

Informing & Consulting Your Workforce: The BMW Hams Hall Plant Council

This case study reviews the operation of the plant council at BMW's Hams Hall engine plant over its first two and a half years in existence. The Hams Hall engine plant is a recent, "brown-field site" development, starting production in early 2001. The workforce also has some "brown-field site" characteristics in that significant numbers of Hams Hall employees were recruited from the former Rover Group's Longbridge and Solihull plants. The plant council, devised in consultation with the workforce and formally agreed with the recognised trade unions, differs from the collective bargaining arrangements which traditionally apply in the UK automotive industry, including some of BMW's other UK sites. As well as being the forum for consultation on a wide range of issues, it also negotiates over pay and terms and conditions of employment. A key aim of the Hams Hall arrangements is to enable the plant to handle its industrial relations internally, though there remains scope for the involvement of external trade union officials as a fall-back, if management and employee representatives are unable to resolve matters themselves.

Industrial relations background

Employee representation arrangements at Rover Group plants centred on the group-wide, multi-union joint negotiating committee and entailed the extensive involvement of union full-time officers, reflecting the traditional pattern within the UK

automotive industry. When the break-up of the Rover Group was announced by BMW in March 2000, the company decided that each remaining BMW plant in the UK - Oxford, Midland Gears, Swindon Pressings and Hams Hall - would operate on a stand-alone basis. All are now separate subsidiary companies of BMW (Hams Hall is known as BMW Hams Hall Motoren GmbH), and separate bargaining units. This has enabled the development of more diversity in the various plants' industrial relations arrangements. BMW's Oxford plant, for example, has retained a "traditional" joint negotiating committee arrangement, whereas non-union plant council arrangements have been introduced at the new Rolls Royce plant at Goodwood. However, as discussed further below, important elements of agreements and procedures dating from before the break-up of the Rover Group continue to apply at Hams Hall. These include the April 1998 agreement with the Rover unions on flexible working time arrangements at the plant, which paved the way for similar arrangements to be agreed for other Rover plants in December 1998.

Some 100 of Hams Hall's first 250 recruits transferred from the former Rover Group's Longbridge and Solihull facilities. Although the proportion of former Rover staff amongst subsequent recruits declined, Warwick Hall, the HR operations manager at the plant, estimates that some 25% of the current workforce (as at spring 2003) are ex-Rover. Union membership is high, but not as

high as it was in the former Rover Group. The company does not monitor the level of union membership but employee members of the plant council interviewed put the figure at 75-80%. Two unions operate

Box 1 - The BMW Group

The BMW Group is headquartered in Munich, Germany, and has operations worldwide. The group's activities include car and motorcycle development and production, sales operations and financial services companies.

BMW bought the UK motor manufacturer Rover in 1994, acquiring 80% of Rover from British Aerospace and the remaining 20% from the Japanese motor manufacturer Honda. However, as a result of mounting losses, BMW decided in March 2000 to divest itself of most Rover operations.

The bulk of the BMW Group's production facilities are in Germany, but it has four plants in the UK - the BMW plant at Oxford (which builds the new Mini), Swindon Pressings, Midland Gears at Longbridge (which is in the process of closing) and Hams Hall - as well as plants in Austria, Brazil, Mexico, South Africa and the USA.

Having acquired the rights to the Rolls-Royce marque, BMW took over responsibility for producing Rolls-Royce cars from the beginning of 2003. A new Rolls-Royce factory has been established in Goodwood, West Sussex.

Box 2 - The Hams Hall plant

The decision to build a new engine plant at Hams Hall, an 85-acre brown-field site in north Warwickshire formerly occupied by a power station, was taken by BMW in November 1996 and construction work started at the beginning of 1998. The highly automated plant began production at the beginning of 2001 and was formally opened in February 2001. Hams Hall is the first BMW engine plant in the history of the company to be built outside Germany and Austria. The company has invested some £400 million in the Hams Hall facility, which it regards as the most modern engine production plant in the world.

