



When your
job is at risk



A PSA guide
on change
management

This guide is a summary of your rights and what to expect when a restructuring is proposed for your workplace. Every situation is different and there are many matters to be considered.

The PSA has a wealth of expertise in responding to change. Your PSA organiser and delegates will provide you with the advice, information and support you need.



What is change management?

Change management, or management of change, is the term used in most collective agreements to describe what happens when your employer plans to change jobs and the way the organisation works. Other terms may also be used – for example, review or restructuring.

Whatever the term, it is a stressful experience. People most severely affected will be worried about financial security and what the future holds. Delegates and staff will work alongside members to achieve the best possible outcomes.

That includes making sure:

- the process is fair and above board;
- job losses are minimised;
- members have choices about their future.

Drivers of change

Change is not always a bad thing. It can be positive if it leads to greater job satisfaction and improved services.

However, most change in the public sector is driven by legislative change or desire to cut costs.

Many government agencies and councils have experienced budget cuts or remain static, whilst having to absorb additional costs.

Your rights

While employers are able to carry out genuine restructures of their organisations to meet business needs, the people who work there have rights and protections, in both the law and in collective agreements.

Most PSA collective agreements have a section on change management that has been negotiated with the employer. It will set out a process to ensure members' views and circumstances are given proper consideration.

Change management must be conducted fairly and reasonably. A situation where you arrive at work one day to be told you have been made redundant is unlawful.

The remainder of this guide will give you an overview of the change management process. The details will vary at each workplace, depending on the scale of the change and what the collective agreement says.

The change process

Notification

Employers must inform the PSA and all the people who might be impacted by a proposed change, well before any final decisions are made.

Usually, notification is in the form of a change proposal document setting out:

- the proposed change;
- what it seeks to achieve, and why;
- the timetable.

We will seek to be consulted from the first suggestion of planned change.

Employers sometimes delay informing the PSA, so if you hear that a change is being planned, tell your delegate or organiser.

Information

Your PSA delegates and organiser will meet with your employer to seek detailed information on the planned changes, the reasons for them, and the effects on staff.

They will discuss how the proposed process can best be managed and, if necessary, raise matters not specified in the original proposal.

Your delegates and organiser will develop a plan to keep members informed and involved throughout the process.

We will endeavour to work with your employer in an open and constructive manner.



Consultation

This is an important step, a chance for you to have your say. The Employment Court has stressed that consultation must be genuine.

A presentation is not consultation; there has to be a two-way exchange of views. You must be given enough information and time in which to make a considered response, and employers are obliged to give proper consideration to your views.

Meetings for union members will be held to discuss the proposed changes, seek feedback, and start planning a union response.

Union members' submission

Usually, the response will be in the form of a joint written submission built from your feedback, and presented to the employer by your delegates. Members are also encouraged to make individual submissions.

The PSA submission will present the shared views of members about:

- Whether the proposal, or part of the proposal, are supported or not supported and the reasons why;
- the merits of the



proposal and potential risks to the work of the organisation;

- the effects on staff and how these could best be managed.

As the people on the ground doing the work, your knowledge and experience brings valuable insights that management might not have considered.

Our experience shows that the more members participate in the consultation process, the greater our influence on the final decision and the more likely we are to retain jobs that might have otherwise been lost.

Final decisions

Once the final decisions have been made, you will be formally notified. Usually, employers will meet with staff, particularly those whose positions are going to be affected by the decisions.



If jobs are to be lost, employers may try to pick and choose who will be made redundant and who will remain. We will resist this. It is critical the process is meticulously fair, above board and transparent and that members have options, such as voluntary redundancy,

reassignment to another position or retraining.

Parental leave

The law requires that anyone on parental leave must be given notice of any restructuring affecting their substantive role as if they were still at work.

For the purpose of redundancy compensation and other service-related entitlements, service while on parental leave is deemed to be continuous.

When positions are lost

Our goal is to get the best possible results and minimise job losses. Even when a final decision is made, there are a number of options that can occur.

Reconfirmed positions

Some jobs will continue much as before. The work will be substantially the same, the terms and conditions will be the same, and the number of staff will be the same. In this case, members should be reconfirmed in their positions.

Applying for positions

A restructuring may result in fewer staff with the loss of some positions. At the same time, new positions may be created.

It is usual practice for affected staff to be invited to apply for the available positions.

This is not an easy situation and may mean multiple PSA members competing

for a reduced number of roles. Our role is to ensure the process is fair and transparent. As part of this, the PSA and employer may reach agreement on the selection criteria.

Reassignment to a new position

Many of our collective agreements have a provision for reassignment – this means that if possible, anyone whose role has gone may be offered another position in the organisation. For many, this will be the best outcome.

Your collective agreement may define what constitutes a suitable reassignment.

