

High Performance Workplace Conference
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Good afternoon ladies and gentlemen. I am delighted to have this opportunity to contribute to today's important debate about high performance workplaces.

It is my intention to outline the trade union perspective on this issue, drawing on our experiences at Amicus, as well as the wider TUC perspective and with reference to research work undertaken in this area.

First a word about Amicus. Amicus is the second largest trade union in the UK and the Republic of Ireland and was formed from the merger of the AEEU and MSF. In recent months the transfer of engagements from UNIFI and the GMPU means that we will have more than 1 million members. Our membership spans both private and public sectors – from every aspect of manufacturing to health, higher education, civil air transport, finance and the voluntary and not for profit sectors and many more. We represent what are traditionally known as white-collar and blue-collar members. Approximately 30% of the total membership is female but in the health, voluntary and not for profit sectors that figure rises to around the 60% mark.

Amicus has a rich heritage in pioneering employee involvement at the workplace and we believe it is essential in the face of global economic challenges. Our productivity has often lagged behind our major European competitors because we have not properly utilised the openness and participation systems that other countries take for granted.

Employee information and consultation are the lifeblood of any business. Whatever the size or type of organisation,

people need to talk to each other, they need to exchange views and ideas, give and receive directions, discuss problems and consider developments.

Employers, employees and their representatives widely recognise that involving employees more in understanding the business is an important factor in achieving high performance workplaces, facilitating change and building a successful economy.

But, whilst good, effective, real consultation is central to achieving high performance, there is no single magic formula for high performance, in the same way that there can be no single “one size fits all” arrangement for information and consultation.

What is clear is that high performance workplaces depend on a number of internal and external factors, and industry, government and our education establishments all have an important role to play.

There are some people that say, without evidence that manufacturing has no future in the UK. They argue again, with no evidence that the future lies in the service sector alone. The truth is that it is not a question of either, or, the answer is that we need both. Any successful high performance economy needs a manufacturing base, and service sector industries.

There are tremendous global market opportunities for UK industry whether they are in Europe, the USA, India, China or other parts of the Far East if we have the means to exploit them. Public procurement alone has the capacity to stimulate innovation and create business opportunities and jobs.

But we need an environment that supports research and development. The DTI Innovation Report found that whereas the UK had a strong science, engineering and technology base, demonstrated by more papers and citations per head than any other country including the USA, our industrial R&D spend was lower than many competing nations including the US, France and Germany.

As far as skills are concerned, the skills agenda in the last 10 years has changed dramatically. A decade ago, the challenge we faced was how to compete with the low skill, low cost economies of the developing world. Ten years on that challenge has changed.

Yes, we still face the threat of countries performing low skill tasks at a fraction of the cost in Britain and the rest of Europe, but many of those countries are now catching up. Many now perform highly skilled work at a much lower cost. The challenge is to retain our competitive edge without pricing ourselves out of the market.

In practice this means we must look at improving management and leadership, technical, engineering and general business skills, procurement and supply chain skills.

We also need to look now at the demographics of the future to assess the requirements of tomorrow's workforce. Lifelong learning, re-skilling and a supportive learning organisation must be integral to an organisation's outlook.

So, how does information and consultation fit the high-performance workplace equation?

Effective information and consultation with workplace representatives is essential in achieving high performance workplaces. It is well documented and researched that a mix of direct employee involvement and representative participation delivers best results for employers and workers.

For the past twenty years academics, HR professionals, unions and other commentators have debated the impact of work organisation reforms on performance. Nowadays, no-one would seriously accept the command and control approach to management. Involving the workforce gives management and employees the means for transforming the culture of an organisation, for introducing new technologies and working practices. Let's face it, involving employees "at the coalface" can really improve managers and supervisors' decision-making and allow decisions to be more readily accepted by employees.

Decision-making is often improved through a process of genuine dialogue where minds are not closed to alternative proposals. The more important the decision the greater the risk of conflict. Engaging the knowledge and expertise of workers can and does help to ensure that bad judgements are avoided and as a consequence the legitimacy of the outcome is enhanced. We should not forget in all our enthusiasm for involvement that differences of interest between employers and workers are from time to time inevitable and need to be understood if change is to be managed successfully and if more organisations in the UK are to become high performance workplaces.

