

## Restructuring in the recession

**Hilary Barnard & Sharmila Kar**

Many third sector organisations are anticipating a hard time ahead as the recession begins to bite. ACEVO has developed a recession website for its members. London Voluntary Service Council has the Big Squeeze Campaign. There are lots of other initiatives showing how Government and public agencies could pursue economic stimulus with the help of the third sector.

However, the scale of reductions may mean that downsizing cannot be managed without staff reductions or significant changes in working patterns and practices. As the organisational restructuring team in Cass CCE, working with third sector organisations at this difficult time, we know that the change is never easy. It is best planned. As this recession is unlikely to be over quickly, with all the staff consultation involved, decisions are not wisely delayed.

Talk of tightening belts naturally focuses attention on economy and efficiency in third sector organisations. Some of those belts are very tight already, and cutting costs alone may make survival problematic for too many organisations. This is a time to take a step forward and look at effectiveness, and how the organisation can become more fit for purpose as a result of the changes being implemented.

It is possible to develop long lists of do's and don'ts, and there are also distinct processes that employment law and ACAS guidance require. It is essential to be legally correct without being legalistic. We put equal weight on looking at what will stimulate learning, adaptation and cultural change. Working with the client, we analyse workflows both quantitatively and qualitatively, and establish clear organisational design principles. For us, there are some key considerations that need to shape the whole process and outcomes of restructuring:

- Aligning restructuring with organisational strategy so that strategic capabilities can be enhanced;
- Assuring equality and diversity in the steps taken;
- Securing senior management buy in and leadership at an early stage. The human resources function cannot be left out on a limb;
- Committing resources to planning and managing the change, establishing project management capability and accountability;
- Keeping the focus on the benefits for service users and beneficiaries;
- Developing solutions that turn the tacit knowledge of individual staff members into an organisation wide explicit asset;
- Exploiting technologies to develop new organisational thinking and working methods;
- Communicating with and involving staff at every level;
- Programmed monitoring and evaluation after implementation.

Hilary Barnard is a Chartered Fellow of the CIPD and Head of the Strategy & Change practice at Cass CCE. He has run his own consultancy practice since 1991 and is a member of the Association for

Management Education & Development, and the Organisational Development & Innovation Network. Hilary is an External Examiner in Human Resources Management at Middlesex University.

Sharmila Kar is a Chartered Member of the CIPD, an Associate of Cass CCE and an experienced HR & Equality professional specialising in equality and diversity, strategic management and people development. She was previously the Head of HR for the Equality and Human Rights Commission (EHRC) and Disability Rights Commission (DRC), Sharmila is also a member of the board at Amnesty International UK.