

## **SCHEDULE 35**

### **Personnel Information Template**

The information to be provided by the Service Provider under clause 36.2 shall comprise a report in the format, and containing the detail, set out in the Annex to this schedule.

**ANNEX: Form of Personnel Report**

**IBM**  
**HR Commercial Engagement & Transition**

**HR Due Diligence Checklist**

June 2007

This document is IBM Confidential and is for internal use only. It forms part of the methodology for Human Resources Commercial Engagement and Transition.

1. **Customer Information**

Company Name:	
Site/Base Address:	
City, State, Zip Code:	
Parent Organization	
Engagement Codename	
Technical/Business Scope of Deal	
Countries with In Scope staff	

2. **Checklist owner**

Report Completed by:	
Title:	
Phone:	
e-mail address:	
Date/Time:	
Description of Responsibilities:	

3. **A: Introduction**

The finding from the data gathering will be documented in the Data Gathering and Due diligence report, where also the main issues identified by solution area will be outlined.

3.1

3.2 **B. Scope/Resource Dynamics**

(A) **ORGANIZATION AND EMPLOYEE DETAILS**

- 1 Reporting Structure - Copy of organisation chart
- 2 Interfaces with rest of client organisation
- 3 Job Specifications/descriptions
- 4 Numbers of employees in the IT group to be outsourced
- 5 Numbers and roles of the employees to be retained
- 6 Relationship of the retained groups to the outsourced groups
- 7 Use of CWF /Contractors, temporaries, consultants
- 8 Details of any reorganisations/restructuring in the last 3 years
- 9 Overtime statistics
- 10 Employee attrition
- 11 Rates of attrition
- 12 Types of losses by skill, location, dept
- 13 Reasons for losses
- 14 Employee Absence

**(B) DUAL EMPLOYMENT RESPONSIBILITIES**

- 1 Details of employees who spend only part of time working for the business to be transferred.
- 2 Employees on loan from/to other parts of the parent company
- 3 Assignments
- 4 Temporary transfer
- 5 Responsibilities and obligations

**(C) SKILLS PROFILE**

- 1 Numbers of employees in generic skills groups
- 2 Skills profiles for individual employees

**(D) SENIOR EXECUTIVES AND DIRECTORS (In Affected Group )**

- 1 Names of Executive and Non Executive Directors
- 2 Any other interests which they hold

**(E) SEPARATIONS AND REDUNDANCY ARRANGEMENTS**

- 1 Any TU agreed Redundancy procedures
- 2 Selection criteria
- 3 Notice Periods
- 4 Current Redundancy payments formula
- 5 Details of any proposed redundancy plans
- 6 Details of all redundancy/restructuring programmes in last 3 years
  - Employees covered
  - Numbers
  - Time scales
  - Levels of payment

**(F) LAY OFF AND GUARANTEED PAY**

- 1 Details of any contractual rights and collective agreements
- 2 Details of any lay offs or short time working in past 5 years
- 3 Types of employee involved
- 4 Reasons for lay offs or short time working
- 5 Duration
- 6 Levels of remuneration

**(G) RECRUITMENT POLICIES**

- 1 Recruitment policy
- 2 Type of skills required/labour market

- 3 Selection methodologies
- 4 Recruitment campaigns in last 3 years - successes/concerns

**(H) TRANSFERS/RELOCATION/ASSIGNMENTS**

- 1 Policies and Practices
- 2 Eligibility
- 3 Compensation/Incentives and Expenses
- 4 Returning assignees Transfers/relocations planned
- 5 Costs of relocations per employee/type of relocation/assignment
- 6 Transfers in last 3 years - anomalies

**(I) INDIVIDUAL EMPLOYEE DETAILS**

- 1 Employee name or number
- 2 Department/Cost centre
- 3 Work Location
- 4 Home Address/Location
- 5 Grade/Level
- 6 Job Title
- 7 Dates of Birth
- 8 Dates of commencement of employment
- 9 Pension scheme membership(s)
- 10 Date Pension able service commenced
- 11 Base Salary
- 12 Category of employment - Perm/Temp/Fixed Term Contract etc
- 13 Full Time / Part Time- hours worked
- 14 Standard Hours
- 15 Shift patterns and premiums paid
- 16 Annual leave
- 17 Male/Female
- 18 Bonuses
- 19 Allowance Payments
- 20 Car entitlement
- 21 Long service leave/vacation entitlement
- 22 Sick leave entitlement
- 23 Notice periods
- 24 Termination terms and entitlements
- 25 Ethnic origin (if recorded)
- 26 Registered disabled y/n
- 27 Leave of absence status - Sickness/accident
- 28 Any disabled/long term absence payments
- 29 Hourly paid, monthly paid, date of payment/terms of payment

