

## Learning for the Future

# Evaluation of AIUK Costs and Priorities Programme (CAPP)

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## 1. Introduction

### 1.1 Background to the Evaluation

In May 2012, the Board of AIUK determined that AIUK needed to reduce annual running costs by £2.5 million in order to protect the medium term financial health of the organisation. The key driver for this was the Amnesty International movement's decision made in 2009 that Amnesty sections should increase their financial contributions to the international budget in order to support Amnesty's growth in the global south and east, thereby increasing its impact for human rights there<sup>1</sup>.

The programme to deliver the savings required was known as the Costs and Priorities Programme or 'CAPP'. By December 2013, AIUK had made £2.5m of savings through non-staff costs and by reducing its full-time equivalent headcount by 12.5%. Of the 41 employees served with notices of redundancy, 20 employees had left through voluntary redundancy and 21 had been redeployed internally.<sup>2</sup>

As the brief to Develop Global for this review stated: "Whilst CAPP ultimately delivered the savings required, the extended 18-month time period was bruising for the organisation as a whole, and a difficult, challenging and anxious time for all."

### 1.2 Evaluation Aims

'Learning for the Future – Evaluation of Cost and Priorities Programme (CAPP)' is an independent review carried out on behalf of AIUK by Annette Perry from Develop Global, an independent consultancy that specialises in business partnering and organisational transformation.

The purpose of the review is to:

- Document the lessons learned from CAPP
- Make recommendations that will enhance AIUK's organisational effectiveness when faced with a similar situation or the need for a significant change in the future

Its specific goals are:

- To identify whether the objectives of CAPP were met

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<sup>1</sup> Paragraph 2.3, CAPP Evaluation Project Brief v.2 supplied by AIUK to Develop Global

<sup>2</sup> Figures from AIUK Human Resources

- To identify and analyse the key elements of how CAPP was planned and implemented. These elements may be formal, i.e. written policy documents, or informal, e.g. practical ways of working during this Programme.
- To identify the perspectives of critical groups affected by the CAPP process and to gain input into how future capability can be enhanced at AIUK. These groups include appropriate representatives of staff affected, SMT, trade union representatives, the Leadership Team, Board, Human Resources and other key stakeholders.

### **1.3 Scope**

The elements in scope include formal and informal processes, policies and activities undertaken during CAPP. These relate to decision-making, planning, consultation, change management, communications, HR procedures, project evaluation and the embedding and sustainability of change. The perspectives of, and relationships between, critical groups during the CAPP process and the impacts of these relationships will also be explored.

The review covers the period between the AIUK AGM in April 2012 and January 2014. Information from outside this timescale will be referenced only where it gives a greater depth of understanding to the CAPP context and supports the quality of analysis and recommendations.

Out of scope for this evaluation are any wider changes in vision, values or culture at AIUK other than any that arise from CAPP; the Board's decision to reduce annual running costs by £2.5m; AIUK's relationship with the Amnesty International movement and any policies and procedures which were not integral to CAPP.<sup>3</sup>

### **1.4 Roles and Responsibilities**

Annette Perry, Principal Consultant with Develop Global managed the data gathering, analysis and review process and is the author of this report. Annette's biography is contained in Appendix A.

Tony Farnfield, AIUK Corporate Services Director, provided project sponsorship and managed the process of determining the goals, scope and outputs of the review.

The Project Advisory Group (PAG) for the evaluation process was formed by seven people; five AIUK members of staff including a representative from Unite and the Staff Representative to the Board plus Tony Farnfield, Project Sponsor and Annette Perry,

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<sup>3</sup> Purpose, goals and scope summarised from 'Learning for the Future Project Initiation Document'

external consultant. Members of the PAG offered advice and guidance on issues such as documents for analysis, appropriate stakeholders for interview and feedback on the review process itself to ensure the project stayed on track. Advice was taken at the discretion of the external consultant and Project Sponsor and with the exception of the Project Sponsor, the Project Advisory Group was not involved in setting the goals or scope of the review.

A draft copy of this report was fact checked by the Project Sponsor and the Project Advisory Group before being finalised. Annette Perry, external consultant, retained editorial control throughout.

## **1.5 Data Sources**

Data sources used for this report are outlined in Appendix B. In summary, they were:

- A combination of one-to-one interviews, group meetings and voluntary written submissions from SMT, current and ex-staff and volunteers, Leadership Team members, Unite Trade Union representatives, Board and ex-Board members, members of Amnesty who were involved in proposing the 2013 EGM, and external consultants who provided advice and services to AIUK during CAPP.
- Documents from the CAPP period including policy and process documents, communications and financial information.

## **1.6 Conduct of 'Learning for the Future: Evaluation of CAPP'**

Throughout this process AIUK worked openly and collaboratively with the author, offered information actively and made additional data available as requested.

The review process operated a principle of trust and 'no surprises' between the author and the Project Sponsor and Project Advisory Group to ensure that high level themes were shared as they emerged during data analysis.

All information provided by interviewees has been kept confidential by the author and is non-attributable except where express permission has been granted. Only collective themes have been used in this report and any notes taken during interviews will be destroyed at the end of the review process.

## **1.7 Thanks**

Thanks to Tony Farnfield, Corporate Services Director and Project Sponsor; all members of the Project Advisory Group - Louise Court, Rich Cowley, Ruth Dawson, Gill

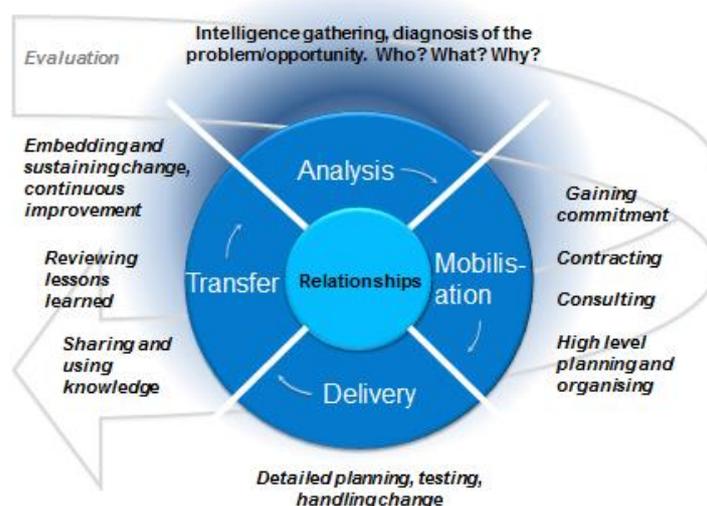
Duffy and Symon Russell - and all interviewees who gave so generously of their time. Thanks also to the Human Resources team for their organisational and administrative support throughout the review process.

## 1.8 Abbreviations and Glossary

AGM	Annual General Meeting
The assessment	The financial contribution made by Amnesty sections to the International Secretariat to fund international human rights work
CAPP	Costs and Priorities Programme
EGM	Extraordinary General Meeting
EGM Proposers	Amnesty members who proposed the Extraordinary General Meeting of 2013
FSC	Finance Sub-Committee
ICM	International Council Meeting
HR	Human Resources
IS	International Secretariat
LT	Leadership Team, the level of management which reports into AIUK Department Directors on the Senior Management Team
SMT	Senior Management Team, Department Directors of AIUK

## 1.9 Note on the Report Structure

Given that AIUK wishes to enhance its ability to manage change, this report's structure will follow Develop Global's high level change framework based on the key phases that support an effective change programme.



While it is acknowledged that real life tends to be more fluid than a structured diagram, effective change programmes typically go through a series of interlinking phases including:

- **Analysis** - exploration and diagnosis of the problem or opportunity, setting of goals and identifying the key stakeholders.
- **Mobilisation** - consulting, gaining commitment to the change, agreeing change roles, high level exploration of options and planning.
- **Delivery** - detailed planning, implementation, testing that solutions are on track, on-going change management and support for people.
- **Transfer** - ensuring that the change is sustainable in the long-term and becomes part of 'how we do things round here'. This phase also includes learning and putting learning into practice so that the organisation is more capable of managing a similar change in future.

These four phases are centred on:

- **Relationships** and communications between groups; managing the people elements of change.
- **Evaluation** as an on-going activity to ensure that progress is tracked against goals and to ensure the original goals still apply.

There are many change process approaches. This framework was used during introductory meetings with the SMT, staff and Unite to describe areas for analysis during the evaluation and so is appropriate to use in this report.

## 2. Executive Summary

The scale and impact of the Costs and Priorities Programme was unprecedented for AIUK and it was a bruising and challenging time for many. However, the organisation has come through it and a common theme for many interviewees was the desire to learn lessons from CAPP and to build the ability of AIUK to manage change more effectively in future. While change can never be fully controlled as AIUK's external environment is too complex, AIUK can equip itself to manage smaller scale change more effectively to limit the need for crisis management. It can also develop its ability to identify significant risks and opportunities more actively and to put the foundations in place for communicating and addressing them.

This section contains:

- A summary of key findings and lessons learned
- Recommendations

### 2.1 Findings

Finding	Further detail in section:
<p><b>F1. Drivers:</b> The catalyst for CAPP was the increase in AIUK's percentage contribution to the international movement. However, other historic factors contributed to 'creating the conditions' for CAPP. They included:</p> <ul style="list-style-type: none"> <li>• Under-target income growth and management over-optimism about income growth</li> <li>• Limited risk and contingency planning</li> <li>• Growth in fixed costs</li> <li>• Limited pre-CAPP activity in co-ordinating ways of working across IS and AIUK and minimising duplications</li> </ul>	3.1
<p><b>F2. Goals:</b> CAPP Phase 1 achieved budget stabilisation by 2013. Given that the ultimate CAPP goal relates to savings from <i>recurrent</i> budget, it is too early to say whether CAPP's long term desired outcomes have been fully achieved.</p>	3.2
<p><b>F3. Impact of CAPP Duration</b></p> <p>The original CAPP plan gave a timeline of 24 weeks. The Programme ultimately lasted for 81 weeks and the extended timeline had a significant operational and people impact at AIUK. This was a very stressful period for many. The reasons for this extended timeline were:</p> <ul style="list-style-type: none"> <li>• Limited or missing engagement with key groups prior to CAPP. This meant that the group driving the change was largely limited to the Board and SMT</li> </ul>	3.3.2 5.6

<p>rather than a broader group who could engage all parts of the organisation including Amnesty members.</p> <ul style="list-style-type: none"> <li>• Amnesty members passing a resolution at EGM which paused restructuring activity</li> <li>• Limited or late programme planning including assessment of risk</li> <li>• Fundamental disagreement between the Trade Union and management as to whether the rate of assessment increase should be included as part of negotiations</li> <li>• Delays in management decision-making and re-visiting decisions already made during CAPP.</li> </ul>	
<p><b>F4. Stakeholder Engagement</b></p> <p>While key groups were discussed as part of CAPP planning, the strength of reactions of staff, TU and members appear to have been largely unanticipated. This represented a lack of connection between CAPP decision-makers and some other key groups at AIUK.</p>	4.1
<p><b>F5. Communication</b></p> <p>The Board and SMT were clear on the financial case for CAPP. The SMT had started the process for exploring financial projections and potential scenarios in February 2012 and the Board agreed CAPP’s goals in May 2012. However, information to staff and Amnesty members about the severity of financial risks and plans to address them prior to CAPP was missing, unclear or messages were contradictory. This undermined trust and the case for CAPP.</p> <p>The initial CAPP communication to staff and volunteers, which included the message that redundancies were inevitable, was a ‘bombshell’ that landed with little or no warning. This created doubts about whether consultation was genuine and set the scene for friction and mistrust between staff and management.</p>	3.3.4 5.1 5.2
<p><b>F6. Governance</b></p> <p>The boundaries between operational activity and the governance of that activity were overstepped during CAPP. Governance rules determine that 100 Amnesty members can call an EGM from a UK membership of c.132,000<sup>4</sup> or approximately 0.08% of the membership. Staff who are Amnesty members are entitled to vote at AGMs and EGMs. During CAPP, member resolutions at the AGM in January 2013 paused the restructure and the timeline was extended significantly. This remains a potential conflict of interest in future where the interests of staff and Amnesty’s strategic plans are misaligned.</p>	4.2

