

Human Resource Services

Managing restructuring in a downturn*

A European perspective



*connectedthinking

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Restructuring: helping you thrive in challenging times

Turbulent economic times are making many organisations that have European operations consider restructuring. Are you trying to establish how best to handle the paradigm of growing parts of your offering while contracting others? Have you invested heavily in accessing talent and building an employer brand but are now considering where these challenging times place you? Are you imposing hiring freezes; looking at across the board reductions in discretionary spending; or confronted with the reality of restructuring across multiple European countries and markets?

Whatever your issue, PricewaterhouseCoopers specialists have the experience and expertise to guide you.

Is your restructuring adding value to your company?

- What are the business drivers behind your restructuring requirements?
- How do you manage the expansion of some parts of your business alongside the contraction of others?
- What should your redesigned organisation look like?
- Are you obtaining function efficiency and true value for money for your spend?

Are you engaging effectively with your employees?

- Do you know the answers to the “me” questions that employees will be asking?
- Is your approach to your restructuring consistent with your declared values?
- Have you got effective communications plans in place?
- Are you engaging with employee representatives in an appropriate manner in each of your markets?

Are you balancing your short and long-term risks?

- How do you manage your employment brand in such challenging times?
- Is there a risk of any proposed measures damaging your future business strategy?
- How do you retain key talent now and in years to come?
- How do you continue the development of tomorrow’s people whilst restructuring?

Is restructuring adding value to your company?

Business drivers

- Which parts of the business are growing? Which are shrinking? How do you respond to both?
- Does your business evolution require new capabilities? If so, do you have a strategy for putting these capabilities in place?
- What is the acceptable pay-back time for any restructuring programme in your business?

Organisational redesign

- What should your future organisation look like in its customer-facing activities? Should you explore alternative channels of distribution to optimise customer reach?
- Is there scope to rethink your support structures? Are they providing you with the mix of cost efficiency, speed and customer orientation that your business requires? Have you benchmarked these features against your competitors?
- Is there an opportunity to rethink your operating principles to reduce costs through virtual teamwork, outsourcing and/or centres of excellence?

Cross-jurisdictional consistency

- Is your business operating in multiple jurisdictions? If so, have you thought through the differing legal requirements which restructuring activities prompt in these locations?
- Do you have an overarching commitment to consistent treatment of employees?
- Have you consulted appropriately at European level as well as at local levels?

Maintaining engagement

- How do you plan to maintain engagement levels in your business? Have you considered the retention challenges that may be prompted by restructuring?
- Are the challenges and associated time-frames you are setting out for your business attainable?
- Do you have clear measures in place to ensure that you can respond swiftly to downturns in engagement levels within your business?

Managing your employment brand

- Have you thought about how best to minimise the negative impact of restructuring on your employment brand values?
- Do you need to reinvigorate your employment brand initiatives for future talent acquisition?
- Do managers know what you are expecting of them when it comes to maintaining the equity of your employment brand?



Communicating before, during and after...

- Do all your stakeholders (shareholders, employees, suppliers, community) know what your vision is for the organisation going forward?
- Is the message clear and supportive to your business plans?
- Have you considered the customer perception of your restructuring actions?

Consultation steps

- Have you considered what your employee relations strategy needs to be during a restructuring phase?
- Have you built in the time necessary for consultation in all the markets in which your business operates?
- Do you need the approval of any employment inspectorates before you implement your restructuring proposals?

Hiring freezes

- Are you prepared to stop external hiring to ensure that future employment opportunities are available to your existing employees first?
- Are you required to stop hiring in some markets where you are implementing compulsory redundancies?
- Are you going to police the consistent application of any hiring freeze you announce?

Retaining key talent

- Can you identify your key talent today?
- Are you prepared to put a retention payment system in place to ensure that key talent does not leave your organisation?
- What will be the effect of such a programme on employees who are not covered by it? Are you ready to manage the consequences?

Reward effectiveness

- Is this the time to review remuneration structures and to consider increasing the variable and/or deferred element?
- Have salary sacrifice cost reduction opportunities been fully explored?
- Can you use this opportunity to maximise the financial efficiency of current and future incentive arrangements?

Flexible working

- Should you review flexible working policies to drive down cost and extend the concept for specific areas of the business?
- Would it be appropriate to open up part-time working opportunities to employees who might not qualify under the existing policy arrangements?
- Is this the time to introduce policies for unpaid leave, career breaks and sabbaticals?

HR effectiveness

- Do you need to review effectiveness of your HR function, its restructuring capabilities and future role?
- Do your HR business partners have a clear understanding of the commercial realities facing your business?



Contact us

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