TOOLKIT

THE FUTURE OF THE EUROPEAN PRINT INDUSTRY – IN OUR OWN HANDS

RESTRUCTURING – YOUR TOOLKIT TO MAKE IT HAPPEN

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The seven-year programme targets all stakeholders who can help shape the development of appropriate and effective employment and social legislation and policies across the EU-27, EFTA-EEA and EU candidate and pre-candidate countries.

PROGRESS's mission is to strengthen the EU contribution in support of Member States on EU objectives and priorities; and

• Provide analysis and policy advice on PROGRESS policy areas;
• Monitor and report on the implementation of EU legislation and policies in PROGRESS policy areas;
• Promote policy transfer, learning and support among Member States on EU objectives and priorities; and
• Relay the views of the stakeholders and society at large.

For more information see: http://ec.europa.eu/social/main.jsp?catId=327&langId=en

INTRODUCTION

This 'toolkit' contains advice, guidance and checklists for managers and staff representatives to work together to find solutions to the unprecedented challenges that the printing industry is encountering in the second decade of the twenty-first century.

The contents are based on established good practice and research from Western Europe and the United States. It is recognised that there may be cultural differences of which management and staff representatives need to be cognisant, relating to geography, national laws, the demographics of the workforce, religion or belief, or the nature of the work produced by the company.

Certain terminology has been used with the intention of making it universally applicable, for example:

- We use the term 'staff' rather than 'employee/s' to avoid any issues around employment status
- We use the term 'staff representative' to apply to 'lay' trade union officials, other union officers elected by staff, or 'works council' representatives

Individual printing companies have adopted different approaches to employee relations. Traditionally, printing companies recognise the appropriate trade union for the trade and agree, through collective bargaining with elected trade union representatives, both terms and conditions of employment and procedural issues, such as remedying disputes and differences. In constructing this toolkit, no assumption has been made about trade union recognition in order to ensure that the content is relevant to all printing companies. The main report highlights the potential for trade unions to have a positive impact on business and create a working environment in which staff feel confident that their interests are effectively represented, and hence potentially more open to change (in 8.1.1).

The toolkit is based around concentric circles – as illustrated on page 7. The Company is at the centre, as this is where the responsibility and the accountability for restructuring rests.

Policy Statement by UNI Europa Graphical

UNI Europa Graphical and its affiliates firmly assert that engaging and negotiating with a trade union, as the legitimate representative of the workforce, should be the starting point when beginning a process of restructuring.

The process of restructuring, whatever the cause, is driven by a five-stage process:

- **PLAN**
- **ENGAGE**
- **CONSULT**
- **ACT**
- **EVALUATE**

These five stages are represented in the segments of the second circle

The third circle relates to the partners who can offer aid to the company at the appropriate stage of the process

The fourth circle contains the examples of the aid given by each of the partners in each of the segment stages of the process

The printing industry encompasses a wide spectrum of companies and it is recognised that the application of some of the tools in the following pages will be impacted by the size of resource, and hence the degree to which individual companies can adopt specific recommendations. Nonetheless, the principles underpinning all of the following pages are sound and apply equally to the largest and smallest company operating in a socially responsible manner.

Additional support beyond this toolkit
It is clearly not possible within this guide to specify all sources of advice and guidance on the topics covered in the toolkit. Furthermore, each country will have its own unique support systems. Therefore managers and union/staff representatives are encouraged to view the following sources of additional information:

- Employers federations – list of contacts at: www.intergraf.eu
- Independent trade unions
- European Trade Union Confederation (ETUC) publications at www.etuc.org
- Local, regional and national government departments and agencies
- European Foundation for the Improvement of Living and Working Conditions – at www.eurofound.eu
- The European Commission – at www.europa.eu and specifically on restructuring (and access to resources such as restructuring toolkit): http://ec.europa.eu/social/main.jsp?catId=782&langId=en
- The European Commission/ Enterprise and Industry site: http://ec.europa.eu/enterprise/index_en.htm
- The European Commission/ European Small Business Portal: http://ec.europa.eu/small-business/index_en.htm
- The International Labour Organisation – at www.ilo.org
- Corporate Social Responsibility in a recession guidelines: www.csr360gpn.org/uploads/files/resources/Briefing_note_-_Responsibility_in_a_recession_-_Checklist_for_restructuring_and_downsizing_-_January_2009.pdf

COMPANY

PLAN
FEDERATIONS, GOVERNMENTS, ADVISERS
Communication plan models
Statistics reports, market
Business plan templates

ENGAGE
TRADE UNIONS, STAFF, CUSTOMERS
Change templates
Communication implementation action plans
TU consultation
Case studies

CONSULT
TRADE UNIONS, STAFF, FEDERATIONS
Best practice templates
Legal obligations
Case studies

ACT
TRADE UNIONS, STAFF, FEDERATIONS
Model procedures
Case studies

EVALUATE
TRADE UNIONS, STAFF, CUSTOMERS
Evaluation tools
Case studies

A. PLAN PHASE

A.1. Strategic Development

There are many analytical tools available for print businesses to begin to understand the background against which they will take decisions. However, we concentrate here on a small number of well known ones. Print businesses may of course use any tool of their choice:

• Purpose, mission, vision and values
• PEST (Political, Economic, Social, Technological)
• SWOT (Strengths, Weaknesses, Opportunities, Threats)
• Market / Customer Analysis

A.1.1. Purpose, mission, vision and values

Such things as mission statements, so beloved of many large organisations, may seem rather theoretical to the small and medium-sized printing company. But if you don't know where you intend your business to go, it is difficult to judge whether you are on the right course and what adjustments should be made. In other words, our decision-making becomes reactive rather than strategic.

Fundamentally, what is the purpose of the business?
Most business owners can identify one of three reasons for owning a business:

1. To create a legacy (whether for family members or others to build and grow the business in perpetuity)

2. To create an asset which can be turned into cash (either by flotation; or sale as a going concern; or sale of assets)

3. To generate enough income to provide a living for the business owners during their lifetime with no further long-term objective

Identifying the long-term purpose of the business is the fundamental building block in developing the business strategy.

It must also be recognised that those working in the company may identify different purposes. For staff, the company's primary purpose is as a provider of employment. In addition to the primary function of providing an income, it also has many other very important social functions; for example it is: a place of interaction with other people; it is a place of learning and of personal development; and it is a place that is part of the wider community.

Mission statement

George Bernard Shaw said: "Imagination is the beginning of creation: You imagine what you desire; you will what you imagine; you create what you will".

A mission is an objective and uses the language 'To . . .'

Some printing company missions:

• To be the premier multi-colour sheet-fed offset printer in our defined markets
• To provide a stimulating work environment that supports personal growth, individual contribution and teamwork
• To offer a superior premedia and printing experience for corporate communications, designers, agencies, and entertainment industry clients, so that they receive the product they require, on time, to their specification, without compromising quality.
• . . . and we will do this while supporting and protecting our workforce, our customers, our community and our planet.

Vision

A vision is visible, but not measurable and not an intention. It should be:
- Based on values
- Ambitious and achievable
- Memorable
- Inspirational

Some print related visions:
- Vibrant, cutting edge, dynamic printing that reflects modern needs
- A dynamic, young and exciting professional company dedicated to efficiency, quality, competence and getting it right the first time

Values

Like principles, values are held by individuals and instinctively influence behaviour Values influence decisions and hence the level of consistency in a company. Values espoused by printing companies include:
- Providing our employees an efficient, team-oriented atmosphere with a climate of friendliness, good humour and mutual respect among all individuals – and being extremely polite, helpful and accommodating whenever anyone is in direct contact with a customer
- Never delivering a job that we would not accept ourselves
- A willingness to be creative and try new things
- Be a company where all employees do whatever is necessary to protect the business family – which in turn assures the survivability of the company
- Be a company that looks after its employees by providing excellent working conditions and long term perspectives for learning and development

When people really buy into the values and the vision of the business, we create energy, commitment and corporate spirit.

Four steps to create a mission, vision or values

1. 'Board blast' ideas – invite everyone to participate – get the ideas on view where everyone can see them and influence them
2. Prioritise and simplify ideas – one word is more memorable and has more impact than a sentence – and consult stakeholders on the provisional results
3. Finalise the words and consider what they will mean in the daily business
4. Communicate the results and engage staff in identifying how the mission, vision or values can be delivered in practice every day; make them 'live', not 'laminated'

A.1.2. PEST analysis

This is a strategic tool for analysing the wider factors impacting on a business:

Political factors, such as local and national government and EU policy; legal; and increasingly, environmental policies (indeed some organisations adopt the acronym SLEPT, PESTEL or PESTLE to identify separately Environmental and Legal issues);
Economic factors include projected economic growth (or downturn or recession), inflation, exchange rates and interest rates;
Social factors include demographic, social attitudes and cultural changes
Technological factors need no further explanation for printing companies

What follows is an example of a PEST analysis for printing companies on a pan-European basis.

You may wish to ask yourself:
- Which of these factors will impact on your business in the next five years?
- What additional factors apply to your business?

EUROPEAN-WIDE ANALYSIS ON POLITICAL, ECONOMICAL, SOCIAL AND TECHNOLOGICAL ISSUES (PEST) FOR PRINTING COMPANIES

Political
- Legislative frameworks differ significantly offering varying levels of social protection; market freedom; and stipulating different levels of information and consultation with the workforce
- EU competition law precluding collaboration by large companies
- Differing levels of governmental support: e.g. - subsidies by some governments impacting on print prices/competition between the print sector in different countries
- Differing tax/social security costs across Europe impacting on competitiveness
- Expansion of EU – recent expansion plus the current 'waiting list'
- EU level playing field and 'social dumping'[1]
- Varying levels of government bureaucracy
- Growing environmental awareness – EU targets for carbon emissions/local agreements for production sectors
- Availability/accessibility of European social funds/ European Globalisation Fund (EGF) (including differing regional funding regimes allowed in some countries).
- The impact of 'pre-packaged administration', whereby insolvency arrangements allow the owners to restart their business by buying back its assets and writing off its debts (there are also political dimensions in the different approaches to 'pre-packs').
- Fragmentation of printing industry and preponderance of smaller firms
- Print seen by EU/ national governments as a mature sector with limited job creation opportunities – making it difficult to attract political or financial support
- Impact of national frameworks on priorities for training or retraining over which employers have little, if any control

Economic
- Emergence of new economies (e.g. China) investing in print and undercutting European prices
- Off-shoring of customers operations to new economies – facilitating use of local print
- Global economic crisis: reduced investment by banks/difficulties in raising loans
- Impact of currency fluctuations within Europe on prices
- Recession: reduction in advertising revenues
- Cost of paper/ink/energy
- Varying labour costs across Europe
- Shareholder pressure for greater returns
- Growth of new media companies creating increased competition
- Shift of advertising expenditure towards internet
- Impact of print brokers
- Market demand for shorter lead times, increased customisation and shorter runs
- Market pressure for lower costs
- Market focus on brands which is fuelling demand for multi-media approaches rather than print alone
- Sharp reductions in public sector print purchasing

Social
- Print replacement by digital storage and retrieval, and web-based media
- Growth in usage of social media/on-line media
- Digitalisation of official forms by authorities
- Demographic changes: fewer young people in all of Europe
- Potential impact of generation z: 'digital natives' on culture, ethics, values and communication preferences
- Pensions crisis (demographic changes leading to reduced ability to meet pension commitments at a governmental level) and increased pensions age in some countries
- Reduced opportunities for redeployment of older workers due to economic conditions
- Current industry image among potential recruits: viewed as low technology/male/lack of security/limited career opportunities
- Greater pressure to demonstrate good environmental performance and track record
- Changing skills and competency requirements

1. The European, Commission defines social dumping as "the export of a good from a country with weak or poorly enforced labour standards, where the exporter's costs are artificially lower than its competitors in countries with higher standards, hence representing an unfair advantage in international trade. It results from differences in direct and indirect labour costs, which constitute a significant competitive advantage for enterprises in one country, with possible negative consequences for social and labour standards in other countries."

- Management capability and confidence
- Employee relations – effective information, consultation and workforce engagement
- Quality of workforce training (e.g. limited training to operate only one type of equipment)

Technological
- Overcapacity/low capacity usage rate due to increased efficiency of new machinery
- Improvements in conventional technology (e.g.: reel-fed cut sheet printing)
- Other incremental improvements (digitisation of page make up/computer to plate)
- Fundamental technology changes: digital printing/variable data print
- Impact of web/e-books/i-pads/social media/related technology
- Increased on-line data storage and retrieval
- Shift in focus away from pure print manufacturing to implementing technological solutions that add value to customers through non-print services, such as web design
- Need for production to address environmental concerns through waste reduction, recycling and reduced use of energy, water and chemicals
- New technologies: printed electronics, RFID, 2D bar codes to enhance interactivity of print

A.1.3. SWOT analysis

Whereas the PEST analysis helps companies examine the wider external factors that impact on our business, the SWOT analysis is a strategic tool for analysing our business:

Strengths are the *internal* attributes of our businesses that are helpful in achieving our business aims
Weaknesses are *internal* attributes that are unhelpful in achieving our objectives
Opportunities are *external* factors that are *favourable* to achieving business objectives
Threats are *external* factors that are *harmful* to the business

The SWOT tool is normally illustrated as follows:

	HELPFUL	HARMFUL
INTERNAL	**STRENGTHS**	**WEAKNESSES**
EXTERNAL	**OPPORTUNITIES**	**THREATS**

So for a printer, some of the SWOT issues may include:

	HELPFUL	HARMFUL
INTERNAL	**STRENGTHS** • Strong existing customer base • Good employee relations • Own our premises • Financially stable • Reliable traditional plant and equipment	**WEAKNESSES** • Reliance on existing customers • Staff learning and development • Little investment in new plant and equipment • Aging all-male workforce • Poor image – seen as manual dirty industry and unattractive to younger people
EXTERNAL	**OPPORTUNITIES** • Low cost of entry into new technologies • Web-based marketing • Innovative use of town centre premises	**THREATS** • Replacement of print by in-house and new media • Competition from other low-cost printers • Recession / spending cuts

The company illustrated above may decide to:

• Do some market research to find what their customers like about them – see 'Customer Relationship Management' (A.1.5., page 17)
• Analyse their current customer base using the Market / Customer Analysis – see (A.1.4., page 15)
• Talk to their staff representatives about the business and the challenges it faces
• Talk to their union learning representative about staff training and development
• Investigate web-based marketing
• Consider a strategic alliance with another printer who has invested in new technologies
• Talk to their employers federation about support for all of the above

However, it is obvious that our SWOT analysis will be unique to our company. Who should do the SWOT analysis? Who better than the directors? Why not our management team? How about the union representatives? Staff? The responsibility for taking decisions and taking action clearly rests with the Chief Executive Officer (CEO) and his or her team, but there is no reason not to engage other stakeholders in the analysis of where the business is right now. Indeed, the more diverse the views contributing to any analysis, the more accurate a picture it is likely to provide.

