



Making skills work

Trade unions and their role in optimising
the use of skills in the workplace

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The research paper was commissioned by the TUC and published by unionlearn to inform its policy development. As such it is not a statement of TUC policy. Unionlearn is the TUC organisation that supports union-led strategies for learning and skills opportunities. It helps unions open up learning and skills opportunities for their members and develops and delivers trade union education for their representatives and professional officers.

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Foreword

There is a consensus that supporting workers to improve their skills is essential in the pursuit of the twin aims of improving the nation's economic competitiveness and achieving greater social justice.

However, in recent years the evidence has been growing that enabling individual employees to acquire new skills is only one part of the equation.

The term 'skills utilisation' has been increasingly referred to by policy makers in making the argument that employers and employees will only make significant gains from existing and newly acquired skills if these skills are put to best use in the workplace. A lack of focus on improving the application of skills in our workplaces means that too many individuals are not fulfilling their potential at work because their job role and wider working practices remain undeveloped.

Research findings demonstrate that there is a clear win-win situation for employers and the workforce if all aspects of the skills agenda are fully negotiated, including how jobs and working practices should be adapted to maximise the benefits of developing the skill set of all employees.

The evidence shows that a workplace culture that supports negotiations of this nature can deliver considerable rewards for employers and employees alike.

Individuals and workplace teams often find that they are empowered to have much greater control over their working lives as a result of this approach. Improved job satisfaction and enhanced job commitment are tangible benefits and employers see improved productivity and organisational performance as a direct result of employees being more participative, engaged and liberated to work smarter rather than simply harder. Career progression and in some circumstances improved earnings are another aspect of the potential pay-off for workers.

Unionlearn previously commissioned Professor Francis Green of the Institute of Education to undertake a study (Research report 11) about unions and skills utilisation. This new research report develops the agenda further by highlighting three best practice case studies where unions have played an influential role in supporting better application of skills in the workplace. The report also discusses wider policy and practice in relation to how unions can position themselves to build their role in influencing workplace practices, organisational performance, and skills acquisition.

To support this strategy unionlearn has also published a new guide *Making the Most of Skills* aimed at supporting all union reps in the workplace to come together to negotiate a skills agenda that will enable all employees to fulfil their potential by acquiring the appropriate skills and being empowered to put these skills to best use.

Bargaining on skills in a way that combines a focus on equality of access to learning with negotiating changes to how people do their jobs can be a demanding challenge. But it is the way forward if we are to extend the reach and impact of the union learning agenda so that it delivers an even greater range of benefits.



Tom Wilson

Director, unionlearn

Abstract

This report is structured around three case studies highlighting best practice in how unions can negotiate with employers in a way that optimises the use of existing and newly acquired skills as well as maintaining their role in supporting the workforce to acquire and update skills. The first case study is BAE Systems' Military Aircraft and Information division: it describes an 18-month change programme comprising a transformation of skills acquisition and working practices in respect of employees working on the production line for fighter aircraft that led to major productivity gains and improvements to job satisfaction and industrial relations. The second case study is Blackpool Teaching Hospitals NHS Foundation Trust: it describes how the employer and unions' commitment to avoiding compulsory redundancies during a period of imposed efficiency savings led to a strategy of redeploying staff across the organisation using skills audits and other measures, including linking skills acquisition to skills utilisation. The third case study is the Norse Group, a holding company bringing together facilities management and care providers: it describes the way in which a small scale union Skills for Life project grew over time and led to a company-wide partnership between the employer and unions on all aspects of skills acquisition and skills utilisation which has supported rapid commercial expansion, increased union membership and improved industrial relations. Drawing on these case studies, the report examines the potential for unions to position themselves to build their role in influencing workplace practices, business strategy, and skills acquisition. The report also reviews recent developments in the policy discourse on skills utilisation.

