

ABSTRACT

Title: Organizational changes and their labour-law results

The title of my diploma thesis indicates that my work is focused on changes in organization (business, undertaking) and their consequent results for the employers and their employees. I have chosen this issue as I regard it as being topical and interesting. The purpose of my thesis is to show why organizations carry out restructuring, in which ways they perform them, who decides about them, how the organizational changes influence the employment relationship and to describe social protection of employees affected by organizational changes.

The thesis is divided into three parts. The main analysis of my work is concentrated in the second part which is subdivided into four capitols.

In the first capitol I shortly explain the terms organization, organizational structure and especially organizational change. Firstly, I generally describe an organizational change as a reaction to external influences (for example new facts in global economy) and also as a reaction to current changes in the organization. I try to illustrate that organizational changes could be perform either inside an organization (so called “internal changes“) or they could extend its scope (so called “external changes“). Secondly, I define both types of changes in compliance with the Section 52 of the Czech Labour Code. In accordance with this Section, the organizational changes are characterized by following situations: if the employer’s undertaking (or its part) is closed down or relocates and if the employee becomes redundant owing to the decisions of the employer or employer’s competent body to change the activities, equipment, to reduce the number of employees for the purpose of increasing labour productivity or to introduce other organizational changes.

The second capitol is briefly focused on labour-law results caused by completion of organizational changes. I pay attention to establishment of the employment relationship, to changes of agreed terms, to termination of the employment relationship and to transference of rights and duties from labour relationship.

In the third capitol I closely analyse the internal organizational changes that could be executed in a municipal authority. In this part of my work I concentrate on all possible types of changes in the organizational structure of a municipal authority. I try to explain who has a crucial role in this process, the nature of decision about organizational change, in which ways this decision has to be announced and what labour-law results could arise. Mostly I pay attention to termination of the employment relationship by a notice of dismissal given pursuant to the Section 52 (1) (c) of the Labour Code. My conclusions are also supported by legal opinions of the Supreme Court.

The fourth capitol considers the external organizational changes which go beyond the scope of organization. I deal with the questions of the legal transfer of an undertaking (business) or the legal transfer of a part of undertaking (a part of business) and with protection of the employees affected by this transfer. At first, I examine the development of legal regulation of protection of employees in the EC Directives and in the case law of the European Court of Justice. At second, I analyse this issue from the point of view of the legal regulation in the Czech labour law and in the case law of the Supreme Court.

The conclusion of my thesis consists of the summary of contemporary legislation, evaluation and recommendation worked out on the grounds of previous analysis.