A.1.4. Market / Customer Analysis

This section examines how to take a strategic view of current customers and markets and take well-informed decisions on marketing, sales and product diversification.
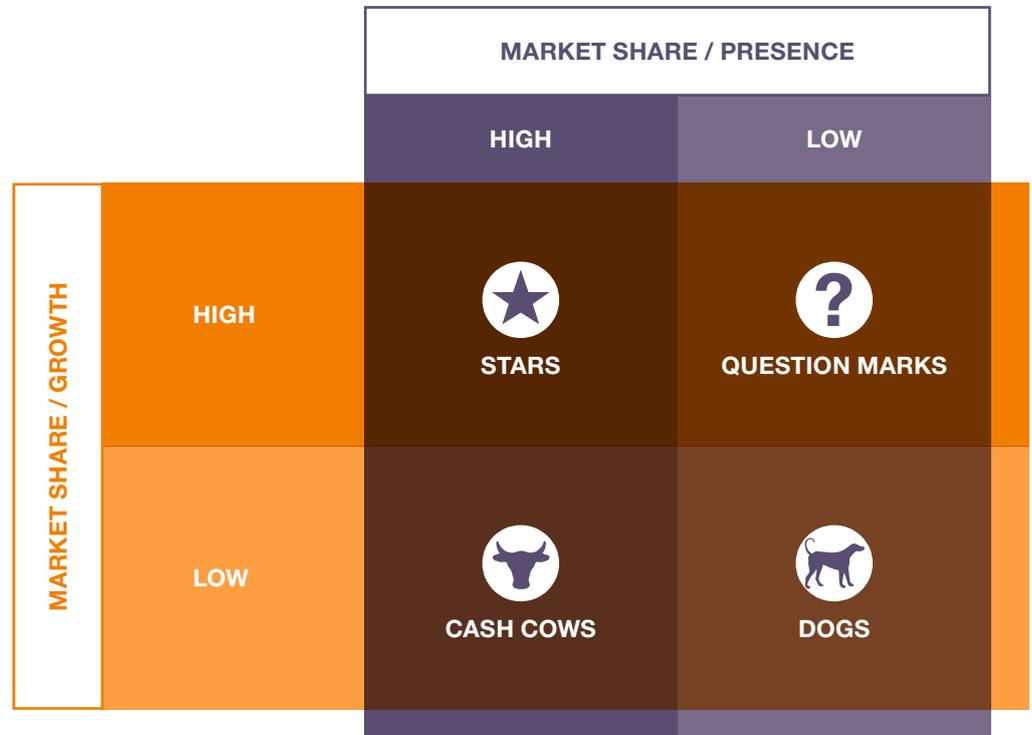
The analysis can be applied to individual customers or to market sectors in which the printer seeks work, or to products.

DOGS have low growth and low market presence, so the company is unlikely to build future work on the basis of the market, customer or product in this sector. The danger is that time and resources are invested here, that would be more profitable and deliver better long-term returns elsewhere.

QUESTION MARKS exhibit high growth, and have the potential to be 'stars' and 'cash cows', but they may also degenerate into 'dogs'. As the company does not have a strong presence in this market, it needs to make a judgement as to how much it invests in this market, customer or product sector.

STARS are market sectors, customers or products with strong growth potential where the company has a high market presence. Because of their high growth rate, and the interest from competitors who also sense the market opportunities, they are 'high maintenance' and require a lot of resource to service them and to maintain the company's presence in this high growth market.

CASH COWS are mature, but the company has a strong presence – therefore they are low maintenance and can be 'milked'.

In summary, a business needs to recognise which market sectors, customers or product fall into which category, and then:

- 'Kill' the dogs
- Be selective about the question marks and monitor how much resource they are absorbing
- Nurture the stars – for they are the cash cows of the future
- 'Milk' the cash cows – ensuring that they are well cared for so that the competition does not tempt them to stray

Useful though the Market / Customer Analysis is, in analysing the potential for future business from each category of market sector, customer or product, we should not confuse either 'market share/ presence' or 'growth' with profitability. It is equally vital to ensure that we are achieving the 'added

value' necessary to maintain the business, unless we are deliberately investing in a 'loss leader' to gain access to a market. However, there is a limit to the number of these we can pursue, and we need sufficient 'cash cows' to fund such 'loss leaders'.

Let's take four hypothetical printer's customers to illustrate what our strategic planning tools may indicate about each one and potential actions we may need to take.

Customer one
A government agency that consults with the public on the passenger rail network, for which we print public service standards and consultation documents in many different languages.

Customer two
An IT company that specialises in developing software for healthcare practitioners to use in hand-held devices in front of patients; the data from which can later be downloaded onto mainframe systems.

We print marketing and sales brochures, technical specifications and instructions for use in all the major European languages.

Customer three
A long-established publishing company that specialises in technical engineering manuals.

Customer four
A communications agency that specialises in the dissemination of public service information.

We have identified four customers to illustrate the principles

	HELPFUL	HARMFUL
INTERNAL	**STRENGTHS** Translation and languages origination (customers one and two) All work is professionally 'read' to check for accuracy (customers one, two and three)	**WEAKNESSES** Reliance on public sector generated work (customers one and four) Reliance on traditional 'ink on paper' products (customers two and three)
EXTERNAL	**OPPORTUNITIES** Customers with pan-European and multinational requirements Sensitive work with litigation or disaster implications if inaccurate work disseminated	**THREATS** Government cut backs in spending could terminate some major contracts Investing time and resource supporting an ailing customer

What actions can this company take?

Don't:
- Wait for the 'axe to fall' on government spending before seeking commercial contracts – the competition will be 'out there' in the market place already
- Invest time in customers with a doubtful future
- Invest in any more traditional print equipment until a customer/market needs analysis has been done

Do:
- Seek supportive references from all existing customers with their agreement to the use of their material to endorse the business
- Identify the organisations which may provide replacement services for those subject to government cuts
- Identify organisations that may require highly sensitive and multi-lingual printing – and research their organisations, in readiness to approach them with a sales proposition
- Review the most effective production methods for current work and investigate potential for adopting new technological solutions to customer needs
- Consider how this printing company can market itself as a 'communications solutions provider', not 'just a printer'
- Communicate and advise your staff of developments

A.1.5. Customer Relationship Management (CRM)

Customer Relationship Management (CRM) combines sales, marketing and service with the purpose of:
- Attracting and winning new customers
- Leveraging existing relationships to maximise business opportunities
- Retaining customers and turning them into loyal supporters of your business

Essentially, CRM is about moving the focus from the business and the products and services it sells to customer wants and needs – and what the business needs to do to exceed customer expectations. The cost of keeping a customer is minimal compared to the cost of attracting a new customer, so it makes good business sense to work closely with customers and 'get into their business'.

There are many software packages to support CRM, from relatively simple databases, customer contact management systems, through to 'cloud computing'. The following are some of the principles of good customer management that appertain to any business.

Getting to know our customers
In addition to the SWOT, PEST and market analysis, the hypothetical printing company above could find out a lot more about their customers by, for example, asking the following questions:

- What is each customer's total spend on marketing and communications – not just print (the customer may think we 'just put ink on paper' and not acknowledge that we are a communications company)
- What does each customer like about dealing with our company?
- What could the printing company do better?
- To whom else does each customer think the printer should be marketing the company's services?
- What are the customer's 'business' challenges?

And how should these questions be asked? E-mail? Telephone? Or face-to-face?

Clearly, face-to-face is by far the better option - with a follow-up 'thank you for your time' and an imaginative way of demonstrating gratitude with a small gift or a link to some information that may be valuable to the customer's business ('I saw this and thought of you').

- Once we know what the customer needs and wants, our business can set about exceeding the customer's expectations.
- Whatever we do today, we need to continually improve.
- Any problem is an opportunity to rectify and 'go the extra mile' in resolving the problem in such a way as to give the customer even greater confidence in our product or service.
- We need to build as many links with the customer as possible, so that when one individual leaves the customer's organisation, or our organisation, the relationship does not go with them.
- Check for any media reports about customers.
- Get to know the customer's business and the issues that affect their business.
- Get to know the individuals in the customer's organisation and their individual commitments, likes and interests.

Checklist for CRM

For each existing customer

QUESTION / ACTION	BY WHOM	BY WHEN	WHERE IS INFORMATION TO BE FOUND?
Invited customer to visit our premises			
Conducted investigative interview – see questions above			
Recorded responses in permanent accessible database			
Sent a suitable 'thank you' to customer			
Identify key personnel in customer's business (including personal assistants, receptionists, accounts, and all with whom we may have contact)			
Record information on each individual in database			
Regular research – such as 'Google News'			
Customer's financial year (so that we know when budgets are set and when there may be funds to spend or spending reductions to be made)			
Arranging appropriate staff training in customer care			
Specific calendar events which are important in customer's business			
Next customer contact – and reason			

A.1.6. Product diversification

One of the outputs from our strategic review and market/customer analysis may be a need to diversify our product and service range.

Diversification can be defined as follows

		PRODUCTS	
		CURRENT	**NEW**
MARKETS	**CURRENT**	**MARKET PENETRATION**	**PRODUCT DEVELOPMENT**
	NEW	**MARKET DEVELOPMENT**	**DIVERSIFICATION**

Diversification should not be to the detriment of the core business that funds the diversification. The 'acid test' is whether the business will be better off, able to add value, as a result of the diversification. Therefore the risk must be examined in relation to the value of any new product or service, as illustrated below:

		VALUE	
		HIGH	**LOW**
RISK	**HIGH**	**A** NEW PRODUCTS NEW MARKETS	**C** NEW PRODUCTS OLD MARKETS
	LOW	**B** OLD PRODUCTS IN NEW MARKETS	**D** TRADITIONAL PRODUCTS AND MARKETS

A. Is likely to involve investment in equipment, new skills and hence retraining and / or new people – but the likely rewards are commensurate with the high risk.

B. Involves taking our existing products and services into new markets – using the above hypothetical printer, it would mean taking the services provided for public sector customers and introducing them to more private sector customers.

C. Could involve testing new products or services with existing customers – potentially growing the existing market. However, the price level is likely to be established by current expectations

D. Is 'business as usual'

A.1.7. How to be a preferred supplier

Checklist of things to do to get on a preferred supplier list

☐ **1.** First of all, the 'obvious': read any requirements carefully and do exactly what the vendor requires, e.g. respond on-line, or by mail, as directed; use the templates provided. Read and follow the rules.

☐ **2.** Have case studies and client endorsements ready to include in any submission

☐ **3.** Write a full set of policies and procedures, covering health and safety, the environment, diversity and equality of opportunity, contingency plan; and any other policies and procedures required by the vendor

☐ **4.** IT protocols which safeguard data

☐ **5.** Quality assurance: demonstrate with a quality accreditation body or a robust internal quality auditing process

☐ **6.** Dispute resolution: have a clear policy and procedure on resolving commercial disputes

☐ **7.** Accessibility: e-access, telephone response and personal response

☐ **8.** Confidentiality: demonstrating professional integrity and a robust process for safeguarding client information

☐ **9.** Demonstrate a willingness to get to know the client and to develop tailored solutions to satisfy their business needs

☐ **10.** Spell out specialist skills, knowledge and expertise within your company, such as security clearance and language skills.

☐ **11.** What is your businesses 'unique selling point'? Everyone delivers good quality on time and on budget, so what makes your business different? Why should you be the supplier of choice?

☐ **12.** That 'something extra' that demonstrates a desire to delight customers, to go the extra mile – and 'stand out from the crowd'

☐ **13.** Having provided the information required, follow it up! Does it meet the vendor's requirements? If not, what is missing?

☐ **14.** If your application is rejected, always seek feedback and learn from the experience

A.2. Mergers and strategic alliances

A.2.1. Mergers and acquisitions

A business merger may provide opportunities to acquire equipment, staff or customers rapidly; to improve the supply chain; to improve time to market; to grow the business quickly; to achieve economies of scale; or to capitalise on a strategic fit, such as a printer acquiring a publisher (or vice versa); or to enable the business owner to leave the business (e.g. retire). Consider the alternative of starting up a completely new business. Speak to your employers' federation about advice on the business aspects, which are beyond the scope of this toolkit.

Given that over half of all mergers and acquisitions fail, and that if the failure is defined as failing to increase shareholder value, the failure rate goes up to around 80 per cent. Also, given that people issues are responsible for around 60 per cent of failures, people issues are the key to success of any business restructure.

More often than not, the corporate vision is to take the best of both previous organisations and to create a 'new' identity. However, the following model demonstrates what so often happens in practice. Childress and Senn (In The Eye of the Storm) suggest the following 'traffic lights' model of transformation:

OLD	VISION	NEW
OLD	PROCESSES	NEW
OLD	BEHAVIOURS	NEW
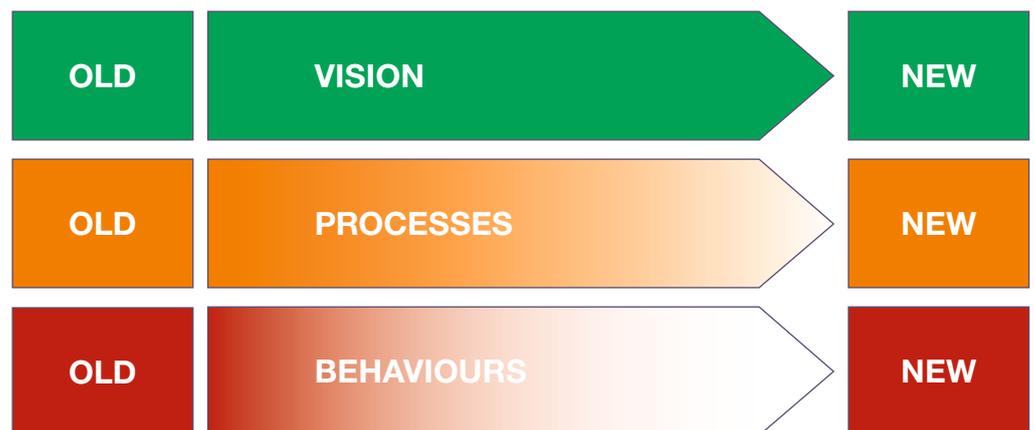
The above model indicates that:

- The vision (on 'green') is readily communicated and understood
- The processes, policies and procedures (on 'amber') support 'old world' realities and hold back realisation of the vision
- The behaviours (on 'red') are grounded in the past and support the maintenance of 'old world' realities and fatally undermine the vision.

