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To: Personnel Committee **Date:** 9 September 2014

Subject: Facing the Challenge – HR Implications & Policies

Classification: Unrestricted

Summary: This paper highlights the immediate and planned impact that Facing the Challenge has driven in HR policy and practice.

1. BACKGROUND

- 1.1 KCC has demonstrated an established and highly competent practice in managing traditional change of its workforce. The pace, magnitude and breadth of the transformation now being undertaken has required a shift in HR policy and practice.
- 1.2 Traditionally our change management and organisational design approach has been based upon top-down restructures and employment stability. This is not sustainable or in the best interests of the organisation going forward. The success of a more contemporary approach will be subject to a change in understanding, behaviour and application from managers. The following report highlights some of the changes the HR Division has made to the context and framework within which this takes place.

2. HR POLICY – MANAGING CHANGE

- 2.1 Our change management policy has been in place for some time, and proved to be suitable and appropriate for the challenges and changes of the past. However such is the pace, magnitude and breadth of change planned that this has been fundamentally reviewed.
- 2.2 More of the detail is outlined in the Policy Update report, submitted to the Committee today under a separate agenda item. In summary we have shifted from a traditional and increasingly unachievable continuous employment approach to a more realistic one. It provides greater flexibility in the way in which changes can be undertaken, emphasises the need for good and early engagement with trades unions and staff as well as a more pragmatic approach to redeployment opportunities.

3. ORGANISATION DESIGN

- 3.1 Whether we directly employ, indirectly employ or even remotely direct the people running our services, the deployment of staff or workers, systems and processes are critical to organisational performance.
- 3.2 There are a range of models in Organisation Design and we have looked at models from Chartered Institute of Personnel & Development, 'LEAN', Decision Making Accountability, Kelly Sears Consulting Group and Birmingham City Council – we have sought to use the best of others and not reinvent.
- 3.3 Organisation design is defined as the alignment of people, structure, processes, information, rewards and leadership, with the strategy of the business to create an effective organisation capable of achieving the business' objectives.

It is therefore far more comprehensive than merely hierarchical structures.

- 3.4 Outcomes and the customer are at the heart of effective organisation design rather than internal structures/roles. It encourages managers to consider the best model of service delivery; defines where resources need to be deployed and what our priorities are; assists in changing culture and builds managerial capacity. Despite the undoubted organisational benefits, to be successful the design and its associated tools should and would be of benefit to individual managers.
- 3.5 An illustration of the KCC model is attached in Appendix 1. It clearly highlights the need to consider 4 aspects:
 - 1. People – workforce planning, workforce development, employment, reward etc.
 - 2. Work – service delivery model, tasks/activities, statutory duties, processes and systems
 - 3. Style – leadership, engagement, values/behaviours
 - 4. Structure – layers, spans, capacity, flexibility, relationship with “non-employees”
- 3.6 Having this Kent approach will encourage redesigns to consider how services are delivered, i.e. Alternative Service Delivery Models (ASDEMs), before changing structures, and is compatible with the project/programme management expectations.
- 3.7 The KCC Organisation Design principles included in Bold Steps for Kent aimed to achieve a maximum of six layers in the organization and an average span of control for managers of 7. The new design approach will enable managers to meet this target more consistently and will enhance this with a bottom up, customer experience starting point. There will be no 1 on 1 reporting; clear and distinct differences in

managerial accountability and expectation; and all service designs will be aligned to Facing the Challenge transformation principles.

- 3.8 Attached in Appendix 2 is an illustration of the methodology on a single page. This shows the key stages, along with the activities associated with each stage and an indication of the tools, related documentation and guidance. The document is intended to operate with electronic links available on our KNet site. Support, development and advice has been produced.

4. TUPE (Transfer of Undertakings Protection of Employment)

- 4.1 The legal position is relatively clear on the transfer of staff and our interpretation and application of TUPE over the past 10 years has been excellent and without successful challenge. However with the range of employment models currently proposed, and, more importantly, the potential stages of transition a more sophisticated understanding and application of the relevant legislation is required.
- 4.2 We have received internal and external legal advice and are confident in our ability to recognise, define and assist the construction of new employment arrangements.

5. WELLBEING

- 5.1 Delivering this scale of transformation requires managers and staff to be resilient, healthy and enable to innovate and welcome change. A range of support is available to all staff including an online tool to assess and increase resilience; training on how to recognise and help people showing signs of mental health issues; a health kiosk that staff use to check their health with advice on how to improve it; and management development to increase personal effectiveness, resilience and well-being.
- 5.2 Our health promotion strategy supports physical and mental wellbeing, helping to minimise sickness absence, and enabling resilience and higher levels of staff motivation and effectiveness.

6. CONCLUSION

- 6.1 Effective HR policy and practice makes a significant difference to the transformation programme. Enabling managers to have the right people in the right place at the right time is at the core of successful HR practice. We continue to develop knowledge, systems and practice that increases flexibility and the speed with which this can be achieved.
- 6.2 The HR offer needs to continue to develop to provide new arrangements with support that adds value. We are developing the HR function's understanding of the options for content and delivery, working closely with external experts in the relevant HR fields and colleagues in other Divisions and the Facing the Challenge team.

7. RECOMMENDATION

- 7.1 Personnel Committee is asked to note and endorse the changes made and direction proposed for HR Policy and practice.

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