The plant builds four-cylinder petrol engines with capacities of between 1.6 and 2.0 litres, destined for the group's car assembly plants in Germany and South Africa. It produced 150,000 engines in 2002. The projected volume of production at Hams Hall will increase rapidly following the launch of the new BMW 1 series in 2004 and at full production, by 2005, the plant will produce over 400,000 engines a year. In spring 2003, the plant employed around 700 staff, but recruitment is continuing and, at full capacity, the plant will require some 1,400 staff.

within the plant and are formally recognised by management - the Transport and General Workers' Union (TGWU), which has the largest membership, and Amicus (both the AEEU and MSF sections). To date, no industrial action has taken place at the Hams Hall plant.

There is no UK-wide representative body covering all BMW subsidiaries. The Hams Hall plant, along with other BMW operations in the UK, is represented on the BMW European Works Council, though both management and employee representatives at Hams Hall regard the activities of the EWC essentially as a networking exercise with only limited direct relevance to the plant.

Developing new representation arrangements

According to Warwick Hall, the fact that the Hams Hall plant was a brand new facility offered "the opportunity for a fresh start and to develop a different philosophy", while maintaining "the best of Rover's traditions". "We set out to be different, reflecting our status as a BMW plant in the UK." In industrial relations terms, this meant "developing our own model" rather than simply continuing with the package of structures and procedures inherited from the Rover Group. During 2000, therefore, the plant's management initiated consultations with the workforce on devising new employee representation arrangements for the plant.

Management did not propose to depart from the multi-union recognition arrangements that existed elsewhere in BMW/Rover plants in the UK, and agreed to recognise the three unions - TGWU, AEEU and MSF - with membership in the plant at that time (i.e. prior to the merger between the latter two to create Amicus). The key area where management sought an innovative approach concerned the mechanism for "associate representation" within the plant (BMW refers to its workforce as "associates" rather than employees - a legacy from its involvement with Rover).

Consultation with the workforce over representation arrangements within the plant began in May 2000. Following initial consultations with associates in the form of focus groups, including associates on assignment in Austria, a two-and-a-half day workshop was held involving 32 associates from all functions and grades within the plant, representing 10% of the plant's workforce at the time. This included briefings on the legal position, current levels of trade union membership, the works council model of employee representation that operated in BMW plants in Germany and Austria, and arrangements existing at other car manufacturers. Despite some scepticism amongst employees, reflecting a "fear of the unknown" and concern that trade unions could be sidelined, management representatives report that there was broad

support for establishing a body which represented all associates, and to which anybody could be elected, irrespective of grade and trade union membership, and which mirrored elements of the German works council system, such as regular discussion of business issues and company performance. In the words of Gordon Marshall, HR planning manager at the plant since its inception, the aim was to move away from an "across the table relationship" to an "around the table relationship". These principles were then presented to all associates, who voted overwhelmingly in support of continuing to develop such an approach.

Further discussion resulted in a firm proposal for a "plant council", comprising elected representatives from all grades, including management grades, together with members of senior management. Once the model had been developed as a result of this consultation exercise, discussions on a recognition and procedure agreement, including the plant council proposals, took place with the three trade unions, reportedly resulting in only minor modifications. The workforce was subsequently balloted on the agreed representation arrangements, resulting in a 90% vote in favour. The final agreement (see box 3) came into operation in November 2000.

The agreement established a plant council comprising 11 elected associate representatives and four

Box 3 - The Hams Hall recognition and procedure agreement

The recognition and procedure agreement covering the BMW Hams Hall plant was signed by the company and officials of the TGWU, AEEU and MSF (the latter two of which have since merged to form Amicus) and came into operation in November 2000.

Preamble

The agreement "provides for the establishment and operation of procedures within the company covering trade union recognition, facilities, grievances, bargaining, provision of information and the role of associate representatives . . . [and] establishes the role and structure of the Hams Hall plant council".

The agreement covers all associates in (non-managerial) grades 1-7 and young people undergoing training.

The agreement states that "the company and trade union officers . . . both seek to establish a productive and harmonious relationship between the parties. Job security, prosperity and development depend upon the company continuing to grow and be successful. Both parties recognise the objective is to achieve long-term prosperity."