Executive summary

- This report forms part of a unionlearn project looking at ways of strengthening the capacity of unions to support employees and employers to optimise the use of skills within the workplace with the overall aim of achieving improvements to working practices, job satisfaction and organisational performance. As part of this project, unionlearn has also published a new guide for union reps *Making the Most of Skills* which draws on the role played by unions in the case studies described in this research report.
- This report is structured around three case studies highlighting best practice in how unions can negotiate with employers in a way that optimises the use of existing and newly acquired skills as well as maintaining their role in supporting the workforce to acquire and update skills. Drawing on these case studies, the report examines the potential for unions to position themselves to build their role in influencing workplace practices, organisational performance, and skills acquisition.
- The report begins by reviewing recent developments in the policy discourse. In recent years the term 'skills utilisation' has been increasingly referred to by academics and policy makers in making the argument that employers and employees will only reap significant gains from existing and newly acquired skills if these skills are put to best use in the workplace.
- Reference is made to the work of the Scottish government's skills utilisation leadership group and that of the UK Commission for Employment and Skills, as well as the wider academic literature. Reference is also made to the policy debate on the role that unions can play in promoting skills utilisation, including a previous unionlearn report commissioned from Professor Francis Green of the Institute of Education.
- The first case study is BAE Systems' Military Aircraft and Information division. It describes an 18-month change programme comprising a transformation of skills acquisition and working practices in respect of employees working on the production line for fighter aircraft that led to major productivity gains and improvements to job satisfaction and industrial relations.
- The second case study is Blackpool Teaching Hospitals NHS Foundation Trust. It describes how the employer and unions' commitment to avoiding compulsory redundancies during a period of imposed efficiency savings led to a strategy of redeploying staff across the organisation using skills audits and other measures, including linking skills acquisition to skills utilisation.
- The third case study is the Norse Group, a holding company bringing together facilities management and care providers. It describes the way in which a small scale union Skills for Life project grew over time and led to a company-wide partnership by the employer and unions on all aspects of skills acquisition and skills utilisation which has supported rapid commercial expansion, increased union membership and improved industrial relations.
- The analysis of the lessons learned from the three case studies reveals a number of different triggers for employers changing working practices to optimise the use of skills, including concerns about productivity, efficiency and staff retention. In each of the case studies the development of the union learning agenda, and the gradual integration of this within the organisation's learning and development strategy, was an important prerequisite. The employment engagement achieved through this partnership on learning encouraged the employers to develop an approach to managing the workforce based on empowerment and devolved decision making, which as well as boosting job satisfaction, gave employees more discretion over skill use.
- The analysis of the case studies also shows that when there was a high trust relationship in place and a commitment to mutual gains, trade unions were well placed to exercise greater influence

over the skills agenda and practices such as job design, progression and redeployment. Where improving skills use entailed changes in working practices, the trade unions were able to offer employers insight into the practical challenges of implementing changes and could also act as a conduit for information to the workforce, helping to address concerns and create buy-in.

- At BAE Systems the trade unions were intimately involved in redesigning jobs to make better use of skills. The principle that those doing the job were best placed to improve it gave the unions a legitimate role in working with employees to redesign roles. Involving employees in job design also contributed to efforts to build a continuous improvement culture and increase the participation of the workforce. Employees and unions had concerns about the quality of jobs, the opportunities for progression, job satisfaction and reward, and employers were concerned about retention and performance. This created a mutual interest that formed the basis for joint working.
- In all the case studies there was a sense that increasing the use of skills was a mutual gain agenda. Employees could receive better pay, opportunities to progress, more transferable skills, or more interesting and satisfying jobs. Employers could gain access to employees' skills and knowledge to improve processes and efficiency, increase employee engagement, improve retention, and create a readily accessible talent pool to meet future skills needs.
- Union learning representatives are one of the great success stories of the trade union movement and their role in signposting employees to learning and supporting them on the learning journey is well established. However, in the course of the research for this report it was apparent that ULRs in some workplaces were also keen to expand their role beyond connecting employees to learning by influencing the employer's wider agenda on learning and development, including the impact on

organisational performance and staff motivation. The case studies highlight that an approach along these lines was most likely when the union learning agenda was more integrated into the organisation's wider learning and development strategy and when this approach had the buy-in and engagement of all union reps in the workplace.

- Compared with trade unions in other parts of Europe, unions in the UK have typically been perceived to play less of a role in negotiating on issues such as job design, organisational change and improving the quality of management. However, union representatives are often acutely aware of the impact of poor quality jobs and management on their members. With more information on workplace practices such as job design, and more research on how trade unions can influence them, the union role in this area could be expanded. Further research and practical support for trade unions are needed to take forward this agenda in order to build on the advances that have already been gained through the union learning agenda.

Introduction

This report forms part of a unionlearn project looking at ways of strengthening the capacity of unions to support employees and employers to optimise the use of skills within the workplace with the overall aim of achieving improvements to working practices, job satisfaction and organisational performance. This contributes to the Union Learning Fund's theme on High Performing Workplaces.

As part of this project, unionlearn has also published a new guide for union reps *Making the Most of Skills* which draws on the role played by unions in the best practice case studies described in this research report. The guide is aimed at supporting all union reps in the workplace to come together to negotiate a skills agenda that will enable all employees to fulfil their potential by acquiring the appropriate skills and being empowered to put these skills to best use. The guide and related unionlearn publications on skills utilisation are available at: www.unionlearn.org.uk/skillsutilisation.

To help address the evidence deficit on the current role of trade unions in supporting more effective use of skills, this report is structured around three detailed case studies. Part of the challenge of conducting research on skills utilisation is that approaches to measurement are still emerging. Therefore it was not possible to adopt an approach that began by identifying workplaces with high levels of skills utilisation.