On the basis of the above evidence, it is clear that companies embarking on mergers, acquisitions, or, to a lesser extent, strategic alliances, need to consider the people issues. The following check-lists are based on experience of good practice.

A.2.2. People issues checklist

As the responsibility and accountability for mergers and acquisitions will lie with management, the following guidance is focused on management actions.

There are three phases to a merger or acquisition (henceforth 'business transfer'):

1. Pre-transfer due diligence
2. The business transfer
3. Post-transfer rationalisation and assimilation

1. In the pre-transfer phase, it is vital to investigate:
• The legal, regulatory, individual contractual and collective bargaining obligations of both companies
• Valuation of the 'human capital' in the potential business partner: skills; knowledge; training records; length of service; age profile; accreditations, such as Investors in People, or similar awards.
• Liabilities: potential claims against the company; staff turnover; length of service; disciplinary records; sickness and absence records.

**2. The transfer phase involves four key areas:**

Compliance
Your employers' federation will be able to assist you in ensuring that you comply with national legislation and regulation, such as compliance with the Acquired Rights Directive (Transfer of Undertakings Protection of Employment Regulations in the UK; Article 122-12 of the French Code du Travail; Section 613a of the German Civil Code; Article 47 of Law 428/1990 (as amended by Article 19(4)(4) of Law 166/2009) in Italy).

Communication
• See B.1. (pages 26-37).
• Do not assume that the communication mechanisms in the partner organisation work as they should, or as the Human Resources department/people tell you they do – or indeed assume the same for your own company.
• Start with line managers, as often they are 'kept in the dark', or become aware of issues after the unions have been informed, or are told at the same time as the staff. If we want managers to lead people, they need to be in the lead: engaging them is a priority.
• Communicate, inform, consult and negotiate effectively with recognised trade unions – know the legal, regulatory, contractual and collective agreements which apply.
• Finally, in a business transfer situation it is typical that staff have many questions which cannot be answered, not because the information is being withheld, but because no-one knows the answer – it has not yet been agreed. We need to be open with people about such issues, and condition their expectations by informing people that this is likely to be the case.

Consultation
• Comply with legal, regulatory, contractual and collective agreement commitments to inform, consult and negotiate – and do so in good faith in order to engage staff and their representatives in building trust and confidence
• See B.1.4. (page 28).
• See 'Confidentiality' (B1.3., page 28), as there may be issues which management want to discuss with trade union/staff representatives that are confidential, either because management want to 'test' their thinking, or in response to a representative's question. The confidential nature of such discussion must be made clear to managers and representatives with the understanding that information will be 'made public' as soon as firm decisions have been taken.
• At such a sensitive time, all managers and representatives need to be clear whether their discussions are intended to impart information, that is, decisions taken; consultation, seeking thoughts, ideas, views and feelings, before a decision is taken (and hence genuinely influencing that decision); problem solving (creativity); negotiation (see C.1., page 46); or decision-making – and staff representatives should be engaged in all of the these dialogues. Lack of clarity at the time of a business transfer can lead to a breakdown in trust and confidence, be demotivating at a time of uncertainty, and can lead to disputes.
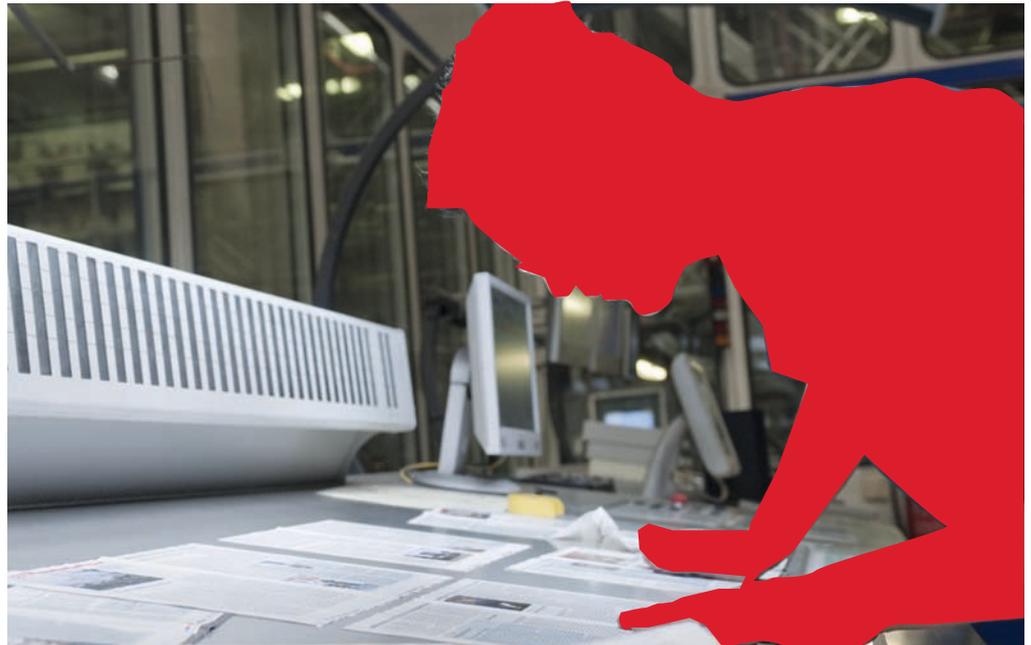
Leadership
- Absolute clarity about accountability for decision-making
- Potential for change in leadership and decision-making following the transfer
- Engaging all managers and addressing their uncertainties about their futures in the new organisation

3. There are three key issues to plan in order to ensure effective post-transfer rationalisation and assimilation:

Communication
- See above – and B.1. (pages 26-37).
- Fears and concerns will be just as prevalent immediately post transfer as they were pre-transfer, possibly more so, as people wait for 'management to show their true colours'. So over-communication is the order of the post-transfer period. Leadership is critical at this period: it is vital to be seen and accessible, and communicating, listening and demonstrating understanding. See Section C.3. – (pages 55-57).
- Post-transfer, staff may find themselves with new colleagues, with a new boss, managing people they do not know, perhaps managing for the first time. Some people will want to 'test' their new boss. Some managers may want to 'flex their muscles'. This can be a tricky time to be a manager. It is therefore critical that senior/experienced managers make time to have informal one-to-one sessions with all managers of people. This is also a good time to facilitate management 'get-togethers', where managers are able to set the agenda and explore issues on which they are less than comfortable.

Workforce engagement
- See B.1.4. (page 28)
- This is a great time to engage people in determining or reviewing the company's mission, vision and values – A.1.1. (page 10)

Transition management
Some people may be 'grieving' for the previous organisation; some will be excited about the new future; some will be sceptical; some may still be in denial. Managers need to recognise that different individuals will be 'in different places' on the 'change curve'. See C.2.3. (page 52).

It may be a good investment to explore the change curve with managers and help them to manage their people through the transition. See C.2.4. (page 53) and C.2.5. (page 54).

Checklist of people issues in the event of acquisition, merger, or strategic alliance

☐ Clear business rationale

☐ Rationale translated into people benefits

☐ Clear management accountabilities – who has the authority to decide what?

☐ Pre-transfer / alliance 'due diligence' investigation – see above

☐ Robust internal communications systems – to communicate (not just 'broadcast') – upwards, downwards and across the company – listen – and respond to what people are saying and asking – see B.1. (pages 26-37).

☐ Link internal and external communication – don't let people hear information in the media before they hear it in their own workplace

☐ Engage line managers – staff will be led by them

☐ Inform and consult with staff representatives / full-time trade union officers at an early stage when decisions can genuinely be influenced

☐ Negotiate with staff representatives / trade union officers on matters affecting people's terms and conditions of employment

☐ Be clear what is for information (decision made); what is for consultation (management decision not yet made) and what is for negotiation (joint determination) – and recognise staff representatives' legitimate role in each

☐ Identify what information is confidential – and 'spell out' the consequences for any individual who divulges confidential information – but 'confidential' should only apply to information which would be damaging to the company or to an individual if placed in the public domain

☐ Take professional advice on compliance with law and regulation

☐ Recognise that change affects different people differently at different times of life and life circumstances. All managers need to know this and know how to manage the transition

☐ Build a compelling vision of the future in which everyone can engage
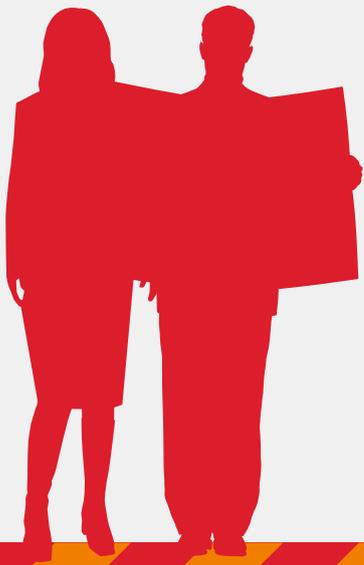
B. ENGAGE/CONSULT
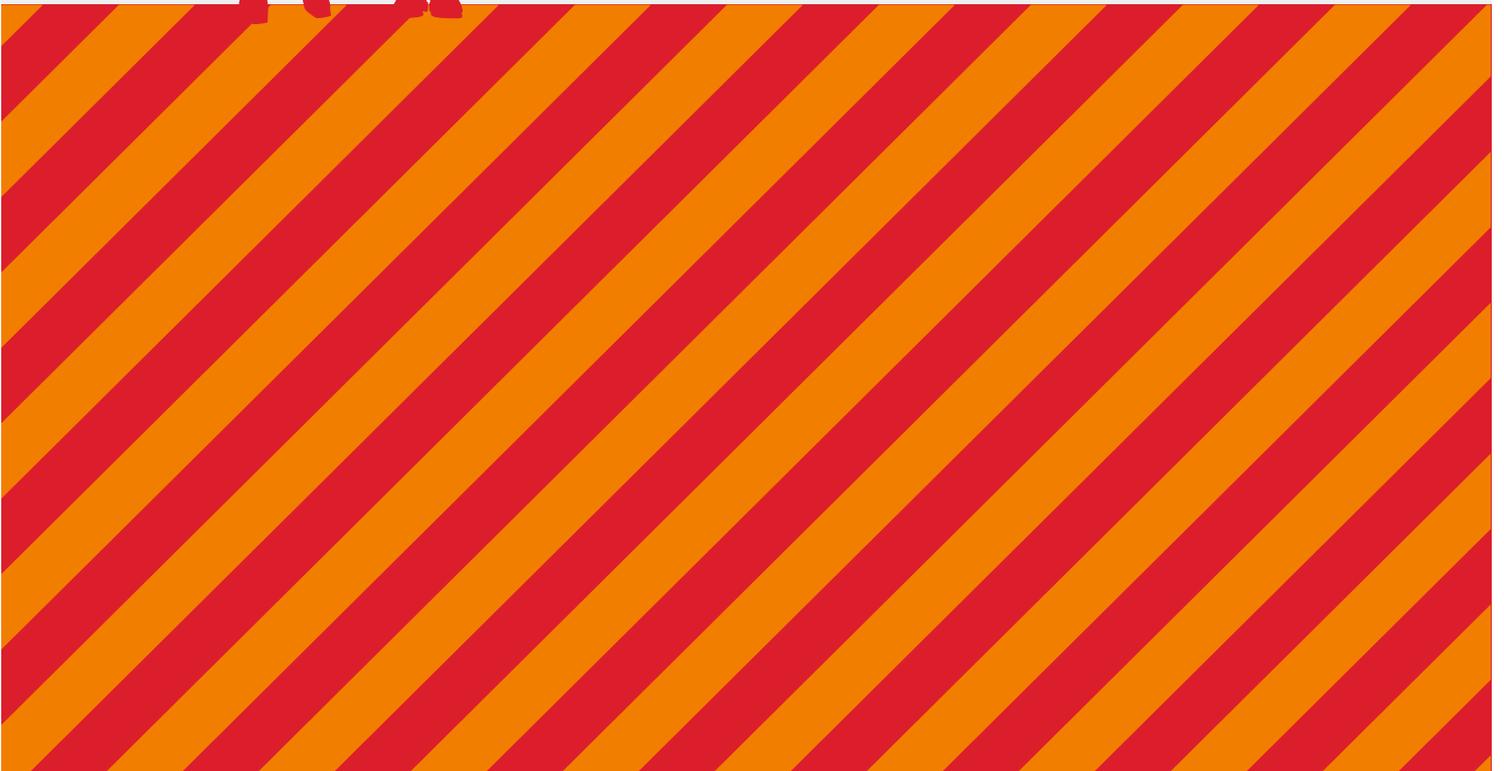
B.1. Communication

- Communications policy
- Internal communications
- Confidentiality
- Alignment of information, consultation and decision-making
- Consultation
- Meetings – best practice

Research published in 2009 [2], conducted in companies across Europe, identified the following lessons from the last recession for survival in the current economic climate:
"Executives need to spell out their message, expectations, and reasoning as bluntly, clearly, and frequently as possible, showing the links between rhetoric and action, values and decisions, goals and metrics. One-on-one communication, an open-door policy, and active listening all are essential in this environment".

2. Creating People Advantage in Times of Crisis: How to Address HR Challenges in the Recession; The Boston Consulting Group; March 2009

B.1.1. Communications policy

A sound structure is to start with the issues that your business is likely to need to address, and then develop a coherent strategy for communications and dealing with the restructuring. This will include a consideration of the most appropriate channels/conduit/s for addressing the issue/s with staff, recognising that more than one channel may be appropriate, especially for restructuring issues that are likely to affect different staff in different ways. It is also essential to be clear with what dialogue we are engaging staff and their representatives: for example, an important and complex issue may involve initial information, setting out the challenge, followed by joint problem solving, then consultation on the options to adopt, and finally culminating in negotiation to determine any contractual changes to terms, conditions or working methods.

