

Case Study: Utilities



Thames Water

Executive summary

Thames Water was facing a big challenge as it needed to make significant savings within the business to remain efficient and to meet regulatory demands. In addition, the working patterns of its 2,000+ employees needed to be updated, simplified and standardised to meet the current and future demands of both internal and external customers.

Thames Water engaged Working Time Solutions to get expert advice on the complex and multifaceted project. Together the team overhauled the shift patterns and terms and conditions (T&Cs) for its employees to create an industry leading organisation in working arrangements. Thames Water also won the coveted HR Excellence Award in the 'Change Management Programme' category for the project saving £Multi million in overtime additional payments alone. The new patterns also reduced some excessive working hours and help to increase the work life balance of some front line teams.

Key Challenges

- Discord between internal and external demand and service offered – customer demanding later appointment times and weekend working
- Too many different – and outdated - T&Cs for employees
- Over 100 different working patterns
- Over-reliance on costly overtime
- Large number of stakeholders
- Business faced a £multi million saving challenge
- Regulatory pressures to stay efficient in all areas
- Investment in new technology demanded new system

Key Outcomes

- £10 million saving (over 5 year AMP period) in overtime and working patterns payments
- Standardised longer working week, start and finishing times and annual holiday
- Reduced 100 working patterns to 23
- Extended appointment slots for customers
- Variable hours for employees extending the day to 19.00 if required
- Improved customer service out of office hours
- Standardisation of T&Cs across all teams
- Introduction of Winter Working Pattern to increase resources at peak times
- Creation of a larger reserve of bank hours
- Reduction in overtime

Key Learnings

- Set-up dedicated working group to own and drive the project
- Involve representatives from all areas of the business from the beginning
- Start with an open mind
- Take time to identify the challenges
- Communicate clearly, consistently and constantly
- Be open to suggestions and willing to listen
- Expect the process to take longer than you think

Background

Thames Water is the UK's largest water and sewerage company operating in a number of different local authorities in the South East of England. It employs 5,000 people in total and has 13.6 million customers across the region dealing with four million customer enquiries annually and attending 2,000 customer appointments per month.

The existing working patterns and T&Cs had not been reviewed formally since 1993 and the organisation had over 100 different ones in place making it difficult and onerous to operate. Thames Water was also relying heavily on costly overtime as the outdated working patterns weren't meeting the current demands of the business nor its customers.

The Challenge

It was clear that the organisation needed to overhaul its working practices for a great number of reasons. Thames Water was facing cost pressures to ensure we are providing value for money to our Customers, if it couldn't demonstrate it was operating efficiently in all areas and it also needed to make a multi million pound savings in this area. Another key driver was the investment in new technology and to secure the best ROI from the new systems, it needed a consistent set of working arrangements across the board for its operational staff.

Another key challenge was the number of stakeholders who needed to be involved in the projects and how to effectively communicate with them all. The workforce was also heavily unionised and it was important to ensure all parties were involved and engaged in the process from the outset.

The Approach

To tackle the challenge, 13 main working groups were set-up representing the many different roles and areas within the business. Further minor sub groups were formed too. The complexity of the project required detailed planning from the beginning with a dedicated team running the programme from start to finish.

The process was kicked-off with an all encompassing situation analysis in conjunction with Working Time Solutions to identify all issues and opportunities faced and to design initial proposals for discussion with the larger working groups.

What followed was an intense, comprehensive and inclusive programme of workshops, 121-meetings as well as negotiations with trade unions and communication roadshows over an 18 month period. This ensured each individual employee understood why the changes were required, what the options for change were and were each given the opportunity to vote on the working pattern that would apply to them through union ballots.



The Solution

Following the comprehensive analysis of the challenges faced, detailed communications with staff and close negotiations with the unions and other stakeholders, Thames Water reached an agreement to introduce a number of key changes across the organisation. Due to the complexity of the organisation and the great number of teams with different challenges, demands and needs, the business opted to introduce a combination of standardised changes while recognising the need for limited tailor-made options for some teams.

The company standardised its T&Cs across the organisation including holidays, start, finishing and lunch arrangements and reduced the number of working patterns from over 100 down to 23.

Most people working within Operations also moved from a Monday-Friday working pattern to a 7-day week to meet customer demands and reduce overtime. Thames Water also included a standardised longer working week at 38 hours across operations to provide increased productivity and some of the teams introduced 'variable hours' to extend the day until 19.00. However, staff are only required to work these additional hours one week in six and only when necessary.

Other teams introduced a 'Winter Working Pattern' to increase resource at peak weekends during the colder months, and the business created a larger reserve of bank hours for certain roles, which rose from 273 to 444 to reduce the need to pay extra overtime.

From the employees point of view, the changes meant that their T&Cs were standardised and 'fairer' across the board. Some employees had to sacrifice some weekend working in exchange for time off in the week to provide flexibility and cover to meet customer demand. Individual circumstances, such as the need to care for children or other family members, were also taken into considerations and, where possible, met and incorporated within their contracts.

Benefits

The working time changes incorporated at Thames Water has made the organisation industry leading in this arena with the latest and most efficient practises in the sector. The programme has also earned third party recognition with Thames Water winning the prestigious HR Excellence Award in the 'Change Management Programme' category in 2012.

The changes made have allowed the business to streamline its operations and significantly reduce its overtime reliance - while improving the work/life balance for its employees and standardising contracts and T&Cs.

Thames Water can now also better meet customer demand during evenings and weekends and has also been a necessary step to enable a new IT based working planning system to map consistent patterns to manage availability. This has provided a great platform for the introduction and implementation of the need to match your resources to the demands of the business and its customers. It has also enabled the organisation to make essential cost savings and aid the work to meet the required regulatory spending plans agreed by Ofwat.

