

## **PRINCIPLES OF PARTNERSHIP**

### Background Paper

#### Introduction.

The purpose of this paper is designed to:

'develop an industry leading joint union partnership program  
to create flexible, innovative industrial relationships which support  
both employees and Company to achieve its future strategic direction.'

To do this it is necessary to set out basic principles that will underpin the partnership. Ground rules need setting so we can all be aware of the principles of partnership that we can sign up to. We are now asked to set out our own views on the 'Principles of Partnership' to take the discussions forward.

The Company needs to set out its strategic intent and to inform the Union of this. This could, for example, be to 'Create innovative, flexible, customer focused organization adaptable to our changing markets through the direct contribution of all employees.'

At joint- meetings several areas of work need to be identified and a list of salient points will emerge. These could be:

- The need for better communications at all levels with employees being involved in change.
- The prospect of taking people along as willing allies rather than reluctant followers.
- Working together to meet common goals and shared objectives.
- An increased level of Union membership resulting from the partnership ideals.
- The promotion of good working practices.
- External support for joint training initiatives.
- A re-evaluation of Managers role-from policeman to coach/facilitator.
- Better skilled and more knowledgeable shop stewards.
- To engender a sense of pride in membership of a Trade Union and of being an employee of the Company.
- Fewer disputes.
- A more effective approach to resolving any disputes that does arise.

As a major point it has to be recognized that:

'...it is essential to ensure an early 'buy in' from the Unions in order to avoid the perception of a process driven from the top down. It is further agreed that the Unions has a valuable input into the make up of corporate culture and as such has to commit to the wider agenda of culture change.'

One point needs reiterating. In many ways it flows from the above. Whilst it is useful to see how others are tackling the partnership process it is of equal importance to guard against straight transportation of those schemes to the Company. There are many cultural differences to note as well as important practical differences.

For example, Tesco can be very successful in their approach to partnership because they are a single entity in respect of basic negotiations. Thus, the combined management/ union national commitment to partnership is grounded on their national cooperation on the core issues in their agreement. We will return to this issue later. However, at this stage we need to reiterate our view that the absence of any national system may well prove, if not fatal, at least a weak link in this process.

Principles of Partnership.

We believe that the six TUC principles set out in the TUC booklet 'Partners for Progress' would be difficult to better. Therefore we shall use them as a base for our comments.

Principle 1 – Commitment to success of the enterprise.

It is no good being the best paid worker on the unemployed register. We all have a vested interest in the Company being a successful and profitable Company. One of criticism of the Company in the past has been that they only talk to the Union (talk to not with) at times of crises. There is, we must all recognize, a need for deep cultural changes on 'all sides' to build a climate of trust. Given that management controls all the knowledge the first moves must come from there.

Training is an important part in this process. Suffice it to say that we feel there is a need for a joint training program to cover many issues. We shall return to training elsewhere. In this context we feel there is a need for Shop Stewards to be trained in such issues as basic economics, the economics of the industry and the structure of the Company – i.e. where does each site, for example, fit in with the parent Company? Is the site a cost center or a profit center? What are the difficulties in dealing with the major retailers and other customers? Is there a role for outside bodies here? Of course any training program must be jointly agreed.

Tesco used training to involve Union representatives in a large-scale program of training to enable them to play the most effective role possible in partnership. This training is aimed at strengthening representatives' ability to contribute to discussions with Tesco on its business plans and results, to participate in the management of change at all levels and to help members understand what is going on in the business and to contribute their ideas.

Of course this is related to the whole ethos of Partnership at Tesco. Training is tied in to their local, regional and national forums. Issues discussed range from operational matters at store level to the implementation of corporate policy at the regional level. Issues relating to the management of people are discussed at both levels and go well beyond the traditional industrial relations agenda. The National Forum addresses wages and conditions of employment along with questions of corporate strategy as agreed between the Union and the Company. All these structures are intended to create a culture where information is widely shared, where problems are solved quickly and fairly on a joint basis and where team spirit is maintained.