**(J) SENIOR EXECUTIVES AND DIRECTORS (In Affected Group)**

- 1 Names of Executive and Non Executive Directors
- 2 Details of any Directors fees

- 3 Copies of service agreements for senior execs and directors
- 4 Any lengthily notice periods
- 5 Fixed term contracts
- 6 Commissions and bonuses schemes

**3.3 C. Culture**

**(A) DIRECTIONS AND KEY ORGANIZATIONAL ISSUES**

**(B)**

- 1 Management/Leadership
- 2 Vision/Values/Mission
- 3 Technical Professional and Management Skills
- 4 Quality and Customer Focus
- 5 Empowerment and teams
- 6 Flexible Compensation
- 7 Employee Morale/Satisfaction

**(C) EMPLOYEE COMMUNICATIONS**

- 1 Channels
- 2 Monitoring Morale / opinion surveys
- 3 Speak Up type programmes
- 4 Grievance channels
- 5 Policy and approach

### 3.4 D. Industrial relations & Employee relations (IR/ER)

Much of this section is only relevant if the client has a Trade Union presence in their organization, particularly in the section to be outsourced. If the Union has been granted

'Recognition rights' it has certain legal rights that we may need to take into account.

#### (A) EMPLOYEE RELATIONS APPROACH

- 1 Corporate Values and Beliefs
- 2 Senior Management Leadership/Practice
- 3 ER/IR Philosophy and policy
- 4 Employee/Manager relationship
- 5 Role of the manager

#### (B) TRADE UNION PRESENCE

- 1 Level of Union membership and which unions
- 2 Recognised unions
- 3 Extent of recognition
- 4 Any closed shops
- 5 Bargaining arrangements
- 6 Consultation arrangements
- 7 Copies of agreements between the Unions and Company
- 8 Copies of all disputes and grievance agreements

#### (C) DISCLOSURE OF INFORMATION AND CONSULTATION

- 1 Policy
- 2 Arrangements
- 3 For Employees
- 4 For Trade unions



**(D) COLLECTIVE AGREEMENTS**

- 1 Copies of all collective agreements
- 2 Recognition and union facilities
- 3 Procedural arrangements and bargaining structure
- 4 Disputes
- 5 Grievance
- 6 Working arrangements
- 7 New technology
- 8 Redundancy selection
- 9 Discipline

**(E) WAGES COUNCILS**

- 1 Any employees covered by a wages council or other statutory body
- 2 Numbers covered
- 3 T&C's so covered

**(F) CURRENT AREAS OF DISPUTE WITH UNIONS**

- 1 Details
- 2 Unions involved
- 3 Existing company plans for pay increases in the next pay round
- 4 Unions attitude to the Outsourcing proposal
- 5 State of current negotiations
- 6 Matters currently in dispute - both sides of the argument
- 7 Any commitments made in the last 5 years in respect of any negotiations on pay or T&C's.

**(G) INDUSTRIAL DISPUTES**

- 1 Summary of all official and unofficial disputes in last 5 years
- 2 Causes of the disputes
- 3 Settlements reached
- 4 Categories of employees and unions involved
- 5 Numbers of man days lost and other costs
- 6 All other details of the disputes
- 7 Summary of workforces' general pattern toward industrial action and types of Industrial action taken

**(H) ARBITRATION AWARDS OR MEDIATION DECISIONS**

- 1 Details of any awards  
Decisions which are still in effect

(I) **OUTSTANDING EMPLOYMENT LITIGATION**

- 1 Industrial Tribunal Claims
- 2 Breach of contract claims in high court or county court
- 3 Any actions against a Trade Union
- 4 Details of claims, likelihood of success
- 5 Estimated costs
- 6 Estimated damages/compensation details of such claims in last 2 years
- 7 Any restrictive covenants, who covered, copies

**WELL BEING**

1. WB policies, standards, processes and practices
2. Well Being associated resources/headcounts
3. Written site risk assessment/analysis or other document due by law
4. Well Being statistics (injury/illnesses)
5. Government inspections, violations, other statistics due by law
6. Medical surveillance by law and cases management
7. Medical voluntary programs
8. Programs for people with disabilities / accessibility
9. Building(s) involved acquisition
10. *Building characterization (safety, industrial hygiene, ergonomics, emergency programs)*

(J)

3.5 **E. T&Cs, including Pensions & Benefits**

(A)

(B) **ORGANISATIONAL STATISTICS**

- 1 Budgeted HR Costs
- 2 Salaries
- 3 Overtime, Shifts and call out payments
- 4 Bonuses and allowances
- 5 Pension costs
- 6 Company cars
- 7 Other employee costs