<sup>4</sup> 2013 AIUK financial statements for December 2012

<p>Board and SMT roles also became blurred during CAPP as the Board took on elements of operational activity and decision-making as a response to the heavy management workload.</p>	
<p><b>F7. CAPP Roles and Responsibilities</b></p> <p>The Board and SMT took responsibility and accountability for CAPP’s goals and formed a united front in the face of considerable opposition.</p> <p>The Leadership Team was an under-used resource during CAPP. While this group provided much of the operational activity needed, they played a more minor role in shaping CAPP goals and plans. This group represent an area of potential change capability to be built upon.</p> <p>The external organisation development consultant who worked with the SMT during CAPP provided needed skills and resources to AIUK. However, her role required more precise communication so it was clear to staff where the accountability for decisions lay between external consultants and internal leadership.</p>	4.3
<p><b>F8. CAPP Programme Organisation</b></p> <p>Some elements of programme organisation were well-defined e.g. Board and SMT ownership for outcomes, financial goal-setting and some timetabling of key events. CAPP would have benefitted from being more clearly defined and managed as a programme. There was no defined ownership for the building blocks of programme management such as risk management or co-ordinated stakeholder engagement and communications planning although some of these roles did emerge. The role of programme manager was not clearly defined and timescales were not always realistic or adhered to. This meant that the management of CAPP was often reactive and decisions could be made and un-made which contributed to the sense of confusion.</p>	4.4
<p><b>F9. Trade Union and Consultation</b></p> <p>The lack of agreement between the Trade Union and management over whether the rate of assessment increase should be included in negotiations proved a ‘fundamental disconnect’ throughout CAPP. In 2015, the Amnesty ICM will determine the level of Sections’ contribution to the international movement and depending on this decision, the risk of a similar dispute in future remains for the future.</p> <p>Despite considerable pressure, good working relationships were generally maintained between the trade union and the Corporate Services Director and HR team during CAPP. This may be an area of potential strength to build on to</p>	5.3

support collaborative change management.	
<p><b>F10. Cost Savings and Income Generation Proposals</b></p> <p>Staff, management and the trade union all contributed to finding constructive ways of reducing non-staff costs. This represents another area of potential strength to support managing change more effectively as an on-going activity.</p>	5.5
<p><b>F11. Support Functions</b></p> <p>Many managers and staff acknowledged the valuable role Human Resources played during CAPP in terms of providing advice, HR frameworks and practical support for people. However, the more strategic elements of HR's remit, such as organisation design were performed by external consultants.</p> <p>Similarly, due to the departure of the Resources Director in April 2012, the more strategic elements of Finance and Risk such as financial scenario planning were also shaped by an external consultant.</p> <p>While external consultants provide skills, resources and an independent perspective that an organisation does not need all the time, if AIUK's Corporate Service functions are not 'willing, able and allowed' to shape and support effective on-going change, this may limit AIUK's future change capability.</p>	5.7
<p><b>F12. Restructuring Process</b></p> <p>During CAPP, the decision was taken to restructure based on organisational purpose and the priorities that stemmed from that purpose. This was designed to be more forward-looking than simply taking cost from each existing Department. The opportunity was also taken to address some existing structural barriers including the size of the leadership team.</p> <p>However, the AIUK purpose and the implications of that purpose were not clear to all members of staff and members during the restructure at at the close of CAPP. In particular, it was not clear if the restructure represented a significant shift in focus from campaigning to fundraising.</p> <p>The core skills and behaviours that AIUK needs within its structures to deliver its purpose were not explored.</p>	5.8
<p><b>F13. Embedding Change</b></p> <p>As at January 2014, not all at AIUK had the same understanding and acceptance of AIUK's purpose, post-CAPP. Consistent plans had not yet been made across AIUK to re-engage teams in the vision and to facilitate them to translate this into the detail of roles, priorities and ways of working within and across teams.</p>	6.2 6.3 6.4

<p><b>F14. Unplanned Impacts:</b> Indicative measures suggest CAPP had a number of unintended impacts which harmed AIUK’s effectiveness. These included: loss of knowledge and skills via significantly increased employee turnover and delays on operational projects due to the extended and ‘stop-start’ nature of CAPP. Documents relating to formal CAPP risk assessment were not provided for this evaluation.</p>	<p>6.1</p>
<p><b>Additional Notes on Relationships and Culture</b></p> <p>AIUK employees, volunteers and members interviewed for this evaluation cared greatly about the organisation, its purpose and its potential for good. This is its greatest strength. However, during CAPP this meant that values were strongly held and strongly expressed which sometimes made the debate very personal.</p> <p>This could be positive, for example all groups were keen to ensure that the day after the three strikes no-one at AIUK would be ‘punished’ for participating or not participating.</p> <p>However, the campaigning instincts of AIUK which have made it so successful on occasions made the dialogue during CAPP geared towards personal views of ‘right and wrong’. While understandable, this made ‘separating the person from the problem’ - a cornerstone of effective consultation and negotiation - more challenging. A number of interviewees talked about the ‘toxic’ nature of staff and volunteers meetings with SMT. For the future, AIUK will need to ensure that highly-charged emotions have an outlet, while at the same time agreeing the ground rules that let true dialogue happen.</p>	

## 2.2 Recommendations

Recommendation	Aligned with Finding No.
<b>Short Term</b>	
<p><b>R1. Review Ways of Working in line with the Purpose.</b></p> <p>To ensure that the purpose and priorities identified during CAPP are embedded, it is recommended that Department Directors assess the level to which the following has happened:</p> <ul style="list-style-type: none"> <li>• Re-engagement of staff in the vision for AIUK, including what has changed and what has not.</li> <li>• Support for teams to translate this vision into practical ways of working and any new capabilities needed.</li> </ul> <p>Outputs to include team view of its role within AIUK; identification of priorities and therefore what work is done and not done; confirmation of roles, responsibilities and handovers between roles; skills development needed and production of an action plan to address barriers, gaps and opportunities for contributing more value.</p>	F13.
<p><b>R2. Commitment to controls.</b></p> <p>To prevent fixed costs increasing and to provide the burning platform for prioritisation and more efficient ways of working, headcount costs should be capped and steps taken to adhere to this cap.</p>	F1. F2.
<p><b>R3. Business Planning and Management</b></p> <p>To ensure that prioritisation takes place in light of AIUK’s reduced resources and to equip the organisation to respond more actively to changing circumstances:</p> <ol style="list-style-type: none"> <li>I. Create specific workforce/resource plans in alignment with current operational activity plans and challenge out-of-scope work.</li> <li>II. Create one simple set of metrics that focuses the organisation on achieving the outcomes of CAPP. For example, this could include financial targets, ceasing specific activities, achieving co-ordination with IS in critical areas, member retention etc. These metrics will need to change over time but should provide focus and a basis for communicating successes and risks across AIUK.</li> <li>III. Take the opportunity to re-define the SMT/LT agenda to ensure it balances forward planning with operational matters. This should include the</li> </ol>	F1. F3. F14

<p>definition of AIUK management principles that give a foundation for more consistent decision-making during change.</p> <p>IV. Track existing indicators of post-CAPP employee engagement such as turnover figures and engagement survey scores. Take appropriate actions.</p>	
<p><b>R4. Communications</b></p> <p>To ensure that dialogue with staff and members is effective and open:</p> <p>I. Create communications principles, for example, plain language and a stated approach to communicating risk or bad news.</p> <p>II. Create mechanisms for testing whether key messages to and from key groups have been received and to ensure they have not been drowned out by the volume of communication at AIUK.</p>	<p>F4. F5.</p>
<p><b>R5. Governance</b></p> <p>Review governance arrangements to ensure appropriate and clear boundaries between operations and the governance of those operations. This should relate to any conflict of interest where staff are also Amnesty members and to maintaining the boundaries between Board and SMT.</p>	<p>F6.</p>
<b>Medium Term</b>	
<p><b>R6. Build the change capability of existing AIUK resources</b></p> <p>To enhance AIUK’s change capability, review whether critical roles are ‘willing’ (i.e. motivated), ‘able’ (i.e. skilled and confident) and ‘allowed’ (i.e. given the opportunity) to support and shape change. The critical roles include:</p> <ul style="list-style-type: none"> <li>• <b>Leadership Team members.</b> To ensure that this group is equipped to play a more active role in shaping change and in harnessing the talent of staff, it is recommended that: <ul style="list-style-type: none"> <li>○ The responsibilities of this group are clarified and championed, particularly in relation to business and people planning.</li> <li>○ Development support and coaching is provided for this group by the SMT.</li> </ul> </li> <li>• <b>Corporate Service functions.</b> Enable Human Resources, Finance and Risk to play a more proactive role in identifying and managing the people, financial and operational impacts of change. This will require the SMT and appropriate Board sub-committees to: <ul style="list-style-type: none"> <li>○ Define the role they wish these functions to play (i.e. the balance between strategic and operational activity)</li> <li>○ Upskill in key areas such as organisation design and scenario planning to support management decision-making</li> <li>○ Review whether these functions have the appropriate voice at SMT and Board level to support effective decision-making.</li> </ul> </li> </ul>	<p>F7. F11.</p>

<ul style="list-style-type: none"> <li>• <b>Amnesty members.</b> Identify those who are willing and able to provide additional change skills such as facilitation of problem-solving groups.</li> <li>• <b>Trade Union.</b> Work with the SMT to find ways of helping AIUK to become skilled at more collaborative small-scale change in order to avoid future crisis.</li> </ul>	
<p><b>R7. Risk Appetite and Risk Disclosure</b></p> <p>A culture of ‘risk honesty’ or the willingness to disclose financial and non-financial risks may give AIUK the best opportunity to manage change earlier and in a more collaborative way. To support this, it is recommended that the Board and SMT open discussions about AIUK’s:</p> <ul style="list-style-type: none"> <li>• Current approach to identifying and managing risk</li> <li>• Risk appetite</li> <li>• Approach to when and how it communicates risks to members and staff</li> </ul>	<p>F4. F9. F13.</p>
<p><b>R8. Toolkits</b></p> <p>Build toolkits, as well as policies, that support managers and staff to drive positive change at a local level. For example, these may include toolkits for workforce planning, creating problem solving groups, identifying lessons learned and translating them into more effective ways of working in future or any other activity that makes change owned locally and part of ‘how we do things round here’.</p>	<p>F10. F13</p>
<b>Longer Term</b>	
<p><b>R9. Capabilities</b></p> <p>Having worked to consider its purpose and operational delivery plan as part of CAPP, AIUK will benefit from defining the core skills and behaviours it needs – not just to meet that delivery plan but to build change management capability for the future.</p> <p>For example, these could include core capabilities that relate to delivering innovation (as AIUK is in a complex environment with limited resources), prioritising, and communicating with impact (to ensure effective 2-way dialogue across AIUK and its membership). It is recommended that these are translated into a capability framework for all levels including leadership which supports the effective engagement, management and development of people.</p>	<p>F12.</p>
<p><b>R10. Project and Change Management Capability</b></p> <p>For future large change programmes, AIUK should ensure that the foundations of programme management are put in place. These should include stakeholder engagement to build the ‘change coalitions’ that can shape the change and reach all parts of the organisation, clear definition of project roles, co-ordinated</p>	<p>F8. F14.</p>

communications plans, risk management, project control and on-going evaluation.	
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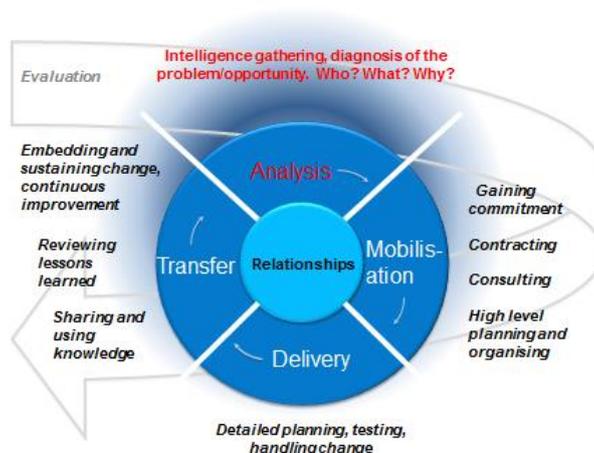
**Additional Notes on Relationships and Culture**

AIUK needs genuine dialogue that continues to rebuild trust, stresses the 'us' rather than the 'us and them' and tells the truth in plain language, with respect and without compromise.

Re-building trust across groups has started in this way with the creation of well-received 'drop in' sessions for staff with SMT or Board members. Similarly an Internal Communications group is facilitating ways for staff to share knowledge and providing space for ideas to be explored.

The challenge and opportunity for AIUK is to take the whole-organisation conversation away from history and towards 'what are we going to build'? While new ways of working are not yet fixed, this is a good time for people across the organisation to engage with each other in shaping how that happens.

### 3. Learning for the Future: Evaluation of CAPP – Analysis Phase



*This section identifies the driving forces that shaped the Cost and Priorities Programme; whether CAPP goals were achieved; the project analysis and planning that took place prior to the announcement of CAPP and the associated key lessons learned.*

#### 3.1 What were the Drivers for CAPP?

##### 3.1.1 Increased Contributions to the International Movement

At the Amnesty International movement's International Council Meeting (ICM) in 2009, Amnesty sections worldwide voted to increase the allocation of global income to the international budget, from 30% to 40%. This mechanism for allocating income from national sections to the international budget is known as 'the assessment'.

At the 2011 ICM, Decision 18 'One Financial Amnesty', confirmed the 2009 decision. However, in light of economic challenges, the target date for achieving this 40% assessment for Sections was revised to 2021 from the 2015 date envisaged in 2009.<sup>5</sup>

Therefore, a key driver for the AIUK Board's decision to reduce annual running costs by £2.5m and the subsequent CAPP Programme was to meet this contribution to the international budget.

There were, however, other factors which influenced the environment for CAPP which are outlined below.

<sup>5</sup> AGM 2012 Conference Papers p.77

### 3.1.2 Financial Culture

AIUK's financial strategy had been to meet its international obligations through income growth of 6% per year. However, this was not achieved in a difficult economic climate. An illustrative graph is contained in Appendix C.