Note that it is good practice to engage staff representatives at every stage of this process; in information, problem solving and consultation, as well as in the bargaining phase.

Policy Statement by UNI Europa Graphical
UNI Europa Graphical and its affiliates firmly assert that engaging and negotiating with a trade union, as the legitimate representative of the workforce, should be the starting point when beginning a process of restructuring.

Principles of effective communication policy
In order to win the discretionary effort of our people, we need them to be engaged. The following principles are tried and tested in many organisations implementing significant change:

1. Face-to-face is the most important channel for communicating to staff on issues which affect their work, their well-being, or requirements for them to change what they do or how they do it.

2. Paper and digital communications channels are for information dissemination and to support face-to-face communication.

3. Telephone conversations are good for asking questions and confirmation.

4. Every manager of people is responsible for communicating with his or her staff.

5. Communication means 'creating understanding in the minds of others' so it is a two-way process: where people's questions get answered, and decision-makers hear their views. Staff should know that their views have been heard and valued.

6. Messages need to be made relevant – 'what does this mean to us in this team / department / location?'

7. Specifically, at times of change the communications policy needs to:
- Inform all stakeholders effectively of the need for change in order to generate understanding
- Allow people the opportunity to influence in order to generate engagement
- More specifically, people need to know what the change means in terms of:
  – What do people need to stop doing?
  – What do people need to start doing?
  – What do people need to continue to do?
  – Who will lose/need to stop/need to start what?
- Enable people to have their questions answered swiftly and accurately
- Provide a conduit for the expression of views to decision-makers and for feedback from them to demonstrate that views have been heard and considered
- Engage stakeholders in creative problem-solving activity where possible
- Genuinely consult where there is an opportunity to influence the final decision
- Negotiate where there are implications for contractual commitments

See this three-step approach illustrated in 'Communications – issues, conduits and dialogues matrix' – B.1.4. (page 28).
And also
'Alignment of information, consultation and decision making processes' – B.1.5. (page 32).

B.1.2. Principles of effective internal communications

Do you have clear, well-known and understood processes for communications:

- Between management, staff, and their representatives?
- Between the leadership, line managers, and directly with all staff?
- Internal communications structure and plan across your business?
- Link between internal and external communications

Confidentiality
Is there a clear understanding between managers and employee representatives of the meaning and importance of confidentiality – and the potential sanctions in the event of a breach of confidentiality? See B.1.3. (page 28).

Communications between management, staff, and their representatives
Are there agreed methods and frequencies for inter-party communications? See B.1.4. (page 28).

Communication with staff
Has there been a joint review of internal communications mechanisms, including two-way and consultative mechanisms? See B.1.1. (page 26).

Joint communications
There should be early agreement on communications methods and frequency:

- Between management, staff representatives and full-time union officials
- Between the unions – both officers and their respective members
- Joint statements demonstrating that the parties are working together and ensuring that staff are receiving consistent messages

Meetings management
In order to ensure consistency and build trust between management and staff representatives, it may be useful for the respective parties to hold 'pre-meeting' meetings and 'post-meeting' meetings, in order to ensure that there is an understanding of the issues, and that any misunderstandings can be quickly rectified.

Meetings should normally be diarised months in advance, be held regularly, and not postponed or cancelled except in exceptional circumstances.

See Case Study
Roto Smeets/
Case Study 2
pp 80-81

More ideas for good meetings management are to be found – B.1.7. (page 34).

B.1.3. Confidentiality

In the first instance, companies need to be aware of the legal and regulatory framework within which they operate, and which will differ from one country and/or region to another.

In principle however, traditional collective bargaining is centred on management developing proposals (and unions developing their claims) and then negotiating a settlement. If however we are to work in partnership, in a spirit of more openness, then we should be consulting at an early stage, when there is more opportunity to inform as well as influence the thinking behind the proposals.

For management, there are the implications of a breach of commercial confidentiality, as commercially confidential information that is leaked could be damaging, could impact on customer or shareholder confidence, or result in unhelpful media speculation.

Equally, union representatives may find it difficult to be privy to sensitive information that cannot be shared with their members, given that trade unions are democratic member-based organisations, and union representatives have an obligation to report back to their members.

Hence it is important that legal and regulatory obligations are understood, issues are kept confidential only when necessary, and only for as long as is necessary.

Policy Statement by UNI Europa Graphical
UNI Europa Graphical and its affiliates firmly assert that engaging and negotiating with a trade union, as the legitimate representative of the workforce, should be the starting point when beginning a process of restructuring.

B.1.4. The most appropriate engagement mechanisms for an issue

Thought needs to be given to the methods of engagement, both directly with staff and with their representatives. Opening up more channels for dialogue brings a number of advantages:

- It engages all managers
- It engages staff – and engages them in understanding the 'problem', which means that they are far more likely to recognise the need for and hence accept the solution, even when it is unpalatable
- Staff / union representatives will be able to come to the table better informed and with a clearer mandate from their staff colleagues / union members
- The following model encourages employers to consider what combination of 'conduits' or 'channels' and dialogues could be deployed to generate wider engagement on any specific issue.

See Case Study
Hjemmet Mortensen Trykkeri –
pp 88-89

Issues - conduits – dialogues – matrix
It is good practice for managers to consider what issues will need to be addressed – and then to consider for each issue:

- Which is the most appropriate conduit / channel – and
- Which the most appropriate dialogue

This can be illustrated as follows:

ISSUES	CONDUITS / CHANNELS	DIALOGUES
• Discipline and standards • Working methods • Restructuring / redundancies • Health and safety • Training • Changes to terms and conditions of employment	• Individual • Teams • Independent trade union/s* • Other elected staff representatives • Working party / focus groups • All staff meetings	• Information • Consultation • Negotiation* • Problem Solving • Decision-making

For example
- An individual learning and development issue needs to be dealt with one-to-one with the individual's line manager; and is likely to be a coaching dialogue.
- A change to working practices will be subject to a collective conduit; and may in the first instance be a matter for information, possibly followed by problem solving, certainly consultation, and ultimately may be a matter for negotiation.

For each issue we need to know
- Who will the issue impact?
- Who are the relevant stakeholders?
- What are the most appropriate conduits/channels?
- What are the relevant dialogues?
- How frequently do we need to engage them?

Issues
Examples of issues are illustrated in the above table. In a restructuring situation, they may include:
- Flexible working arrangements to meet customer / market demand - see B.3.5. (page 43)
- Cost reduction
- 'Downsizing' / 'rightsizing' (restructuring to find the right number of staff and other resources for the company) / redundancies
- Investment in new technology, new plant and equipment
- Training and retraining to meet changing demands
- Changes to working practices and methods
- Changes to terms and conditions of employment, such as working hours
- Strategic alliance, merger or take over
- Opportunities for redeployment / transfer

Conduits / channels
Potential conduits / channels include:
- Informal one-to-ones
- Appraisal / Personal Development Review
- Team Briefing
- Team meetings
- Top team talks
- Managers walking about and talking to staff
- Coffee & cake / tea & biscuits / wine & nibbles
- Trade Union liaison / information / consultation / collective bargaining
- Staff consultative forum / works council
- Working parties / flexible interest groups / project teams / task and finish groups / quality circles
- All staff meetings
- Questions to Chief Executive Officer (CEO)
- CEO / director videos for team meetings
- CEO / directors attend team meetings
- Intranet / e-notice boards
- Screensaver messages
- E-mail referenda
- Hotline
- Frequently Asked Questions – and answers
- Company News – business, developments, jobs, society, social

Dialogues

The diagram on page 29 identifies five key dialogues:

1. **Information**

   As in 'briefing', or 'here is the news'. When decisions have been made, managers need to brief staff and their representatives in terms of 'what this means to us'. Staff may ask questions for clarification and managers are responsible for answering questions if they are confident of the answer. If not confident of the answer managers should explain that they will find the answer and then ensure that they do so. If staff express concern about an issue, it is important that these views are reported to the relevant senior manager.

2. **Consultation**

   Enable staff and their representatives to genuinely influence decisions by taking into account their thoughts, ideas, views and feelings before management make a decision. Managers need to share the reason for implementing change and share their ideas, *before coming to a firm decision, so that staff, through their representatives, can genuinely influence the decision.* Representatives need to recognise that the final decision rests with management – as does the accountability!

3. **Negotiation**

   "The process by which we search for the terms to obtain what we want from somebody who wants something from us" (Gavin Kennedy) [3]

   Or 'give me some of what I want and I will give you some of what you want'. So negotiation is a trade, if managers or staff representatives are not prepared to trade some of what they have in order to get some of what they want, they should not enter into a negotiation, they should just say 'no'.

4. **Problem solving**

   Note that in problem solving, all parties come together with no pre-conceived positions, and everyone contributes in order to generate options (which may be subject to consultation and or negotiation).

5. **Decision-making**

   Decision-making may be delegated, but accountability may not. Hence staff representatives may legitimately distance themselves from being party to making decisions, as that is management's job. Staff representatives may influence and persuade, but management are accountable for the decision unless both parties agree, in which case the staff representatives are also accountable for the agreement which they have made.

[3] *Kennedy on Negotiation*, Gavin Kennedy, Gower, 1997

A number of other terms are commonly used, which it may be helpful to define

Consensus
Consensus is a *compromise* with which all can live – and *distinct* from consultation, negotiation or problem solving!

Conciliation
To bring opposing sides together to reconcile differences and find mutually acceptable solutions through compromise and promoting goodwill in order to avoid sanctions (whether legal or industrial action).

Mediation
In principle, the same objectives as conciliation: an impartial third party helps those in dispute to reach an agreement. Mediation often involves addressing the parties separately 'as a go-between' in order to bring the parties together.

Arbitration
The parties involved in a dispute, rather than attempting to reconcile their differences through conciliation or mediation, relinquish their authority to an independent person or panel who decides on their behalf.

'Pendulum arbitration' is where the arbitrator must decide for one party or the other, rather than seek an equitable settlement. The theory is that as both sides seek to minimise their potential losses (if the arbitrator decides against their case), so the parties' positions move closer together, towards a potential settlement.

Influencing and persuading
Note that 'persuasion', convincing others to accept your view, is a core skill in all of the above.

To take a specific example
Our hypothetical printing company has decided that it needs to build business in multi-national companies who have offices operating in all time zones across the world – hence the need for a 24-hours a day presence in order to respond to customers. The management team have made the decision that the business needs a 24-hour presence. This is not a matter for consultation, but for information, as the decision has been made. To 'pretend' to consult on this issue would be wrong.

Having informed all managers, union/staff representatives and staff of the decision, what is open to consultation will include:

• The working pattern/s necessary to provide 24-hour cover
• Those who will be exempt from shift working due to health or caring commitments
• Welfare facilities out of 'normal' working hours
• Health, safety and security
• The timing and method of introduction

Any changes to terms and conditions of employment, pay and benefits will be for negotiation with representatives/officers of the recognised trade union.

Staff / union representatives should be engaged throughout, from first being informed, through the joint problem solving and consultation stages, to negotiation of changes that affect staff terms and conditions.

Typical schedule of planned meetings

FREQUENCY	ACCOUNTABILITY	CONDUIT / CHANNEL AND DIALOGUE / S
Six weeks to three months	All people managers	Informal one-to-ones with all direct reports: • What is going well – achievements – celebrate proud moments? • What not going so well – what are the problems? • What can I do to help and support you?
Monthly	All people managers	• 'Team Briefing' meetings to share core issues made relevant and local issues • Answer questions or get answers • Capture and feedback views to senior management team
Monthly		Operation meetings with recognised trade union officers: To inform; to problem-solve and to genuinely consult where the officers have the potential to influence management decisions
Weekly	Department heads	Operational meetings with line managers
Weekly	All team leaders	• Team Meetings • To inform, respond to questions
Weekly		Intranet pages notice boards, updated with current 'Questions and Answers'

B.1.5. Alignment of information, consultation and decision-making
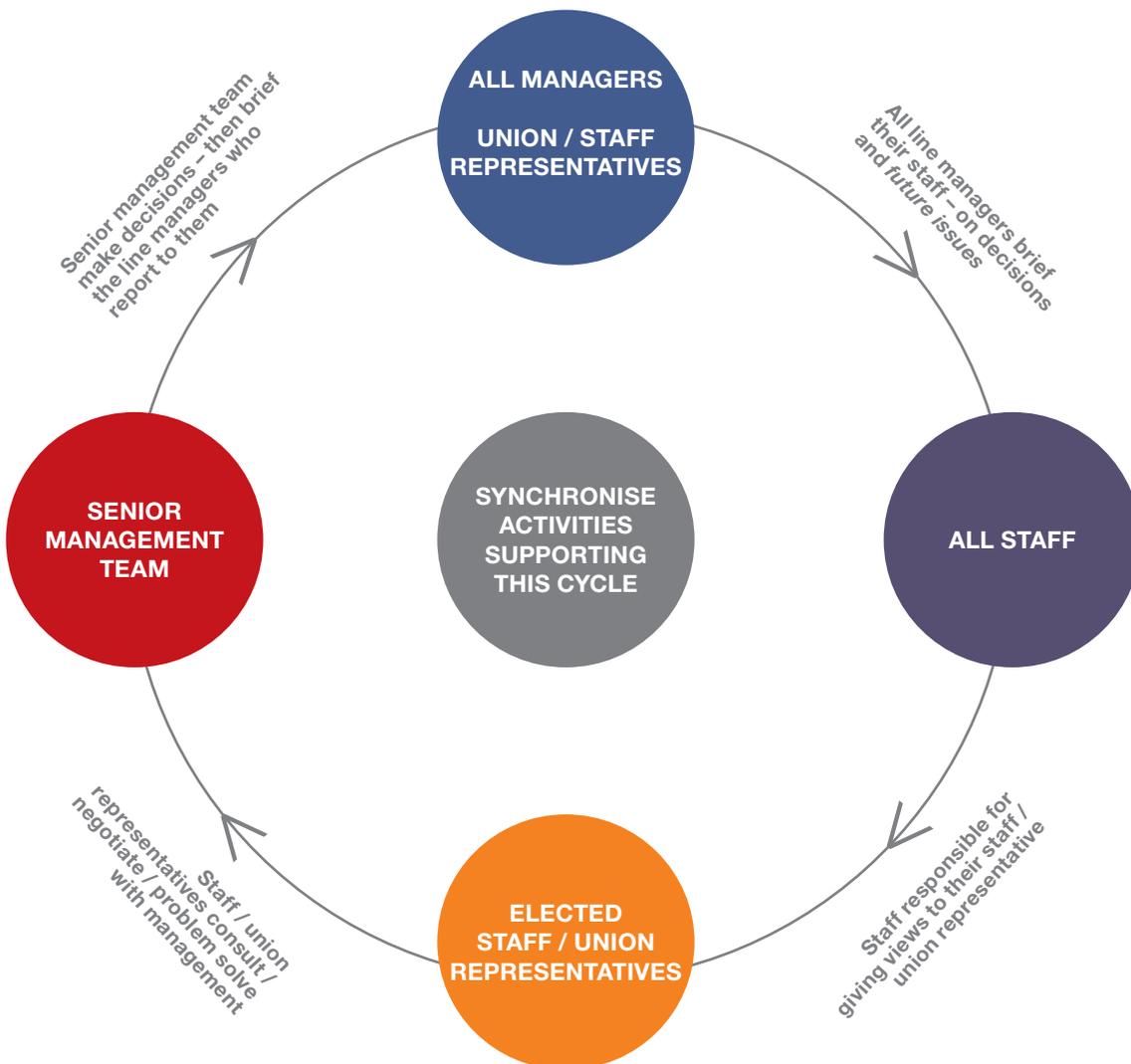
B.1.6. Effective Consultation

Consultation – DOs and DON'Ts for management

Asking people their views before taking decisions which affect them is more than just 'good employee relations'. It is an effective strategy in any well-run organisation. But it does not interfere with or limit management's right of, and accountability for, decision-making. Neither is it a substitute for effective staff communication by management.

