

Wall's Ice Cream

Background

The Wall's ice cream factory in Gloucester is one of 11 ice cream factories owned by Unilever in Europe. It has 450 employees, and uses an additional 50-100 agency workers on a seasonal basis when demand increases.

The site is strongly unionised, in common with many manufacturing businesses, a substantial majority of the workforce being union members. There are three recognised unions – the Transport & General Workers, Amicus and the GMB.

Wall's has been informing and consulting employees for many years, and had a partnership agreement with the unions. But in 2002/3 there was a major restructuring exercise involving 320 compulsory redundancies. The fact that it was carried out in just 5 months was testament to the good employment relations that had been built up in the previous years. Nevertheless, there was a clear feeling at the time that a new approach to employee involvement would be needed if the factory was to survive in an increasingly competitive environment. Both sides saw the need for more structure to their arrangements, and for broader consultation to include non-trade union representatives.

Following discussions with trade unions, the company launched "Fresh Start for Partnership" in April 2003, a key aspect of which was new arrangements for informing and consulting employees.

Information & Consultation practices

The new arrangements are made up of two parts – the Partnership Steering Group and the Partnership Council. The Steering Group comprises the factory manager (who chairs it), the HR manager, two managers from manufacturing, and four senior trade union shop stewards. The Partnership Council is made up of 9 constituencies with two representatives from each. Representatives on the Council are chosen by nomination and secret ballot to serve for a period of two years. They may be of any grade, and do not have to be trade union members. Each represents between 15 and 50 employees. In addition, sub-groups can be appointed to investigate specific issues.

The Steering Group meets monthly, while the Council meets with the Steering Group every quarter. Partnership Councillors are also invited to monthly update meetings for first line managers.

The Partnership agreement distinguishes between:

- **information** – issues on which information is shared and any views expressed are formally noted, for example, Unilever’s policies and procedures that are set nationally;
- **consultation** - employee input is sought and is expected to influence a decision, for example, local policies; and
- **consensus** - employee input is sought and an attempt is made to reach agreement on an issue, for example, a recent proposal to ban wearing wedding rings on the shopfloor.

For each issue it is made clear which form consultation will take, and whether management is consulting on a policy itself or just on its implementation.

After each meeting a joint statement recording the outcome of the meeting is agreed and issued to all employees within 24 hours. Partnership representatives would also be involved in communicating and explaining company decisions, which can be very helpful in achieving acceptance.

What makes it work

Management has a very open and transparent approach with employee representatives. In particular, it shares issues with the members of the Steering Group in confidence at a very early stage of the decision-making process. It will often discuss options for responding to a problem, rather than just presenting solutions, and this has been very useful in helping them understand the pressures facing the business, and the need to take action. Maturity of relationships has helped secure a high degree of trust. So for example, it will discuss the need for additional shifts or reductions in volume several months in advance. A new minimum hours contract was introduced which it began discussing with the Steering Group twelve months before it actually happened.

This very open approach, at a stage when decisions may be little more than a “glint in the eye”, can be challenging at times. And not just for management. Trade union representatives have to be able to handle information that is confidential and sensitive over an extended period of time. It can lay them open to accusations of siding with management. They have been given the option of not having sensitive information in

advance, but are clear that they would prefer to be involved in decision-making in this way, even at the risk of misunderstanding or criticism, rather than just react to decisions.

The Future

The emphasis going forward is on:

- *Ongoing development of the partnership relationship and forums:* to enable continuous improvement and maintain high levels of effectiveness and productivity in spite of changes in personnel in key roles, including a new HR Manager.
- *Development of local partnership in the context of national Unilever changes:* with Unilever UK moving to its 'One Unilever' national structure, Gloucester will need to ensure local arrangements interface with the changing structure of Unilever's national information and consultation arrangements. This is especially key as Unilever looks to standardise policies and procedures and harmonise some employee benefits.
- *Using strong relationships to deliver competitive edge:* as the internal and external competitive environment intensifies, strong local relationships will provide the foundation on which increasingly braver conversations can take place. More than ever, the Gloucester site cannot afford to be too internally focused. All employees need to be focused on making the site competitive and everyone's energy focused on finding creative ways to put the site ahead, for example, some current discussions around making the Gloucester site more flexible in the future.