

Redundancy training: Acas trains Vodafone employees to aid effective consultation over redundancies, in a recessionary climate.

This case study explores how Acas training helped an international mobile telecommunications group, Vodafone, to establish a consultation forum to support a redundancy process. The case study also highlights the particular importance of redundancy consultation and effective communication in times of economic downturn.

The background

Vodafone made the UK's first mobile call on 1 January 1985. The company has since grown rapidly through investment, acquisitions and product innovation and is today a major part of the worldwide mobile communications industry.

The nature of the technology industry in which Vodafone operates is that products and business priorities, and therefore staffing needs, are constantly evolving.

Vodafone now employs around 10,500 people in the UK and an estimated 70,000 world-wide. The head offices for both its UK and worldwide operations employ around 1,000 people and are based on a Vodafone campus in Newbury in the South East of England.

The challenge

In March 2009 it was announced that around 400 people were either to be made redundant from Vodafone's Newbury headquarters or re-deployed elsewhere in the company, as part of company-wide restructuring and cost savings. The proposed re-structure was in response to a shift in Vodafone's business model to accommodate more customer-facing roles.

In recent years, Vodafone has instigated many business re-structuring exercises, due to the changing nature of the industry. In accordance with the law, where 20 or more employees are to be made redundant over a period of 90 days or less, Vodafone



conducts a consultation process between management and employee representatives. This consultation process is to be completed before redundancy notices are issued.

For this case study, Acas researchers interviewed a management representative with responsibility for employment relations at Vodafone UK, and an employee representative appointed to join the management/employee consultation process in a redundancy programme which was taking place at the time of the interviews. Both were based in Vodafone's UK head office. Whilst the employee representative's comments focused solely on the redundancy process in question, the manager spoke more generally at times about employment relations and consultation processes at Vodafone.

Designing the consultation process

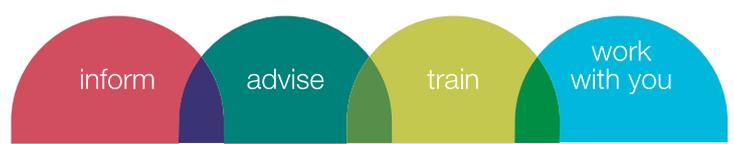
Vodafone has an elected employee consultative council (established in 2004) which includes 16 employees located across the UK, and meets quarterly to discuss the business direction of Vodafone. However, when facing redundancies, the company has opted to hold an election to appoint employee representatives to participate in management/employee consultation specifically for the period of the redundancy.

The manager explained why a separate consultation arrangement for these and previous rounds of redundancies had been chosen instead of using the standing consultative council. The nature of the consultative council means it does not necessarily comprise employees that have a direct interest or involvement in the current redundancies. Creating a 'bespoke' consultation process, the manager believed, would ensure that the focus on questions and discussions would be more pertinent to the immediate needs of those facing redundancies.

The manager also explained that electing representatives afresh for a round of redundancies meant a 'better ratio of representation' of representatives to employees than would be possible in the standing employee council had been used. For instance, in the case of the March 2009 redundancy situation, 13 'directly impacted' employees were elected to represent 1,000 employees. Employee representatives are elected using electronic means, with the ballot managed by an independent provider. The number of representatives and the length of the consultation period varies depending on the number of potential redundancies.

'on every single occasion, because of the numbers, we've done collective consultation in some form...we would get nominations and then elect site specific or areas specific or impacted groups specific [representatives].'

Manager



Talking about the March 2009 situation, the employee representative explained that there had been 42 nominations, which led to 13 candidates being elected. Asked about her motivation for stepping forward, the employee representative said:

'I was elected yes...nobody else seemed to be stepping forward...I just wanted to make sure that our voices were heard. That's what motivated me. I think it's useful, it's not going to do any harm and I think to be kept in the loop is very important. So many people just don't understand communicating and being kept informed is so important.'

Employee representative

Why train employee representatives on redundancy?

For the manager, past experience had demonstrated that training in consultation, and the role of employee representatives in redundancy situations, is critical to individuals' understanding of the process, and their role and contribution. As a result of training, representatives also gain a better appreciation of the opportunities and challenges presented by taking on this role; can act in a more measured fashion, and learn to represent the views of other employees.

'[Employees send] understandable, but angry emails about some aspect of it - the selection, or the redundancy payments, or whatever it is. You then find they go on the training, and they get a perspective of what it's about... how to best influence, how to use the opportunity to propose changes the company has got to consider. And you often find that the approach does subtly change. So the emails then become much more balanced, much more coherent, and also more constructive, so they're putting forward solutions rather than demands.'

Manager

The employee representative also saw the value, at the outset, of having the training:

'It all seemed a very good idea and a sensible way of doing things, and it's obviously because they have been through this before and they have thought about the more open way, and transparent way of doing things.'

Employee representative

Why the HR team decided to use Acas to do the redundancy training

Acas had been used several times before by Vodafone to support the training of employees. The manager stated that one advantage of using Acas was their willingness



and availability to fit-in with the required timescales for the redundancy process. This was especially important in redundancy situations where the 'window' for providing training is narrow once individuals are nominated to participate in consultation.

The company has used other training providers in the past but found the Acas approach to be the most suitable for their needs. The manager stressed that Acas offers pragmatic, practical and affordable solutions to the challenges facing the company.

'My experience of Acas is that, all of the trainers we've used, [Acas] has delivered practical training that allows our people to understand where a consultation sits in the process; what the value of it is; what the benefits are; what the limitations are; and actually deliver, at the end, a change programme where not everyone is going to end up happy but at least they appreciate and understand what we're doing, why we're doing it and what we are doing to improve the lot.'

