match
- Redeployees are assessed for their appointability against the essential criteria for a role in a person specification. Desirable criteria can be considered only if multiple redeployees are competing for the post
- Recruiting managers must consider whether redeployees could reasonably attain essential skills during a trial period
- Recruiting managers must consider all redeployees who are identified as a suitable match and provide written feedback to all redeployee applicants not invited to interview.

## Support

HR has put in place redundancy preparation and support for any individual at risk of losing their post. After an initial assessment staff can have three sessions of career coaching and guidance. They can choose help with developing their CVs, interview techniques or presentation skills. Coaching can be one-to-one or in a group. Pre-retirement counselling and free financial advice are available, as is time off for retraining.

## Consulting earlier

The institution’s approach to consultation has been evolving since the 2009 IT restructure. For example, when a new director initiated a further restructure of the IT department in the summer of 2010, building on the change process started by their predecessor and focusing more on service improvement than budget cuts, the aim was to engage the 200 or so staff in the change process.

A joint project team including departmental and HR staff was formed. The team have led the three phase 15-month project which began with workshops where the director spoke about the issues confronting the department and set out a vision for the future, actively seeking engagement from all staff. Fortnightly drop-in sessions were held, at which the staff could ask questions and make suggestions, and the project was also discussed at team meetings. Every question and suggestion submitted by staff was answered online. Phase 1 – consultation with all employees in the department and the selection of the new top team –



lasted around five months. Phase 2 – the selection of the next tier of managers, including external recruitment – lasted another five months. Phase 3 – which involves the reconfiguration of the workforce to deliver the new strategy – began in June 2011 and is expected to be completed later in 2011.

Unlike previous reorganisations, staff have been involved right from the beginning. “This is much better than what happened before”, the Unison representative said. “Management really did consult staff, with workshops held several weeks before any proposals were drawn up.”

The Unison representative has endorsed the new approach with guidance to members at the institution. “Staff are listened to and their comments are taken on board. Managers who conduct consultations want to hear what their staff have to say because they are aware that, in many cases, their staff can see things that they can’t. Some suggestions are taken on board and included in the final plan. Others aren’t, but in most cases managers will explain why they aren’t. The final document is always different from the one presented at the beginning.”

### **Avoiding future redundancies**

The 2009 restructure of IT was part of a series of restructures across the institution. In the summer of 2010, at the urging of the trade unions, particularly UCU, the institution set up an institution-wide workforce planning consultative body to help avoid future redundancies. This body consists of the local representatives and regional officers of the three recognised trade union, the senior operational executive and the other two most senior HR directors. It meets two or three times a term, with a broad remit including looking at processes and college finances, and has discussed issues such as rationalising the use of estate and freezing promotions for a year to contain costs.

### **Advice for others**

- HR says “Be prepared. Anticipate from a management point of view everything that the unions may ask for and know what your position is. Be flexible but clear. Don’t raise unreasonable expectations, for example, that people can reduce working hours without reducing pay. And work in partnership with the trade unions when you can.”
- The Unison representative suggests “Consult earlier. Talk to everyone who will be affected, not just those whose jobs are at risk, before you even put an initial proposal together. The staff doing the work may be able to put forward more practicable efficiency savings than senior managers. And manage redundancies by voluntary severance wherever possible.”
- The UCU representative said “Have meaningful consultation. Consult with an open mind and don’t assume that counter proposals are simply defensive.”



## Appendix 1: Case study questions

1. Background on the HEI. Total number of staff and numbers affected by the change, including their broad categories.
2. Nature and purpose of the change? What outcome was being looked for?
3.
  - i. What were the factors driving the change?
  - ii. What issues did this pose for the institution?
  - iii. What issues did this pose for the affected staff?
4. What job losses were envisaged? Was there a view on whether these would be compulsory or voluntary? If seeking voluntary redundancies did you offer enhanced terms? Did you intend to work with the TUs to mitigate job losses?
5. What was the timescale, from the decision that change was needed to the completion of that change? What were the different phases?
6. Were the trade unions involved? If so, at what stage and how?
7. Did you use an existing procedure/agreement on handling workforce change?
  - i. If yes, what was it? Did the change lead to a departure from the existing procedure/agreement? If so, how was it handled?
  - ii. If no, what arrangements did you use and how were they developed?
8. What type of difficulties arose during the change process and how were these dealt with?
9. Was an agreement ultimately reached with the TUs over how the change was carried out? (if yes, can we have a copy?)
10. How were the proposed changes communicated to affected employees and the wider workforce? What methods and machinery were used by the employer to inform and consult staff?
11. How well did communications from the employer to staff work? How well did trade union communication to members work?
12.
  - i. Were the outcomes from the proposed change as planned or different? If different, in what ways and why do you think they were different?
  - ii. If the change was cost driven, were the financial savings identified in the change plan achieved? If the costs of the change are also considered, were the savings produced as planned?
13. After the final outcome, how many staff:
  - were made compulsorily redundant
  - took voluntary severance/early retirement
  - were redeployed, and did this involve any retraining etc?
- 13a. How were the redundancies managed? Are you aware of the Acas digest and did you use it in developing your approaches?
14. Was the workload of staff remaining in the restructured unit reviewed and were any workload issues addressed?

15. How was the change plan and implementation affected by equality issues (such as a Equalities Impact Assessment (EIA))?
16. What worked well during the change process and what did not work well?
17. If you were considering a similar change again, what, if anything, would you do differently?

### Overview

18. How satisfied are management/each union representative with the process of agreeing and planning the organisational change? And with the process of implementing the changes?
19. What were the major issues and obstacles to a smooth change process? Were any of these unexpected?
20. Is there anything that any of the parties could have done to make the change process more effective?
21. Is there anything that any of the parties could have done to secure better outcomes?
22. What advice would the parties give to other organisations seeking to implement similar change?
23. What advice would the parties give to other organisations seeking to implement organisational change in partnership with trade unions?



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