In addition, other factors emerged from the review of CAPP documentation and a number of interviews:

- i. **Financial optimism.** In 'Guide to AIUK's Role and Structure', December 2012, Ciarnan Helferty, Chair AIUK Board and Kate Allen, Director AIUK wrote: "At the time of setting this figure (6% income growth) we knew we were setting ourselves a demanding target: conscious of the painful alternatives, we felt we had to fully commit to this route..."

This suggests what one senior management team member described as 'financial optimism' at AIUK. It may also be indicative of a management approach that had a preference for growth, over risk and contingency planning.

- ii. **Financial planning and control.** A theme which arose during interviews for a number of SMT and Board members was that the analysis of AIUK's financial position and subsequent CAPP scenario planning should have happened earlier. In addition to concerns about income growth and reserve levels, there had also been instances of underspends in marketing including £300,000 in membership recruitment<sup>6</sup>. (This can be problematic from a resource allocation and planning perspective as well as not realising the value of investment.) This indicates that more management focus on financial scenario planning was needed as well as greater rigor in financial control.

### 3.1.3 Growth in Fixed Costs

While income had been below target, fixed costs had grown significantly. For example, from 2005/6 to 2012 AIUK's headcount grew from 132 full-time equivalent staff to 179.<sup>7</sup> Over the same period, payroll costs increased from £4.45m to £7.89m. This headcount growth of 35% took place during a period of economic recession. A number of interviewees in a range of roles commented on this during interviews. Comments included: "We can't help doing pet projects" and "We tended to throw resource at things".

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<sup>6</sup> AGM 2012 Conference Papers

<sup>7</sup> 'EGM Other Information' document, 2013

### 3.1.4 Organisational Context for AIUK

From 2009, the international Amnesty movement was going through a period of change in light of the global strategy and the shift in resources to the global south and east.

Documentation relating to any co-ordinated structure planning across AIUK and the IS in response to this strategic shift prior to CAPP was not provided as part of this review.

AIUK's relationship with the IS is out of scope for this report. However, to provide context, there were perceived problems with gaps, duplications or lack of clarity over accountabilities between AIUK and the IS. In December 2012, Ciarnan Helferty, Chair of the AIUK Board and Kate Allen, Director of AIUK commented on the IS's acknowledgement that it needed to improve its performance in a number of areas. These included cost efficiency and defining and implementing the structural changes and role definitions needed to operate as a globally distributed IS. They also commented that AIUK had been compensating for gaps and inconsistency in performance at the IS.<sup>8</sup>

A number of staff and members interviewed for this evaluation referenced their concern that AIUK funds for the assessment were not being appropriately spent by the IS. This perception formed a significant part of their opposition to the cost cutting elements of CAPP that affected AIUK's staff.

As part of lessons learned, these issues of financial culture, managing costs and the need to clearly define what AIUK does and does not do, should be reviewed regularly and form part of the ongoing management agenda.

## 3.2 Were CAPP Goals Achieved?

The Board's decision to achieve £2.5m in savings was to be achieved in two tranches<sup>9</sup> which became known as CAPP Phase 1 and CAPP Phase 2.

- **Phase 1: To begin 2013 with a balanced budget through finding cost savings of £1.25m.**

CAPP Phase 1 was achieved via the identification of £1.22m of non-staff savings.<sup>10</sup>

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<sup>8</sup> Guide to AIUK's Role and Structure, C Helferty and K Allen, Dec. 2012

<sup>9</sup> The AIUK CAPP Staff and Volunteers Briefing notes 29/05/12

<sup>10</sup> Board paper, 'Cost and Priorities Programme: Phase 1 Overview Jul 2012'

Approximately a quarter of these savings were made from staff-related costs (but not redundancies) including the freezing of the Cost of Living increase in 2013 which had been offered by the Trade Union. The remainder came from non-staff savings including reduction in costs of the AGM and office services such as cleaning and security.

- **Phase 2: To save a further £1.25m via review of some of AIUK's fundamental ways of working.**

CAPP Phase 2 achieved the outstanding savings required to meet the £2.5m target. The initial plan was for savings to be made by November 2012, they were ultimately achieved from December 2013.

The longer CAPP timescale meant that AIUK incurred additional costs during 2012 and 2013, estimated to be £100,000 per month by AIUK Finance. However, the budget gap was bridged through higher-than-expected legacy income.

Given that the ultimate CAPP goal relates to savings from *recurrent* budget, it is too early to say whether CAPP's long term desired outcomes have been fully achieved.

The recommendations contained in this report give focus to AIUK's need to ensure that savings made during CAPP are sustainable and made to 'stick' so that desired outcomes are achieved.

### **3.3 CAPP Planning**

#### **3.3.1 Planning Prior to CAPP Announcement**

Given the increasing concerns over AIUK's financial projections and the impending departure of the Resources Director, external consultants were briefed in February 2012. They were subsequently commissioned to work with the SMT from April 2012. The initial brief had been to work collaboratively with AIUK to deliver:

- A revised management structure (based on an existing view that the total management team, excluding SMT, was too large)
- Up to three cost reduction proposals covering staff and non-staff costs realising savings of £1m, £1.5m and £2m (amounts to be confirmed) from the 2013 budget subject, approved by the Finance Sub-Committee and Board

- Management of the implementation of the cost reduction programme, including consultation with staff and Union representatives
- Maximisation of organisational preparedness for change<sup>11</sup>

Kate Allen, AIUK Director, provided information relating to this pre-CAPP planning period for this evaluation. She has given her permission to be quoted directly:

*“In February 2012, as instructed by the FSC, the SMT started to work on achieving a break-even budget for 2013 which would require us to find around £1million in annual savings. We also began to review the medium-term financial projections in the light of recent income and the worsening economic outlook. We appointed consultants at the end of the month and we began to explore a range of potential income scenarios, savings projections, and their impact on our medium-term financial security. We had originally planned to identify the savings required in March 2012, however pressure on SMT time during that period (notably the impending departure of the Corporate Services Director, the production of the Secret Policeman's Ball and preparation for the AGM) meant that we did not identify the actual savings requirement until the end of April. In April the Treasurer informed the AGM that we needed to address a projected deficit of around £1 million in 2013. SMT undertook detailed work after the AGM and by the end of April we presented FSC with our full analysis. Based on this, the FSC recommended to the Board that the SMT should be tasked with finding savings in recurrent expenditure of £2.5 million, of which £1.25 million was needed to be in place by January 2013 in order to achieve a break-even budget in that year. This was agreed by the Board on 19 May 2012 and staff were informed on the 30th May 2012.”*

While this risk planning was needed, these risks were not communicated to staff or members and the impacts are outlined in section 3.3.4.

### **3.3.2 Planned and Actual Timescales**

The original planned timescale for completion of the Costs and Priorities Programme was 24 weeks, inclusive of leavers serving their notice periods. See Appendix C for the planned timeline and key milestones.

The CAPP process lasted 81 weeks from announcement to the final departure of staff who left through voluntary redundancy in December 2013. See Appendix D for the actual timeline and key milestones.

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<sup>11</sup> Root & Branch proposal 26/02/12

A change programme of a long duration is not necessarily a problem in itself if it gives time for embedding change and for frequent review to assess if impacts are meeting goals. In this instance, the eighteen month duration was unplanned, painful and impacted AIUK's ability to be operationally effective. It becomes an imperative that all AIUK groups work together to avoid this extended and painful process from happening again.

### **3.3.3 Change Experience**

Prior to 2012, AIUK had been relatively stable and significant structural change had not taken place since 2004. The experience of the SMT in dealing with complex change was mixed. Given that the Resources Director left AIUK shortly before CAPP's announcement, this left an SMT of three people until the new Corporate Services Director joined in August 2012. The workload was extremely high for this group.

An external organisation development consultant and HR consultant were contracted to work with the SMT during CAPP. The OD consultant in particular was highly valued by the SMT for her organisation design expertise and also for management team facilitation skills and a drive to keep up momentum. She also provided extra hands-on management resource during this period of high workload. For a number of staff interviewed, the OD consultant's role was not always clear and the boundaries between SMT and consultant ownership for decisions not fully defined.

For future significant change programmes, the SMT and Board would benefit from building on this by reviewing their combined change experience, skills and resources and planning how to address any gaps.

### **3.3.4 The Case for Change**

*Was the case for change clear prior to CAPP?*

Based on feedback from interviews, the case for change was clear to the Board and SMT. A significant number of staff who provided feedback to this evaluation reported their belief that the 'crisis' had landed without warning or validation.

There had been some references to financial imperatives at AIUK in the months preceding CAPP. For example, the need for cost constraint was raised as a management issue at the previous pay negotiations with the Trade Union. However, a pay increase of 2.5% was awarded in April 2012, backdated to January 2012 which was rather a mixed message.

In the context of the external environment, a report by PwC, the Charity Finance Group and the Institute of Fundraising identified that in 2012, 50% of charities surveyed had taken steps to reduce wages and salary costs. Of these nearly one in three had a restructure and a quarter had made redundancies.<sup>12</sup>

From data gathered, it can be concluded that financial messages were mixed. Where they did exist, they were diluted by accompanying positive messages or drowned out by the volume of other communications. If the message of significant cost cutting had been intended, there was no evidence that a check had taken place to see whether it had been received.

For example, the critical moment for many staff and the Amnesty members interviewed for this evaluation, was the AGM which took place in April 2012. This was six weeks before the announcement of CAPP. The Treasurer reported on a budget deficit of £1.5m and the Finance Sub-Committee's recommendation that a balanced budget should be planned by 2013. It was also reported that income was expected to be 2% below budget expectations. However, the Treasurer concluded that: *"It is our intention to increase our support for the global Amnesty movement, while maintaining the capacity of our human rights campaigning work in the UK. Alongside this, we continue (to) closely monitor costs in all our expenditure areas"*.<sup>13</sup> The message was therefore one of 'monitoring' costs rather the clearer and more overt statement that they would need to be reduced significantly.

There had been little by way of a previous change narrative to make a compelling case for CAPP. Along with some fundamental differences about the rate at which the assessment increase should be made, this proved to be a factor that shaped the oppositional nature of much of the subsequent engagement between the Board and SMT on one side, and the trade union and the Amnesty members who proposed the EGM on the other.

*"By far the biggest mistake people make when trying to change organizations is to plunge ahead without establishing a high enough sense of urgency in fellow managers and employees"*.

'Leading Change', Author: J Kotter, 2012

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<sup>12</sup> 'Managing in the 'new normal' – adapting to uncertainty', produced by PwC, Charity Finance Group and the Institute of Fundraising March 2013

<sup>13</sup> AGM 2012 Conference Papers, p.18 and 19

## 4. Learning for the Future: Evaluation of CAPP – Mobilisation Phase

*The purpose of the ‘mobilisation’ phase of change is to:*

- *Identify and gain agreement from key individuals and groups who have an interest in the change. (Develop Global defines a stakeholder as ‘someone who has an interest or involvement in the change – or who thinks they do’.)*
- *Consult with key groups and ‘contract’ with them so change roles and responsibilities are clear.*
- *Set the high level plans including defined goals, project roles, communications plans, risk management strategies and project principles.*

Key observations about CAPP during this phase are below.

### 4.1 Stakeholders and Engagement

*“Efforts that lack a sufficiently powerful guiding coalition can make apparent progress for a while. The organizational structure might be changed, or a re-engineering effort might be launched. But sooner or later, countervailing forces undermine the initiatives.”*

‘Change Leadership’, Author: J Kotter, 2012

It is reported by SMT members that there was discussion about the potential reactions of key groups including staff, Amnesty members and Unite. However, it is acknowledged that the strength of the reactions were unanticipated. No documentation was provided that shows an in-depth stakeholder analysis or defined communication/engagement plan for groups affected by, or interested in, CAPP. There is, however, a schedule for CAPP communication that gives a timeline for announcement to the Union, Leadership Team and staff and briefing notes for each

*Could the reactions have been predicted?*

**Staff.** The 2011 staff survey shows highly positive responses to “I care about the future of AIUK” (98% positive) and “My (line) manager gives me support when I need it” (90% positive) but the most negative response in the survey came from the question “I think AIUK spends its money effectively and efficiently” which was 47% negative. In addition responses to the statement “SMT provide effective leadership” were 24% negative, which was below the industry survey benchmark.<sup>14</sup> It seems that at a high level, financial management was already a concern for a significant number of staff and the pre-CAPP relationship between SMT and staff was patchy.

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<sup>14</sup> AIUK Employee Survey, Historical Analysis, 2011

The reasons for this have not been explored and the scores may or may not be 'fair'. However, they raise the need to look at 'soft' data such as peoples' perceptions as well as 'hard' data such as cost and value prior to a change programme.

**Amnesty members.** No documentation was provided relating to any specific plans for engaging Amnesty members prior to CAPP. While restructuring had been seen as an operational issue, during interviews, this raised the question for some SMT members about whether the Board and SMT had recognised what one Director called 'the implications of being a membership-based organisation'. This was later addressed as part of CAPP communications planning. Based on feedback from 5 EGM proposers, their issues included:

- The six week timescale between the AGM and the announcement of CAPP. Combined with their doubts about the financial case for CAPP, their conclusion was that the impending cost cutting programme may have been kept from the AGM to avoid the scrutiny of Amnesty's membership.
- CAPP had gone beyond a cost saving exercise and was a significant change to AIUK's purpose. One said: "...the proposed depth and extent of cuts to frontline campaigning staff left activists...very dubious that campaigning activism (as opposed to fundraising) would be maintained in the UK."
- Funds directed to the IS were not, in their view, being well spent and the human rights impact of CAPP had not been fully evaluated.