Manager

The manager also believed that the value of Acas training was enhanced by the organisation's diversity of services (including running the Acas helpline) which makes Acas staff well positioned to deal with a diverse range of queries requiring an immediate response.

'They're practical, they're approachable, there is a flow through benefit...because they also are responsible for the helpline where individual employees may contact them'

Manager

Moreover, the Acas training was said to have been 'primarily encouraging people to think of solutions, rather than...more problems'; and that Acas helped encourage representatives to seek realistic solutions.

The representatives' views of the Acas training itself

The employee representative praised the Acas trainer who had delivered the course. The trainer had addressed the 'key things' 'at the right pace', pitched the training at the right level for the audience and the training was also said to have been the right length. This had enabled participants to understand the consultation phase and their role as a representative more fully.

'I just thought that was a very good idea just to go back to basics of the meeting and say listen, win, win, don't rush into decision making'

Employee representative



It was also clear to the employee representative that the Acas trainer was impartial:

'Yes absolutely, at the beginning [the trainer] explained what Acas was and what his role was and what the role of Acas was in the whole procedure...even when [the trainer] offered...support if anybody wanted to phone [the trainer] it would be just as if anybody wanted to ask any questions on this training and not for representation.'

Employee representative

When asked to think back to which topics were covered in the training, the employee representative cited: what the consultation period is, the process of redundancy, what true consultation means, ways to have a meaningful discussion with management and what the difference is between consultation and negotiation.

Overall, the employee representative said that the Acas training exceeded expectations and that the trainer was 'excellent' adding that the trainer was 'intelligent and personable'.

The outcomes of the Acas training

All of the outcomes that arose from the Acas training were positive. The employee representative reported feeling more informed about her role, and about the process as a whole.

From the manager's perspective, as a result of training, the consultation was found to be more productive, with a constructive dialogue, and helpful contributions from employee representatives. There had also been past occasions at Vodafone where the proposed structural changes themselves have been revised based on the redundancy consultation where more detailed consultation on the proposed structure had uncovered anomalies or 'glitches' in planned changes. On occasions, there had also been changes to the criteria for selecting employees for redundancy, as a result of the consultation process.

The manager identified that one of the consequences from the Acas training sessions was an increased communication between employees and their line managers:

'What you often find is the more effective representatives work both within the forum itself, but also outside of it in conversation with the relevant decision-making line managers. So quite often they'll influence both in the group and at the individual manager level...and it's my belief that that is one of the consequences of the Acas approach'

Manager



More effective working between employee representatives and managers had also resulted in proposed improvements for the future, should the company face further redundancies. Communication was highlighted as being of paramount importance by both sides. For example, the employee representative stressed the importance of management being 'forthcoming with communications and information' in such a tense situation: *'Losing a job is a big deal...when you get down to the individuals it's heartbreaking.'*

Consultation

The role of the Acas trainer in making sure that everyone involved was aware what 'consultation' means in this context was emphasised as being very important by both interviewees. The employee representatives, in particular, reported a sharper understanding of what consultation means following the training.

'To make people redundant, by law [there are] certain steps and...I think they've invited us along to be part of this, ... to let us know how they are doing it. But if we have anything to add they will certainly listen and if it's adding to the process and making it easier, and more understandable, I'm sure they will take it on board.'

Employee representative

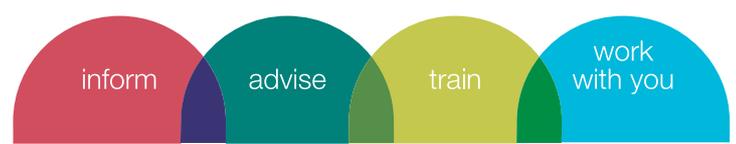
From the manager's perspective, consulting around redundancy was important in complying with the law, but also in facilitating direct employee involvement in the process:

'Clearly you've got to comply with the law, but what you actually really want to achieve is an employee population that you can take with you on the journey of why you're doing something, and explore with them solutions that have a buy-in from the employee perspective, and can get a buy-in from the employer perspective, to actually improve things for the people that we're working with.... like we give out placement support...we might approach the selection process itself in a different way. All based on the feedback.'

Manager

Lessons for redundancy consultation in a recessionary climate

Although the manager reported that Vodafone has so far not felt the full effect of the recession, it was felt that the changing economic climate had affected the employees'



response to the prospect of being made redundant. For instance, anecdotal evidence received by the manager suggests that 'people are much more worried' about how long finding another job will take and so are being 'more assertive' in redundancy consultation – for example, probing on 'why they have been selected for redundancy'.

The employee representative concurred with the view that employees were more worried about finding another job than in previous years.

'I think it's more difficult than it was in years previously because there were a lot of jobs around, but I think because of the financial situation...that things are far different now than they were last year'

Employee representative

Although the full ramifications of the recession are still unknown, both interviewees identified that the effectiveness of outplacement support could be a key area that needs more consideration in such an economic climate. The manager stated that in the past, help in finding another job consisted mainly of a 'job support/CV development/counselling-type approach', whereas in a recessionary climate a slightly different approach may be necessary, with extra support being 'a gatekeeper into further education or further training'. Increasing the involvement of line managers in the consultation process was also considered to be especially important in an economic downturn. And redundancy training for line managers could better equip them to deal with queries from employees involved in the redundancy.

For further information on Acas training and publications on redundancy handling see the Acas website www.acas.org.uk or contact our helpline 08457 47 47 47.

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