Instead, following the approach adopted by others working in this area, a set of criteria was established drawing on the existing theoretical models of skills utilisation. Mindful that these case studies would go on to inform the design of a new guide for union officials and representatives, and would be used as a learning resource in themselves, qualitative research methods were seen as being most appropriate and relevant to the audience.

The case studies describe workplaces in which trade unions are working not only to promote learning and

skills acquisition, but also to ensure that employees are able to use their skills at work. The triggers for and approaches to ensuring a more effective use of skills vary. The case studies are taken from different sectors of the economy and involve a number of different unions. All the case studies are from England.

For each case study a set of semi-structured interviews were conducted with trade union officials, union learning representatives (ULRs), operational and senior managers, and human resource professionals. Performance data included in the studies was provided by the organisations using their own measurement frameworks.

Before describing the case studies in some detail, the report begins by reviewing the recent policy discourse on skills utilisation and in particular as regards the union role and the potential for strengthening this aspect of union bargaining on skills.

Skills utilisation in the UK

Skills utilisation – the policy debate

The last ten years have seen considerable investment by the devolved administrations and UK government in skills. The current and previous governments have outlined a future in which economic growth and rising living standards will depend on a greater number of higher skilled jobs producing goods and services capable of competing on quality as well as cost in the global economy.

The UK has made some progress in increasing the number of people with higher skills, and reducing the number with lower skills, although there remains concern about progress on intermediate skills. The Leitch Review of Skills in 2006 set out a series of recommendations to substantially raise the level of skills in the UK working-age population, and to turn the UK into a world leader in skills provision by 2020.¹

However, even though the Leitch Review was seen as being principally about skills acquisition, the interim report acknowledged that in order for the UK to realise the productivity gains associated with a better skilled workforce, employees would have to be able to put their skills to better use.

“For the supply of skill to turn from merely potential change in performance into a tangible increase in productivity, the available skills of the workforce have to be effectively utilised. People need to be in jobs that use their skills and capabilities effectively.”²

Concerns about realising the benefits of investment in skills have given rise to the idea of skills utilisation – the extent to which the skills available in the workplace are used effectively. However, definitions of skills utilisation are varied, and the research is still evolving.

The Scottish Government’s skills utilisation leadership group uses the following definition for effective skills use:

Confident, motivated and relevantly skilled individuals who are aware of the skills they possess and know how best to use them in the workplace,

Engaged in workplaces that provide meaningful and appropriate encouragement, opportunity and support for employees

In order to increase performance and productivity, improve job satisfaction and employee well-being, and stimulate investment, enterprise and innovation.³

At the heart of skills utilisation is the idea that employees should not only be appropriately skilled for the jobs they undertake, but that the workplace must provide the conditions in which they are motivated and supported to use their skills to meet the organisation’s objectives. The benefits of doing so accrue to both the employer and the employee.

If better skills utilisation stands to benefit employers and employees, the question remains why the level of skills utilisation across the economy is lower than it could be, and what factors influence employer behaviour on ensuring the effective use of their workforce’s skills?

There are a number of factors that are thought to encourage employers to take actions that improve skills utilisation. Skills shortages can be a trigger in themselves: forcing employers to reorganise and redesign jobs to use the skills they have more effectively. Market pressures are also important: organisations competing on the basis of quality with differentiated products or services are more likely to see skills as part of their competitive advantage, and have work practices that increase the level of skills utilisation. However, there is also concern that in many sectors of the economy, adopting a ‘high-road’ approach to skills and skills utilisation does not necessarily make economic sense; businesses can be sufficiently profitable while operating in low value, standardised product markets, with little call for working practices likely to improve skills utilisation.⁴

The Scottish government and the UK Commission for Employment and Skills (UKCES) in England have conducted work to understand what factors influence the use of skills in the workplace, and particularly what policy levers are available to government to influence the use of skills.

Policy levers, within the current UK institutional framework and political culture, are few and far between. In theory, regulation could play a part in encouraging employers to improve skills utilisation through, for example, setting minimum skill levels for certain occupational groups. However, there seems to be little appetite for this, and some concern that while driving up skill levels and qualification, regulation would not necessarily improve utilisation. Instead, the UKCES and the Scottish government have adopted approaches that aim to raise awareness of skills utilisation and to encourage government agencies to integrate skills utilisation into the services they deliver. The Scottish government has taken this further by establishing a leadership group on skills utilisation, and by funding pilots based on providing advisory and consultancy services to businesses aimed at increasing utilisation.

Other countries are also concerned about skills utilisation, but are adopting different approaches, often determined by their analysis and definition of the factors affecting skills utilisation. New Zealand, for example, is using partly funded business consultants to improve High Performance Working (HPW) in the private sector, and working closely with trade unions to increase HPW in the public sector. Australia has also been active in this field, and is currently developing its approach, building on its skills ecosystem framework. Both Australia and New Zealand link employee engagement to skills utilisation.