Again, the lesson learned relates to the need to have clear insight into the perspectives of key groups as an ongoing activity and in particular to actively understand their interests prior to any significant change.

A number of EGM proposers and AIUK staff members mentioned the existing close working relationships between staff and many activist members. A supportive relationship also formed between them during CAPP. Combined with the governance rules outlined below, this created a strong coalition that was able to influence CAPP decision-making, particularly in respect of its timeline. This coalition is likely to remain strong in the advent of future change.

## **4.2 Governance Issues**

Governance rules determine that 100 Amnesty members may call an Extraordinary General Meeting. From a current Amnesty UK membership population of c.150,000, 100 people currently represents 0.07% of the population. An EGM was called during

CAPP and took place in January 2013, attended by over 500 members<sup>15</sup>. One of the outcomes was that restructuring and redundancies were put on hold until the outcome of the AGM of 2013.

Amnesty staff are entitled to hold Amnesty membership and vote at EGMs and AGMs. From a governance perspective, this removes the boundary between operational activity and the scrutiny and direction-setting of that operational activity via AIUK governance. This potential for conflict of interest is a recommended area for further scrutiny.

Some Board members played a more involved operational role than usual during CAPP. An example given was the provision of feedback on selection criteria during matching processes. This provided a co-ordinated approach and extra resource in a time of uncertainty and high management workload. However, this did raise concern about whether the boundary between management and the governance of that management was becoming blurred and the need for that boundary to be re-established.

### **4.3 Roles during CAPP**

During change programmes it is important to identify the range of roles and skills needed to make the change and ideally to involve in decision-making those people who will be responsible for implementing those decisions.

The SMT and Board took clear collective responsibility for CAPP. A consistent theme for a number of SMT and Board members interviewed for this evaluation was that the relationship between the Board and the SMT was generally close and supportive in the face of significant pressure from the trade union and some Amnesty members.

A 'helper group' which contained representatives from a range of functions including HR, Finance and Facilities was identified to provide additional support to the SMT. This group took on a large amount of work in providing data, co-ordinating activity and ensuring that the logistical challenges of CAPP were met. This is a positive lesson learned for any future change.

The leadership team's role was defined to be: *"the first port of call for staff in briefing them both about the proposed changes and the rationale for these changes. Importantly, managers will be the lead contact on a one-to-one basis with individuals whose roles are at risk of redundancy."*<sup>16</sup>

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<sup>15</sup> AIUK Annual Report 2013, p.51

<sup>16</sup> The AIUK Cost and Priorities Programme: Leadership Team Briefing, 29 May 2012

The LT was an under-used resource during CAPP. One respondent to the on-line survey created for this evaluation commented: “The skills and experience of the LT were side-lined and SMT never created a coalition of the willing. It therefore became SMT v the rest.” Comments during interviews for this evaluation suggest that many LT members now wish to play a greater role in shaping AIUK’s response to cost and priority challenges, combined with wanting to drive a more ‘business-like’ approach to AIUK’s management of resources. This represents an opportunity to develop management talent, enhance AIUK’s operational effectiveness and capacity for managing change.

#### 4.4 CAPP Programme Organisation

*Was CAPP managed like a Programme?*

In the management of any programme, a number of themes and their associated activities provide the foundations for project management and achieving goals.<sup>17</sup>

Programme Theme	CAPP Documentation
<b>Vision</b> Short, easily understood Hearts as well as minds Describes end state	At announcement, the focus was largely on financial goals, CAPP process and timescales <sup>18</sup>  AIUK’s vision, role and purpose was explored as part of CAPP Phase 2 restructuring although the message about AIUK’s role was unclear to some staff and members at the close of CAPP.
<b>Benefits</b> Tangible where possible, with owners assigned	Tangible financial goals were set in CAPP announcement documentation with clear Board and Director ownership.
<b>Project Plan</b>	Timescales and key milestones were set.  CAPP would have benefitted from a clearer statement of project roles and responsibilities upfront i.e. a project manager to ‘control’ project deliverables, formal risk owners; a leader for co-ordinating consistent communications to staff and members etc. These roles did emerge, but in future, more defined roles will give change programmes firmer foundations and clearer accountability for delivery.

<sup>17</sup> Example taken from Department of Business Innovation and Skills [www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/31978/10-1256-guidelines-for-programme-management.pdf](http://www.gov.uk/government/uploads/system/uploads/attachment_data/file/31978/10-1256-guidelines-for-programme-management.pdf)

<sup>18</sup> CAPP Staff and Volunteers Briefing Document 30 May 2012

	Original timescales were unrealistic and did not given sufficient time for consultation with staff about areas for cutting non-staff cost.
<b>Stakeholder Engagement</b> Stakeholder map (showing interest/influence) Stakeholder engagement plan Communications plan	SMT report that that stakeholder needs were discussed. Formal stakeholder engagement plans (e.g. containing their interests in CAPP, appropriate ways of communicating with them) were not provided for this evaluation.  Communications timeline and briefing notes were produced for staff and volunteers, the trade union and LT.  Further communications vehicles evolved over time such as on-line Q&A for staff and volunteers, SMT roadshows for Amnesty members.
<b>Risk Management Plan</b>	A formal CAPP risk assessment was not provided for this review.
<b>Planning and Control</b> Managing milestones, interdependencies, communications and progress	A project plan bringing together all aspects of the CAPP programme e.g. process, communications, risk management activities, critical path etc. was not provided.
<b>Resource Management</b>	High level resource issues were identified early and roles set out in CAPP announcement documentation to staff. For a future change programme, AIUK may wish to identify a broader change group earlier.
<b>Quality Management</b> Ensuring that what the Programme produces is fit for purpose	Key HR processes and the new structure were reviewed as part of consultation which provided a system of checks and balances.

It is certainly not suggested that further programme organisation would have prevented the fundamental differences in perception between groups involved with CAPP and the subsequent decision making that shaped CAPP's implementation. However, this is intended to support the lessons learned process and the organisation's ability to be more proactive and controlled in future.

## 5. Learning for the Future: Evaluation of CAPP – Delivery Phase

### 5.1 CAPP Announcement and Communication

The implementation of CAPP formally began on 29 May 2012 when the trade union and the leadership team were briefed by SMT and HR on the aims and scope of CAPP. This included the need for reductions in both non-staff and staff costs. No mentions of any ‘leaking’ of information from either group in advance of the wider CAPP communication were heard during this review.

The announcement from the SMT to all available staff and volunteers took place in AIUK’s auditorium on 30 May 2012. To summarise the key findings from interviews and written submissions:

- The announcement came as a shock; many interviewees reported that there had been little by way of previous information that supported the case for CAPP and the change narrative was unclear. Reported reactions included anger and incredulity.
- The SMT led the initial communication which included a briefing on the financial projections against AIUK’s obligations to the international movement.<sup>19</sup> The statement that ‘there will be redundancies’ was received as asserting a foregone conclusion rather than presenting a problem that the willing could participate in solving. As part of this review, the SMT acknowledged this critical moment and the negative impact it had on trust and confidence across groups including staff and some Amnesty members.
- A significant number of current and ex-staff mentioned that the organisation development consultant played a prominent role during this initial announcement. Questions were raised about her role during staff interviews including whether she had driven CAPP, was there as a ‘shield’ to protect the SMT or a ‘middle man’. This indicates the importance of the clear positioning of a consultant’s role and additional emphasis on where ownership for decision-making lies.
- A number of people mentioned that being asked in groups to consider their feelings and reactions to the news at that meeting inflamed the situation. It was felt to be a more suitable question for smaller groups when the information had been absorbed.

Following the announcement, interviewees reported that staff and volunteers went back to their teams but arrangements to actively ‘pick up’ the conversation within

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<sup>19</sup> AIUK CAPP: Staff and Volunteer Briefing 29/05/12

teams to handle questions or emotional reactions on that day were inconsistent across teams.

## 5.2 Communication Channels

Based on documentation reviewed and interviews, AIUK invested a great deal in trying to find a number of channels in which to communicate with staff.

Staff and volunteers meetings were used initially as a means of communicating consistent information across AIUK. One of the most frequently mentioned themes raised as part of this evaluation were how painful they became. Words like 'bitter', 'toxic', 'abusive' and 'bullying' came up, largely in terms of staff and volunteer responses to SMT and Kate Allen in particular. One written response to the staff survey for this evaluation noted: "Staff didn't respect that management had the right to make decisions about staff behaviour – if they didn't like what they heard, they behaved badly. Should have had firmer management, following through on decisions."

For significant change in the future, it is recommended that AIUK set more appropriate communications forums that enable people to feel and express strong emotions. These are typically smaller group meetings or 1:1s. However, ground rules for communication between people should also be established and maintained.

### Communication with Members

An email regarding CAPP was circulated to key activists from Ciarnan Helferty, Chair of the Board on 01/06/12.

## 5.3 Trade Union Response

On 31<sup>st</sup> May, the trade union meeting passed a vote of no confidence in AIUK Senior Management's and in the Board's financial management in relation to CAPP. It also passed a vote to initiate a formal ballot on industrial action and to pursue this course of action until 'the unilaterally imposed redundancy processes have been withdrawn'.<sup>20</sup> This represented the strongest possible response.

Based on interviews with a number of trade union members and the notes from the speech to the Board from the Staff Representative to the Board in July 2012 which summarised wider staff responses (and which are relevant here)<sup>21</sup>, the strength of the reaction was driven by their views that:

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<sup>20</sup> Email communication from Shop Stewards to AIUK Director, 01/06/12

<sup>21</sup> Staff Rep Speech to the Board JUL12

- The Board had not engaged with AIUK membership at the AGM the previous month.
- Redundancies had been expressed as ‘inevitable’ therefore consultation was not seen to be meaningful.
- The IS had not been seen to have been investing funds, including those generated by AIUK, in the global south and east appropriately or effectively. Therefore the rationale for losing AIUK jobs was seen to be flawed.

#### 5.4 Trade Union and AIUK Consultation Process

The process of formal and on-going consultation between Unite and AIUK took place throughout CAPP. (The timeline in Appendix E gives dates for the periods of formal TU consultation). This section will focus on the key findings from the evaluation.

##### 5.4.1 Impasse over the assessment

A key objective for the Trade Union throughout negotiations was to have the assessment payments to the international movement included as part of the CAPP consultation. Notes from the Avoidance of Disputes meeting held between management and union representatives on 15 June 2012 summarises the union’s position as:

*“...the fundamental dispute is that AIUK is giving more money to the International Secretariat, as a result of this, staff are being made redundant. Staff are not happy to find themselves in a situation where they risk losing their jobs because the money that AIUK make will be directed somewhere else – this is the crux of the matter.”*

The Board and the SMT’s position, which remained consistent throughout CAPP, was that the assessment could not be included in negotiations as it was not within the Board or the SMT’s remit to go against ‘the decisions of the movement’s democracy’<sup>22</sup>

This ‘fundamental disconnect’<sup>23</sup> remained at the heart of CAPP consultation up to and including the close of CAPP in January 2014. It presents a challenge that AIUK may face again as assessment contributions increase in 2016 subject to ICM review in 2015.

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<sup>22</sup> Chair of AIUK Board, Ciarnan Helferty, note to AIUK activist groups, 01/06/12

<sup>23</sup> Wording from Avoidance of Dispute Meeting notes 04/07/12

A concern was raised in a number of interviews that the CAPP process was so personally painful to many that the assessment issue has since become 'undiscussable'. While understandable, especially in an organisation trying to re-focus after significant change, the assessment cannot be a taboo topic if change is to be managed in way that is as planned and collaborative as possible.

#### **5.4.2 Shop Steward Role**

Two shop stewards were enabled by AIUK to take full time union roles during CAPP. AIUK had not taken strike action in many years and so the scale of the issue was unprecedented for them.

Historically, AIUK shop stewards had not made formal recommendations to union members but brought issues to members for debate and agreement. This protocol continued throughout CAPP. Shop Stewards and union members may wish to consider whether some element of recommendation will enable Shop Stewards to play a more active role in shaping change if they have this remit.

Advice was provided to the Shop Stewards by a full-time official from Unite who attended key meetings where required including the Avoidance of Dispute meetings and the ACAS Arbitration.

#### **5.4.3 Key Moments**

##### **Extension of CAPP Phase 1 Consultation Period**

Following trade union feedback, the SMT agreed to extend the initial consultation period for CAPP Phase 1 by 2 weeks to enable more time for finding non-staff savings. The initial time period had been 6 working days which did not allow for any in-depth analysis or collaboration.

##### **Avoidance of Disputes meetings, June 15 and July 4 2012**

These meetings did not result in the withdrawal of the threat of strike action. The key issue was the impasse over whether the assessment could be put in scope for negotiations. This remained an issue and a source of frustration for both sides throughout CAPP. The possibility of a 2013 pay freeze was proposed by the trade union.

