

SOLVING YOUR HR AND PEOPLE ISSUES

WELCOME

Welcome to the 1st issue of *The People Factor*. With so much business uncertainty at the moment, we decided now was a good time to launch a newsletter full of helpful HR insights and advice, especially when people have no end of questions and need support more than ever – whatever business or industry you're in.

HR can be complex and challenging at the best of times, let alone when we're all trying to come out the other side of a global pandemic. Being unsure of what the 'new normal' will mean for your business and your people, along with all the legal and organisational processes that go with it, are

all common factors you're likely to face. That's why this issue is all about just that, with an additional focus on restructuring.

We hope you find it useful. And if you have any questions, suggestions or feedback for us, we'd love to hear from you.

Until next time.

Karen Davies
CEO - The People Factor



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> LATEST NEWS

UK start-up guidelines announced

Following Boris Johnson's recent announcement, we're now starting to see a gradual relaxation of the UK's lockdown measures and restrictions. In an effort to get Britain going again and keep everyone safe, the government has published its 'COVID-19 secure' guidelines for employers:

- Staff should work from home if they can.
- Employers must carry out a COVID-19 risk assessment in consultation with workers or trade unions, and businesses with over 50 employees should publish this on their website.
- Employers should maintain 2m social distancing wherever possible.
- Where social distancing is not possible, employers should manage the transmission risk in other ways (e.g. physical barriers, staggering shift patterns or having fixed teams).
- Workplaces should be cleaned more frequently, and employers should provide handwashing facilities or hand sanitisers at all entry and exit points.
- Additional measures should be taken to protect high-risk staff.

Downsize or restructure?

Many businesses are working out how best to re-emerge from all this. And, for many faced with a fight to stay profitable, the big question is whether to downsize or restructure. Whereas downsizing will often mean letting people go to reduce costs, a restructure allows you

to reorganise what you already have to become more efficient and achieve the same outcome. Either way, it's crucial to be aware of any potential legal liabilities, your duty of care as an employer, as well as the relevant regulatory and health and safety frameworks involved.

Reopening risks?

Other potential employment law issues could also arise upon reopening. Reassuring employees that it's safe to return to work and taking measures to ensure their welfare and safety will be paramount, so any lapse in protocols could see an increase in health and safety issues and whistleblowing complaints. Employers may also face potential discrimination allegations for decisions on which staff to recall and retain, and any revised roles or responsibilities that may be deemed to put them at risk.

JRS extended until October

There have been many calls for additional and ongoing support for businesses, amid concerns that many won't survive the lockdown exit and recovery period. This is despite many employers benefitting from the government's Coronavirus Job Retention Scheme (JRS), a grant that covers 80% of their usual monthly wage costs and has enabled them to furlough (and retain) their employees. Therefore, on 12 May, it was announced that the furlough

scheme would be extended until the end of October 2020.

Latest tips and guidance on this from GOV.UK include:

- The online service now offers a 'save and return' option so that you can go back to a partially completed claim.
- Only submit one claim per pay period – there should be no overlapping periods.
- You'll soon be able to amend any errors submitted in a claim.
- If you've claimed a grant through the scheme, check if you need to report payments on the PAYE Real Time Information system. (This will depend on whether you're using the grant to pay wages or to reimburse wages that you've already paid.)

Hospitality industry to reopen soon?

According to the Prime Minister, the hospitality industry could begin to return to normal on 1 July, provided it can provide a safe environment for staff and customers. However, it's still unclear exactly how this will look and what logistics need to be put into place to achieve this, especially with ongoing social distancing measures. Most likely, it will be those premises with outside space.

> HR HEADACHES

Furlough Fixes

What can employers do if furlough ends but they're not ready to take employees back to work?

There are several options here:

- Ask employees to take unpaid leave.
- Ask employees to take remaining accrued holidays.
- Consider laying them off.
- Start redundancy procedures.

What sort of notice do employers need to give to bring a period of furlough to an end?

- Employers will need to formally advise their employees to return to work.
- The notice period will depend on what written information was provided to employees at the start of furloughing.
- Either way, act reasonably and make sure that the notice period is fair.

What happens if staff don't want to come back to work after lockdown/the furlough period?