Skills utilisation in the workplace

While understanding the market factors likely to encourage employers to improve skills utilisation is important, it is also necessary to identify the

workplace practices that can improve skills utilisation. The UKCES have focused on High Performance Working,⁵ the bundle of HR practices believed to increase the involvement and commitment of the workforce.⁶ By increasing the involvement and commitment of the workforce, it is believed that employees will have greater opportunity and incentive to use their skills. High Performance Working includes human resource management, work organisation, employment relations, management and leadership.

There are a number of ways in which workplace practices can improve skills utilisation. These can be broadly grouped into three: practices aimed at matching skills available with skills needed; practices aimed at creating more opportunities for employees to use a wider range of their skills; and practices aimed at improving the motivation of employees to deploy their skills.

Matching the skills available with the skills required in a job helps to ensure that employees are in jobs that make best use of their skills. Tools such as skills audits that identify the skills of employees, as well as skills gaps, are thought to be valuable in improving matching. Recruitment practices that are designed to identify candidates' skills and competencies and match them with appropriate roles are also important.

The design of jobs and the organisation of work are also relevant. Redesigning jobs so they make use of skills more effectively could include introducing flexible job descriptions, multi-skilling and teamwork. Jobs that include some level of complexity and the ability for employees to use a wider range of skills are thought to improve the scope for skills utilisation.

Job design relates closely to autonomy, which is identified throughout the literature as a key element in improving skills utilisation. Giving employees greater task and skill discretion is thought to widen the range of skills employees use, and also improve the quality of work, which may help increase motivation. The control and autonomy

employees have is also seen as being important in guarding against some of the possible negative consequences of HPW, such as work intensification.

The influence employees have on their work and decision making within their organisation is likely to relate to the autonomy they have. Research, therefore, also highlights the importance of participation, whether direct or indirect, in involving employees more deeply in the organisations in which they work, and harnessing their knowledge, skills and creativity to help improve products and processes, raise quality and increase efficiency.⁷

While most of the workplace practices described are designed to use the skills of the existing workforce more effectively, a small amount of the research and policy development focuses on how skills utilisation might be improved by increasing employer demand for skills, particularly for skills of a higher level than those used currently in the workplace.⁸ This approach assumes that if there is demand for certain skills, it is more likely that people who are recruited or developed to meet that need will have their skills effectively used. Again, this relates to an aim of wider economic policy to move more businesses up the 'value chain' to produce higher value goods and services. To this end, the Australian government's skills ecosystem approach offers businesses strategic support alongside workforce development support in a bid to match business strategy, technology, job design and employment systems with their skills strategy.⁹ This approach is also believed to help address the issue of over-skilling, where the workforce holds skills that are above the level required in existing jobs.

Trade unions

The emerging approach to skills utilisation policy, which recognises that market pressures are not always sufficient to create employer demand for higher skilled jobs and more effective use of skills, and that regulation is either ineffective

or undesirable, increases the importance of other workplace actors. For policymakers, the workplace is a 'black box': hard to gather accurate information on and hard to influence through central government levers. Trade unions, however, are well positioned to influence workplace practices, business strategy, and skills acquisition.

UKCES, the TUC and STUC have all identified the potential for trade unions to improve skills utilisation, but acknowledge that too little is known about the role unions, and ULRs currently play. UKCES's work on HPW included case studies showing the role trade unions played in promoting a learning culture and facilitating participation and the involvement of the workforce. The broader literature presents a mixed picture of the impact of trade unions on HPW. Where unions are able to improve communication and employee voice, ensure the rewards of greater efficiency are shared fairly, and guard against work intensification, they can play an important role in making HPW sustainable. Indeed, some evidence points to HPW only having a positive impact on productivity in those workplaces where unions are present.¹⁰ However, where employment relations are poor and trust is low, unions may prove a barrier to the engagement of the workforce in HPW.

Research by the University of Strathclyde for Scottish Union Learning (SUL) and the STUC identifies a number of ways in which trade unions can help improve skills utilisation, from working with employers to train the workforce to meet the demand for new skills, to undertaking joint work to identify new progression routes, and offering preliminary training and support to workers to enable them to access training for higher skilled roles. The approach taken by SUL/STUC emphasises the importance of employer demand for skills in improving skills utilisation.¹¹

Moving beyond individual workplace practices, trade unions in Germany and Scandinavia have used bargaining to force employers to move up the value chain, making higher value goods and services that

require higher skills to produce, and are more capable of absorbing higher labour costs.¹² Not only does this create more high skilled jobs, with better rates of pay, but the need for high levels of productivity helps ensure the use of such skills.