Union recognition

The agreement formally confirms the company's "recognition of the rights of the signatory unions to represent and negotiate on behalf of associates . . . It is accepted that it is in the mutual interest of the company and its associates that the latter can be members of an appropriate signatory union in order that negotiations can be conducted on a fully authoritative basis." (Note, however, that, as set out below, the agreement identifies the plant council as the forum for collective bargaining, with union full-time officials becoming involved only where an internally-negotiated settlement is not possible.)

The agreement includes a "check-off" provision for the deduction of trade union membership contributions from associates' pay.

Associate representation

The agreement sets out the role of associate representatives (i.e. the members of the plant council) in "the conduct of associate relations including the operation and negotiation of agreements on procedures, and other conditions affecting the associates they represent". Associate representatives are to be afforded facilities for dealing with matters arising between the company and associates they represent. With prior management approval, associate representatives are able to arrange meetings in working hours. Representatives receive their normal pay - basic pay plus appropriate shift premia - for time spent performing their duties. If time is spent on representative duties outside of working hours, this is reimbursed either in the form of a credit to individual working time accounts, overtime payments or appropriate time off. Representatives also have the opportunity to attend "all necessary training courses for their development" in company working time. Representatives may leave their place of work to undertake their duties, after first obtaining authority from their manager and subject to the need to ensure continuity of production.

The plant council

The plant council represents all associates, regardless of grade or trade union membership. The functions of the plant council include:

- "negotiation and agreement on matters appropriate for local determination";
- negotiation on issues deemed to be for collective bargaining - including terms and conditions of employment - for which only representatives within grades 1-7 (the non-managerial grades) will be present;
- representation at the final plant stage of the individual and collective grievance procedure; and
- discussion of matters of common interest with senior managers on a regular basis.

As originally constituted, the council consisted of four senior managers plus 11 representatives elected by associates. The latter were elected from different constituencies within the plant, as follows:

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|--|---------|
| ● Assembly and technical competence centre (TCC) | 5 seats |
| ● Machining and quality area | 2 seats |
| ● Logistics | 2 seats |
| ● "Centre link" area | 1 seat |
| ● Front office | 1 seat |

Elections to the council take place by secret ballot during working time. Representatives serve a term of two years, although they may stand for re-election an unlimited number of times. Once elected, the

Box 3 - The Hams Hall recognition and procedure agreement (continued)

associate representatives elect a "senior representative" to act as their main contact point with management and as "joint secretary" of the plant council.

The plant council may, if deemed necessary, appoint sub-committees to deal with specific issues. It is stated that sub-committees "will have no authority to make decisions without referral to the plant council".

The agreement states that "the plant council is firmly committed to the principle of achieving a negotiated settlement. Where this is not possible, the matter will be referred to the full-time officials of the signatory unions."

Conciliation and arbitration

The agreement states that "the parties are fully committed to resolving issues in procedure at the earliest stage possible". However, it makes provision for unresolved matters to be referred for conciliation and, if this fails, arbitration, where agreed by the parties. The parties "accept that it is not in their interests that departures from normal working should occur. Therefore, it is agreed that the recommendations of the arbitration body on matters referred to it will be binding on both parties."

Disciplinary procedure

Part of the role of associate representatives is to provide representation to associates within the terms of the company disciplinary procedure. All associates have the right to be represented at every stage of the disciplinary procedure and, under the agreement, the appropriate associate representatives "will be informed prior to any formal disciplinary proceedings being pursued".