Generally, an employer can offer to reassign an employee to another position if:

- it is substantially similar;
- the employee has the necessary skills (or can acquire them);
- the pay and conditions are no less favourable.

In such a case, to refuse the reassignment could mean you are effectively resigning. Depending on what the collective agreement says, it could mean the loss of redundancy compensation.

If, however, you are offered a position that is not substantially similar to your previous position or with less favourable terms and conditions, you may be in a position to refuse it and claim redundancy if that is your preference.

Before you make a decision, you should discuss the implications with your delegate or organiser.

Voluntary redundancy

If roles are to be removed, we will press for the option of voluntary redundancy in the first instance. The collective agreement may state that this must occur.

Voluntary redundancy means the employer invites volunteers to apply to be made redundant. This may suit some people's circumstances, and can reduce the number of people made redundant against their will.

If you are considering voluntary redundancy you can ask for an estimate of your compensation entitlement and how it has been calculated. This may help to make your decision.

If you are considering voluntary redundancy, you should think carefully about how you will cope financially if it takes you some time to find new employment. The implications for tax, insurance and retirement savings also need to be considered.

Other options

Employers may be required by a collective agreement to look at the feasibility of other options to redundancy.

These might include part-time work, early retirement, relocation to another site, or interim work until there is a vacancy.

These options cannot be imposed on you against your will.

Compulsory redundancy

Once all options have been explored, some people may end up being told their jobs have been made redundant and their employment will therefore cease.

There is no legal requirement for employers to pay redundancy compensation where it is not in an employment agreement. Any compensation amount is usually based on length of service.

Special rules for state sector redundancies

People working for organisations covered by the Public Service Act have special restrictions, limiting their access to redundancy compensation in certain circumstances.



Public service employees who are made redundant will not be entitled to a redundancy payment if, *before their redundancy date (the day employment has ended)*:

1) They are offered and they accept another position in the state services that:

- Begins before, on, or immediately after the date on which their current employment ends; and
- Is on terms and conditions of employment (including redundancy and superannuation) that are no less favourable; and
- Is on terms that treat service within the State services as if it were continuous service.

(“Another position” is any other position – it’s not required to have comparable duties and responsibilities or be in the same general locality.)

OR

2) They are offered an alternative position in the state services that:

- Begins before, on, or immediately after the redundancy date; and
- Is a position with comparable duties and responsibilities to those of their current position; and
- Is in substantially the same general locality or a locality within reasonable commuting distance; and
- Is on terms and conditions of employment that are no less favourable;

- Is on terms that treat service within the state services as if it were continuous.

(“An alternative position” is one that has comparable duties, responsibilities and locality.)

When someone is offered “an alternative position”, the requirements in the Public Service Act to appoint the best person for the job, notify other staff of vacancies and provide a review of appointments process **do not apply**.

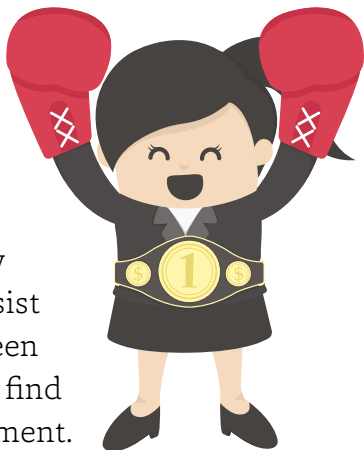
If you have any questions about this, talk to your PSA organiser or phone the PSA Organising Centre **0508 367 772**.

Notice period

If your job is made redundant, you will usually be entitled to at least one month’s notice, or payment in lieu.

Support

Your collective agreement may also have provisions for retraining and other support systems, paid for by the employer, to assist people who have been made redundant to find alternative employment.



Information and support

Your collective agreement may include support such as assistance with CVs and interview skills, and time off for job interviews. A number of government agencies also offer useful information.

- **EAP (Employee Assistance Programmes)**
EAP counselling services should be available to anyone caught up in the stress of a restructuring. Your collective agreement may specify the number of free sessions you are entitled to.
- **Work and Income**
The Work and Income website provides information and support for people made redundant.
www.workandincome.govt.nz
- **Working for Families**
Redundancy may affect entitlements from Working for Families.
www.ird.govt.nz/working-for-families
- **Inland Revenue**
For information on tax and redundancy.
www.ird.govt.nz
- **Careers NZ**
For help with CVs, job search and career planning.
www.careers.govt.nz
- **Commission for Financial Capability**
For financial advice and tips for coping with redundancy.
www.sorted.org.nz



Get support now

Our contact centre Te Roopu Tohutohu Manaaki are fully trained professionals ready to provide advice and assistance when you need it most.

Call free on **0508 367 772** or email **enquiries@psa.org.nz**



For a better working life

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