In the UK, trade unions have long played a role in the supply of skills through trade union education, or through bargaining for access to learning and development opportunities for members. There are likely to be many examples of where the skills provided through trade union education have been used effectively in the workplace. Functional skills such as literacy, numeracy and IT are required in most jobs, and therefore newly acquired skills are easily integrated into job roles with benefits for performance, productivity and health and safety. Functional skills can also enable and empower workers to participate in the workplace, and obtain roles where they are likely to use more of their skills.

Less is known about the role of trade unions in influencing the demand for skills through negotiation and bargaining, or in improving skills utilisation through their role in shaping management cultures and workplace practices such as recruitment, progression, job design and work organisation. At the wider institutional level, there is also the potential for building trade union influence on the use of skills through their role in sector skills councils.¹³

Case study 1: BAE Systems' Military Aircraft and Information division

About the company

BAE Systems Ltd's Military Aircraft and Information (MAI) division is one of the world's leading manufacturing and support providers of military aircraft, and has historically been the principle supplier to the UK government. BAE Systems' site at Warton and Samlesbury (Warton Unit), Lancashire, represents the UK Centre of Excellence for military aircraft manufacture, and is the home of production for the Eurofighter Typhoon and the UK's input to the Lockheed Martin Joint Strike Fighter, the F35 Lighting II.

BAE Systems' MAI business employs approximately 16,000 employees over various sites with 12,000 employed at Warton and Salmesbury. The principle trade union for the Aircraft Manufacturing, Maintenance and Support Staff (AMMSS) group is Unite.

Background

The UK defence industry is undergoing significant changes, in part in response to the government's recent Strategic Defence and Security Review, but BAE Systems' MAI division is also moving from primarily meeting the requirements of the UK military aircraft market to competing in a global market. It is therefore developing an export-led, through-life support and service approach. This has had, and is having, a major impact on the workforce and the way it works.

BAE Systems, over a number of years, has attempted to build a continuous improvement culture at Warton Unit, using lean methodologies common to manufacturing. The desire to compete in a global market place increased pressure on the company to improve productivity, to find more effective ways of working, and to better use the skills and knowledge of the workforce.

However, industrial relations at the Unit had been through a challenging period, and several attempts

over the previous decade to change the culture to support continuous improvement and come to an agreement with the trade unions over changes to working practices had failed. Poor relations between the workforce, trade union and management, had led to certain parts of the workforce withdrawing their goodwill and not contributing to improvement initiatives. Negotiations had stalled over issues to do with skills, demarcation, multi-skilling and pay.

The AMMSS workforce had been particularly resistant to change. This group of skilled employees and their representatives had long felt that they did not have the same opportunities to progress and develop as other sections of the workforce.

The trade unions had a well established learning agenda, and since the 1990s had worked closely with the employer to offer employees opportunities to improve their skills. As well as providing training to shop stewards to carry out their role, the unions had been active in promoting and providing basic skills training on literacy, numeracy and IT to the workforce. By 2011, 97 per cent of the workforce had attended Level 1 and 2 IT training. By the early 2000s there were union learning representatives in place at Salmesbury. Rather than having separate representatives, shop stewards were encouraged to take on the role of union learning rep to help integrate the learning agenda into all areas of the business.

Progress and change

In 2008 new discussions began between the managers and unions. The manager leading the negotiations, Mark Gregory, was clear that it was necessary to restore trust between employees and managers in order to create the environment for employee engagement. He saw employee engagement as the key to unleashing the full potential of the workforce and gaining their participation in continuous improvement and efforts to reduce costs. The trade union wanted to secure progression opportunities for the AMMSS employees, bringing

greater parity with other groups of employees at the site. As the union convenor, Phil Entwistle said, *“There was a culture change, where people began to see that they weren’t maximising the potential of the skilled population on the shop floor, by giving them more roles and responsibilities.”*

Employees and managers were aware that productivity improvements were being held back by the clear demarcation between trades. Production flows were often halted as one trade waited for another to complete their task before the first could continue with theirs. These could be relatively minor tasks, such as a fitter having to wait for an electrician to move some wires, and although the fitter would often know how to do the task, strict demarcation prevented them from doing so. This led to frustration on the part of the workforce, and lower productivity. Although there had been some efforts several years before to cross-skill employees, the poor relations between employees and management had led to these skills not being used.

The management were also aware of the tacit knowledge and informal skills of the workforce that were not being used to their fullest potential. The AMSS employees had developed considerable knowledge of how to resolve problems in the production process, for example, in interpreting inaccurate designs. However, without improving the commitment and engagement of the workforce, they were unlikely to share that knowledge in a way that could contribute to continuous improvement.

The negotiations over a new agreement were complex and took over 18 months of weekly meetings to complete. A core strand of the negotiations was on the use of skills. Unions were concerned about protecting the core skill of employees, and therefore the pay and conditions and number of jobs, but were not opposed to expanding the range of skills used by the AMSS workforce. As part of the negotiations, a cross-skilling sub group made up of shop stewards (including the chair of the Union Learn committee)

and managers was established. The task of the group was to map and record all the skills used by the 13 trades, in each of the factories within the site. Working on the principle that those doing the jobs are best placed to understand what it entails, the shop stewards worked with employees to map the skills.