Be prepared for some employees being apprehensive about or not wanting to return. If so:

- Reassure and brief them on new safety measures to show that you're taking their health and welfare seriously.
- Recognise that there may be justifiable reasons preventing an easy return to work (such as childcare or transport issues – which, if penalised, could be seen as discrimination).
- In extreme instances, be prepared to advise that being on furlough isn't a choice and that employees are expected to return to work if there's work to be done.
- Follow up by advising of the consequences of refusing to return to work (i.e. AWOL procedures).
- Plan recruitment campaigns.

Return Resolutions

What do you need to do before employees return to work?

One of the first things is to formally write to employees advising them of their return to work date. Then:

- Think about what needs to be done to keep them safe from infection once they're back (such as routine deep cleaning, protective screens and how best to avoid a crowded working environment).
- Think about whether everyone needs to return all at once or in stages (and, if so, how you decide that).
- Check that your suppliers are going to be ready for when you're up and running again.
- Consider whether staff need general retraining or specific training on new post-COVID-19 measures or operating processes.

What sort of training provision should employers consider in becoming operational again?

Issues around social distancing, the prospect of smaller teams and having a more evenly spread business (with fewer peaks and troughs) will be key.

- Consider how your new delivery model will look and how it's likely to evolve.
- Map new models of delivery against operational standards, service and management in order to identify new skills, processes and behaviours.
- Focus on ensuring your teams feel comfortable in the workplace by clearly setting out safety measures and guidelines on what people need to do differently.
- Rehearse practical scenarios with your management teams to prepare for different events and outcomes.

> THE CLIENT INTERVIEW



Tim Doubleday
CFO - Burger King UK

Hi Tim, tell us something people won't know about Burger King. No whoppers please...

Okay. Well, apart from being the 2nd largest hamburger chain in the world, Burger King has nearly 18,000 outlets across 100 countries, 99.7% of which are privately owned and operated under a franchise model.

That's a lot. What's been one of the biggest challenges you've faced in recent years?

COVID-19 excluded, it's probably when we acquired the UK master franchise agreement and major franchisee, and set up Burger King UK as a brand-new company.

Having basically bought a business with two parts, the main challenge and starting point was working out how to merge and restructure those two businesses and ensure that we aligned everything across the different employee groups, particularly as the franchisee was a typical entrepreneurial business. And not only that, working out how to go about building a platform from which we could also expand the business. That was crucial because our business plan had us committed to tripling the size of the business in 3 years (through the

opening of new restaurants and buying other franchisees, and then building further with those new site openings and acquisitions).

It's fair to say that we had to build a new company from absolute scratch with extremely limited infrastructure. It was a huge undertaking.

And, more specifically, what else did you have to focus on?

We were all aware that we needed specialist insight and guidance on how such an extensive restructure programme could be achieved but, just as importantly, the company and our investors needed assurances that everything else required to get the franchise operational could be completed within the specified timeframe.

The areas causing the biggest headaches were how to arrange the TUPE transfer of all the employees from the transferring organisations into the new master franchise structure and set up a Tier 2 Sponsorship Licence. Then there was integrating Burger King's global policies and creating all the new HR processes, policies and Ts & Cs for the new enterprise - along with the

harmonisation of terms and pay scales, performance-related bonus and reward schemes, and internal comms to keep everyone informed and reassured within the new organisational structure.

On top of a major recruitment campaign, we also needed to organise induction programmes and legislative training, brand service delivery and anti-bribery and corruption workshops, as well as conducting a smooth handover of information (e.g. established practices and historical records) to the incoming HR team and board.

How did you know you'd got things right?

We had a defined plan and a timetable that we wanted to hit, so if there was a standout moment, it was that we did exactly what we said we were going to do in the timescale we'd committed to. The private equity world being what it is, everything had to be done yesterday and the pressure was on. In hindsight, and given the scope of what we were looking at, it was a huge accomplishment.

Also, when you buy a business, you don't really know what's what until you get under the bonnet, so it wasn't just finding out what the issues were, we



In hindsight, it was a huge accomplishment

were also trying to put plans in place that would still serve us well a few years down the line. What's really pleasing is that those plans we implemented back then are still being used today as the bedrock for newly opened sites and new franchisees to follow.

As such, we've now got the sort of stable, inbuilt culture and processes that we were all looking for, thanks to a group of people that are all aligned with BK's objectives.

What sort of key support helped you get there?

We didn't have the HR expertise to tackle a project of this magnitude, so were keen to bring in a team we could rely on and trust, and who we knew could deliver the business outcome we wanted. They were key things we looked for.