We cover some of these points in our Shop Stewards Training program. But we do not know the inter mix of the company or the details of its dealing with its suppliers and customers. A bland statement in wage negotiations – or more important in shift change discussions- that 'Tesco have changed the order' means nothing.

Is there any need to change the local structures to cover this issue? Is there, for example, a need to look at joint inter union meetings on multi union sites and then joint union/management meetings? What would be the issues covered in these meetings?

Certainly investment, product change and future plans for the site? Perhaps the sites position within the group? Indeed any area of activity that would lead to a successful enterprise – as long as the issues are joint. A recurring theme throughout all discussions on Partnership Agreements and relevant here, is the need for these discussions prior to decisions being taken by management. If such meetings are simply to receive management decisions then partnership is a failure at the first step.

Principle 2 – Recognizing legitimate interests.

'Put simply it states that effective and constructive partnership embrace the notion that at any one time there might be quite legitimate differences in interest and priorities between the partners. The partnership arrangement, if effective, will embody a degree of trust and respect that should aid the resolution of such differences, but ultimately each partner will respect the need of the others to listen to and properly represent their respective constituencies.'

Unless the partnership is to become nothing more than another glorified talking shop there is a need to ensure its relevance and to accept that, from time to time, there will be difficulties. The strength of any partnership agreement is how it stands the test of difficulties, not how it works in good times. The secret seems to be a willingness and commitment on all sides to make it work.

Under this issue we raise the point of Agency/ Casual workers. Obviously the Union has an interest in this area. The use of Agency/Casual labour can be seen as an attempt by management to reduce union density and, thus, influence. It can also be seen as representing a danger to negotiated terms and conditions of employment, as well as long established working practices. The employer can see Agency/Casual labour as short-term advantage in some 'peaks and troughs' scenario. Are these differing 'legitimate interests' incapable of solving?

We would look at two scenarios, which would seem to show that, with enough trust on both sides this can be overcome.

Firstly, Manor Eastleigh use Agency Labour extensively. Yet the Union does not see any negative aspects in this. Why? Because the issue was thoroughly discussed with the Union and agreement reached on the use of Agency labour. This meant;

- Existing terms and conditions of employment relevant to permanent staff are applicable to Agency staff. Thus there was no concern of undermining negotiated terms and conditions of employment.

- The Company encourages trade union membership among Agency Staff.

- Vacancies that arise are offered to Agency workers, so the pool of Agency Labour does not grow and is not seen as a danger to the employment of permanent workers.

Fox's Batley use a team of 'regular casuals' each Christmas to cover the increase production requirements at this time of year. Again, there were full discussions with the Union, terms and conditions are equal, and regular vacancies that arise are offered to these workers.

Thus, where the matter is discussed with the Union and agreement reached the real fear of permanent workers can be allayed and legitimate interests taken into account.

Principle 3 – Commitment to employment security.

There is little argument about the importance of this issue. People who feel secure are more likely to accept 'change' than those who feel threatened. What is needed is '...a combination of measures to maximize employment security within the enterprise (limiting the use of

compulsory redundancy, for example, or joint agreement on staffing levels) and measures to improve the employability of staff beyond it (by improving the transferability of skills and qualifications for instance).'

There are two main issues here. Firstly on staffing levels. Historically the reduction of staffing levels has been seen by workers as nothing more than cost reductions with little to do with the reality of plant production. That is because managers have simply made a decision without consultation and imposed the result of their own decisions. What are missing are procedures for ensuring agreement in this area. If partnership is to mean anything then the issue of staffing levels is a prime area. Joint committees may be set up to look at this issue. That would make workers feel part of the process and not as recipients of down sizing.

Of great importance is the issue of improving employability. Here training is essential. Those partnership programs that have achieved greatest success have placed high emphasis on this area. UNISYS and UNIFI for example entered a four way Lifelong Learning Arrangement, putting their Partnership firmly on training and development. The Company sees this as:

'Through the Partnership approach we have been able to demonstrate that we are about adding value, not just taking profit. We are delighted to have been party to a new framework that creates long term skill and capability, at the same time enabling us to meet immediate customer requirements.'