Do not take decisions during consultation.

If decisions are arrived at during consultation, the joint consultative machinery will lose much of its value because:

- The members will start taking up 'positions', and this can lead to conflict
- Line managers will be left out of the decision making-process, and may feel by-passed
- It is not the role of a consultative forum to make decisions

Do not use it to tell staff things:

- Potential to demoralise first-line managers, and for them to lose credibility through knowing less than the representatives.
- If management allow consultation to become downwards communication, everybody will become confused.

Consultation – DOs and DON'Ts for staff / union representatives

Effective consultation enables management to take better decisions, to involve staff, and to stimulate a sense of common purpose. It is a genuine and effective form of participation. So staff representatives should not be waiting for management's proposals. Instead, they should be proactive, challenging the management! Meetings with the management are professional business meetings, at which representatives are being invited to make a contribution to the better running of the organisation.

B.1.7. Meetings best practice

Experience suggests the following practices result in excellent meetings, which both achieve their purpose and are valued by those who participate.

- ❏ Meetings are a good experience – not viewed negatively

- ❏ Start and finish on time

- ❏ Deal with relevant issues

- ❏ Have clearly defined responsibilities around the table

- ❏ Well-organised – before, during and after

- ❏ Carefully crafted agenda – with timetable for each point – and supporting papers all distributed well in advance of the meeting

- ❏ Agreed ground rules, which are visible and referred to

- ❏ Prepared like a public performance

- ❏ Engender TRUST (e.g. by sticking to our 'ground rules': begin on time, get through whole agenda and finish on time)

- ❏ Supportive atmosphere for new ideas

- ❏ Meetings have real impact on decisions

- ❏ All participants work hard to make meetings successful

- ❏ Meetings held regularly, and not cancelled

- ❏ Celebrate and publicise successes

- ❏ Regularly reviewed for effectiveness and compliance with the above criteria Meetings minuted as agreed and as appropriate for the administrative resource of the company

- ❏ Work to develop a culture of strong social relations

Many managers and representatives spend more of their time in meetings than in any other single work-related activity.

The desired outcome of working together is to have a group of people with the techniques and skills to make meetings the model of excellence for all meetings throughout the business.

B.1.8. Communicating 'bad news'

Management needs to give careful consideration to delivering 'bad news'. In the following example, we have focused on a redundancy situation. However, the principles apply equally to company failure, closures, relocations, or other radical changes. Even if redundancies are widely anticipated, the official news will inevitably result in reactions from employees, their families and friends, trade unions, and potentially the press and the public.

The following stages should be anticipated and planned.

1. Senior management team strategy
The *senior management team strategy* may include issues such as training for directors in how to handle appearances in the press, on radio and/or television, particularly if the proposed redundancies are high profile, as in the case of a closure. The budget for the operation, in addition to severance costs, needs to reflect training needs, outplacement costs and contingency, such as legal advice, tribunal costs and industrial action.

2. Fully understand legislative issues including statutory rights of employees and any local or national agreements
Legislative and regulatory frameworks are different in different countries and regions, and may also vary according to the position in a company with regard to trade union recognition. It is essential that employers are aware of their legal and contractual obligations. Employers' federations and trade unions can provide advice.

3. Redundancy selection criteria
Good practice dictates that redundancy selection criteria will be the subject of consultation with staff representatives, with a view to reaching agreement. Employers must always comply with legal, regulatory and contractual obligations. Employers' federations and trade unions can advise on them. Also it is common practice, particularly in traditional union-organised industries, for selection criteria to be contained in agreements with the relevant trade unions.

4. Information and consultation and negotiating arrangements with recognised trade union(s) (or necessity to set up staff representative consultation arrangements if no trade union recognised)
Where there is no recognised trade union representing staff, the employer must provide an opportunity for *staff representatives to be elected for consultation purposes* – as directed by national law or regulation.

5. Prepare managers to deal with those staff most likely to be affected
Prepare managers who will have to deliver the bad news. Ideally provide training and coaching for line managers in how to conduct redundancy interviews. The opportunity for line managers to practice the interview with a colleague in a similar position in a non-threatening environment often gives managers greater confidence. This is to the benefit of the manager, the employee being made redundant, as well as those who will stay with the company. Managers should also be helped to recognise and deal with their own stress and to plan how they will manage the remaining staff through the period of redundancies, and beyond.

6. Plan outplacement support – even if only 'in-house' guidance – see 'Preparing People to Leave the Company' – see C.4. (page 58)
If affordable, consider professional outplacement to provide the level of support needed at the appropriate time. The company may also supplement the outplacement package with other local resources, such as learning packages delivered on site.

7. Communicating proposals to full-time union officials
National officials of recognised trade unions are often privately 'forewarned' of impending redundancies. The official notification must nonetheless be carefully planned.

8. Communicating proposals to company trade union representatives
It is essential to carefully plan the communication *involving company union representatives* and line managers. It is important that the news does not 'leak' to the trade union, managers or staff from outside sources such as customers or the press, as it is management's responsibility to deliver bad news, face-to-face.

9. Informing the workforce

It is management's responsibility to *inform and consult the whole workforce,* face-to-face, as soon as practicable.

10. Informing the local press and radio and/or television

If the *media* are going to pick up the story, we may as well ensure that they are given the true story. It is also advisable to restrict the number of personnel empowered to speak to the media on behalf of the organisation, and ideally such persons should be trained in dealing with the media. It is also a good idea to agree the position that employers and trade union will adopt with regard to the media – conducting industrial relations through the media rarely does anything other than harden attitudes.

11. Commencement of consultation with staff representatives in good time

The initial announcement should clarify the date from which management intend to *commence the consultation period.*

12. Notification to government agencies

Notification needs to comply with national or regional legislation or regulation.

13. Individual interviews with *all* employees – irrespective of whether they are likely to be selected for redundancy

There is nothing worse than a string of people attending interviews, at which only those 'at risk' are called. Managers should *interview all their staff* to tell them how the proposed redundancies will affect their working environment, and them as individuals. If volunteers are to be called for, then it is obvious that every individual will have to be interviewed, and given the opportunity to ask questions. Managers should not try to achieve too much in this first interview, but give the necessary basic information, and allow staff time to consider their own situation, (see 'Managing Change' C.2., page 49).

14. Concluding consultation with staff representatives

It can prove difficult to *conclude the consultation period.* Concluding consultation is a matter of judgement, which will be influenced by the law, the tenor of the discussions, availability of relevant information and individuals, commercial considerations, and the impact on future staff relations.

15. Second interview with staff selected for redundancy, dealing with the scope for alternative employment, trial period, time off, compensation and other support

It is good practice (and may be a legal requirement) to hold a *second 'formal' interview.* It is the opportunity to consider the staff views on suitable alternative work, retraining, or redeployment – both employer led and staff-initiated ideas. It is also the opportunity to go into more detail on issues such as trial periods, time off to look for work, training opportunities, outplacement, and compensation.

16. Termination interviews

Formal confirmation of a compulsory redundancy may be difficult, however well the preceding interviews have been handled. The compensation package and additional support should be explained and confirmed in writing. At this stage outplacement and counselling should take effect to fill the vacuum created by the job loss. It should also be made clear whether the staff member is expected to work out their notice period; or is to be given 'garden leave' (whereby the contract of employment continues until the expiry of the notice period, but the staff member is not required to attend work, literally 'is free to attend to his or her garden'); or to have their employment terminated and be paid compensation in lieu of notice, or some combination of these.

17. One-to ones with remaining staff – discussing their feelings about the change and their futures.

Experience demonstrates that people who are staying with the company often report feeling unimportant during major restructuring and redundancy exercises. At the same time as managing the redundancies, we need to manage those with whom we are to build a new future. If we do not currently hold *one-to-one* interviews with all our staff, this is a very good time to start!

18. Team meetings to give people the opportunity to discuss their issues openly and to ask questions about the future (even if this includes awkward questions such as 'will there be more redundancies?')

Once we know who is in the new team, a team meeting helps people to adjust. We need to mark the end of what was – with respect – and mark the new beginning.

19. Involving people in developing their new future.

Managers should be assisted and encouraged to find ways in which to *involve their people* in building their new future. Many managers, particularly those whose knowledge and skills of a technical rather than coaching people nature, may need training in how to get the best out of their people.

B.1.9. 10 steps to effective employee engagement

1. Regular informal 'one-to-ones' with a relevant and engaging agenda

2. Communicating a clear and engaging sense of purpose

3. Formal performance appraisal – aligning individual objectives with the purpose of the business; and formal personal development reviews – aligning individual learning and development needs, and career opportunities with the purpose of the business

4. Team Briefings – that communicate *up* (questions and views from staff), *down* (information), *across* (not just a cascade) and *down again* (questions answered and demonstrate staff views have been heard)

5. Situational Leadership – 'different strokes for different folks' at different levels of their individual development and for each individual's different time of life – supporting staff through change

6. Skill-up first line of management to set the standards of conduct, performance and behaviour, to motivate and support people to meet the standards. However, they should also be equipped with the skills to deal with poor performance or inappropriate or behaviour issues quickly and effectively. Managers should also demonstrate in practice ('role model') the behaviours that they expect of their staff.

7. Annual or biennial staff attitude surveys

8. Employee voice – mechanism/s for individuals to make their views known in a non-attributable manner

9. Contracts, policies and procedures that support the behaviours you want to see in your staff, together with pay and reward mechanisms that create a clear 'line of sight' between individual behaviours and business success

10. Ensure agreement and support of staff representatives / union officials.

B.2. Joint and partnership working with trade unions

- Introduction to joint and partnership working
- 10 steps to effective joint and partnership working
- Joint and partnership working – progress checklist

**Introduction to Joint and Partnership Working**

Genuine joint or partnership working is based on mutuality, recognising differences of interest as legitimate, whilst working together to achieve common interests and shared goals. It involves the open sharing of information, joint problem-solving, and consultation. Effective partnerships involve managers, staff, elected representatives and union officials, at all levels in the organisation, working together, from the earliest stages of developing ideas, through the 'what' of proposals to the 'how' of implementation.

Working together to agree the changes needed to survive and thrive is going to take time, willingness to work in new ways, and an investment in knowledge and skills.

