

**Manchester City Council
Report for Information**

Report to: Overview and Scrutiny Human Resources Subgroup - 6 July 2010

Report of: Assistant Chief Executive People

Subject: HR/OD Integration

1. PURPOSE OF REPORT

- 1.1 To outline the progress in the implementation of the HR/OD integration and the development of M People approved at Personnel Committee on 2nd June 2010.

2. BACKGROUND

- 2.1 The transformation of Human Resources (HR) and Organisational Development (OD) has been accelerated because these services are critical in supporting the rest of the organisation to deliver the new business plans and the AIM programme. Alongside the transformation of the service, the existing redeployment process has also been prioritised for transformation to enable the positive and assertive movement and development of staff across the organisation to deliver key priorities.
- 2.2 Prior to the start of this integration HR and OD have been separate functions in the Council. The two services are transforming into a service at the forefront of driving transformation and a service that supports Strategic Directorates to develop their people in order to have the skills and capacity to meet the Council's objectives. The model has been developed by a Task and Finish Group chaired by the Chief Executive and in consultation with a panel of Executive Members. The structure is based upon the widely respected 'Ulrich Model'. This comprises:-
- Shared Services for transactional functions such as the procurement of training, the processing of recruitment administration, organisational management and personnel administration (i.e. updating of records and structures on SAP supporting payroll administration). This service links into and provides an evidence base for the HR/OD Service Delivery.
 - A smaller core of HR/OD professional expertise (e.g. reward, talent development and management, employee and Trade Union relations and the functions relating to employment law, CRB, grading and discipline).
 - Strategic Business Partner roles – Using the knowledge of services to influence change and people management practices through working with Heads of Service to develop and implement the people aspects of change

strategies, organisational development, workforce planning and skills development.

- 2.3 The critical challenge over the next three years for the new integrated service will be to support the implementation of the transformation models for all of the Council's functions and services.
- 2.4 As part of the transforming the services work has been ongoing across the Council with Directorate Management Teams to identify the key principles that will underpin the approach to developing existing staff and increasing the opportunities for people to move around the organisation. This approach is referred to as 'M People' and is designed to deliver on the commitment to aim for no compulsory redundancies as the Council moves to a smaller more agile workforce through natural turn over the next three years. The principles are detailed below:

M People Principles

- Concentration on developing our existing workforce – external recruitment will be exceptional and by corporate agreement
- Pace – the process has to have people moving around the organisation positively and quickly
- Progression paths must be clear from entry level jobs to senior positions and helping to reduce worklessness – fulfilling our commitment to prioritise young people and Manchester residents.
- Evidence based – a strong body of intelligence of the skills we have now and the skills we will need from the target operating models. This will enable movements of staff be planned based on knowledge of where the surpluses and the shortages of skills are going to be and when.
- Creating demand for movement – through assertively moving people to new roles creating spaces for others to move into, through appropriate use of Voluntary Early Retirement (within existing rules) and through restricting external recruitment including temporary and interim appointments.
- Managers dealing effectively with poor performance so that poor performers are managed, not restructured out to another part of the Council.
- Pull not push – the purpose of M people will be to enable services to pull in people with the skills needed rather than push away people not required, which is a feature of the old redeployment system.
- Incentive based – Strategic Directors and Heads of Service are accountable for the delivery of the improvement and efficiencies within their business plans and target operating models. The M People process will be the only means by which they can draw in the skills they need and move people within the

organisation. This will encourage positive and reciprocal behaviour allowing people to move positively between services.

- All staff on M People pathways. A pathway is a way of describing the journey an employee is on e.g matched to a new role in a new structure, on a supported placement with a view to a permanent move, on a full time training programme to change career direction or leaving the Council. M People will not be confined to services currently subject to redesign. Staff in parts of the Council not currently changing will be able to apply to opt into a pathway (eg supported placement) thus creating more spaces for others to be moved into.

3. PROGRESS TO DATE

- 3.1 In line with the proposed M People approach the implementation of the integration of HR/OD has focused on staff engagement and development to enable and support and participation.
- 3.2 On 7th June 2010 the second staff engagement event was held with all those affected by the integration process invited to participate in the event. Senior managers updated employees on the proposed structure, the M People process and support being offered to them. They then had an opportunity to discuss the proposals with managers, the Trades Unions and to sign up for change workshops and career coaching.
- 3.3 Further change bulletins have been issued and full responses have also been made to staff questions and queries compiled and forwarded by the Trades Unions.
- 3.4 Weekly drop in sessions have been diarised to the end of the implementation period. At these sessions, senior managers will be available to meet staff and answer individual questions. The first 2 sessions have already been held and seem to have been well received.
- 3.5 Further progress has been made with the development of the M People process and a working protocol and this will now start to be shared and consulted on with staff and Trades Unions. This has been well received and response to the proposals from staff continues to be very positive.
- 3.6 The staff are being supported at every stage of the process and change workshops have been in progress since the second week in June and career coaches have been nominated to support individuals. The coaches will support staff in thinking about their career options, existing competencies and experience.
- 3.7 A Council wide generic competency framework, based on the Council's needs and values has been developed and agreed. These have been circulated to all OD and Personnel staff.
- 3.8 Planning is also well advanced for the skills audit and assessment process which will underpin the movement of staff on the basis of their competencies to

roles which reflect Council needs at any given time. The independent assessment process is intended to provide support to the HR/OD integration and give the Council a legacy capacity to use across all services.

- 3.9 The skills audit will establish a baseline of the employee's current skills, qualifications and experiences, identify their generic competencies and where applicable technical capacity for specific roles. This will be included in an M People passport for each employee and will provide necessary workforce intelligence to enable the Council to meet its future needs.
- 3.10 A number of individual staff have already indicated a willingness to voluntarily join the M People process. Progress is being made with identifying M people development opportunities through internal vacancies.
- 3.11 An M people briefing session is being run on 5 separate occasions to allow those affected to get an update on progress and put their questions to senior managers.

4. Summary

- 4.1 The HR/OD Service Integration is progressing in line with its outlined plan with positive feedback on the support activities in place.