The result of this was a series of skills portfolios, detailing all the tasks carried out by each trade. Each employee was then given an individual portfolio plan, which identified the additional skills from another trade that would help to improve the process on which they worked.

Employees were given a choice to opt into the new scheme, and considerable work was undertaken by the shop stewards and managers to fully explain how the scheme would work, and what the consequences of taking on additional skills would be. The scheme, entitled Working Practice Change, would operate over a three-year period, and the take-up of additional skills was linked to pay increases.

Ninety seven per cent of the workforce signed up in the first year. They received a 2 per cent pay increase linked to their participation in continuous improvement, and a further 1 per cent to start using the skills they had acquired under a previous initiative. During the first year, employees would train for the first of their portfolio skills. At the end of that year, each employee would gain a 2.5 per cent pay increase, and begin to use that skill. This process was then repeated, so that the employee would have two portfolio skills, and a further 2.5 per cent pay increase. These portfolio skills were to be deployed permanently, and this would be monitored by supervisors. By the beginning of the second year, 100 per cent of the AMSS workforce had signed up to the scheme.

Employees in the scheme had often had experience of working in different roles at the site, and therefore had already had some of the training necessary. Further training consisted of some classroom based teaching and peer-to-peer learning. Employees were given

the option of becoming a continuous improvement practitioner as one of their portfolio skills, to help lead and facilitate continuous improvement initiatives.

In order to maintain safety and quality, work carried out using portfolio skills had to be inspected by someone from that trade. It was also agreed that portfolio skills could not make up more than 20 per cent of each employee's working time.

As workplace relations began to improve, continuous improvement events were held to try and capture the knowledge held by the AMMSS workforce that could be used to improve processes. During these intervention events managers worked closely with employees, using process mapping techniques, to record the way employees currently worked, and involve them in identifying opportunities for improvement.

Widening the skills of the AMMSS workforce, and changing the way people worked, did change the balance of work within teams. Rather than managers deciding how to adjust to this, groups were set up in each area to see how work could be reorganised. Empowering and allowing teams to solve problems and design solutions was an important principle of the new way of working, based on the belief that those doing the job understand it best. The work stations were redesigned so that the work of team members was balanced and all had an opportunity to use their skills. This also helped ensure that people were working 'smarter, not harder'.

Joint union/management committees were also set up to review the use of portfolio skills in each area. These committees – made up of employees, supervisors, shop stewards and managers – were able to add a number of skills to the portfolios used in their area that were specific to that section of the business. The committee would identify the skills they believed were necessary to improve the processes in their area and would then present a joint business case to a committee of shop stewards and managers. The committees would

meet yearly to review the skills used and the skills required in the business area. This helped maintain the collaborative approach to the implementation and development of Working Practice Change.

Impacts and benefits

The development and implementation of the Working Practice Change/AMMSS progression scheme had a far-reaching cultural impact at the Warton Unit. The process of negotiation helped to restore trust between unions and management and created a new relationship based on mutual respect and shared objectives. Although participation was voluntary, the entire AMMSS workforce took part in the second year of the scheme with all 4,000 production employees achieving competency in a cross-trade discipline. More than 300 continuous improvement facilitators have been trained and CI events held and followed up across the site.

By widening the skills of the AMMSS workforce and creating more flexibility in their deployment, and by engaging the workforce in continuous improvement, BAE Systems has seen significant improvements in productivity. Over the first two years of the scheme the employee hours required to complete one unit of the Eurofighter reduced by almost 20 per cent. The workforce also identified many millions of pounds worth of cost savings. Managers have also reported being ahead of schedule as the rate of production has increased.

The workforce has also seen significant benefits. Working Practice Change created a means by which AMMSS employees could progress as they acquired and utilised new skills. This gave employees the opportunity to improve their pay and development, but equally importantly, it diminished some of the differences between the AMMSS employees and other parts of the BAE Systems workforce at Warton Unit. This helped employees feel more respected and valued, which in turn improved the quality of the relationships between employees and managers.

Trade union officials remarked that the changes have made work more interesting and less frustrating. Continuous improvement gives employees more opportunities to get involved in their work, and by solving problems and streamlining the production process through introducing portfolio skills, work is less frustrating. As Phil Entwistle said, *“I think the days when people come into work, clock-on, take their brain out, and do the same thing all day, clock-off, and put their brain in, are gone.”* An employee also expressed the sense of frustration he had experienced before the changes were made: *“It’s a relief for me to try and tell someone how to do the job quicker. I could have done it years ago, but I had no incentive. It’s been killing me.”*

Working Practice Change has therefore had an impact on the morale of the workforce and job satisfaction. But there are other signs that the wellbeing of the workforce has improved, including declining accident rates, and fewer discipline and grievance cases.