B.2.1. 10 steps to effective joint and partnership working

STEP #	MANAGEMENT ACTION	STAFF REPRESENTATIVE ACTION
1	Management must engage with people: 1-to-1; as teams, and collectively with staff representatives	Staff representatives need to ensure that staff know how to contact them for advice
2	Engage people in issues – using different channels	Get involved – identify the different ways in which you can stay informed and influence management decisions
3	Be clear whether we are engaging in a dialogue for information, consultation, problem-solving, negotiation or decision-making – and why	Be clear whether you are being informed; or whether you are being consulted; or are engaged in problem solving; or negotiation / decision-making
4	Leadership must involve their line managers, support them, ensure they demonstrate a consultative approach; and empower them to make decisions where appropriate	Engage with senior and line managers (and with HR where appropriate) – hold informal meetings to keep informed and to build influential relationships
5	Link decision-making, communication and consultation	Make sure you hold meetings at which you are consulted before management hold meetings at which they make decisions. Then ensure that you are informed of decisions before staff.
6	Joint learning and development for managers, staff representatives and union officials	Joint learning and development builds mutual trust and understanding – which can be very valuable during difficult / contentious times
7	Seek first to understand – and then be understood – (listen for understanding, then think, then position what you have to say in a way which will relate to the other party)	Seek first to understand – and then be understood – (listen for understanding, then think, then position what you have to say in a way which will relate to the other party)
8	Leadership share their thinking – the long view	Share your thinking / aspirations / union policy with management – so that they understand your position
9	Leadership must take on board people's thoughts, ideas, views and feelings, and demonstrate that they have done so. If decisions are unpopular, leadership have to explain the reasons for taking unpopular decisions	Recognise that despite the best intentions of management in consulting, there are times when they will have to make difficult and unpalatable decisions. You should still maintain your relationship with them, even if in dispute with them.
10	Really communicate – down, up, across, informally, listen – and demonstrate that you have heard	Communicate, in formal meetings and informally – and really communicate, which is as much about listening as it is about talking
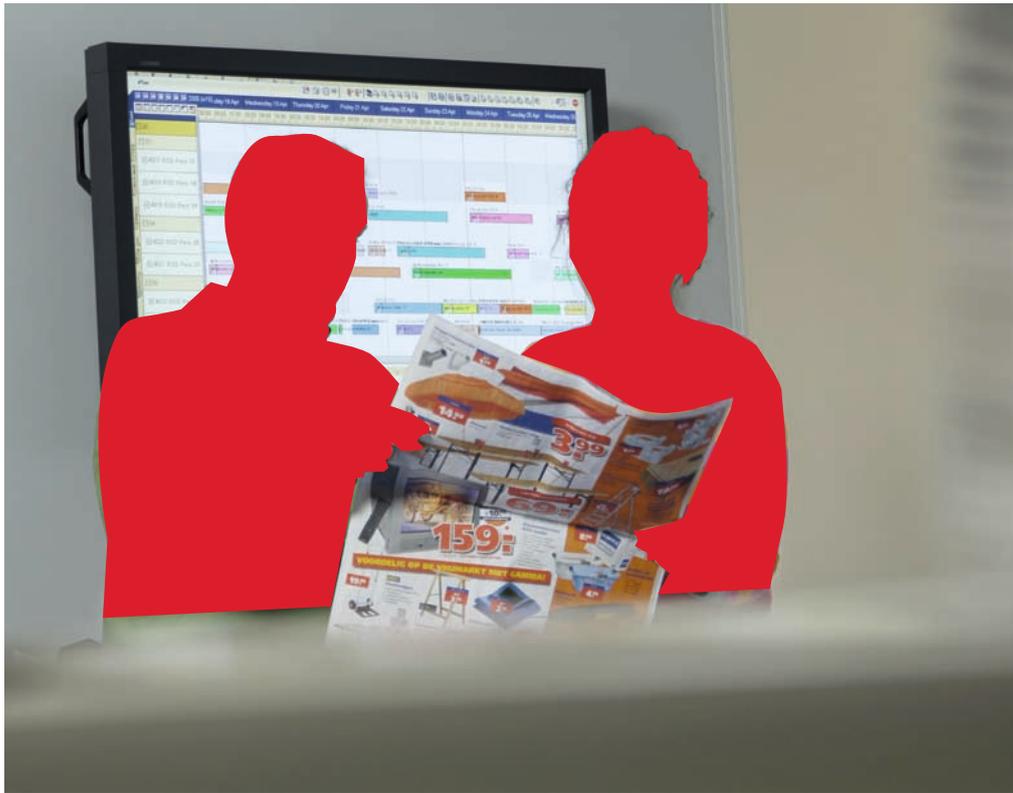
B.2.2. Joint and Partnership Working – progress checklist

Note that in the third column you are asked to provide tangible evidence to demonstrate progress – not just a 'yes' or 'no' answer – but, in effect, 'show me'.

PRIORITY	ISSUE	WHERE WE ARE NOW – EXAMPLES AND EVIDENCE
	Names of elected representatives and accountable management identified and publicised	
	Local agreement setting our principles signed	
	Vision statement setting out aspirations of local agreement	
	Principles of partnership agreement communicated to all staff	
	Potential benefits of partnership working identified	
	Sources of potential collaboration and conflict identified	
	Agreement on shared sources of information and expertise	
	Agreement on dealing with confidentiality and any breach	
	Dispute resolution procedure agreed	
	Communications processes between partners agreed	

B.3. Workforce planning

- Workforce planning - future people needs
- Skills matrix
- Workforce capacity
- Learning and development
- Flexibility

B.3.1. Workforce planning – future people needs

Every employer should have a 'workforce plan' – whether it is 'in his/her head'; on the back of an envelope, or in a sophisticated software package.

The advantages of workforce planning for the business are:

- Anticipating future people needs
- Foreseeing potential skills shortages
- Foreseeing potential redundancy situations
- Taking a holistic view of business and people needs

Associated with workforce planning are:

- Skills matrix
- Succession planning

How to develop a simple but effective workforce plan

We need to ascertain:
- How many people we have
- The skills mix of the people we have in each function / operational area
- Annual staff turnover
- Foreseeable staff losses due to retirement
- Anticipated people and skills needs each year for the next five years
- Technological change, new equipment, changes to company business

So, if the number of people we employ is	50
Annual turnover is 10 %; plus one retirement, our staff loss over the year is likely to be	6
So at the end of the year we are more likely to employ	44
If we are intending to run the new hybrid offset/digital press on a double-day shift, this may mean recruiting and/or training an additional craft printer and additional press operator So our perceived full complement at the end of the year is	52
If we need to maintain the current complement of staff to maintain our production and customer service requirements, plus two people to operate the additional press capacity, accommodating enough people to cover for sickness and holidays, we will need to recruit an additional	8 people

The above scenario is clearly simplistic, but it provides a basis on which to develop a more sophisticated plan.

Firstly, we can extend the above matrix to anticipate our workforce needs in years two, three, four and five; the further away the more speculative our plan (we can naturally make adjustments year by year – at least we have a plan).

B.3.2. Skills matrix

Next we can examine our knowledge/competencies/skills/ ability matrix; as illustrated below.

Skill	Individual name	Individual name	Individual name	Individual name	Individual name	Individual name	Individual name	Individual name	Individual name	Individual name	Individual name
Operation A	✓										
Ability B											
Skill C											
Machine D											

The above matrix can be used with a simple '✓'

Or a simple code, such as:

✚ Fully competent and able to train others

✱ Fully competent but not a trainer of others - yet

⬤ Not yet fully competent

Or it can be even more sophisticated, using some form of numeric scoring system, which would enable an additional graphic to demonstrate competence levels across any operation or discipline, giving a visual guide as to where training needs to be prioritised.

B.3.3. Workforce capacity

The above skills matrix will highlight:

• Skills deficits where there is a need to train, retrain or recruit
• Potential areas of workforce over-capacity, where staff in these occupations may find themselves at risk if steps are not taken to increase their skills range, and hence their employability
• Internal capability to retrain others
• Skills areas where we are reliant on external training, and need to consider 'growing our own' trainers in order to maintain skills levels

The matrix also needs to be considered in relation to the company's business strategy. We need to identify the 'gaps' between current workforce capacity and future needs of the business. The decision to withdraw from certain products, markets or services could lead to a need for retraining or put people's employment at risk (see Preparing People to Leave the Company – C.4., page 58). Product or market diversification could equally lead to 'downsizing' or a skills deficit.

Deficits can be dealt with through internal or external training and development – see Learning and development immediately after this.

B.3.4. Learning and development

Your employers' federation and trade union learning representative can advise on national and industry frameworks for learning and accreditation.

There are many ways to develop workforce capacity, other than recruiting from other companies in the trade and external training. Just some examples of alternative methods of learning and development include:

1. Understand preferred learning style

2. Keep a 'learning log'

3. Computer based learning

3. Gain a vocational qualification

4. Visit other organisations

5. Action learning

6. Serve on a task force or working party

7. Self-managed learning

8. Attend a training course

9. Take up office in the community

10. Undertake a secondment or 'job swap' within the organisation

11. Carry out a short project and write a report

12. Work-shadowing (spending short periods of time observing someone else doing their job, asking questions, and learning from their experience)

13. Deputise for manager

14. Take on new responsibilities

15. Represent your organisation or profession

16. Serve as a staff representative or shop steward

17. Serve an education/industry link organisation

18. Work on a community project

19. Respond to guidance from your immediate manager

20. Accept newly-delegated responsibility

21. Seek and respond to feedback

22. Use guidance from a mentor

23. Ask a manager who is excellent at developing people to be 'buddy'

24. Carry out a constructive 'post-mortem' on a success or failure

B.3.5. Workforce flexibility

For flexibility to be implemented with people's assistance rather than against their resistance, it is vital to engage their cooperation and that of their elected staff representatives. In the UK, the British Printing Industries Federation and trade union Unite have agreed a framework of significant flexibility provisions against a framework of 'common interests', which are defined as:

(i) Achieving significant improvements in company profitability both now and in the future

(ii) Providing companies with the flexibility they need to respond to fluctuations in customer demand

(iii) Providing staff with a safe, secure and satisfying working environment

(iv) Ensuring that staff contributions to the company are properly recognised

(v) Providing staff with information on, and consulting them about, decisions that impact upon them

(vi) Providing staff with the training and retraining necessary for them to perform their jobs efficiently and safely and to cope with changes to their duties and responsibilities

(vii) Ensuring that managers and staff adopt a culture of joint responsibility

With such an understanding as a basis for joint agreement, it is possible to make significant progress in achieving efficient, agile, productive and profitable working practices.

Flexibility in the workplace comprises three basic forms:

- Locational flexibility: transfer between different locations
- Occupational flexibility: transfer between different operations / equipment / machinery / skills
- Temporal flexibility: hours of work; start and finish times; variable shift working hours

Locational flexibility for some workers may mean travelling from one country to another, but for most workers will comprise operating at different locations, with safeguards agreed as to how many locations and what distances it is reasonable to travel within a normal working day. Arrangements will be agreed for travel cost, meal and rest breaks, as well as for overnight accommodation where travel is extensive.

Occupational flexibility is commonplace in the modern efficient workplace. It is subject to the training and/or relevant experience of the worker and requirements for health, safety and well-being. Typically, subject to these safeguards, staff will be expected to be deployed flexibly across different parts of the company to maximise utilisation of plant and equipment, to provide speedy and effective responses to customer needs, and to ensure that workers are deployed to fully utilise their skills and abilities and to maintain a profitable operation. Such arrangements will also include the flexibility to relocate staff in order to provide cover for short periods of absence, covering meal and rest breaks; or longer periods of annual leave, sickness or family care responsibilities.

Policy Statement
UNI Europa Graphical and its affiliates will always wish to see flexibility arrangements implemented only after negotiation and agreement with trade union representatives.

Temporal flexibility is subject in many European countries to legal and regulatory limitation and to national agreement between employers and recognised trade unions. Typically companies have agreed working time arrangements which more closely reflect fluctuations in demand. Different shift patterns and variable start and finish times enable companies to respond more efficiently and more effectively to customer needs or to seasonal fluctuations in demand.

Advice on flexible working arrangements can be obtained from employers' federations and trade unions.

C. ACT PHASE

C.1. Effective negotiation

The following approach to negotiation is one of 'principled negotiation' and is equally applicable to commercial negotiations and collective bargaining between management and staff representatives. It is predicated upon a basis of understanding the needs of the other party and their underlying interests, not just 'our position' and 'their position', and it recognises that good and sustainable agreements are not adversarial, but strengthen relationships between the negotiating parties.

The process of negotiation can be considered to move through four phases:

- **Prepare** – everything before we meet
- **Discuss** – getting the issues 'on the table' and exploring each others interests
- **Propose** – tentative and conditional proposals
- **Bargain** – conditional commitment 'if you give . . . then we will give . . . '

Time allocation to the above four phases should be in the ratio 16:4:2:1

PREPARE   **DISCUSS**   **PROPOSE BARGAIN**

Critical to the success of any negotiation will be the actions taken by management to follow through on the commitments made, ensuring that line managers are both aware of the agreements and have the skill and judgement to implement what has been agreed.

C.1.1. Checklist for each phase of the negotiation process

PREPARE

❏ **1.** Check with your stakeholders and be clear:

❏ **2.** What you want – prioritised by 'must have'; 'intend to have'; and 'like to have'; or: 'Crucial, Important and Desirable' (CID)

❏ **3.** What are your underlying interests – why do you want what you want?

❏ **4.** Our 'walk away position' or 'bottom line' which is not the same as our:

❏ **5.** Our Best Alternative To a Negotiated Agreement (BATNA)

❏ **6.** What we think they want (similarly prioritised) – see below

❏ **7.** Who are the other party's stakeholders; what do you think they want (their must, intend and like); what do you think will be their 'walk away' and what is their BATNA?

❏ **8.** What are their underlying interests – why do they want what they want?

❏ **9.** Collect intelligence: union policy; employers organisations publications, what line managers are saying; what people are saying on the shop floor; what others are settling at

❏ **10.** Condition expectations – early communication to let 'the other side' know what you can bargain on and what you cannot

DISCUSS

❏ **1.** Set out clearly what you want and why you want it

❏ **2.** Listen to what the other party wants and explore with questions to understand their underlying interests – why they want what they want

❏ **3.** We begin to move forward by giving 'signals' about areas for possible movement, should there be an acceptable reciprocal movement from the other party

❏ **4.** 'Signals' are critical to moving negotiations forward; e.g. 'we would have great difficulty . . . ' (but it's not impossible); 'as things stand . . ' (but if 'things' change . . .); 'there is no way we can afford . . .' (but we can afford 'something')

❏ **5.** We carefully listen for signals from the other party

PROPOSE

❑ **1.** When all the issues are 'on the table' and we have given and received signals on areas for possible movement, we are in a position to make hypothetical, tentative proposals – using the formula: 'if you will . . . ; then we will consider . . . '

❑ **2.** We open the negotiation with a realistic initial offer and make modest movements in our position.

❑ **3.** In the proposing phase, we package our proposals to meet the interests of the other party, and seek to identify items that are cheap to give but valuable to receive

BARGAIN

❑ **1.** This is where we make specific but conditional bargains, inviting an agreement, using the formula 'if you . . .; then we . . .'. Note that every concession is prefaced by a condition; we do not give away anything without gaining something in return

❑ **2.** Beware what each concession will cost you and evaluate the benefit you expect to receive in return

❑ **3.** A key aspect of the bargaining phase is knowing when to quit. The safest way to close the negotiation is with a summary – conclude by reaffirming the package on offer, and then wait and listen for their response!

Follow-up – what to do to make the agreement 'stick'

- List the agreement in detail, with all points of explanation and clarification.
- Ensure that you and your team keep their side of the bargain - nothing undermines the relationship you have just built faster than failing to implement the agreement you have just hammered out.
- Make an action plan and put it in the diary/bring forward system: who must do what by when – and then do it!
- Hold meetings with all managers, team leaders and staff representatives who will be responsible for implementing the agreement. Ensure that they all understand what they have to do make it work and what support will be available to them. This is best done in groups, so that they can discuss potential sticking points and how to resolve them.
- Monitor the implementation of the agreement. Be clear about 'who' has committed to do 'what' and 'by when'. Make sure that managers, team leaders, staff or union officials all understand their obligations under an agreement and take steps to ensure that all parties honour the agreement.