We knew that The People Factor were extremely familiar with the hospitality sector and that they had the breadth and depth

of expertise to help us. Even more reassuring was the fact that they took the time to not only understand our business, but also what we needed to achieve and why we needed to achieve it - and then went all out to help us hit those targets. And, without a doubt, they were great qualities to have in a business partner - the drive, commitment and staying power to see you through.

Within a 12-month period full of in-depth planning and non-stop liaison between the UK, USA and Europe, they helped us integrate two completely separate business entities and build a new Burger King UK franchise model.

And, today, it's looking as good as ever - all that hard work and planning was definitely worth it!



> IN FOCUS: RESTRUCTURES

Time to restructure?

With everything that's going on at the moment, many business owners may be considering a restructure of some sort. Yet, despite instilling a sense of foreboding in some, the good news is they're designed to do what's best for the business, even when the circumstances triggering them are less than ideal.

In its simplest form, a restructure is about ensuring you have the right structure to fit your business in its current form, then modifying the financial and operational aspects to maximise its ongoing success. Once the organisational structure's right, that's the time to make sure you've got the right people to fill those positions – and having the right processes and resources to support that. Remember: structure first, people second.

Restructuring may come about as a result of a merger due to an acquisition or disposal, an expansion or, as is more probable right now, downsizing. As such, some restructures may be enforced but there are other indicators that also warrant a rethink. The main factors tend to be reduced cashflow and

falling profits, and poor custom/client retention. Additionally, overstaffing, team imbalance and disproportionate workloads, duplicated processes, toxic culture and a high turnover of employees should never be ignored. Both external and internal factors can cause this and, essentially, it comes down to recognising that what was once a viable option for your business previously may not necessarily work so well now.

Knowing what to expect & useful tips

The most successful restructures result from solid review and planning. It's always important to take a step back and evaluate exactly what's going on and what needs to be done. For instance, know *why* you need to restructure, recognise *what* sort of changes it will involve, *how* you're going to manage the process, and anticipate the overall impact on your employees. You may need to consider role changes and the nature, functions and responsibilities of people's positions (in the form of

horizontal or vertical restructuring). At the other end of the spectrum, redundancies may be called for. Either way, take your time to weigh up and discuss what's working, what's not working and what needs to work better – and not just from an internal perspective but possibly by seeking feedback from your suppliers and customers too.

Having a vision for your restructure and knowing what to expect can make all the difference in ensuring things go smoothly. And remember, how you communicate and go about making the changes are just as important as the changes themselves.

Don't be put off by the prospect of a restructure. They offer a lot of positives and there are always ways to make them work. At the very least, it'll help you consider whether your current business structure is right and how well prepared it is for the foreseeable future.

If you'd like more in-depth information on restructures, [click here](#).



Meet the Team: 60 seconds with Karen Davies - CEO

How long have you specialised in HR?
All my life.

What's the biggest benefit of great HR?
Having the specialist support that ensures you're getting the important stuff right – mainly, having the right strategy, managing your people challenges and helping you avoid any legal pitfalls. And, ultimately, enabling your organisation or business to evolve, react and adapt.

What sort of advice and projects are you involved in?
Mergers, acquisitions, restructures, employment law, furloughing – you name it!

What are the most pressing issues that employers face right now?
Many are asking about what they need to do before employees return to work and how they're going to make it work, especially in light of the government's recommendations.

And your top tips for what employers should be doing?
I would say start scenario planning sooner rather than later, and take lessons from outside the industry to get an idea of potential ways forward. If it's been done elsewhere, it makes sense to try and replicate that. Properly engage too; a change in policies doesn't automatically bring about a change in behaviour. And don't neglect developing your future talent – whilst it may not be a priority today, you'll soon feel the talent drain when it happens.

And looking ahead?
Businesses first need to reflect on what they did well operationally up to this point and what didn't work so well. They need to be looking at how to future-proof their business models and what sort of skills and technologies will prove invaluable. That way, they'll be in a much better position to deal with a major incident next time.

Finally, if employees don't all return at once, can they be placed on intermittent furlough leave?
Yes, but you'd need to furlough them for 3 weeks at a time, as that's the minimum period until the end of July, before the rules change in August.

HERE TO HELP
GOT A HR HEADACHE YOU NEED TO SORT?
If you'd like to know more about how we can help you, get in touch.
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