For both parties, a significant gain has been the improved relationship between employees, unions and managers, and a change to a more cooperative way of working. The Warton Unit has faced a number of challenges over the last few years, including several consultations on redundancy, but change has been managed effectively, with no deterioration in the management-union relationship.

Analysis

Working Practice Change did create a structure through which skills acquisition led to skills utilisation. However, it also helped to develop the workplace culture in which employees were prepared to share their knowledge and apply their skills to the benefit of the company.

Skills acquisition and the use of skills became a mutual gains agenda at BAE Systems. Employees gained better pay, opportunities to progress and more interesting jobs, and the company

gained access to the workforce’s skills and knowledge and their support to reduce costs and improve efficiency. Both benefitted from the improved industrial relations climate.

The partnership approach to designing and implementing the changes at Warton Unit meant that the union, union learning representatives and employees led much of the work to identify, map and design the skills portfolios. This process ensured that the expertise of the workforce and representatives was incorporated in the design of the portfolios. By involving the workforce, managers also helped to increase employees’ understanding of and commitment to the new ways of working, making implementation more successful.

The acquisition and use of the skills employees took on was closely monitored, improving utilisation. The structure of the pay deal meant that employees would have to use their skills in order to receive the uprating, and therefore processes were put in place to record whether the employee was using their new skills, and the proportion of their time this took up. The joint committees in each business area also acted as a means by which the demand for and use of skills could be assessed and reviewed on a regular basis. Through the committees, employees were also able to influence the skills used.

Improving the use of skills at the Warton Unit was not just restricted to formal skills. Managers also knew that employees had informal skills and tacit knowledge that was valuable in continuous improvement. The company did invest in training employees in continuous improvement techniques and many have become continuous improvement practitioners. However, creating a positive workplace culture, with high-trust relationships between managers, unions and employees was equally important in engaging employees in the challenges facing the business, and encouraging them to use their skills for its benefit.

Case study 2: Blackpool Teaching Hospitals NHS Foundation Trust

About the organisation

Blackpool Teaching Hospitals NHS Foundation Trust is a large hospital trust in the North West. The main site is Blackpool Victoria Hospital where the majority of the 4,000 staff and services are based. The trust also employs colleagues across several other sites including five community hospitals.

It has around 830 beds and treats over 56,000 day-case inpatients, 250,000 outpatients and 91,000 A&E patients each year. The Trust was recognised as a Times 75 Best Places to Work in the Public Sector in 2010, and retained the Investors in People gold status for the third consecutive year in 2011.

Background

The Blackpool Hospital Trust had undergone a significant period of change leading up to 2007 when it gained foundation trust status. In 2006 it faced a £21 million budget deficit, had too many sites, and faced significant bed pressures and high reference costs. To help address these challenges it developed the 'Blackpool Way' to improve performance and engagement. Learning has been an important strand of this partnership and the way in which the Trust engages its workforce.

The Blackpool Way was an approach to working with the trade unions and the workforce on continuous improvement to meet the challenges the Trust faced. This was predicated on the involvement of the workforce, and giving them greater opportunities to participate. This way of working was not only believed to be more engaging, but was also seen as drawing on a wider range of workplace skills.

The cooperation between the trade unions and the Trust has delivered results, including the clinical improvement and change management necessary to gain foundation trust status. However, from 2010 NHS trusts have been required to identify significant efficiency savings to cope with the reduction in public

spending. At Blackpool, it has been necessary again to work closely with the trade unions to manage the cost savings programme effectively, and ensure that the quality of the care provided by the Trust is sustained through the engagement of the workforce.

The financial and quality challenges facing the Trust have put a renewed emphasis on learning and development. The Trust and unions have seen the identification and acquisition of skills as an important part of their response to changes. The Trust has also had to review its own investment in learning and development, and has had to work to make sure that its investment in skills helps it to deliver its strategic objectives.

Process and change

Blackpool Hospital Trust has a number of trade unions, the largest of which is UNISON. There have been union learning representatives at the Trust since 2004. ULRs identified early on the need for more opportunities for the workforce to develop functional skills such as literacy, numeracy and IT. Although the Trust offered a range of learning and development opportunities, improving access to basic skills was seen as an important way of enabling employees to access intermediate training by building their competencies and confidence. In partnership with the Trust, the unions established a learning centre on site providing courses with tutors from a local college. Since it was established, 1,000 members of staff have taken courses at the centre.

To help make the learning centre sustainable, the Trust funded a post for the ULR chair to continue the work on a full-time basis, within the learning and development team. This has helped to integrate the union and employer learning agendas. The unions also have non-voting representation on the board, and on the human resources and organisational development governance group, which ensures that they are involved in core learning and development decisions.