### **Three Days of Strike Action**

Three one-day strikes took place during CAPP: on 12 September 2012, 10 October 2012 and 20 November 2012. 82.5% of union members voted in support of the first strike.<sup>24</sup> Numbers voting in the subsequent strikes were not provided for this evaluation. The reason given for each strike was ‘failure to meaningfully consult’ stemming primarily from the non-negotiability of the assessment. For management, this was the one issue on which it could not negotiate as the democratic decision-making of the ICM was paramount. The strikes attracted a degree of national press attention.<sup>25</sup>

A positive that came from interviews for this evaluation was that both union members and management talked about the focus on ensuring that relationships between strikers and non-strikers were preserved the next day.

The business continuity plan was implemented during the strike days and was reported to have been effective during interviews for this evaluation.

### **ACAS meetings**

Management and trade union representatives who took part in this evaluation referred to the two ACAS mediation meetings as a low point in CAPP negotiations. In the last ACAS meeting on 5 June 2013, discussions were facilitated by an ACAS mediator communicating messages between the two rooms containing representatives of management and the trade union. The following day the trade union rejected management proposals citing management breach of the AGM resolution relating to the pause in VR and proposing industrial action. Management strongly refuted this and the written exchange was heated. To paraphrase both parties, the negotiations had become exhausting. Engaging purely via ‘the process’ and not as people in a room together had had a detrimental effect. This emphasises the importance of ‘separating the people from the problem’<sup>26</sup> and not letting the process stand in the way of dialogue.

## **5.5 Cost-savings and Income Generation Proposals**

Throughout June 2012 a number of initiatives were undertaken to find the £1.25m of savings targeted to ensure that AIUK started 2013 with a balanced budget. These included reviews of Premises, Fundraising, Communications and Financial Strategy.

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<sup>24</sup> Update from the Union on 12 September strike action email, 03/09/12

<sup>25</sup> <http://www.independent.co.uk/news/world/politics/animosity-international-staff-on-strike-in-amnesty-offices-across-the-globe-8317303.html>

<sup>26</sup> ‘Getting to Yes’ Fisher, Ury, Patton 2002

While the driver was financial, this seems to have presented the opportunity to address some organisational gaps or barriers in light of changing circumstances. For example, the Financial strategy focused on review of policy and strategy to meet the uncertain economic climate<sup>27</sup> and the Premises Review<sup>28</sup> identified income opportunities.

While CAPP's goals were financial, this approach was a pragmatic one and a vehicle for turning a problem into an opportunity for improvement. If some successes have been driven by these reviews it would be useful to communicate them as part of evaluating CAPP's benefits.

Alongside management-led activity, during CAPP Phase 1, a number of cost savings and income generation ideas were presented to management by the TU.

One respondent to the written survey wrote: *"Management accepted and implemented a number of sensible proposals from staff for income generation and cost saving. In particular, management and the Board agreed to create an enhanced conferencing facility within AIUK's building which has been extremely successful."*

A number of union members interviewed mentioned that the Union provided a forum for debate about alternative ways of achieving CAPP savings which they did not feel existed elsewhere. Their suggestions for future change management included that the creativity of staff be harnessed more formally at an earlier stage. It is recommended that this becomes part of business as usual, facilitated by the Leadership Team or cross-functional project teams.

Union members accepted the proposal for a 2013 pay freeze. On 3 July 2013 the trade union accepted a pay freeze for 2014 and a 1.5% pay increase limit for 2015 as a means of minimising redundancies.

## **5.6 CAPP Human Resources Processes**

Feedback from a number of staff interviews and written survey responses suggest that support provided by Human Resources was valued by staff, particularly at an individual level. One survey respondent said that HR: "...made every effort to ensure staff were offered support at an individual level with anything they found difficult."

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<sup>27</sup> Financial Strategy (Draft) T Hancock 29/06/12

<sup>28</sup> HRAC Premises Review (Draft) C Pearce 27/06/12

Human Resources consistently provided a great deal of personal contact for people who needed support during an intensely busy period and should be recognised for this contribution.

#### **5.6.1 Redundancy Pay**

AIUK's redundancy pay policy of one month's pay per year of service was generous and specially-commissioned outplacement services were provided for those at risk of redundancy, together with the employee assistance helpline.

#### **5.6.2. Redeployment**

A point of contention between HR/management and the Union was over redeployment terms. Where an individual's role was redundant, the terms of the Agreement stated that: 'At AIUK only vacancies for which it is considered the individual(s) has the necessary skills, knowledge and experience will be formally offered as redeployment opportunities.' It was agreed with the trade union that individuals whose roles were redundant could be redeployed into '*unsuitable roles*' i.e. roles those for which they did not necessarily have the 'knowledge, skills and experience'. This meant the restructure moved forward and CAPP closed without any compulsory redundancies.

#### **5.6.3 Restructuring Processes**

A number of processes relating to voluntary redundancy, job matching and selection were written or amended during the pressure of CAPP. These will now benefit from review based on Human Resources' own lessons learned about their effectiveness and usability by managers and staff during CAPP.

#### **5.6.4 Equality impacts**

The documentation reviewed for this evaluation shows that an equalities assessment was completed and no issues relating specifically to equalities were raised during interviews or written survey submissions, which is to AIUK's credit.

#### **5.6.5. Voluntary Redundancy Timeline**

The first closing date for staff 'at risk' who wished to apply for voluntary redundancy was 15 November 2012. Applications for voluntary redundancy were finally accepted on 4 September 2013, almost ten months later. Of the 22

applications received, 20 people finally left through voluntary redundancy in December 2013.<sup>29</sup>

Data provided for this evaluation suggests that the significant extensions to the planned CAPP timeline were influenced by:

- The Trade Union strategy which opposed any job losses until the assessment had been brought into the negotiations as part of meaningful consultation.
- The AIUK EGM in January 2013 passed a resolution that the Directors of AIUK would 'not implement any material reorganisation of the Company...without the consent of the Company in general meeting'.<sup>30</sup>

While another resolution directing Directors to 'Withdraw with immediate effect the redundancy process instituted by the Company in October 2012' was defeated, the Board took the view that restructuring should pause until the AGM and no voluntary redundancies permitted. It had not been clarified what was meant by 'material' organisation but this was a cautious approach. This meant that those awaiting VR were made to wait even longer, caught up in the dispute between AIUK's managers and the members to whom they were accountable.

- There were some additional delays internally as some role descriptions took much longer than others to evaluate. For example, the Community Organiser job description was initially drafted in December 2012 and the grading was eventually confirmed in September 2013.<sup>31</sup> This appears to have been a role of particular significance and sensitivity given its relationship with Amnesty activists. It appears to have involved input from a range of levels up to and including the Board.

#### **5.6.6. Voluntary Redundancy Timeline - Impact on People**

The impact on those who had applied for VR but had to wait almost a year before leaving was significant. Reports from two interviews suggested that this caused emotional reactions including tears at trade union meetings. Union members agreed to continue to oppose redundancies but the dilemma for individuals was recognised.

A 'typical' flow of a voluntary redundancy programme follows that of consultation, followed by the individual's personal decision-making, followed by

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<sup>29</sup> Human Resources Department figures

<sup>30</sup> AGM 2013 Conference Papers, p110

<sup>31</sup> Timeline provided by Human Resources

leaving the organisation. This typically takes place within a few months. Change theory proposes that individuals go through a 'change curve' of deep emotions, exploring the situation, decision making, acceptance and 'renewal' into a new situation e.g. life outside the organisation.<sup>32</sup> In the case of CAPP, due to delays, individuals were asked to go backwards and forwards through this personal change curve which was understandably very stressful for some.

Given that job descriptions were not published for most of the new roles until December 2012, this meant that some people who may have wanted voluntary redundancy were unable to make an informed choice due to missing information about roles in the new structure. It also caused greater anxiety for staff and lack of trust in the process. For future restructures, a realistic plan must be set with key milestones for making decisions about structures and the roles within those structures and clear the accountability for finalising job descriptions.

For future change planning, this also raises the issue of what 'duty of care' for employees means, how it plays out in reality and the implications of this for decision-making and timelines. A number of interviewees at all levels within AIUK talked about the personal cost and stress of the CAPP process. This is necessarily an issue for Board, management and the trade union to consider when consulting on process and timescales.

### **5.6.7 Personal Costs**

Interviewees from all groups within AIUK talked about the personal cost of the CAPP process up to and including treatment for stress. Reported sickness absence due to stress, depression or other mental illness was much higher in 2013 than in the previous year, accounting for 43.6% of all working days lost, compared to 19.9% in 2012.<sup>33</sup>

AIUK provided care in a range of ways including occupational health services, confidential counselling via its external provider and day-to-day support from managers, Human Resources and trade union representatives. However, CAPP was all-consuming for a long period of time, it was a situation without precedent, there were fundamental disagreements which affected how quickly decisions could be made and not all required processes were in already in place or easily accessed. For example, an issue arose during CAPP as to the correct process for grievances made by staff against Board members and this took many months before response. While AIUK provided a considerable amount of support for its

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<sup>32</sup> Kubler-Ross Change Curve, widely available online

<sup>33</sup> AIUK Annual Report 2013 p.53

people, this context of delays and lack of adherence to timescales created additional pressure in a highly charged environment.

## 5.7 Corporate Service Roles during CAPP

It is clear from the documentation that during CAPP, Human Resources performed a critical and highly valued function in terms of working with management and union on consultation and negotiation, together with delivering the policies and personal and administrative support needed.

The more strategic Human Resources elements of CAPP, i.e. shaping the organisation design and working with managers and teams to translate AIUK objectives into its people implications seemed to come largely from external consultants. The SMT believed that its Human Resources team did not have the level of experience required to lead on such a significant and far-reaching change.

Finance also played a very significant role in terms of generating the reporting that enabled CAPP decisions to be made and in supporting the search for cost savings. It now needs to ensure that it has a role in embedding cost management culture and in helping Departments to generate alternative options for meeting cost targets.

It is recommended that AIUK creates greater internal change capability by defining the roles that it wishes its 'decision-making support' functions such as HR, Finance and Risk to play and the extent to which those functions are able and allowed to shape the culture as well as react to it.

## 5.8 Restructuring Processes

By July 2012, the AIUK Board had approved CAPP Phase 1 non-staff savings. The restructuring process began in July 2012 with staff briefings relating to CAPP Phase 2.

It is beyond the scope of this evaluation to assess whether the structure chosen was the appropriate one for AIUK. However, key findings concerning the process have been highlighted below:

- **'At risk' managers.** 70 staff were put at risk of redundancy in October 2012 which some managers described as 'a cautious approach'. This eventually became 41 staff in September 2013.<sup>34</sup> Of the 22 people who made up the SMT and Leadership Team, only four were not put at risk at any time during the process which meant that those at risk of redundancy were managing others who were

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<sup>34</sup> CAPP Implementation Update, Board Paper Sept 2013

also at risk. Many members of the Leadership Team deserve much credit for working within this difficult situation.

- **Strategic review.** The Board had agreed that: “Our intention is to take a strategic approach to staff reductions through making clear choices regarding organisational functions, the range of work we will undertake, and the outcomes we will pursue within that range of work”. This was chosen over the other option of what some Board and SMT members called ‘salami slicing’ – or taking a uniform amount of budget from each function or taking a short term view of roles which could be cut from the structure. This was appropriate as a means of taking an opportunity for longer-term improvement rather than inviting a number of piecemeal and disruptive restructures over a longer period of time.
- **Restructuring principles.** The documentation reviewed<sup>35</sup> gives a structure for the thinking behind the SMT’s first draft of the reorganisation. It works from Vision, through Mission and Purpose, Values, Specific Organisational Role, Strategy and Business Plan. This presents a logical flow to enable choices about what AIUK should and should not do in light of its position as one part of a global movement. In reality, however, the process of translating this into active decisions about teams and roles proved challenging and a number of iterations were needed. Feedback from the SMT suggests that the external OD Consultant and HR Adviser played a valuable role in asking the SMT for ‘evidence’ rather than opinion. The OD Consultant also held confidential meetings with LT members to gain a view of organisational strengths and weaknesses as part of the diagnosis.

Among the key elements of the restructure were:

- Increasing the Senior Management Team by one to provide greater focus on fundraising
  - Creating four directorates: Supporter Campaigning and Communications; Fundraising; Corporate Services and a CEO’s Office
  - Reducing the number of Heads of Function from 16 to 12
- **AIUK Role Purpose.** As part of providing an anchor for the restructure, AI’s specific organisational role was defined as: “...to connect the UK population to the struggle for human rights and to inspire involvement in our work.”<sup>36</sup>

Based on interviews with some members of staff, this definition created some concern about AIUK’s future direction and purpose and two questions emerged for them:

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<sup>35</sup> AIUK’s Statements of Intent and its Specific Organisational Role Draft June 2012

<sup>36</sup> AGM 2013 Conference Papers and CAPP Phase 2 Leadership Team Workshop presentation, 16/07/12

- Was human rights *impact* becoming less important than the activity of *connecting* people to human rights causes?
- Would this mean that activists would have a more influential role in determining which projects AIUK worked on? Therefore what would this mean for the prioritisation which was particularly needed in light of headcount and cost reduction?

It is not for this report to answer those questions but it does suggest that staff (and members) at AIUK are at different places in their acceptance or understanding of the change. The dialogue about AIUK's purpose seems to have been put to one side after December 2013 and needs to continue as a whole-organisation conversation about what it means in practice.