There is a whole area here that needs developing.

Principle 4 – Focus on the quality of working life.

UNIFI used its success under the Union Learning Fund to assist in the program of training at UNISYS. We are well placed to use the resources of our National Information Technology Center in Preston in the same way. By adding to member's educational training we can jointly begin to enhance transferable skills that could act to improve the quality of working life.

Workers do not hang up their brains with their coats once they clock on for work. Given the amount of involvement they are expected to have in their daily work life, however, they may as well. It is very difficult to motivate people to feel part of a team if their experience is at best ignored, at worse belittled. Managers do not have a monopoly of good ideas and the sooner that is recognized the better.

'The area in which partnerships can most effectively contribute to an improvement in the quality of working life is that of personal development.' This has three areas of action. Firstly in the development of job related training. By jointly agreeing this area of training workers will feel a greater affinity to the production process and add value. We have given before the example of what we term whole plant training, where workers are trained up on all jobs on the production process they are part of. Not only that, but they have an understanding of what happens in the process once the product has left their particular plant. We are back here to the training issues raised in paragraph 2 of Principle 1.

Secondly there is the whole issue of personal development outside of the actual work process. If the Company can not offer 'jobs for life' it certainly should accept its responsibility to prepare its employees for the possibility of redundancy. It does this by enhancing education responsibilities during working time for life after employment with the Company.

By doing this, of course, the company is arming itself with a trained and dedicated work force that will add value to the enterprise. It will enable managers to be freed up to do more strategic tasks. This directly tackles the questions raised at in other Partnership Agreements:

- Do we give staff sufficient authority to manage their day to day activity?
- What roles should managers play if workers are given more authority?

There is other 'Partnership' questions that fit into this quality of life scenario. As in other 'Partnership' discussions they are only posed here- although they need answering in any final Agreement.

- What types of skills will be important for the future?
- How flexible should we require staff to be?
- What training needs are there for the amount of flexibility we need?
- Should reward be linked to skill?

Thirdly is also the approach to what the Government calls 'Family Friendly Policies'. If the Company is serious about the quality of working life it needs to take steps to show that commitment. If it does nothing more than wait being forced by legislation to introduce family friendly policies it will send out a negative message. That would be the same if it did no more than to mirror those policies. Therefore, to send a positive Partnership message the Company needs to be in advance on such family friendly policies such as Maternity Leave, Parental Leave, Paternity Leave etc.

These are some of the important areas that need fleshing out under this Principle, although they underpin the whole of the process

Principle 5 – Transparency.

Quite clearly there is a need for everyone in the business to understand that this exercise is not a game of one up-manship. It is not a chance to 'gain points' over 'the other side'. Perception is all here. If either management or worker feels that this is the case any attempt at 'Partnership' will fall flat on its face and set back industrial relations. Far better not to embark on this road if that is the end game.

'If partnership is to be meaningful then it must be based upon a real sharing of hard, unvarnished information, and an openness to discussing plans and thoughts about the future when they are at the "glint in the eye" stage. Equally the process of consultation must be genuine, with a commitment to listen to business cases for alternative plans.'

Consultation has an unfortunate history in our industry and we need to break that feeling. Following on from this is the issue of confidentiality. Our members who work for the Company want the Company to succeed. They are not fifth columnists for any competitors. Any such thoughts are an insult to loyal staff.

There needs to be a facing up to this matter of confidentiality. Thus the following points need open discussion:

- What should be the key measures of how effective we are in managing people?
- How do we strike a balance between involving all staff in our plans and risk of our Competitors accessing confidential information?
- How and when should we involve non-managerial staff in business projects?

Interestingly these questions are followed by 'How could we establish joint training initiatives?'

We believe we have come a long way from the posing of the above questions. The issue of confidentiality has been tested in the Unions experiences in European Works Councils. We would suggest that none of the Unions or their lay representatives have been found wanting in that area.