But, above all, the process of involvement cannot be a short-term “quick fix” solution, to be rolled out every time there is a workplace problem or a difficult market situation arises. Real consultation requires access to decision-makers and trust on both sides, it must also be supported at every level throughout the business.

In addition to this top down communication and information sharing, there needs to be an effective bottom up communication about delivery against strategically aligned goals, concerns, suggestions etc. New methods of communication may need to be employed – newsletters, visits, feedback sessions, team meetings to name but a few. Achieving the high performance workplace requires strategy to be translated into team and individual goals across all levels. Culture change is no easy task – it requires real vision.

So what are the subjects on which consultation should take place?

The list cannot be exhaustive but they must include organisational change, transfers of production, mergers, divestments, cut backs or closures and collective redundancies.

We believe good employment practice would also extend to include pensions, grievance and disciplinary procedures, equal opportunity policies, training, working time and working arrangements, environmental issues and health and safety.

So what role does the trade union have to play in all this?

As trade unions we have wide experience across many sectors. We can demonstrate that direct participation can improve the quality of the participation and that far from being a barrier to progress employee representatives can be the agents of change. The greater the involvement of our lay representatives the more likely the effect is to be positive.

Training is essential. At Amicus we have put considerable effort into training our workplace representatives on information and consultation. We have received over 130,000 euros from the European Commission to run training courses on the content and impact of the Information and Consultation regulations, as well as an insight into how information and consultation takes place elsewhere in Europe. Our full-time officers have also been extensively briefed and the training goes on.

As far as union involvement is concerned, experience has shown that where trade unions are involved at enterprise level the more likely the organisation is to use staff attitude surveys, consultative committees, learning representatives and the like. Data from the 2001 Skills survey shows that 72% of employees had meetings with management to discuss broader organisational issues in firms where unions were present compared with 55% in those where they were not.

Evidence gathered by the TUC shows that most people want a union to work with management wherever possible but also to defend them where necessary. Indeed both members and non-members came up with remarkably similar responses. Above all they wanted respect at the workplace and saw union representation and involvement as the key to achieving this.

What about the practical arrangements?

As we have seen already, there can be no “one size fits all”, but it’s also clear that the practical arrangements for the introduction of information and consultation procedures are a matter for determination between the parties concerned. It will also be important to ensure that procedures for electing non-

union representatives are transparent, properly conducted and independently scrutinised – with scope for employees to challenge the arrangements.

While flexibility is key, equally we do not want to see employees being encouraged to sign new ‘pre-existing’ voluntary agreements ahead of the arrangements coming into force in April 2005 that are designed to undermine existing arrangements or contain arrangements less than the minimum fall-back provisions. At Amicus we believe there is an easier and more effective way of complying with the regulations and that is to include “Information and Consultation” compatible clauses into recognition agreements. In all cases we are advising our representatives to use the union’s legal services before signing any agreements.

An interesting question for you - Are Britain’s managers up to the task?

Some may question how the quality of management is relevant to the debate about Britain’s poor productivity record. Whilst theories about over dominant unions or supposedly over regulated labour markets might make headlines less attention is given to the performance of management or the standard of their training or qualifications. Research published by the National Institute for Economic and Social Research has shown that a continuing productivity gap with the USA, Germany and France cannot be wholly explained away by differentials in skills and capital. As the Work Institute comments ‘change management demands skills which many managers do not possess’. If we are to rise to the challenge of the high performance workplace this is an area that also has to be addressed.

So, to summarise, good employee information and consultation processes can:

- Improve organisational performance**
- Improve management performance and decision making**
- Improve employees performance and commitment**
- Help develop trust**
- Increase job satisfaction.**

In conclusion we believe that the Information and Consultation Directive is an important part of the road to achieving the high performance workplace. But it will only achieve that end if it is approached with a top down commitment, based on trust and a willingness to work with the trade union in the workplace, to listen and implement ideas. We exist to improve the lives of working people and it is our firmly held view that together we can make it work.

Thank you for listening.