3.6

(A) **EMPLOYMENT CONTRACTS**

3.7

- 1 Written details of contracts of employment
- 2 Any flexibility clauses for hours of work, place of work, job duties
- 3 Any Variations of existing contractual arrangements
- 4 (Un)written undertakings by the client to rely on certain contractual rights

3.8

(A) **SALARIES**

(B)

- 1 Salary Policy
- 2 Copies of pay/salary scales
- 3 Review mechanisms - Negotiation, Market rate, Performance etc
- 4 Dates for reviews
- 5 Salary planning process
- 6 Current negotiations/plans
- 7 Previous undertakings

(C) **COMMISSION, BONUSES & PIECEWORK**

- 1 Details of employees paid by commission, piecework, incentive
- 2 Eligibility, targets, payments calculations
- 3 Average level of pay over last two years

(D) **STOCK OPTIONS ,SHARE INCENTIVES OR PROFIT SHARE SCHEMES**

- 1 Written details of all schemes
- 2 Eligibility
- 3 Method of calculating bonus/profit share
- 4 Bonus paid out in the last 5 years

**(E) HEALTH CARE**

- 1 Details of Private health insurance plans
- 2 Employee eligibility
- 3 Coverage - family, spouse, dependents
- 4 Medical treatment and facilities / cost limits
- 5 Costs to employees
- 6 Cost to employer

**(F) COMPANY CAR SCHEMES**

- 1 Details of the Car policy
- 2 Employee eligibility conditions
- 3 Any cash alternative provisions
- 4 Costs to client
- 5 Any Private Use charges
- 6 Provision of petrol - Private petrol / Expense reimbursement
- 7 Any employee purchase scheme at the end of the car 'life'
- 8 Car choice and frequency of change
- 9 Lease or Purchase

**(G) ALLOWANCES**

- 1 Details of allowance(s) in addition to salary
- 2 List types
- 3 Eligibility
- 4 Rules and Calculation of amounts
- 5 History/Relevance  
Custom and Practice
- 3.9

**(A) MATERNITY PAY**

- 1 Details of scheme (see also under LEAVE)
- 2 Employees 'in scope' receiving pay

**(B) COMPANY LOANS**

- 1 Details of scheme
- 2 Details of loans to employees 'in scope'

**(C) COMPANY SUBSCRIPTIONS**

- 1 Details of policy of funding individual subscriptions to trade magazines
- 2 Details of policy of funding individual subscriptions to professional bodies

3 Details of subscriptions paid to employees 'in scope'

(D) **PENSIONS**

- 1 Details of Company Pension Plans and related Benefits
- 2 Eligibility
- 3 Employee contributions
- 4 Employer contributions/Cost
- 5 Are plans contracted out of SERPS
- 6 Arrangements for Voluntary Contributions
- 7 Formula for calculating pensions on retirement
- 8 Definition of pension able earnings
- 9 Pension benefits for Spouses/dependents- formula
- 10 Life Assurance provisions - details
- 11 Which employees are in the pension scheme(s)
- 12 Copies of last audited report
- 13 Copies of last actuarial report
- 14 Copies of last trustees report
- 15 All associated handbooks, booklets and reports
- 16 Transferability
- 17 Transfer Values/transferring cost of past benefits (Individual or Bulk transfer)

(E) **RETIREEES**

- 1 Details of any retiree benefits in addition to pension
- 2 Cost per head of providing the benefits

(F) **HOURS**

- 1 Normal hours of work
- 2 Working time arrangements - Flexitime /Annualised hours
- 3 Time recording systems - Clocking in, Timesheets, Trust
- 4 Part time working arrangements

(G) **SHIFT WORKING**

- 1 Policy
- 2 Shift patterns - times and shift premium
- 3 Formula used to calculate premia
- 4 Which of the effected IT groups work Shifts
- 5 Copies of the shift rotas

(H) **STANDBY AND CALL OUT**

- 1 Details of Standby and Call Out Policy
- 2 Premia paid - how calculated
- 3 Who in IT group are on standby and call out
- 4 Eligibility for payment
- 5 Copies of standby and call out rotas
- 6 Frequency of actual callout - average per month in last 12 months

(I) **OVERTIME**

- 1 Policy
- 2 Eligibility
- 3 Overtime rates
- 4 Any guaranteed or planned overtime arrangements
- 5 Overtime budget

(J) **VACATION PLANS**

- 1 Annual entitlement- full year, new starters/leavers
- 2 Any link between entitlement and service
- 3 Company holidays, special days other than bank holidays
- 4 Provision on untaken vacation - carry over, banking, paid in lieu

(K) **SICKNESS AND ACCIDENTS PLANS**

- 1 Policy
- 2 Entitlement/eligibility
- 3 Sickness and Accident pay
- 4 Business accident travel insurance
- 5 Disability - short term/long term
- 6 Links to the pension scheme
- 7 Cost of provision
- 8 Absence reporting provisions