C.2. Managing change – restructuring

Change is constant, and the rate of change is accelerating in an ever more demanding, time-sensitive, global competitive environment. Hence any change, whether restructuring, downsizing, or changing work methods to improve efficiency, productivity or service will be the norm – and companies had better get used to managing change effectively! This section of the toolkit deals with:

- Stakeholder analysis
- Understanding the nature of change: the psychology of change and how to support individuals through each stage
- The process of transition - illustrations
- Change management checklist on managing the change process
- Lessons from surviving a recession

* Creating People Advantage in Times of Crisis: How to Address HR Challenges in the Recession; The Boston Consulting Group; March 2009

Research published in 2009 *, conducted in companies across Europe, identified the following lessons from the last recession for survival in the current economic climate:
"[In stormy weather traditionally], farsighted leaders have used times like these to prepare their organizations to sprint past their less nimble competitors."

C.2.1. Stakeholder analysis

The purpose of the stakeholder analysis is two-fold:

1. To ensure that we identify anyone who can impact any initiative – positively or negatively

2. To prioritise those stakeholders we need to engage; those who may be 'allies', and those who may be saboteurs

Having identified who our stakeholders are, their potential to influence; and whether they are likely to be supporters or detractors, we can then decide our tactics for managing each stakeholder. This could comprise:

- Engagement
- Managing expectations
- Marginalisation

The stakeholder analysis is often drawn up as a grid to quickly identify those who have the closest interest and the greatest influence; in other words those we need to prioritise.

		INTEREST	
		HIGH	**LOW**
POWER / INFLUENCE	**HIGH**	**A** **TOP PRIORITY** • **MANAGE EXPECTATIONS** • **ENGAGE**	**C** • **MANAGE EXPECTATIONS** • **KEEP SATISFIED**
	LOW	**B** **KEEP INFORMED**	**D** **LOW PRIORITY** • **MONITOR**
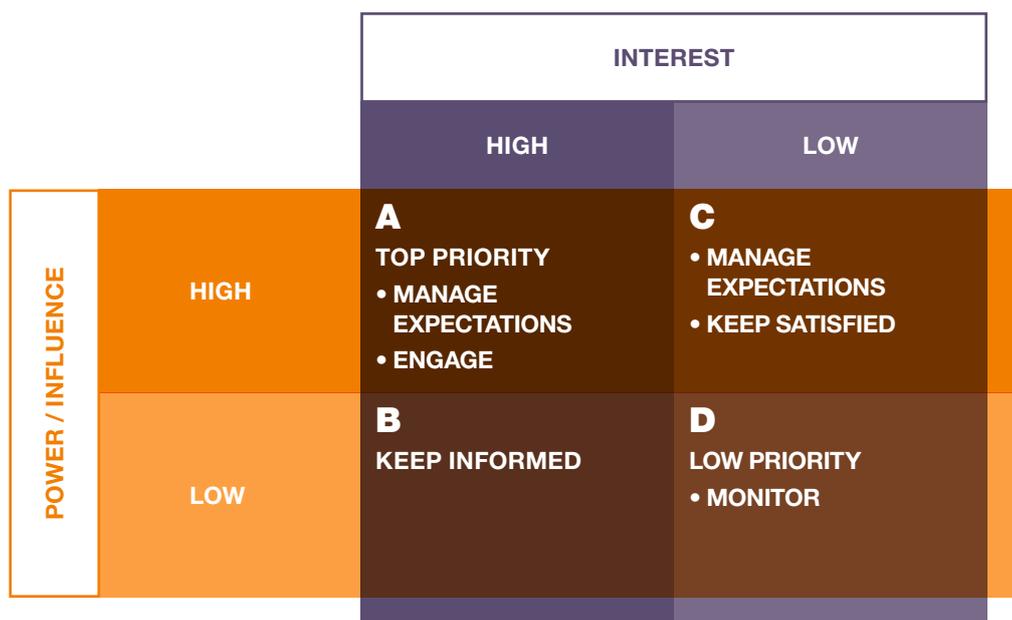
In the event of a change to working hours:

Those directly affected and their staff representatives would be in box A: those with whom we need to communicate the business need for the change; engage in the solution; genuinely consult; and negotiate on any changes to terms and conditions of employment.

Other staff in production areas and their representatives are likely to be represented by box B, so we need to inform them in order for them to know why their colleagues are affected, and that we are adopting best practice in managing the change. By implication we will treat them well should they need to embrace a similar change.

Full-time union officers and company directors or shareholders may be represented by box C, so we need to inform them, but condition their expectations in terms of their potential involvement; and ensure that they do not become involved at an inappropriate stage in the process.

Other staff, perhaps in sales, administration, and other sites may ask questions, and we need to answer their questions speedily and accurately.

C.2.2 Understanding the nature of change

Fundamental to everything in this toolkit – fundamental to the world of work in the twenty-first century, is *change*. As a Greek philosopher put it (about 500 years BC) "nothing endures but change". More recently Bill Gates said, "we always overestimate the change that will occur in the next two years and underestimate the change that will occur in the next ten. Don't let yourself be lulled into inaction".

Comedian Woody Allen recognises that humans are generally averse to change: "I'm not afraid of death; I just don't want to be there when it happens".

One of the most common reactions to any new idea is to identify what is wrong with it, which is perceived by the originator of the idea as resistance. Equally the recipient of the idea may consider it a threat. Nothing sets up the scene for conflict as quickly as change. Hence it is important for everyone to understand the nature of change.

Managing change

Management traditionally initiate change; and then endeavour to engage staff and their representatives in the change process. All too often this takes the form of management identifying a problem or business challenge, determining a solution, and then attempting to engage staff and their representatives in *their* (management's) solution. As identified above, this solution presents itself to the recipients as a problem. This solution is simple: *management should engage staff and their representatives in the problem or business challenge in the first instance.* Staff and their representatives will be far more likely to engage with the solution once they have understood the problem – and they could of course come up with a better solution!

Change and transition

4. *Managing Transitions – Making the Most of Change,* William Bridges, Nicholas Brealey, 1995

According to William Bridges [4], people and organisations can only change if they successfully work through three phases of transition:

1. Endings: we need to stop doing things that are familiar before we can embrace the change – this is potentially a time of loss and fear.

2. The Neutral Zone: exploration of the new (equipment/working hours/manager/team) – which can be a somewhat chaotic time for experimenting and risk-taking during which we replace familiar habits and attitudes with new ones.

3. New Beginnings: when we accept the new and it begins to feel right.

All of us go through these stages, but some of us may move through them quickly while others very slowly. And some people will not make the transition at all. The key to managing change effectively is to recognise that there is a period of uncertainty – the transition period – which Bridges refers to as the 'Neutral Zone' during which staff can be engaged to manage the change with their assistance; or disengaged, in which case they are likely to react with resistance.

The 'Change Curve'

It is important for managers and staff representatives to understand some of the psychology of change, so that we understand what our colleagues are going through during a period of change – all of our colleagues, be they managers, staff, or their representatives. The following diagram is based on the 'grief cycle', developed by Elisabeth Kübler-Ross, who studied the impact of bereavement on people. Her theory is that all of us experience emotional responses to loss. Not everyone feels all of these feelings, feels them intensely, or goes through them in sequence. These emotional states can be mistaken for bad morale, but they are the natural process people go through when they lose something that matters.

C.2.3. The Change Curve

The model illustrates common emotions that we associate with change.

PERFORMANCE/MORALE

DENIAL
Not me!

SEARCH FOR MEANING
Where do I fit?
Why was it needed?
It doesn't work yet.

INTEGRATION
Things start to work.
New methods and
behaviours become
the 'norm'.
Results are seen.

SHOCK
Anxiety

FEAR AND FRUSTRATION
What is going to
happen?
It's not fair!
Why me?

TESTING
Trying out new ideas
and approaches.
Can revert to the past.
Can be frustrating.

LETTING GO
Acceptance, but
unknown future
and confusion

TIME

LOOKING BACKWARD

TRANSITION STAGE

LOOKING FORWARD

C.2.4. Effective Management of Change

There are a number of fundamental behaviours managers and staff representatives need to adopt in order to treat one another with respect and dignity during periods of change:

- Expect and accept signs of emotion; and acknowledge emotion openly; but this does not mean we have to accept bad language or inappropriate behaviour
- Communicate: provide people with information; and recognise that sometimes information is not available (either because the information is genuinely confidential; or because certain decisions have not yet been made)
- Communicate: listen in order to genuinely understand
- Communicate: provide different channels through which staff can ask questions and make their views known
- Communicate: answer questions as accurately and as quickly as is possible
- Communicate: let staff know that their views have been heard; and if not acted upon, the reasons for unpalatable decisions are understood
- Be available: for informal impromptu one-to-ones; 'surgeries'; regular scheduled meetings for updates and questions
- Engage managers, staff and their representatives in joint problem-solving
- Consult in good time before making decisions
- Agree when it is appropriate to inform; when to consult; when to problem-solve; and when to negotiate
- Celebrate the past; do not disrespect what people have done to get the company where it is today
- Make learning and development part of the future
- Celebrate early successes

The following template is a tool for planning and checking both responsibility and progress in the implementation of change.

C.2.5. Change Template – planning and implementation checklist

		BY WHOM	BY WHEN
1.	Senior management have an agreed change process, with accountabilities and mandating process for approval and final sign off		
2.	Core processes have been identified and mapped		
3.	Stakeholder analysis – see C.2.1. (page 49)		
4.	Critical Success Factors (CSFs) have been identified		
5.	Key milestones identified		
6.	Project management includes monitoring, review and updates		
7.	Internal and external communications plans synchronised – see B.1.5. (page 32)		
8.	Risk analysis has been carried out and is completed before start		
9.	Contingency plans in place		
10.	Line managers informed and 'help line' set up to deal speedily and effectively with questions		
11.	Staff representative information, consultation and negotiation included in the project planning process		
12.	Engagement of line managers and staff planned – seeking their ideas and recommendations		
13.	The views of staff, their representatives and the union are considered and management's responses are communicated to all staff		
14.	A training needs analysis is carried out pre change		
15.	Individual Key Performance Indicators (KPIs) and Personal Development Plans (PDP's) are reviewed/amended in line with changes		
16.	All training is planned, and safety critical training is completed before change is implemented		
17.	Staff support is in place from internal and external sources at start		
18.	During implementation, staff views are sought and acted upon		
19.	During implementation, regular updates are published		
20.	Training is reviewed regularly to ensure "fit for purpose"		
21.	Post implementation project review takes place		
22.	Staff feedback is collected on completion of implementation		
23.	Line managers and union/staff representatives are engaged in review of what went well, what did not go so well, and what should be done differently next time		
24.	Review focuses on learning (not blame) and the future		
25.	Final review of the changes and future implications is published for all staff to see		

C.3. Leadership

- An integrated approach to leadership
- Performance management

Research published in 2009*, conducted in companies across Europe, identified the following lessons from the last recession for survival in the current economic climate: *"Many companies are giving their executives special training in the art of leadership in tough times."*
"It is especially important that frontline managers receive this training. Unlike top executives, these managers have a good sense of employee motivation and engagement. They know the so-called opinion leaders whose support it is critical to solicit within the organization, and they can detect trouble spots long before they surface."

* Creating People Advantage in Times of Crisis: How to Address HR Challenges in the Recession; The Boston Consulting Group; March 2009

Leadership is a vast subject (125,000,000 Google links!). The following is a busy manager's guide to the actions of a good leader.

C.3.1. An integrated approach to leadership, communication and managing transformation

The integrated approach consists of managers engaging with all their staff in the following activities:

- **Informal one-to-ones** – building individual relationships
- **Appraisals / personal development reviews** – demonstrating the value to individuals of engaging with the business
- **Standards** – setting and maintaining standards of conduct, performance and behaviour that are achievable and fair to all
- **Team Briefing** – accurate information on decisions made, with opportunities for staff to seek clarification and voice their views
- **Team Meetings** – engage staff in problem solving and consultation on decisions which will affect their work and their well-being
- **Trade union meetings** – informal relationship-building (to build mutual trust and confidence) and formal meetings, at which we are clear which issues are for (a) information only, (b) which for genuine consultation and on which we can jointly problem-solve; and (c) those issues that are for collective bargaining – but NOT try to do all at the same time!
- **Management meetings** – managed like any other investment – making every meeting a cost-effective value-adding activity
- **Change and transformation** – understanding the difference and understanding the psychology – for all those managers who are responsible for leading people
- Finally – every manager should be a role model for the standards of conduct, performance and behaviour which the culture of the company demands – often colloquially defined as 'walk your talk'.

See Case Study Hjemmet Mortensen Trykkeri – pp 88-89

Whilst every manager is an individual with his or her individual strengths and style, it is essential that there is some level of consistency in the way in which management relate to staff and their representatives. Managers need to demonstrate leadership skills by role-modelling the behaviour they expect from others; and by exercising consistent judgement and acting with confidence.

Leadership for staff representatives and trade union officers
Staff representatives and trade union officers may not have a team to manage or responsibility for conducting appraisals or development reviews (although they well may), but in every other respect the principles above apply equally to the leadership that needs to be demonstrated by staff representatives and trade union officers.

C.3.2. Performance Management

The industry is under pressure. With some people leaving companies, or the industry altogether, there is a clear need to restructure in a socially responsible manner. Socially responsible employers will assist staff to do so with dignity and with future employment prospects.

In order to sustain employment opportunities and business viability, it is critical that businesses strive for high performance, which means staff working together effectively, to fair and consistent standards of conduct, performance and behaviour.

The following summarises the steps to managing individual performance effectively.

Three key aspects of performance management:

• **Standards** of conduct, performance and behaviour – communicate, monitor and deal with failings quickly and (in the first instance) informally
• Individual **performance** – through appraisal and one-to-ones
• **Reward** – through **recognition**

Set, maintain and enforce standards

1. Set standards of conduct, performance and behaviour
  – Communicate them effectively and regularly:
  – Briefings
  – Team meetings
  – Recruitment
  – Induction
  – Training
  – One-to-ones
  – Appraisals
  – Disciplinary interviews

2. Monitor

3. Deal with failures:

  – Address issues early, do not avoid addressing them
  – Friendly word
  – Not so friendly word
  – Next time . . .
  – Formal disciplinary procedure

Manage individual performance

1. Annual or biannual appraisal (development review)

  – Focused on individual development
  – Clear understanding of role, rights, responsibilities and accountabilities
  – Review performance against targets agreed at last appraisal
  – Feedback (180° / 360°)
  – Agree new targets – linked to departmental objectives and business needs
  – Agree learning and development needs
  – Agree action plan
  – Agree dates for next three one-to-ones (four to eight weeks apart)

  Even in the most junior / task-oriented positions:
  – Clear about the needs of the job
  – Additional training needed to do the job
  – Aspirations for job growth, transfer or promotion
  – Development needs to assist aspirations
  – Other skills or knowledge organisation is not using

2. One-to-ones

Agenda has three standard items:

(a) What's going well?
     What are you proud of?
     What are you pleased about?

