

Specification topic: Managing Employer & Employee Relations

Case Study: Connect ensure communication is key both internally as well as externally

Connect 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. Connect 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 Connect campus in Leeds, West Yorkshire.

In March 2009 it was announced that around 400 people were either to be made redundant from Connect's Leeds headquarters or re-deployed elsewhere in the company, as part of company-wide restructuring and cost savings. The proposed restructure was in response to a shift in Connect's business model to accommodate more customer-facing roles. However, these new roles and opportunities have not been discussed at any great length with employees in the head office. Employee representatives were voted onto a panel which met with management to discuss the redundancy process in order to ensure regular communication on such a sensitive issue. Connect used Acas to assist in the process of employer/employee consultation. Acas provides impartial information and advice to employers and employees on all aspects of workplace negotiations. Acas had been used several times before by Connect 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.

During the three month process of employer and employee consultation, there were issues with worker morale and during this time productivity rates at head office when compared to previous data had worsened. Senior management were made aware through the consultation that staff were discussing the pending redundancies on a regular basis and that the employees voted onto the consultation panel were not communicating the outcomes of the meetings to staff regularly enough.

Exam-style questions

1. Analyse the reasons why Connect used an external agency such as Acas to assist in employee consultation on redundancy. (9 marks)
2. To what extent do you believe that Connect can ensure effective employer/employee relations during times of significant change? Justify your view. (16 marks)

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1. Analyse the reasons why Connect used an external agency such as Acas to assist in employee consultation on redundancy. (9 marks)

Possible arguments include:

- Connect were undergoing a sensitive process of redundancies at their head office and Acas were used to assist the process due to their impartial and unbiased stance. This would communicate the message to the employees that the process is being dealt with professionally and sensitively.
- Connect have used Acas in the past and this familiarity between both parties will ensure the advice that Acas provide is of a high quality
- Acas are flexible to the needs of Connect from a time point of view. It was stated that once employees have been voted onto the representative panel, training must occur on the process and Acas can meet this urgency and provide the necessary training.

2. To what extent do you believe that Connect can ensure effective employer/employee relations during times of significant change? Justify your view. (16 marks)

Possible arguments for include:

- Through creating the consultation process between employee representatives and employers, this can aid the communication channels that are needed during times of change (i.e. redundancies)
- Acas being involved will further aid the process and ensure appropriate methods of consultation are being adopted. Acas having worked with Connect in the past can ensure more effective dialogue during this process of change
- Connect could have discussed the redeployment option in more detail with the employees and this could have ensure improved relations

Possible arguments against include:

- It is difficult for Connect to prevent informal communication ('the grapevine') occurring between employees especially when it concerns potential job losses
- The use of services provided by Acas can help facilitate the process but if morale is low, then this is very difficult to reverse in times of change
- Despite all the attempts that Connect have used to aid the consultation process between employers and employees, productivity rates at head office have suffered and this can be link directly to a deterioration in the relationship between staff and management.

Evaluation:

- In this instance, it is very difficult to ensure effective employer/employee relations because the nature of change is surrounding redundancies and redeployment which has a direct impact on worker morale

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- It depends ultimately on the nature of change because if the change will benefit all internal stakeholders (such as an expansion strategy), then the company can ensure effective relations between employees and employers
- If the change is occurring in a short space of time, then the effects are short lived and it appears this redundancy process above is being discussed quite promptly