



Background

DS Smith is an international Group focused on two major activities - Packaging manufacturing and Office Products wholesaling. With 7,500 UK employees, it is the largest manufacturer of cardboard boxes in the UK. The Group has four main divisions in the UK and operates 60 plants throughout the country, with between 30 and 300 employees at each. The company recognises two unions - Amicus and GMB, with a little under half the workforce a member of a union.

I&C practices

In early 2005 DS Smith set up new Information & Consultation arrangements in the UK. There were a number of drivers leading up to this – the absence of any staff forum in the UK meant there was poor communication between the company's European Works Council and its UK employees; the company wanted to help employees understand the reasons for business decisions and restructuring and to co-ordinate communications across the business much better; the trade union was looking for more than the very informal "beer and chat" just before announcing important business decisions that had been the norm up to then; and a survey of staff showed that they felt there was not enough communication, especially of company results and comparative performance information across divisions.

The initial thinking was to have a single national Forum, but it was felt this would have been too large and unwieldy, and would not have reflected the different cultures in the various divisions. It was therefore decided to set up a Forum in each of the four UK divisions, chaired by the Divisional Chief Executive. The company prepared thoroughly by discussing informally with trade unions over an extended period, by sending a questionnaire to all employees and managers asking what existing communication and consultation was like, and by getting the plant managers together to explain what was planned and why in order to get them on side and dispel myths about employee consultation. Plant managers helped in identifying questions employees would be likely to ask and were briefed to answer them. A vitally important element to the preparation was obtaining the unanimous support of the senior management team, including the Group CEO, so that the Forums could be presented in a positive light as good for the business.

The arrangements were negotiated and agreed with Amicus, but all employees were kept informed of progress. A lot of effort was put into communicating with employees. External consultants were used to develop a strong and clear communication campaign. As a result there was a very positive reaction with a large number putting themselves forward as candidates to be representatives, and an extremely high turnout in elections of between 50 and 90%.

Each forum has its own constitution, though they are all very similar. There are between 6 and 12 representatives on the Forums, a mixture of union and non-union representatives, all elected for a period of 3 years. The Forums meet at least twice a year, some quarterly, to hear about company results, key performance indicators, trends and costs, and to discuss issues such as reorganisations, expansions and acquisitions, health and safety, equal opportunities, training and development, and corporate social responsibility. "Low level" issues are kept off the agenda and handled at local level. Wage bargaining and other remuneration issues, such as pensions, are also dealt with separately at local level. Members of the separate Forums can be brought together where there are issues that affect more than one division. Members of these forums are also elected to sit on the European Works Council which meets on an annual basis.

The constitutions give the possibility of holding meetings by video-conference and tele-conference, to make it easier to call meetings quickly. The Divisional Chief Executive chairs meetings, supported by the Divisional HR Director, with other managers invited as appropriate depending on the issues to be discussed. There is a three-stage disputes procedure with a panel comprising the Group HR Director, the Divisional HR Director, the Employee Representative Chairperson, and an Amicus or GMB National Trade Union official, and third party arbitration if necessary, to resolve differences. However, the company is keen for the arrangements not to descend into legal wrangling. Its aim is to operate genuinely useful forums that meet the objectives set at the start of the process.

Training

Training for the new representatives was provided on a divisional basis and covered subjects such as understanding the constitution, finance, negotiation, and "soft" skills like listening, questioning and influencing.

The future

DS Smith believes that the Employee Consultation Forums are helping to introduce key business principles to its employees. This is helping senior managers see their value and the Forums are becoming part of the

vocabulary for management, suggesting they are having an impact. Although the questions being asked by representatives are still mainly site-related ones, this is gradually changing as they see the opportunity to discuss broader company matters. DS Smith plans to audit and review the operation of the Forums after a couple of years to see how they can be improved.