



Background

The supermarket retail group Tesco Stores Ltd employs some 260,000 people in around 1900 stores across the UK. Stores range in size from “Express” outlets with 30-40 full and part-time employees, to the largest “Tesco Extra” stores with 7-800 staff. Tesco recognises the shopworkers union Usdaw, and around half its retail staff are union members.

I&C practices

Tesco has had a partnership agreement with Usdaw since 1998. Until then the role of the union had largely been confined to collective bargaining on pay, and helping individuals in grievance and disciplinary procedures. The partnership agreement broadened this role to include information, consultation and on-going dialogue on a wide range of issues, and involvement in staff training. It also introduced a role for non-union employee representatives. The agreement was driven by recognition on the part of Tesco and Usdaw that traditional employment relations within the company were polarised and inflexible, and that better two-way communication on a range of business issues was preferable. The agreement established a hierarchy of consultation forums throughout the business at store, regional and national level.

The current structure comprises over a thousand individual Store Forums, 45 regionally-based “Store Director” Forums, and a National Forum. Store Forum members are elected in a ratio of one per 50 staff up to a maximum of 12 representatives. In the case of the smaller “Express” Stores, instead of having its own Forum, one or two representatives would attend an area forum for several Express Stores. There are guaranteed places on the Store Forums for an Usdaw representative, an Usdaw health and safety representative, and one section manager, but all the other places are filled by nomination and, where necessary, election. Members serve for a period of 3 years.

Store Forums meet three times a year, meetings being chaired by the store manager, with the personnel manager also attending. Members choose one of their number to sit on a “Store Director” Forum, which normally has around 20 members, and also meets three times a year shortly after the individual Store Forums. In turn, each of the 45 Store Director Forums chooses one of its members to sit on the National Forum that meets three or four times a year. The National Forum discusses major business issues

and is responsible for conducting the annual review of pay and conditions. In all there are more than 1600 representatives across the company.

Meetings: There is a standardised agenda for Store Forum meetings which includes an overview of the business and trading at the store, information cascaded down from the national and Store Director Forums, issues raised by staff at the store, and information on such things as accidents and store security. A pre-meeting is held approximately one week in advance to discuss the agenda, and collate issues raised by staff.

Where an issue needs more detailed scrutiny a working group of National Forum representatives will be set up. Working groups deal with such things as pay bargaining, attendance, flexible working, night working, the grade structure, and health and safety. Groups would typically meet three to four times a year, with between 4 and 10 representatives chosen from across the business. A separate joint consultative committee with Usdaw looks at specific projects around terms and conditions of employment.

Training: All Forum representatives receive core skills training around such things as effective meeting management, change, problem-solving and root cause analysis, with additional training provided as the need arises. In addition, Usdaw provides training on effective representation for its own representatives. National Forum members also receive in-depth training on specific issues like pensions, or Tesco's benefits structure, as well as one-on-one coaching. All representatives are encouraged to devise personal development plans to help them up-skill.

Involvement of the wider workforce: Ahead of meetings staff are encouraged through posters and an "issues card" to come up with points they would like their representatives to raise at meetings. Reps are given time to canvass views of their colleagues, some do so by coming along the checkouts. Some forums issue their own newsletters. There is limited Intranet access for shopfloor staff, so paper-based communication remains the main format.

Business benefits

Tesco and Usdaw both believe they have a very positive relationship. Although there will inevitably be some issues they disagree on, they have been able to work together on a number of each other's initiatives including Usdaw's "Freedom from Fear" campaign targeting customer abuse of staff, and its campaign for better rights for carers. In turn Usdaw has helped Tesco with its initiative to engage more with communities, and has facilitated meetings with Usdaw-sponsored MPs. They are also working together on improving absence levels. Joint Tesco/Usdaw communications

have been very helpful when communicating decisions and initiatives to staff.

What makes it work?

For Tesco, the keys to the success of their Partnership agreement include:

- being honest;
- the training provided to representatives, especially helping them see both sides of an issue and the impact their suggestions would have;
- autonomy for store managers to resolve local issues without referring them up the line;
- celebrating success, so that employees can see the achievements;
- working parties that address important issues. They are reviewed regularly to make sure they are still relevant and looking at what matters most.

For Usdaw, the Partnership Agreement has meant much greater involvement in a far wider range of issues than they previously enjoyed when discussions were confined to the annual pay round. Now there is much more consultation, whilst previously it had been mainly one-way communication from management. It has encouraged staff to come forward with their views on issues, which Usdaw believes has led to better management decisions. Now there are literally hundreds of Tesco staff actively involved in the process, whereas before there was just a small handful of Usdaw representatives. Any fears that allowing non-union representatives to be involved would dilute Usdaw's influence have not been realised. In fact Usdaw has increased membership year on year.

Ideas for the future

The Partnership Agreement is reviewed each year with a view to improving and simplifying it. Overall, both Tesco and Usdaw are very happy with the way it is working, though there are always improvements that could be made, such as securing stronger support from some individual store managers, and helping staff to see that it really can make a difference to decisions that will affect them. Following the success of the Partnership Agreement in stores, the process has been used as a basis to introduce a Consultative Forum process into the Distribution side of the business.