The trade union subsequently commissioned a report<sup>37</sup> for which two SMT members agreed to be interviewed. In this report, a number of issues were raised including that 'more weight should be given in the proposals to the role of...rights holders and beneficiaries within AIUK's work.' For some members of staff interviewed (but not all, as 2014 staff survey results indicate that some are more clear about AIUK objectives than pre-CAPP), this is still a critical issue. More broadly, feedback was given suggesting that more opportunities could have been taken in January 2014 to re-engage staff and create energy around the vision after the exhausting CAPP period.

The volume of written feedback on the structure was extremely high and therefore may have been hard to manage. 2013 AGM Working Party D outcomes read: "... the proposed new staffing structure contained in the conference pack has been developed over a period of 6 months and is informed by a thorough consultation with all staff, Unite, with members and external partners generating over 300,000 words of feedback." In future, AIUK would benefit from finding ways of focussing feedback so that it is more manageable and therefore genuinely supports better decision-making.

- **Prioritising.** Some of those involved in this early decision making describe that on occasions, the SMT found it difficult to make final decisions about what AIUK should not do as well as what it should. Examples were given of agreed decisions being re-visited. It was suggested that this may have stemmed from the conflict between wanting to do the right things with fearing strong reaction during what was a fraught time for the whole organisation. As this prolonged CAPP processes it is recommended that this issue should be addressed by the SMT as part of any

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<sup>37</sup> Review of AIUK Organisational Change Proposals, J Coe and J Smith 2012

future change. For example, the question should be asked about its own appetite for risk and how it will respond during the heat of change.

- **Capabilities as well as Functions.** It is not clear from CAPP documentation whether the key capabilities needed to meet AIUK's strategy were specifically outlined as part of restructuring. At a very simplistic level this means following the question '*what priorities do we need to deliver?*' with the further question '*what do we need to excel at in terms of both skills and behaviours in order to deliver those priorities?*' This provides the basis for strategic development planning across leadership and staff/volunteers in functions and should be reviewed and changed over time as the external environment, internal priorities and technology changes.

## 6. Learning for the Future: Evaluation of CAPP – Transfer Phase

This section highlights key lessons learned at the ‘Transfer’ phase of change including how change was embedded into ways of working and the evaluation of CAPP.

*“After a few years of hard work, people can be tempted to declare victory in a major change effort with the first major performance improvement. While celebrating a win is fine, any suggestion that the job is mostly done is generally a terrible mistake. Until changes sink down deeply into the culture, which an entire company can take three to ten years, new approaches are fragile and subject to regression.”*

J Kotter, ‘Change Leadership’, 2012

### 6.1 Unplanned Impacts of CAPP

Whenever change takes place, there are invariably impacts other than those intended as organisations are complex systems which cannot be completely controlled, no matter how diligent the management. Indeed, it is often necessary to take risks and bear the consequences if change is to be driven forward.

Beyond the financial metrics given in Section 3.2, analysis of the wider impacts of CAPP were not provided in one source. A complete impact assessment of CAPP is outside the scope of this review. However, below are some metrics that are intended as indicators of some of the impacts on people and performance during CAPP.

Indicator	Measure
<b>Employee resignations</b>	<p>Pre-CAPP:</p> <ul style="list-style-type: none"> <li>• 2011: 6.2%</li> </ul> <p>During CAPP:</p> <ul style="list-style-type: none"> <li>• 2012: 17%</li> <li>• 2013: 14.8%<sup>38</sup></li> </ul> <p>This represents the ‘unplanned’ loss of knowledge and skills from AIUK. This should be monitored in future to see if it reflects ongoing issues with staff engagement.</p>
<b>Operational impact (anecdotal evidence)</b>	<p>A number of interviewees referred to a significant number of projects and campaigns which were stopped or slowed during CAPP due to uncertainties surrounding priorities, structure and their own roles. The growth of Amnesty bookshops in the UK was given as</p>

<sup>38</sup> Figures from AIUK Human Resources Department

only)	<p>one example.</p> <p>A number of interviewees also referred to an office environment where AIUK activities took second place to the discussion about CAPP itself. One interviewee said “CAPP came up at every single meeting during that time.” Another said that some members of a team “disappeared in mind” due to uncertainty over the continued existence of their roles.</p>																										
<b>Significant achievements during CAPP</b>	<p>During CAPP, a range of critical human rights work was achieved by AIUK’s people which is much to their credit. One example is the global Arms Trade Treaty which was adopted by the United Nations in April 2013 after twenty years of campaigning.</p>																										
<b>Sample Responses to AIUK Staff Survey Feb 2011 – Feb 2014<sup>39</sup></b>	<p>Below are a small selection of staff survey results that give some indications as to the wider people impacts of CAPP:</p> <table border="1" data-bbox="517 891 1436 1809"> <thead> <tr> <th data-bbox="517 891 1094 1025"><b>Questions with a rise in results:</b></th> <th data-bbox="1094 891 1235 1025"><b>2011</b> <small>(positive responses)</small></th> <th data-bbox="1235 891 1436 1025"><b>2014</b> <small>(positive responses)</small></th> </tr> </thead> <tbody> <tr> <td data-bbox="517 1025 1094 1137"><i>a. I understand the aims and objectives of AIUK</i></td> <td data-bbox="1094 1025 1235 1137">70%</td> <td data-bbox="1235 1025 1436 1137">82%</td> </tr> <tr> <td data-bbox="517 1137 1094 1249"><i>b. I have the right opportunities to learn and grow at work</i></td> <td data-bbox="1094 1137 1235 1249">42%</td> <td data-bbox="1235 1137 1436 1249">51%</td> </tr> <tr> <td data-bbox="517 1249 1094 1361"><i>c. In the team in which I work, poor performance is dealt with effectively</i></td> <td data-bbox="1094 1249 1235 1361">26%</td> <td data-bbox="1235 1249 1436 1361">36%</td> </tr> <tr> <th data-bbox="517 1361 1094 1473"><b>Questions with a decline in results:</b></th> <th data-bbox="1094 1361 1235 1473"><b>2011</b></th> <th data-bbox="1235 1361 1436 1473"><b>2014</b></th> </tr> <tr> <td data-bbox="517 1473 1094 1585"><i>d. SMT provide effective leadership</i></td> <td data-bbox="1094 1473 1235 1585">42%</td> <td data-bbox="1235 1473 1436 1585">15%</td> </tr> <tr> <td data-bbox="517 1585 1094 1697"><i>e. My job makes the best use of the skills and abilities I have</i></td> <td data-bbox="1094 1585 1235 1697">80%</td> <td data-bbox="1235 1585 1436 1697">59%</td> </tr> <tr> <td data-bbox="517 1697 1094 1809"><i>f. If asked, I would recommend to friends and family that AIUK is a good place to work</i></td> <td data-bbox="1094 1697 1235 1809">86%</td> <td data-bbox="1235 1697 1436 1809">66%</td> </tr> </tbody> </table> <ul data-bbox="517 1809 1436 1986" style="list-style-type: none"> <li>• Some staff are clearer about AIUK objectives than they were before CAPP (<i>question a</i>).</li> <li>• The role changes may have contributed to a reduction in people believing they are fulfilling their potential but for some, more</li> </ul>			<b>Questions with a rise in results:</b>	<b>2011</b> <small>(positive responses)</small>	<b>2014</b> <small>(positive responses)</small>	<i>a. I understand the aims and objectives of AIUK</i>	70%	82%	<i>b. I have the right opportunities to learn and grow at work</i>	42%	51%	<i>c. In the team in which I work, poor performance is dealt with effectively</i>	26%	36%	<b>Questions with a decline in results:</b>	<b>2011</b>	<b>2014</b>	<i>d. SMT provide effective leadership</i>	42%	15%	<i>e. My job makes the best use of the skills and abilities I have</i>	80%	59%	<i>f. If asked, I would recommend to friends and family that AIUK is a good place to work</i>	86%	66%
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<sup>39</sup> This is outside the report’s scope by 1 month but has been included to support the analysis

	<p>growth opportunities have emerged (<i>questions b and e</i>).</p> <ul style="list-style-type: none"> <li>• The perception of whether poor performance is managed effectively has improved (<i>question c</i>).</li> <li>• Negative perceptions about the SMT’s provision of effective leadership have increased since CAPP (<i>question d</i>).</li> <li>• There has been a drop in how able AIUK’s people feel to personally champion the organisation as an employer (<i>question f</i>).</li> </ul> <p>These issues should form the basis of employee engagement approaches in the post-CAPP environment.</p>
<b>Member retention</b>	<p>AIUK’s member retention was lower in the first half of 2013 than in the first half of 2014<sup>40</sup>.</p> <p>Analysis of AIUK’s supporter database shows a particular membership retention ‘dip’ in the first half of 2013 which cannot be explained by AIUK’s standard predictors of member retention. This is shown in Appendix D, figure 2. This must just be a point to note as it may be a correlation rather than a causal relationship.</p>

## 6.2 Opportunity in ‘Confusion’

Prior to change implementation turning into results, there is often a phase called ‘Confusion’.<sup>41</sup> This is the phase of change where participants are not quite sure what has stopped and started, people feel ‘lost in the fog’, there are lots of new initiatives and people can feel burned out.

From comments made during interviews, some teams have moved beyond this and some are still in this phase depending on their history (i.e. whether they are new to AIUK) and context. Although ‘confusion’ can feel uncomfortable, it is potentially a creative phase for AIUK as it could open a window for challenging established ‘habits’ that are no longer useful and building new relationships and ways of working. This is a period in which all staff - and members - should be able to engage in order to shape their own futures and ensure that CAPP does not remain a Board and SMT-driven change.

## 6.3 Embedding the Restructure

In January 2014, the new structure had been implemented. However, it was not clear at that point whether plans to translate the structure into day-to-day ways of working

<sup>40</sup> Figures provided by AIUK Finance

<sup>41</sup> Claes Janssen, ‘The Change House’ 1996

had been made. This is a key part of any restructure as without this, behaviours can remain aligned with the 'old' structures and the benefits of change are either blocked or are realised more slowly.

#### **6.4 Sustaining Change**

AIUK set a six month interim operational plan in January 2014. The challenge for AIUK now is to ensure that its vision for human rights is met through everyday processes of prioritisation, resource planning, people management and ongoing evaluation. One manager articulated this as wanting to move away from management meetings that could be reactive and 'vague' to: *"Meetings that have well planned and communicated agendas (that cover substantive items such as external issues/topics as well as general management issues) where we capture any actions and follow through to make sure these are revisited at future meetings. Good follow through is essential"*.

A survey respondent also wrote: *"One very sensible thing to emerge from the restructure has been the Board's insistence on capping the number of staff posts so that the "headcount" doesn't start to drift upwards again."* This is a critical point.

#### **6.5 Tracking Success**

The issue of setting a small range of key metrics through which AIUK could track its success and human rights impact in a range of ways was raised by some managers. This will be a useful exercise to evaluate whether the desired outcomes of CAPP have been achieved. This does not necessarily mean these should be exclusively 'hard' measures but could include indicators of the state of health of key relationships with member groups and staff.

## 7. Learning for the Future: Evaluation of CAPP – Conclusion

AIUK has taken 12% from its pre-CAPP headcount and still operates in a world that is changing fast. It must also connect and co-ordinate with a wider organisation that is shifting its resources and focus globally.

It is possible that trade-offs will need to be made if regular small scale change is to be a route to mitigating the crisis that was the catalyst for CAPP. For example, if AIUK is to be adaptable enough to keep itself on a sound financial footing, this may mean that people and resources will need to move around the organisation more quickly in response to shifting priorities. AIUK people have already proved themselves to be creative and prepared to make sacrifices in pay. A key issue for the trade union is how it can contribute to shaping the process of anticipating, and planning for change, without losing its focus on its members' rights.

In summary, the challenge and opportunity for AIUK is to take the whole-organisation conversation away from history and towards 'what are we going to build and how will we do it'?

## Appendix A - About the Author

Annette Perry is a Principal Consultant with Develop Global, a niche consultancy that specialises in Business Partnering and the transformation of Corporate Service functions. It works with client groups to help them to be clear about their strategic roles, review existing processes and plans, build relationships, manage change and deliver greater added value to their organisations.

Annette has worked with clients across the public, private, education and not-for-profit sectors. Recent assignments have been with organisations including the Universities of Dublin and Middlesex, Britvic, E.ON, Citizens Advice and Lumesse.

Prior to joining Develop Global, Annette Perry was a senior HR professional for more than 12 years in the financial services sector, working for organisations such as Prudential and Datastream. She has managed large scale change programmes including leading the HR and Change workstream for the establishment of a new operations centre in Mumbai, India.

## Appendix B - Data Sources - Interviews

### 1. One-to-one semi-structured interviews:

- a. Five Senior Management Team members
- b. Five members of staff who self-selected
- c. Current Staff Representative to the Board
- d. Six Leadership Team members
- e. Shop Steward during CAPP
- f. Four current and ex-Board members
- g. Three external consultants who provided advice to AIUK as part of CAPP
- h. Full-time Unite official during CAPP

### 2. Group semi-structured interviews:

- a. Three staff focus groups attended in total by seventeen staff members and volunteers. These groups were self-selecting.
- b. Five Amnesty members who were proposers of the EGM. This was done through a combination of telephone interviews and written submissions from individual members.
- c. Representatives of the Human Resources Department.