(b) What's not going so well?
     What are you not pleased about?
     What is becoming irritating / unworkable?

(c) What can I do to help?
     Plus:
     – Anything the team member wants to raise with you
     – Any concerns or issues you may have
     – Always finish on a positive

Reward

1. Annual pay review

(a) Standard cost of living or package agreed with elected representatives
(b) Organisation-wide profit/surplus-related pay
(c) Team target achievement reward
(d) Individual salary review
     – Separate from appraisal (development review)
     – Focus on specific targets agreed as measures for salary review
     – Manager makes decision
     – Appeal process

2. Other benefits (contractual)

3. Special one-off awards for outstanding achievements

     – Sales person of the year
     – Most praised customer service person

4. Development, learning, travel, enhanced responsibility and recognition opportunities

5. Basic recognition:

     – Saying thank you
     – Publicising outstanding effort
     – Ensuring senior managers / directors say thank you
     – Knowing the individual
     – Knowing what is important to each individual
     – Recognising special events in people's lives

C.4. Preparing people to leave the company

Each country has a different legal and regulatory framework for dealing with redundancies, and the number of people affected and the role of the trade union in the company will be critical factors in determining the process. The following guidance is based on good practice in restructuring businesses in a socially responsible manner. For specific examples see case studies Roto Smeets (pages 76-77 and 80-81) and Polestar (pages 86-87).

In the first instance, a socially responsible employer will examine all potential ways of eliminating, or at least reducing, the number of potential redundancies in collaboration with the workforce and their elected staff representatives, and if appropriate, with full-time trade union officers.

C.4.1. Prevention or limitation of redundancies

Potential actions to prevent, or at least reduce the number of redundancies

- Recruitment freeze
- Stop all agency and temporary contracts (or at least only subject to approval at director level)
- Stop overtime working (or at least only subject to approval at director level)
- Redeployment
- Retraining
- Secondment to other companies
- Sabbatical – unpaid or partially paid
- Short-time or flexible working agreed with workforce and Union
- Rigorously investigate and implement all other cost savings and engage management in doing so; examples include a moratorium on major purchases; controls an all expenditure; limitations on travel expenses; etc
- In extremis – the social partners may agree to painful measures, such as pay deferrals, pay freezes, or even pay cuts – subject to specific reassurances – in order to save jobs and allow companies to continue to trade. It is recognised that such measures are not to be considered lightly.

C.4.2. Managing redundancies and early retirements in a socially responsible way

1. Adhere to legal framework and negotiated agreements with recognised trade union/s

2. Get advice from your employers federation / trade union / and other sources which they may recommend

3. Have a clear rationale

4. Plan your communications timetable

5. Get all managers 'on message' – see 'Engaging managers' in 'Managing Change', C.2. (page 49)

6. Genuinely consult and negotiate with elected representatives – see 'consultation', B.1.6. (page 33)

7. Plan outplacement support

8. Ensure 'team time' to talk through consequences

9. Those 'at risk' informed one-to-one – see 'Communicating bad news' B.1.8. (page 35)

10. Consider the alternatives – and remain flexible – genuinely consider emergent options – see 'potential actions to prevent/reduce redundancies'

11. Say 'goodbye' with dignity to and invest in one-to-one and team time with those who will stay with the company – see C.4.3. next page

C.4.3. Preparing people for a new life beyond the company

Government support for outplacement and retraining may be available in different national systems. You may see your employers' federation or trade union for information.

Investing time in those who are to leave the company is not just socially responsible, it is good business: it demonstrates commitment to those who are staying with the company, which in turn is motivating for your workforce. People who leave and who are treated well will be ambassadors for your organisation.

'Outplacement' may be beyond the resources of many employers, but there is much that an employer can do to support individuals who are leaving the company, in terms of assisting them to find suitable alternative employment.

For example:

1. Access to internet for job search and research

2. Access to PC and printer to prepare CV / résumé and letters of application

3. Office accommodation for the above, for telephone calls; for internet access, and for copying

4. Advice and guidance on how to approach looking for a new job. For example, questions to help people be creative about their job search (rather than simply attempting to replace their current job), such as:
- What does a good day at work look like? What do you find enjoyable and fulfilling at work?
- If you didn't have to work, but chose to do so, what sort of job would you look for?

7. Coaching staff to consider new experiences, learning and development opportunities that they would find fulfilling

8. Encouraging staff to consider options such as a 'portfolio' of jobs, or setting up their own business

9. Advice on finding employment opportunities

10. Advice and feedback on CV / résumé and application letters from a 'critical friend'

11. Pre-interview coaching – typical questions that come up at interviews and practice answers

12. Coaching on post-interview learning – and how to turn a rejection into positive learning
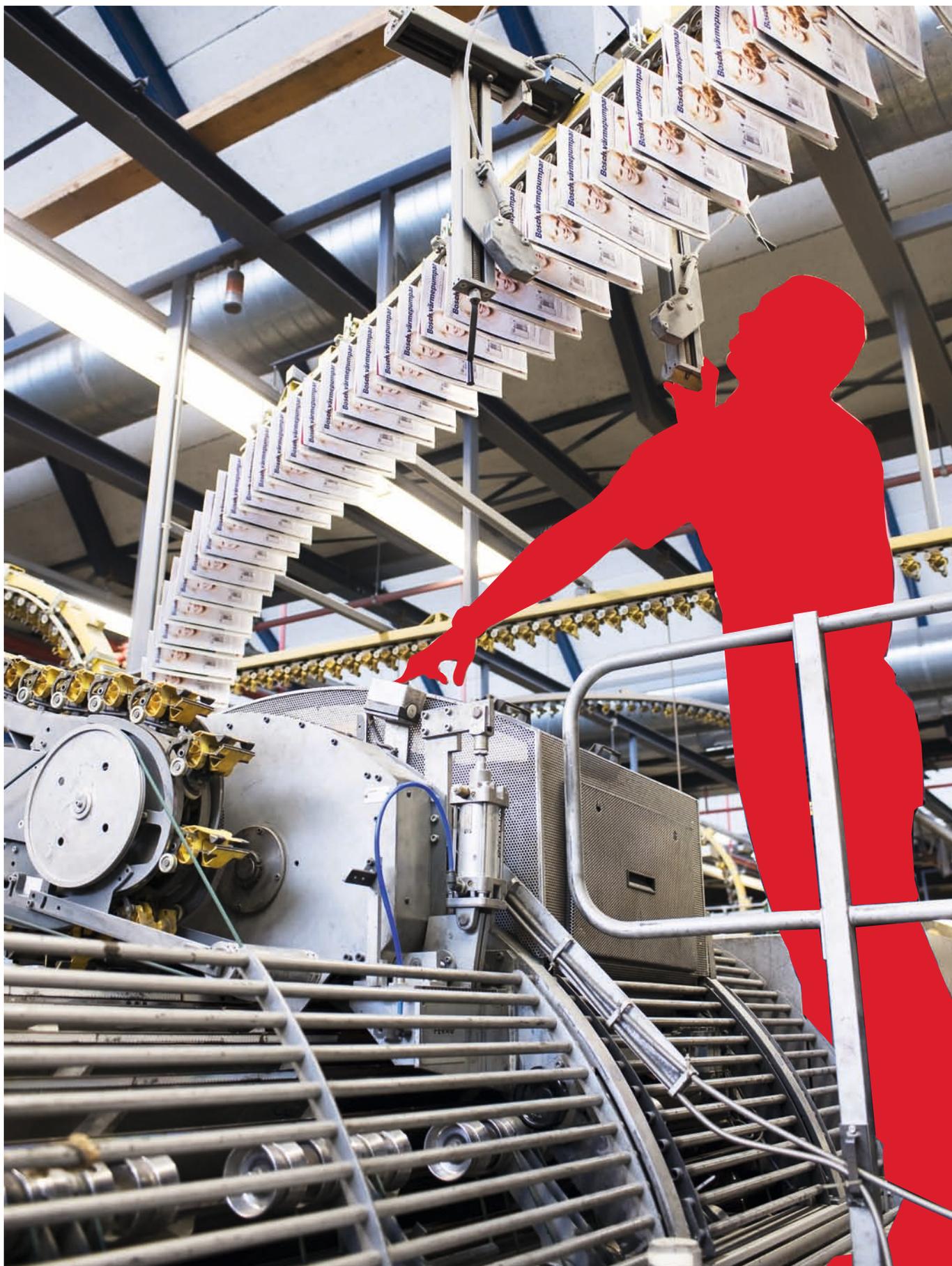
D. EVALUATION AND REVIEW
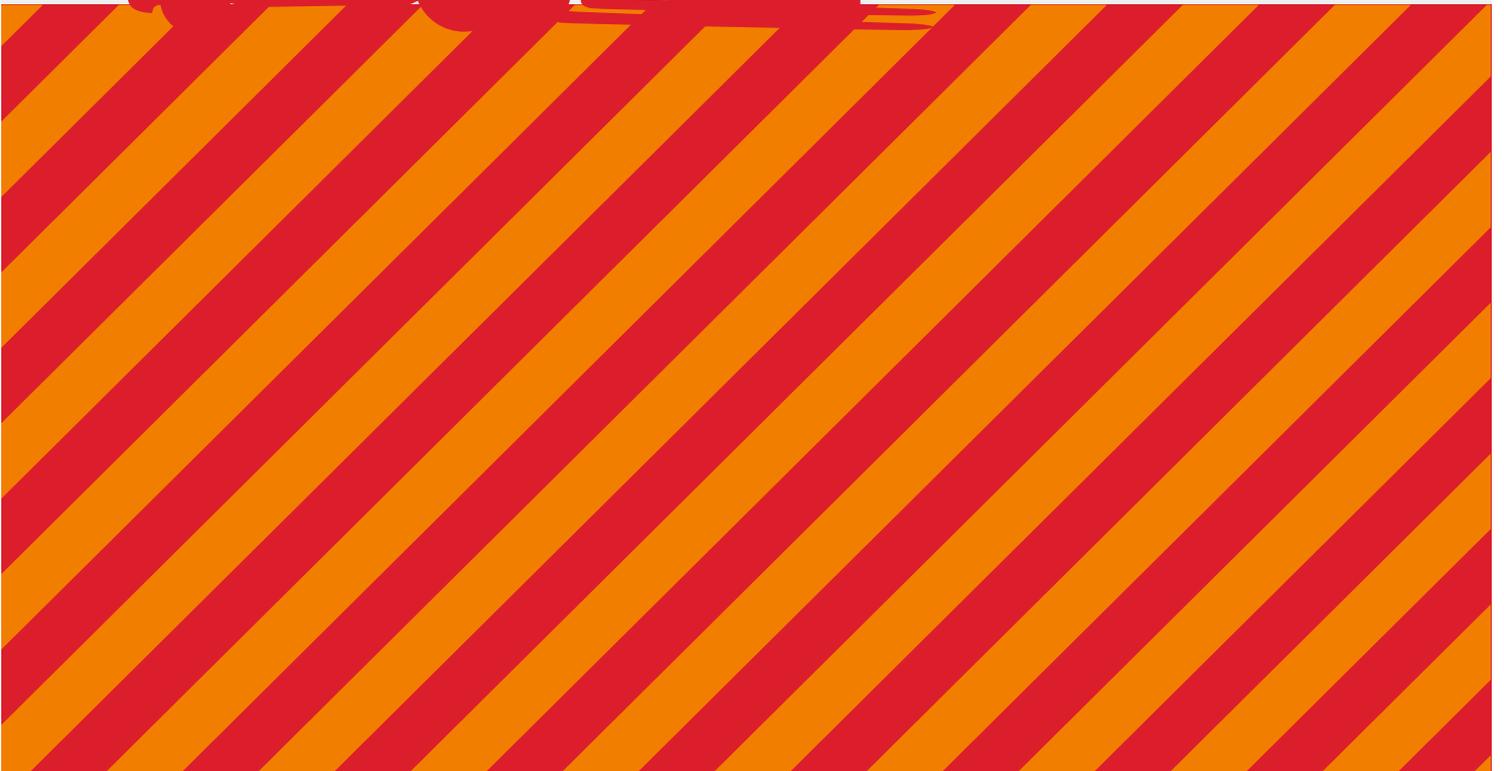
Reviewing progress and evaluating the benefit of our activities should be a discipline we adopt with any worthwhile initiative. Management and staff representatives working effectively together is essential to the success and sustainability of the business as well as the well-being of staff. It is also entails a significant investment in time and energy, which should be rigorously reviewed to ensure that it is adding value for all the stakeholders in the business.

Review and evaluation should be the final element of any initiative.

At its simplest it may consist of three questions:

1. What went well?

2. What did not go so well?

3. What will we do different next time?

Many organisations build a five-minute review into the end of every meeting to ensure that meetings, which are very time consuming, are effective.

In relation to the contents of this toolkit, management and staff representatives should periodically review (perhaps every six months):

1. Have we made best use of the toolkit and other resources that are available to us?

2. What do we do to ascertain what staff think?

3. Do we have effective means of engaging all staff in issues which impact on their work and their well-being (staff engagement is just as important to sustainable union membership as it is to employers in 'winning the hearts and minds' of their staff).

4. What practically could we do to more effectively engage staff?

5. Do we have a clear vision of how we want to conduct employee relations in this business – and how close are we to achieving our vision?

6. How high would we say the level of trust is between managers and staff representatives? What could we do to increase this level of trust, by just a few percentage points?

7. Do we clearly differentiate between information, consultation and negotiation?

8. What barriers remain to creating a genuine social partnership? What can be done to remove those barriers?

9. What are the key questions we should ask staff every twelve months to develop an on-going 'barometer' of how effectively management lead staff and how effectively staff/union representatives represent staff?

Evaluation and review should be an integral part of the way we work.

Whether a scheduled meeting; the outcome of a specific project; the resolution of a dispute; the conclusion of a negotiation: the job is not concluded until we have reviewed and evaluated it.

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