(L) **MATERNITY LEAVE**

- 1 Policy and eligibility
- 2 Period of leave and conditions
- 3 Return to work and career breaks
- 4 Child care facilities
- 5 Paternity provisions

(M) **OTHER TIME OFF**

- 1 Compassionate leave
- 2 Public duties/service
- 3 Discretionary leave
- 4 Policy on paid and unpaid leave
- 5 Personal leave - visits to dentist and doctors

(N) **NOTICE AND TERMINATION**

- 1 Notice periods required of employees/entitled to receive
- 2 Notice periods and employee levels/types

**3.10 F. HR Environment**

(A)

**(B) PERSONNEL AND HR SUPPORT**

- 1 Nature of client HR/Personnel support provided to the business
- 2 Role of Personnel/HR Department
- 3 Contacts - names and roles

**(C) HR PERSPECTIVES IN THE CLIENT ORGANIZATION**

- 1 HR Approach
- 2 HR Processes
- 3 HR Strategies
- 4 Copies of all relevant employee handbooks and other documents

**(D) JOB EVALUATION AND GRADING SYSTEMS**

- 1 Description of grading structure
- 2 Job Descriptions / profiles
- 3 Job Evaluation methodology
- 4 Changes to grading structure within past 5 years
- 5 Plans for future changes
- 6 Progression through the pay grading structure
- 7 Any anomalies

**(E) RECOGNITION AND AWARDS**

- 1 Policy and written details
- 2 Awards / Celebration events
- 3 Criteria and measurements- Excellence, Quality
- 4 Employees covered
- 5 Long Service awards
- 6 Costs
- 7 Suggestion /improvement programmes
- 8 Policy on Annual recognition dinners/events - Xmas social event

(F)

**(G) DISCIPLINARY POLICY AND PROCEDURE**

- 1 Written details of policy and procedure
- 2 Copies of any Trade Union agreements
- 3 Operation of the policy in practice
- 4 Names, dates and reasons for all dismissals in the latest 12 months



5 Current disciplinary cases and likely outcomes (of staff 'in scope' only)

(H) **APPEALS PROCEDURES**

- 1 Policy and procedures
- 2 Role of Personnel/HR

(I) **EQUAL OPPORTUNITY**

- 1 Details of any equal opportunities policies
- 2 Details of any ethic monitoring undertaken in the last 2 years
- 3 Details of any CRE or EOC formal investigations
- 4 Tribunal claims of sex/race discrimination in last 5 years
- 5 Copies of any non-discrimination notices issued by them or any tribunal decisions

(J) **TRAINING AND DEVELOPMENT**

- 1 Written Training and Development policy
- 2 Training needs assessment- current issues
- 3 Type of training delivered- Tech, Prof, Mgt, Quality
- 4 Facilities/Resources/Budget
- 5 Further education programmes
- 6 Tuition refund programme
- 7 Training records of 'in scope' employees
- 8 Training days delivered per head
- 9 Training costs per employee

(K) **APPRAISAL AND COUNSELLING**

- 1 Performance management/Appraisal Policy and documentation
- 2 Frequency, Population, Coverage
- 3 Links to Pay, Careers, Training

(L) **CAREER DEVELOPMENT/SKILLS**

- 1 Policy and documentation
- 2 Skills assessment tools
- 3 Career paths/Job families
- 4 Accreditation/Qualification
- 5 Progression criteria and review process
- 6 Promotion rates in last 3 years

**3.11 Appendix - Non-HR Items of potential interest**

**(A) THIRD PARTY CONTRACTORS/ COMPLEMENTARY WORKFORCE**

- 1 Name and number employed
- 2 Description of work performed
- 3 Copy of Contract/s

**(B) FACILITIES**

- 1 List all types and costs
- 2 Catering and vending provision
- 3 Staff restaurants
- 4 Luncheon Vouchers/Allowances
- 5 Car parking
- 6 Costs of facilities and employee perceived/actual value
- 7 Mortgage subsidy/discounts
- 8 Employee purchase plans
- 9 Co houses, flats/Service occupancy agreements

**(C) PAYROLL SYSTEMS IN USE**

- 1 Details of the payroll application
- 2 Salary payments
- 3 Timing/Methods/Input/Authorisations
- 4 Algorithms
- 5 Shift/Overtime/Call-out etc
- 6 Other payments
- 7 Deductions
- 8 Sick pay
- 9 Taxation and National Insurance

**(D) PERSONNEL INFORMATION SYSTEMS**

- 1 Softcopy and Hardcopy systems
- 2 Information/Data held
- 3 Administration

**(E) PENSION ADMINISTRATION**

- 1 Systems
- 2 Administration