### 3. Written submissions to a structured and semi-structured on-line survey:

- a. Sixteen *self-selecting* current members of staff/volunteers. *As these submissions were anonymous, it is not known whether some staff members chose to input via both the staff focus group meetings and the on-line survey.*
- b. Thirteen ex-members of staff, of whom five had left for reasons of voluntary redundancy.

Both these groups were offered the options of:

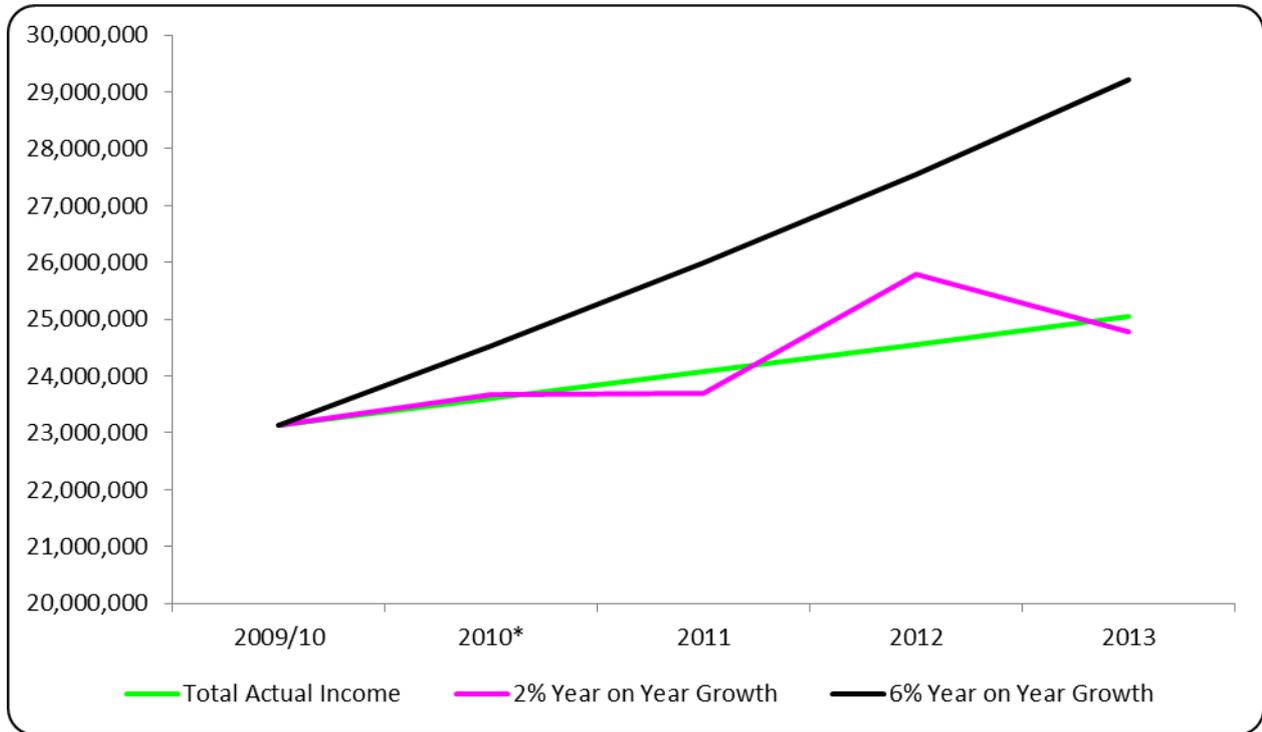
- **A structured questionnaire** requiring 'tick box' responses based on a combination of Kotter's change principles and questions specific to AIUK's context.
- **A semi-structured questionnaire** which gave greater scope for free text comments or a combination of both.

## Appendix C - Data Sources – Documentation

AIUK Annual Report 2012  
Annual Report 2013  
Staff Survey 2013 – main report  
Staff Survey 2013 - comments report  
Staff Survey 2013 – historical report  
HR Management Report 2013  
Summary of CAPP consultation feedback  
Q&A's posted on Insite  
Formal proposal papers for consultation and final paper  
All CAPP-related internal communications placed on Insite  
EGM January 2013 CAPP-related resolutions, minutes and communications  
AGM April 2013 resolutions, minutes and communications  
HR chronological order of events and timeline  
Minutes and notes of meetings between union and management  
Related email correspondence  
Minutes of relevant Board meetings  
Minutes of relevant FSC meetings  
AIUK Redundancy policy  
Summary of Leavers exit questionnaire data  
Summary of VR leavers exit survey data  
Post-CAPP union survey results  
Governance structure chart  
AIUK Structure chart  
Feedback to Board and from Board from staff representatives  
Review of AIUK Organisational Change Proposals, J Coe and J Smith 2012  
Root and Branch consultancy proposal 26/02/12

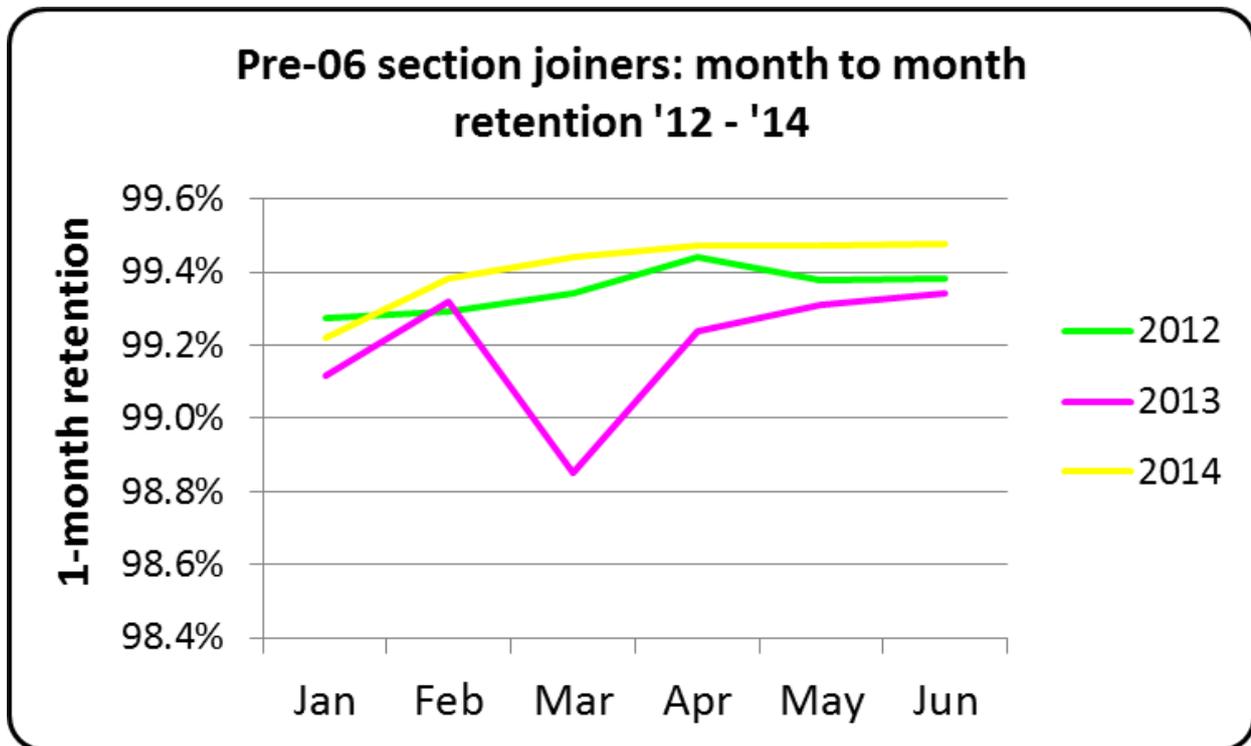
Appendix D - AIUK Income and Membership trends

Figure 1: AIUK Income Trends 2009 - 2013



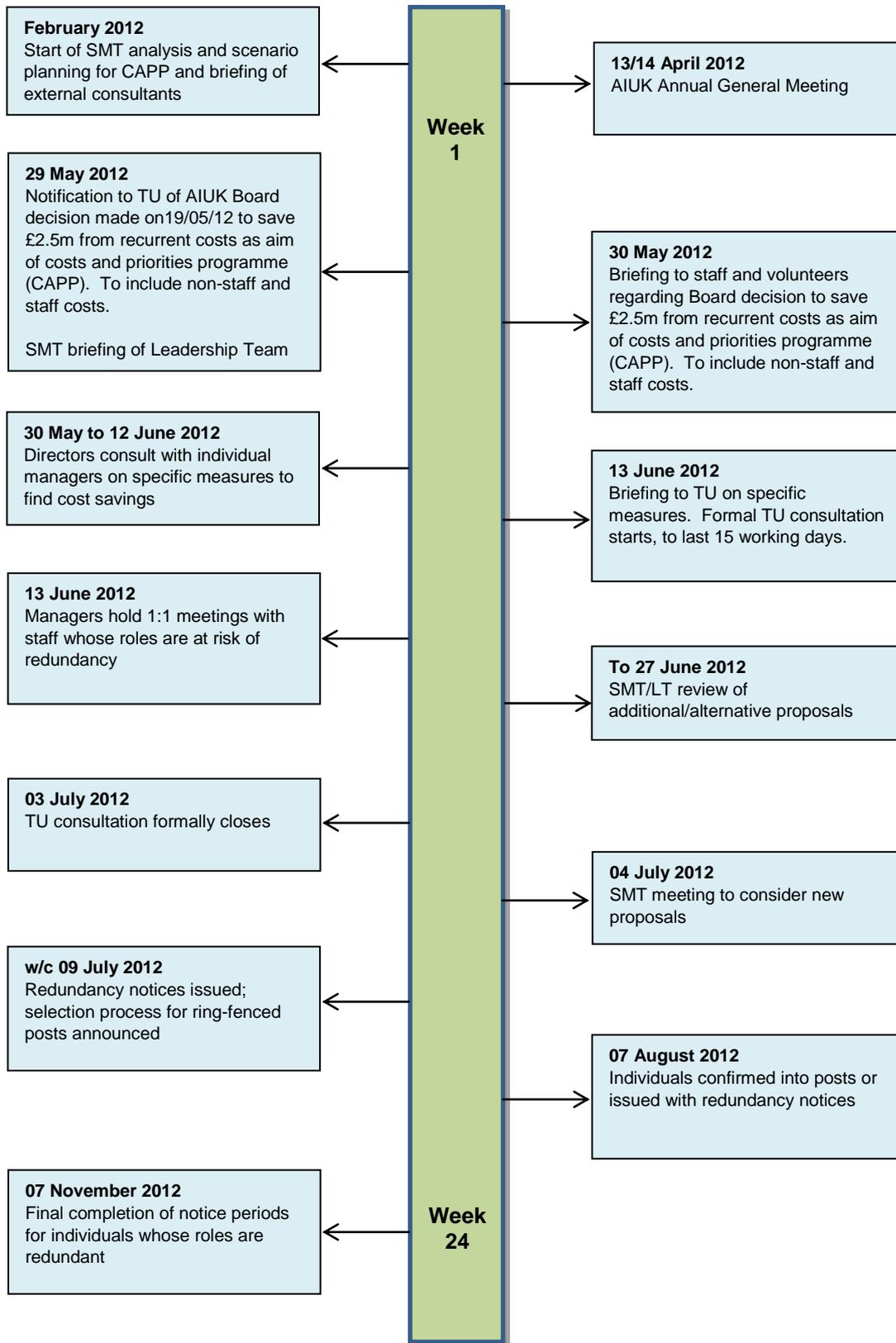
\* 2010 is pro-rata figure based on 9 months from Mar - Dec 2010