Individual and collective grievances

The agreement also sets out the procedure to be followed in the case of individual and collective grievances. This essentially involves a stage 1 meeting between the relevant associate(s) and the representatives who raised the issue and line management and other company representatives. If the issue is not resolved at this stage, a stage 2 meeting will take place, between the relevant associate(s), associate representatives of the plant council and line management and other senior management, including the personnel department. If the issue remains unresolved after this, an extended plant conference will be convened within 20 days. This will include the relevant associate(s), the associate representatives of the plant council, senior management and other members of the company, including the plant director and the personnel director, plus full-time officers of the appropriate trade unions. If the issue cannot be resolved at this stage and the parties do not agree to take it to conciliation or arbitration, the procedure will be deemed to be exhausted.

senior managers from within the plant. The underlying aim was to enable "associate relations" to be handled internally within the plant. Thus the agreement provided that the functions of the plant council were to include "negotiation and agreement on matters appropriate for local determination", including collective bargaining over terms and conditions of employment. As Gordon Marshall comments: "The internal focus of our arrangements means that if we need to get together then we just do it - without the need to try and co-ordinate the diaries of busy trade union officials." Nevertheless, as a fallback, the agreement does provide a route to the involvement of external trade union officials, and conciliation and arbitration, if management and associate representatives are unable to resolve matters themselves.

As well as dealing with pay and related issues, the plant council provides a forum for the regular discussion of "matters of common interest". The plant council's agenda includes business performance indicators such as production and quality figures, presentations on business issues and feedback from working groups set up to deal with particular subjects.

Other aspects of the agreement, such as the procedures to apply in the event of a failure to agree and the grievance and disciplinary procedures, are based on the arrangements that applied to Rover/BMW plants before the break-up of the Rover Group in 2000.

Elections to the plant council

The first elections to the plant

council took place in November 2000. The plant's management hoped at the time that at least twice as many candidates as posts available would come forward for election. This turned out to be the case, with a total of 25 candidates for 11 posts. Around 90% of the workforce took part in the ballot - exceeding the company's target turnout of around 75%. Initially, nine of the 11 plant council representatives were trade union members but this figure subsequently rose to 100% (one non-union member stood down and was replaced by a trade unionist, and the other joined a union). In Warwick Hall's view, the plant council representatives "can do their job better by having access to advice and support from the union". A few of the representatives had previous experience as shop stewards at Rover plants. Of the initial 11, two were from

management grades, and two resigned and were replaced midway through their term of office.

The most recent round of elections took place in February 2003, this time for a total of nine associate representatives rather than 11, reflecting lower workforce numbers than originally projected. The election resulted in a significant change in the membership of the plant council. Three of the existing representatives stood down and four were defeated by other candidates.

The main spokesperson/contact point for the associate representatives since the plant council was first established has been TGWU member Darren Hall, one of the representatives from the assembly constituency. He was formerly a deputy senior shop steward at the Solihull Land Rover plant.

Management representation

The agreement provides for "four appropriate senior members of the management" to sit on the plant council. In practice these are the heads of HR, assembly and the machine shop, together with the manager from the HR department who co-ordinates the operation of the plant council (a role carried out by Warwick Hall since January 2003, and previously by Gordon Marshall).

Frequency of meetings

It was originally envisaged that the plant council would meet six times a year. In the early phase of its existence, however, meetings lasting around two hours were held every week. Plant council meetings are now held on a monthly basis - on the morning of the first Monday of each month. The associate representatives also have a scheduled monthly meeting, in addition to meeting informally when necessary.

Extensive use is made by the plant council of joint working groups or project teams involving both

management and employee representatives to look at issues requiring detailed consideration and report back to subsequent meetings of the full council with recommendations.

Topics dealt with by the plant council

The agreement does not specify which issues are to be discussed within the plant council. Nor does it draw a hard and fast distinction between negotiation and consultation. The intention is that the plant council has an open agenda, and provides the forum for discussion of all matters which affect those working at the plant, including business and performance issues, as well as negotiating and reaching agreement on matters appropriate for local determination. In practice, the plant council has dealt with issues ranging from the "tea and toilets" end of the spectrum, through work organisation and terms and conditions of employment, to business issues and company performance (see box 4).

Local autonomy is constrained by BMW head office policy in a number of areas dealt with by the plant council. For example, head office approval is needed to sign off pay agreements. Moreover, BMW remuneration policy worldwide puts an emphasis on performance-related pay as a significant element of employees' total remuneration. Thus, broad guidelines on performance-related pay are determined by BMW at head office level, though the detailed arrangements which apply within Hams Hall are discussed via the plant council. A new framework for individual performance-related pay, based on six-monthly staff appraisals, was developed in 2001, and is currently being reviewed by a sub-group of the plant council.