There must be full transparency in this whole process. Any attempt at secrecy or hidden agendas will be fatal. Management fears that Unions are using 'partnership' to advance their own agenda must be overcome; members fears that management are using 'partnership' to circumvent the union are equally to be overcome.

#### Principal 6 – Adding Value.

'The hallmark of an effective partnership is that it taps into sources of motivation, commitment and/or resources that were not accessed by previous arrangements.'

As we have tried to outline above, by involving workers to the full in the company, by enhancing training and opportunity to participate without fear of detriment, then workers can add value to the company. There is a lot of inherent talent within the Company that at present is untapped and, under current relationships likely to remain untapped. We need to bring this out into the open. The key questions are:

- What currently encourages/prevents staff from contributing ideas or suggestions?
- What processes do we need to produce more ideas?
- How should we reward ideas?

The questions may well be difficult but the rewards are great.

#### Other Issues.

The six principles identified above are a good starting point. We would add two other points that we see as central to the Union being able to sell 'partnership.'

Firstly there is the issue of union membership. The Company needs to recognize this by the setting of two salient points in the discussions as:

- An increased level of Union membership resulting from the partnership ideals; and
- To engender a sense of pride in membership of a Trade Union...

One of the fears that the partners will have to overcome is that of the Company using 'partnership' to marginalize the Trade Unions. Yet it can be so different. For example, Greggs – a successful bakery retail company- has a partnership arrangement with our Union that has gone a long way to overcome any such concerns. Joint training, recruitment facilities – just as outlined by the USDAW/Tesco arrangement- openness and full consultation has ensured full cooperation between the Union and company. Once again, like Tesco/USDAW, this is a national arrangement tied in with national bargaining. This enables both sides to ensure compliance with the principles of partnership. We would be happy to elaborate on this further in any Partnership discussions.

Like the Tesco/ USADW agreement, the Greggs Agreement gives full cooperation, long term wage deals, enhanced training opportunities, employment security and increase union membership and involvement. It is a case study worth looking at.

Secondly there is the other important area of training. This can be seen in two areas. On the one hand there is the wider training implications tied to the quality of working life (see Principle 4) and the narrower one of direct training (see Principle 2). There is a third training area and one the Union has pursued with other companies.

We have discussed the important issue of taking everyone with us in this venture. There is a need to change perspectives and culture and this is a great training agenda. With both Manor

Bakeries and Warburtons there has been the training program of TUIS aimed at Salaried Staff and lower and middle management-many of who are Union members. This training program is aimed at this level of management understanding the role of the Union within the Company and its legitimate role in representing its members. Experience has shown, in both these companies, that this process has proved a success and assisted in improved industrial relations at all these sites. It is an area we ignore at our peril.

Conclusion.

The above is an attempt to set out the Unions views on the principles underlining partnership. The alternatives before us are clear. We can carry on with the same industrial relations and culture that we have 'enjoyed' for the last thirty years. We can all feel 'comfortable' with the old way as we can maintain our macho stances. Of course it gets us nowhere but it saves thinking.

The alternative is to try a radical new approach. We can attempt to break out of the stranglehold that history seems to entangle us in. That will not be easy. It will leave us open to criticism from the cynics and the old guard. But the alternative is not that attractive and has not got either of us very far over that last thirty years.

We need to build on that foundation before it is too late. The longer it is left the more cynical people will become. This opportunity to work for 'partnership' should be welcome by all those who genuinely wish to see change. Yet that change must keep in mind the interests and concerns of all partnership participants. It can not be seen as any abdication of responsibility.

We would outline the change drivers behind this program as follows:

- Communications process;
- Skills training;
- Mutual benefit;
- Secure future.

Those are akin to the areas we have outlined here and we need to develop.

The objectives of this program could be follows:

- Understand management /TU relationship concerns;
- Improve industry knowledge;
- Improve communications/ information flow;
- Reduce conflict;
- Produce local action plans.

We could do worse than following up these points.

Executive Council

Bakers, Food & Allied Workers Union

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