



Prudential UK

Background

Prudential UK is a leading provider of insurance, investment and retirement products employing approximately 6000 people in the UK. It has 4 main UK sites at Stirling, Reading, London and Belfast, as well as c. 200 home-based staff, and a further 40 based in Bristol. Additionally, the UK operation has 1200 staff in Mumbai, India.

Prudential UK recognises the trade union Amicus in some of the sites for collective bargaining purposes, covering approximately half of its workforce.

Information & Consultation practices

Prudential uses direct and indirect arrangements for informing and consulting its employees. During the course of 2004 it reviewed its arrangements in this regard, partly in anticipation of the forthcoming Information & Consultation Regulations, and partly driven by a desire to increase employee engagement in the businesses. Prior to this, a staff consultation body existed which served its Stirling site and parts of Pru's distribution operation.

As part of this review, Prudential consulted with Amicus and the existing staff forum on the proposed new arrangements as it would cover all employees, irrespective of grade or location. Alongside this, it embarked on an innovative communications campaign, using posters, email and the Pru intranet, to raise awareness with staff of what was planned and to encourage them to stand as representatives.

The new forum was set up in April 2005, comprising 27 democratically elected representatives, plus a full time seconded Chair and seconded Co-ordinator. Constituencies are based on both location and business area. Two representatives cover home-based staff, and four cover management grades. Each representative has a clearly defined constituency of anywhere between 40 and 300 people.

Meetings of the full forum are held twice a year and are normally attended by the UK Chief Executive and at least one other member of the senior executive team. In addition, there is a monthly teleconference for all reps, ad hoc meetings for groups of representatives to deal with issues specific to one location or business-area-specific issues, and cross-cutting working

groups set up to explore company-wide issues in more detail. To date the forum has focused on business restructuring and reorganisation, job relocations, and changes to HR policies.

A recent example of how Pru works with the forum was the introduction of its "People Capability Project". This was designed to develop a new way of profiling staff and as part of this programme the company organised a workshop for forum representatives, at which the process was piloted allowing the forum the opportunity to reflect and comment on what was proposed.

As the forum matures and trust is built up, the forum would like to consult with the company more proactively on strategic and business issues, something that Pru welcomes.

Relationship with collective bargaining

Prudential recognised the need to ensure that by introducing all-employee consultation arrangements that this did not clash in a context where there is existing union recognition. It achieved this by drawing a clear distinction between negotiation, through collective bargaining, and influence through consultation. There is no formal relationship between the forum and collective bargaining with the union, although some of the elected forum representatives are also union representatives. Issues covered by collective bargaining, such as pay, are kept off the forum's agenda.

What makes it work

Prudential was keen to measure the effectiveness of its approach to consultation from the start. It developed a "scoring form" for forum representatives to give their views on the issues on which they are consulted. Reps assess the consultation on the basis of how early they were involved in the process, how much information they received, how much time they had to consider it, and the extent to which their views were reflected in the final decision.

Feedback is also taken from Pru's senior executive team to get their views on how the forum is operating and how it could be improved. A similar exercise with staff is also being developed. A small survey of employees was recently conducted and while only covering about 100 employees, it nonetheless generated very useful feedback.

The Future

One of the challenges for Prudential is improving awareness of the forum among the wider workforce and getting more employees involved in the process through their representatives. To improve this, the forum is launching a quarterly newsletter and holding awareness days. In addition, it will include items in the company's internal weekly news round-up e-mail, promote the use of e-mail between reps and their constituents, and generally encourage representatives to be more visible, for example, by holding lunches and coffee sessions to give information and generate feedback. In agreement with senior management, representatives are also being encouraged to attend local management meetings.

Collective representation is just one of a number of channels employed by Prudential to stimulate employee involvement in the business. Pru knows that this cannot achieve the desired level of involvement with staff by itself and so direct information and consultation is also used to complete an integrated approach, designed to appeal to the broadest possible audience, and help reinforce the overall culture of communication and involvement.