Other than negotiations over pay (discussed below), the most significant issues handled by the plant council during the first two-

Box 4 - The plant council's agenda

Among the issues that have featured on the plant council's agenda since its establishment are:

- pay negotiations;
- the creation of a new grading structure;
- performance-related pay;
- working hours/working time accounts;
- shift patterns/premia;
- company bonus schemes;
- restaurant standards;
- the no smoking policy;
- headphones/the plant's music system;
- overtime payments;
- training for plant council representatives;
- production and quality results;
- occupational health strategy;
- absence control procedures;
- the revision of the associate handbook;
- family-friendly policies;
- the company car scheme;
- giving blood;
- dirty work-wear; and
- microwaves in rest areas.

and-a-half years of its existence have included the development of a new grading structure, and a serious disagreement over shift patterns and shift premia.

New grading structure

BMW inherited the "flat" pay/grading structure introduced by Rover in 1994. This involved just three employee classifications: A and B for manual workers and C for professional and white-collar staff. Discussion of a proposed new grading structure with the plant council was initiated by management in February 2001 with a view to providing additional progression opportunities, particularly for employees such as advanced equipment maintenance

technicians. A sub-group of the plant council helped refine proposals for a new seven-grade structure and contributed to producing the job descriptions and evaluation scheme necessary for implementing the new grading structure. In many areas, the job descriptions were reportedly developed by groups of job holders in conjunction with associate representatives. A key feature of the new arrangements, accepted by the plant council and the workforce, is that some employees' personal grades may be lower (or, exceptionally, higher) than the grade of the job they hold, usually where they are developing into their role. Plant council representatives are involved in the resolution of grading grievances and appeals.

Shift patterns and shift premia

The most controversial issue dealt with to date by the plant council was a complex and protracted dispute during 2002 over the introduction of new shift patterns and the appropriate shift premia payable. According to one plant council representative, the dispute was the closest the Hams Hall workforce has come to taking industrial action, although this course of action was ultimately rejected. It was also the only occasion on which external union officials were called in, other the negotiation of the November 2000 pay agreement (see below). The key area of contention concerned the levels of shift premia proposed by the company on the basis of the 1998 agreement with the Rover unions on flexible working time arrangements at the new plant, which the plant council argued were lower than the levels provided for in the old consolidated agreement ("blue book") from the Rover Group days. An initial agreement between management and the plant council on what shiftworking arrangements should apply was rejected by the workforce in a ballot, as was a second proposal drawn up following consultations with full-time union officials,

before amended shift arrangements were finally accepted. This was the first and so far only time that management and the plant council have found themselves "in conflict" - and that the workforce have rejected the associate representatives' recommendations - and management points out that it occurred at a fairly early stage of the plant council's existence "while people were still finding their feet".

Pay negotiations

A key part of the plant council's remit is the negotiation of pay and other terms and conditions of employment. It had originally been intended that the newly established plant council would negotiate the pay agreement due to come into force in November 2000. However, although the council was in place by that time, it was not fully operational until January 2001 and so the pay negotiations were conducted in conjunction with external trade union officials, resulting in a two-year deal which included "buying back" the one-hour reduction in the standard working week from 37 to 36 hours which had been introduced in November 1999 when the plant was part of the Rover Group.

The subsequent round of pay negotiations, beginning in November 2002, were conducted wholly internally between management and the plant council, without the direct involvement of full-time union officials. According to Andy Nordass, a member of the plant council, "We wanted to do the pay negotiations, not leave it to full-time officials. We thought we could get a better deal because Hams Hall's performance is exceptional." The process involved the plant council members "pooling their thoughts" on their main objectives, and accessing information from a range of sources, including the internet and their unions, on the inflation rate, family-friendly employment policies, and pay claims and

agreements elsewhere in the automotive industry. As Darren Hall explained, "We weren't all on our own. We spoke frequently to union officials about pay agreements in other companies", but their role was purely advisory.

