

Case Study Pro-forma

Name: VT Shipbuilding
Size: 1200 employees
Sector: Ship building, renewal and repairs
Location: SW

The organisation

VT Shipbuilding is part of the VT Group Plc. It was officially formed in 2002, although it has operated under different names for over a century. The organisation's primary activity is the design and construction of warships, including aircraft carriers, frigates and off shore patrol vessels for the Ministry of Defence. Around 1200 employees are employed at Portsmouth harbour. Approximately 40 per cent are categorised as skilled occupations, for example welders, cutters and engineers, 20 per cent are less skilled production workers and around 40 per cent are office based. Union membership within the manufacturing/manual areas is almost 100% whereas membership within the offices is around 30%.

The history of workplace dialogue

Over the last five years VT has embarked upon a substantial and consistent change and restructuring programme, aimed at improving workplace dialogue over skills and training. The early catalysts for change stem from 2002 when they were located in Southampton and relations with the unions were seen as 'strained'. There was general acceptance at the time that workforce training was inadequate, that morale was low and that productivity was not at a level that met the exacting standards of the organisation. A workforce survey, conducted by the Confederation of Shipbuilding and Engineering Unions (CSEU – an alliance of recognised unions comprising Unite, GMB and UCATT), indicated that a large majority of employees felt that their training needs were not being met, with considerable interest in receiving basic numeracy, literacy and IT training.

This realisation prompted the Chairperson for the CSEU Workers' Committee to initiate a learning partnership with the Learning and Skills Council and a local college with the full support and backing of senior management. A successful bid was submitted to the Union Learning Fund (ULF) to set-up, promote and support a workplace learning centre.

At around the same time, increased product demand had resulted in a need for an investment in new technologies and production methods, prompting a relocation of operations to Portsmouth. This organisational change was seen to facilitate an opportunity to up-skill the whole workforce and develop a better dialogue with the unions over cultural change. A solid commitment to dialogue over skills and learning was made and a Learning Agreement was signed in 2003.

How do we discuss training and skills?

Communication and transparency were placed high on the agenda, not only in respect of dialogue on training but also in more general dialogue with the unions. This was the case at all levels, and within all departments, of the organisation. All sections of the organisation have formally trained Union Learning Representatives (ULRs) who are identified and promoted through staff notice boards. Employees are encouraged to approach ULRs on an informal basis to identify their training needs. A formal ULR group meeting has been established to discuss emergent issues although they also meet informally on a weekly basis. Information then flows back to the relevant unions and CSEU representatives. The five main unions hold a monthly meeting, chaired by the CSEU Chairperson. The CSEU Chair then raises issues with senior management through the Joint Negotiating Committee (JNC). Any workplace issues can be raised at the JNC meetings, including pay and conditions as well as issues around training. Decisions made at the senior level are filtered back down to employees through management structures and committees. The CSEU Chair also holds a weekly meeting with the HR Director to specifically discuss and address training and skills needs.

The open and frequent communication around training, and the structures that support this, are seen as vital to the success of the learning agenda. Not only does it signify the degree of commitment between management and unions towards the training agenda, it also ensures that decisions taken at senior level are successfully communicated to middle management and implemented at employee level – and that concerns raised at lower levels are being heard, and dealt with, by senior managers.

The financing of training investments has also changed. Training funds were previously administered centrally, which meant that at the beginning of the financial year departments competed for funds, often resulting in their rapid and early depletion with no clear departmental training objectives. Now, each department has its own budget, allowing more structured identification of training gaps against departmental training matrices, and training programmes are planned throughout the year. Departmental meetings are regularly held with trade union officials.

How we benefited from dialogue on training and skills

- A management 'Return on Investment' assessment was undertaken using the 'Philips ROI' evaluation methodology whereby improvements over the preceding twelve months attributed to the training programme are isolated and converted into a monetary value. The four key levels of evaluation were 1) reaction, 2) learning, 3) application and 4) business impact. Findings indicated a 233% return on their investment in training.
- Over 500 employees have undertaken formally recognised training courses relating to numeracy, literacy and IT skills at the learning centre. Moreover, core workplace competency skills have increased to match the demands of new technological investments.

- Union surveys indicate that staff now feel that their skills needs are being addressed and there has been a rise in morale and motivation on the shop-floor.
- Mutual gains through dialogue on skills and training has resulted in positive dialogue on a wider range of issues and a much improved employee relations environment. Unions are now seen as part of the solution rather than part of the problem.
- The organisation has extended the influence of the learning centre into the local community by running pilot projects that offer young, unemployed, school leavers basic training and career development advice. This is seen as a longer term investment in the company's future in response to predicted product market demand and labour shortages.

Key challenges and top tips

Dialogue over workplace learning grew out of 'frank and open' discussions between management and unions and a commitment to overcome difficulties as they emerged. In this sense, barriers to the implementation of training policy were rare at senior level. However, difficulties had begun to emerge at middle management level, who at times would question the value of the training and on occasions stop employees attending courses because of 'operational commitments'.

This was resolved through the relevant consultation and negotiating channels that had been established. As a result, senior management reaffirmed their commitment to workplace training and relayed this message to middle management. And they sought, in consultation with the unions, to address the issue of providing cover for workers absent due to workplace training.