Figure 2: AIUK member retention



Appendix E - Planned CAPP Timeline

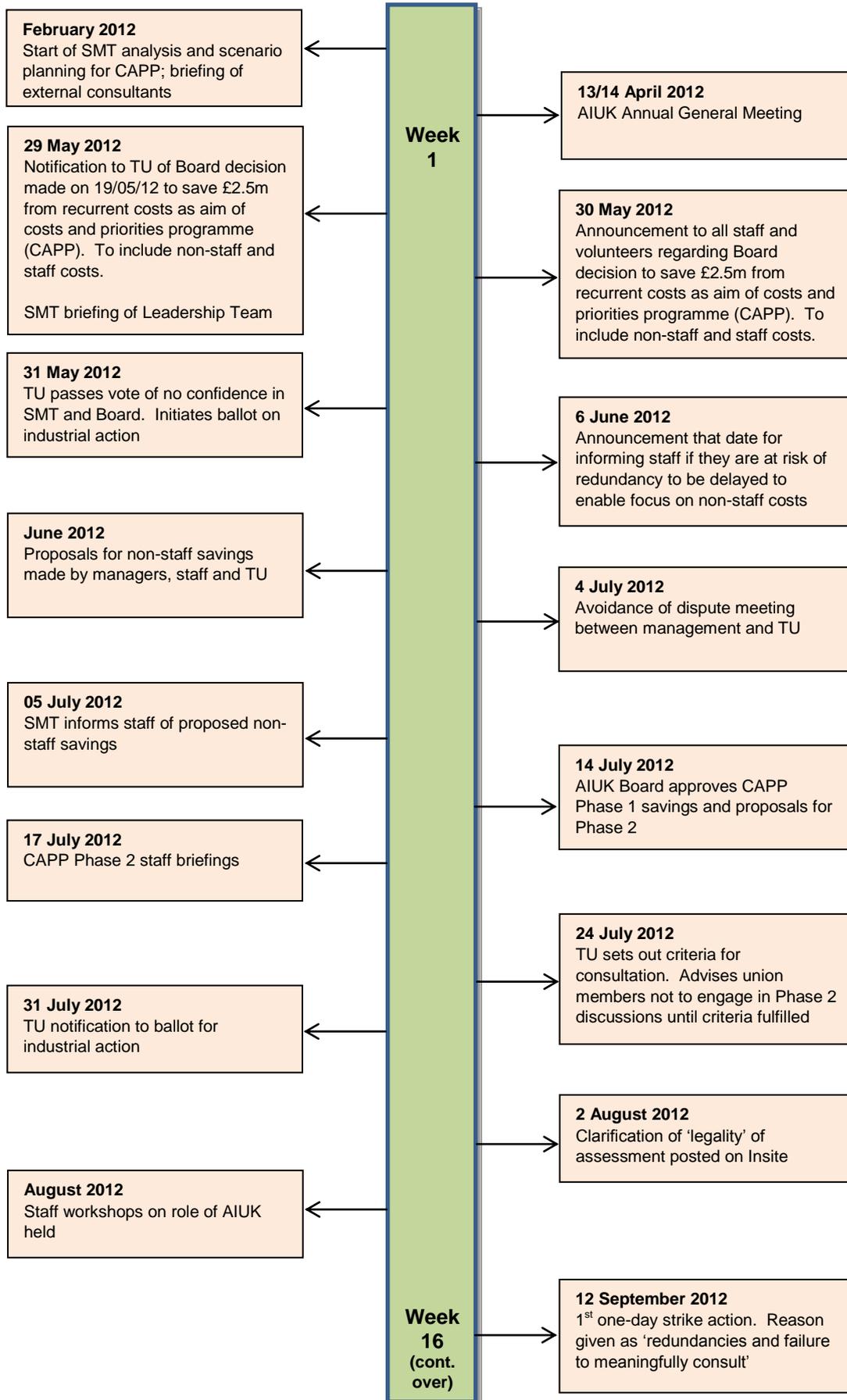
AIUK Cost and Priorities Programme (CAPP)  
Planned Timeline



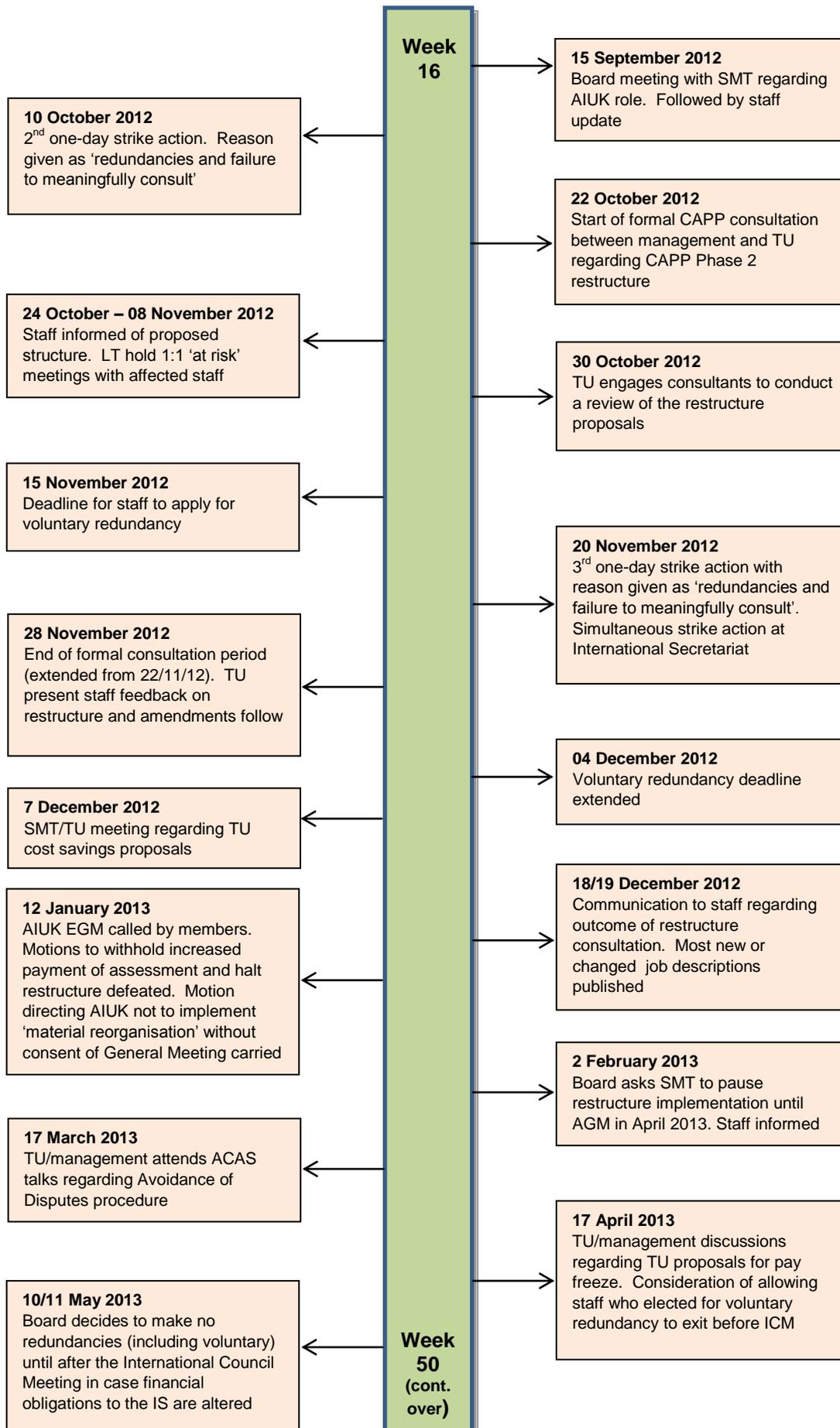
Appendix F - Actual CAPP Timeline

AIUK Cost and Priorities Programme (CAPP)

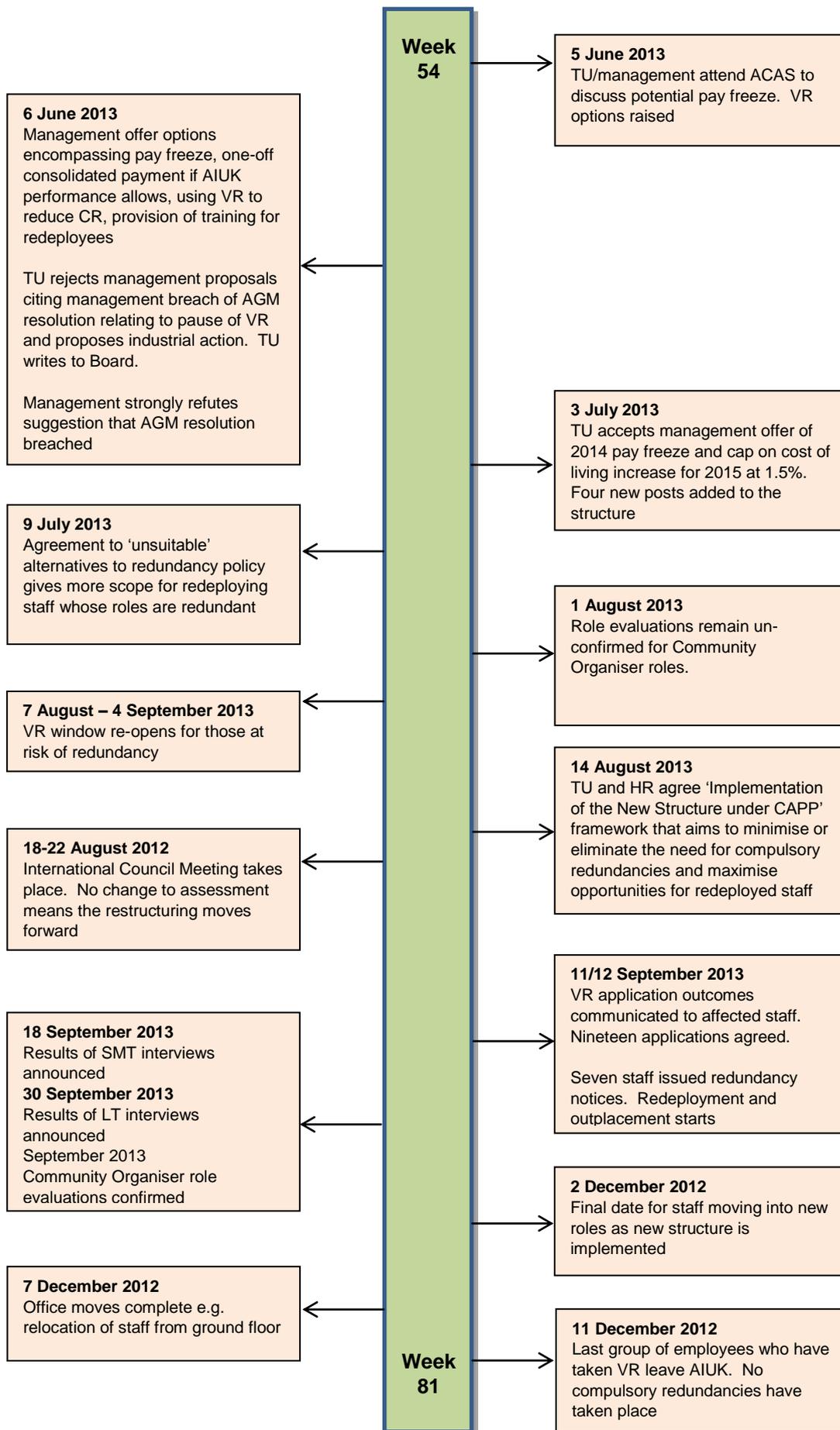
Actual Timeline - Page 1



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Actual Timeline - Page 2**



**AIUK Cost and Priorities Programme (CAPP)  
Actual Timeline - Page 3**



## Appendix G - Useful Information: Kotter Change Principles

*Author's note: This is not part of the formal evaluation, but a checklist prepared by Develop Global that may be thought provoking for AIUK and helpful for future change planning.*

### Leading change - why do some changes stick and some don't?

In the 1990's, John Kotter researched why organisational change efforts succeeded or failed. He concluded that the change process goes through a series of phases that take time. He said, "Skipping steps (in the change process) creates only the illusion of speed and never produces a satisfying result. A second very general lesson is that critical mistakes in any of the phases can have a devastating impact...even very capable people make at least one big error."

Based on 8 common errors in change management that Kotter identified, use this checklist to help you identify root causes of what is working or not working for a large change project in your organisation.

Why do some changes stick and some don't?	Please tick the relevant box where 1 is strongly agree and 5 is strongly disagree.				
	1	2	3	4	5
<b>Error #1 - Not establishing a great enough sense of urgency</b>					
1. A high enough proportion of the organisation's management are convinced of the need for change					
2. There has been frank discussion about the external and internal pressures driving the need for change, including the 'bad news'					
<b>Error #2 - Not creating a powerful enough guiding coalition</b>					
3. The change leadership has sufficient seniority and/or influence to drive the change					
4. The group guiding the change is the right size and contains the right diversity of people/roles to reach the relevant parts of the organisation					
<b>Error #3 - Lacking a Vision</b>					
5. The picture of the future is clear and compelling to people					
6. The goal of the change can be described in a way that people can easily understand in a few minutes					

<b>Error #4 – Under-communicating the vision</b>				
7. Communication about the change is incorporated into a range of channels. It isn't 'drowned out' by the volume of other communications				
8. Senior managers 'walk the talk'. Their behaviour about the change is in alignment with their words				

<b>Error #5 - Not removing obstacles to the change vision</b>				
9. Obstacles to change (e.g. structures and processes, people's 'blocking' behaviour etc.) have been identified and managed				
10. People are empowered to take action in line with the change vision				

<b>Error #6 - Not planning and creating short-term wins</b>				
11. Short term goals have been deliberately set as part of the change to create momentum				
12. Even if the change is long-term in nature, short terms 'wins' are visible. This is countering change resistance or the temptation to 'give up'				

<b>Error #7 - Declaring victory too soon</b>				
13. The change has not been allowed to slide back into old ways due to complacency				
14. Senior managers take the opportunity to drive even more change on the back of short term wins				

<b>Error #8 - Not anchoring change in the organisation's culture</b>				
15. The change is anchored in 'the way we do things round here' including systems and processes and behaviour				
16. People understand clearly how the change has enhanced organisational performance				

**Reflection:**

Based on your pattern of ticks, what do the results tell you?

If you are planning a future change, what steps will you take early on to avoid the common errors described above?