The negotiations with the Hams Hall management resulted in a two year deal effective from November 2002, with a first-year increase of 3.7% and a second-year increase of 1.9% or the September 2003 RPI figure, whichever is the greater. In addition, the agreement introduces a bonus scheme based on the overall performance of the plant against key performance targets. The total value of the bonus will be 2% of basic salary for 100% performance. The scheme began to operate in 2003, with the first payment due in June 2004. Changes were also agreed to the existing individual performance payments. These are now paid as an annual lump sum each December, rather than monthly as previously. Another key element of the deal involves improvements to family-friendly policies. The duration of maternity leave which is paid at 100% of basic earnings was increased from 18 to 26 weeks, and paternity/adoption leave was increased from five to ten days.

The plant council representatives saw the eventual pay agreement as a "milestone". They regarded the agreement as "one of the best in any automotive company in the west Midlands". Moreover, the outcome vindicated the plant council representatives' confidence that they could handle the negotiations internally, and was "important for [their] credibility with the workforce", particularly following the earlier difficulties over the introduction of new shift arrangements. In the event, the pay deal was "voted through first time" - something which was "almost unheard of".

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Operational issues

Nature of interaction between management and associate representatives

Associate representative Darren Hall emphasises that one of the key differences between the Hams Hall plant council and the "traditional" representation arrangements from Rover Group days (aside from the limited role of full-time union officials) is the absence of a hierarchy of employee representatives. Responsibility for different aspects of the plant council's work, e.g. participation in working groups on particular topics, is spread around the various associate representatives. Warwick Hall says that management are "comfortable" with this arrangement. "We deal with who's available and it works well. It encourages all the associate representatives to come forward with their point of view, which is what we wanted."

However, another plant council representative interviewed favoured a more formal approach to conducting the plant council's business, both to enhance efficiency, e.g. in terms of time management, and to strengthen the cohesion and effectiveness of the associate representatives. Specific comments were that "not enough is written down - too much depends on people's memories", and that the interests of associates in higher grades are "not covered properly" within the plant council. Another concern expressed was that, although the bulk of the issues on the plant council's agenda are tabled by management, issues raised by associates "tend not to be dealt with as effectively".

Confidentiality

Both management and associate representatives report that maintaining the confidentiality of information provided to the plant council "is not an issue". The company says it would be particularly concerned if sensitive information on future products or

scheduling was divulged beyond the plant council's membership but all associate representatives sign a confidentiality agreement and accept the clear expectation that confidential information is not passed on.

Feedback to wider workforce

The minutes of plant council meetings are drawn up by the management plant council co-ordinator to a standard format and displayed on notice boards within the plant and on the Hams Hall intranet so that all associates can read them. The minutes are made available ten days after the meeting, i.e. on the second Wednesday following the Monday meeting. This timing allows managers to be briefed on relevant points prior to general circulation. If specific information needs to be communicated directly to the workforce, work team leaders can do this at the start-of-shift team briefings.

According to associate representatives, improvements in feedback are a big issue for the shop floor, with employees frequently complaining that "they don't know what's going on" due to "lack of communication". Associate representatives do not normally use written means of communicating with their constituencies, e.g. newsletters, but say they are seeking an appropriate time allocation for the purposes of reporting back on plant council developments.

Facilities for associate representatives

As already noted, the agreement allows associate representatives to carry out their duties within working hours, with the agreement of line management, but one associate representative interviewed reported that he did much of his plant council work in his spare time. Moreover, while the provision of facilities to enable him to do his job were "generally OK", it would be "easy to make an issue of it".

Training

Given the differences in the background and skills of the first

tranche of associates elected as plant council representatives (most had no previous experience as shop stewards elsewhere), the company and the plant council developed a training programme designed to meet their needs, the major part of which was a five-week TUC-accredited training course delivered by the department of trade union studies at the local college. A particular concern was to ensure that the plant council representatives were in a position to interpret properly any information they received concerning the financial and business situation of the company. Representatives were therefore given appropriate training on handling business information as well as general industrial relations training.

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Assessment and future prospects

The BMW Hams Hall plant council was consciously designed to be innovative and different in comparison with the traditional employee representation arrangements within in the UK automotive industry, and to represent a break with the former Rover Group's reputation for poor industrial relations. The establishment of the plant council predated the formal adoption of the EU employee consultation Directive and, although the company was aware of the draft Directive's implications and the likelihood that it would eventually reach the EU statute book, this was reportedly not a particularly influential factor in the company's decision to create the plant council. Management representatives stress that the company's priorities were to have good industrial relations and effective employee representation at the plant, and that, as Hams Hall was a new facility, the opportunity existed to create something new, tailored to the plant's specific circumstances. Managers at the plant acknowledge that the plant council model was influenced by the works council system that

operates in BMW's home country, Germany, but emphasise the importance of involving staff in the development of the new arrangement.

A key feature of the plant council model is the aim of handling the plant's industrial relations internally within the plant. While the associate representatives on the plant council who are trade union members - currently all of them - can draw on the resources of their unions for advice and support, and while management recognises that this helps the associate representatives to perform their role effectively, the implicit intention of the plant council arrangements is to keep union full-time officials at arm's length, even in the area of pay negotiations. Both management and associate representatives recognise that recourse to external trade union officials, as provided for by the agreement, constitutes a valuable safety valve where they are unable to resolve issues themselves, but both are committed to seeking an internal settlement wherever possible.

According to plant managers, the ethos of the plant council is to conduct its business by "consensus", adopting a "partnership approach" to solving problems (though the agreement is not termed a "partnership agreement" as such). However, both management and the plant council representatives accept that the plant council will inevitably face some difficult issues and that this means they will sometimes have to have difficult discussions. As Darren Hall comments, "We fall out

sometimes, but that's to be expected." The "conflict" over the introduction of new shift patterns/premia was clearly one such instance. In the light of this experience, and in particular the rejection of two successive proposals in workforce ballots, the handling of the subsequent round of pay negotiations, beginning in November 2002, became an even more significant test of the plant council's effectiveness.

Successfully completing these without the direct involvement of external trade union officials was seen by both management and associate representatives as a measure of the plant council's "maturity" and "self-sufficiency".

However, given the Hams Hall plant's origins in the old Rover Group and the existence of a significant proportion of former Rover employees among its workforce, it is inevitable that comparisons will be made between the plant council and the "old" Rover trade union-based representation structures. As Gordon Marshall told the AnUMan conference in January 2003: "We do recognise the need to keep our associates and the trade unions on board. If we stumble it is very easy for people to call for the return of something more 'traditional' - despite the fact that this would not deliver anything new or different." Associate representative Darren Hall makes a similar point: some ex-Rover employees still hark back to "more traditional" means of employee representation and the plant council continually has to be able to demonstrate that "traditional" does not necessarily mean "better". In this context, he

interprets the outcome of the election for associate representatives in early 2003 - which resulted in significant changes, with four sitting members of the plant council being defeated by other candidates - as "to some extent a reflection of workforce perceptions of the plant council and its performance".

Nevertheless, both management and the associate representatives emphasise that the plant council has been a successful innovation. Management believe they have achieved their objective of creating a forum for "grown-up, round-table discussions about the business and the issues we face". Darren Hall says "It works very well" and (in a reference to his previous experience as a shop steward in the old Rover Group days) "It's a nice change not to be speaking to a brick wall." The management and associate representatives interviewed both believe that the plant council has successfully come through the difficulties over the introduction of new shift arrangements last year, and that its role can be developed further in the future. Managers are also confident that, as well as "delivering real benefit to the business", the representation model now in place will enable the company to meet future legislative requirements reflecting the EU information and consultation Directive.

This case study was researched and written by Mark Hall of the Industrial Relations Research Unit, Warwick Business School.

The views in this case study are those of the participants and may not reflect those of the IPA.



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