In 2010 the Trust began a series of meetings with the workforce to discuss the Quality, Innovation, Productivity and Performance (QUIPP) agenda, which would identify efficiency savings across the Trust. Many actions were identified, which in some cases would lead to restructuring. To help make employees aware of the likely consequences of the efficiency savings, the union was given the opportunity to speak at the meetings, and also arranged its own series of meetings with groups of employees at each site.

To minimise the number of redundancies, union officials were particularly keen to encourage employees to take up the aspirational interviews that were offered by the Trust. These interviews included an audit of employees' skills: those that they currently used in their job, and any others they may have. The records from the interviews were then used by HR to match employees facing redundancy with any other vacancy that they might be qualified for. The union offered encouragement to the workforce to take part in the interviews as well as help in preparing for them, and accompanying the employee if necessary. As well as reducing the number of redundancies, union convenor, Steve Holmes, noted that the process provided a good opportunity for employees to identify their skills and discuss their progression with managers. There were also several cases where employees were working in roles that did not use all their qualifications or skills: for example, qualified physiotherapists working in administrative roles. With some additional training, they were able to fill vacancies in other areas.

The laundry service provided by the Trust was also reviewed during this time and it was decided on the grounds of cost that the service would be contracted out to an external provider. The jobs at the laundry were predominantly Band 1 or Band 2, and the workforce was relatively low skilled. Because the laundry service would no longer be provided on-site, or on the same shift patterns, employees would not be transferred over to the new employer. The Trust, however, was keen to

find ways to retain the workforce. Many were long-serving employees and as Jayne Taylor, HR advisor, said, the Trust felt it had a duty of care.

The HR team carried out a skills audit of the laundry workforce and identified the skills and training they would need to apply for alternative jobs, including those areas that currently had vacancies within the Trust. Basic skills, such as literacy, numeracy and IT, were identified as areas of weakness, and so training was provided through the union learning centre. Once on the redeployment list, the employees were given support with their applications and interviews. Of the 40 laundry staff, 35 were redeployed within the Trust, the majority in higher banded positions. The skills training laundry staff received addressed specific skills gaps, but it also helped improve their confidence. The higher banded roles they were then eligible to apply for gave them greater opportunities to use their skills.

The Trust has also had to rethink its own approach to learning and development, in response to the challenges they face in improving quality while reducing costs, and managing with fewer resources. Learning and development is, however, central to the culture at Blackpool Hospitals, and therefore they have sought to maintain as much investment as possible. This is reflected in the Investors in People gold award, which was conferred on the Trust at the end of 2011. There have, however, been changes in the way training is delivered, and also a clearer focus on ensuring that training supports the aims of the Trust, and that investment in skills leads to returns in the workplace through skill use. For example, the Trust has recently produced new guidance for managers to encourage them to assess how new skills would benefit the team or function, what impact they would have, and how they will be used in the employee's day-to-day role before training begins.

Impacts and benefits

The learning centre and the basic skills provision supported by the Trust and unions has improved

basic skills across Blackpool Hospitals, and enhanced the career advancement, confidence and wellbeing of employees. It has also been an area of joint working between the trade unions, ULRs and managers, and is both a product of their constructive working relationship, and a contributor to it.

The learning centre began as a union learning initiative, but has become an integral part of the Trust's learning and development agenda. The flexibility and accessibility of the learning centre has made it well placed to help support the workforce during the organisation's recent change programme, and support them in gaining the skills necessary to move into alternative roles. The benefits of this to the Trust have been in retaining experienced and loyal employees. The benefits to employees have been to build their confidence and skills, often enabling them to advance in the workplace and move into better paid work.

Managers and HR professionals interviewed for this study saw that employees already working in the Trust often had a good knowledge of the organisation, and verifiable performance records that managers found attractive. By investing in their skills and competencies, the Trust was able to develop strong candidates that fitted well within existing teams. Managers noted that employees that felt they had been supported and developed were often more committed, more engaged, and as a consequence, performed better.

The Trust and unions' commitment to avoiding compulsory redundancies, and finding ways to redeploy staff across the organisation, has helped to maintain the trust of the workforce and encourage engagement in the efforts to identify cost savings and introduce new ways of working. Although managers and union officials noted that morale was lower than usual, they believed that the workforce understood the reasons for the changes. By using aspirational interviews for employees whose posts were likely to be made redundant, the Trust provided

a means by which employees and managers could review employee skills, and match employees with other posts. Employees benefited from discussions about their future career path and development, as well as possibly avoiding redundancy, and the Trust avoided compulsory redundancies and the disengagement of the workforce.

Analysis

The employer and the trade unions at Blackpool Hospital Trust are committed to promoting learning, and have worked together to promote and create learning opportunities for the workforce. The current drive to meet efficiency savings targets has refocused learning activity at the Trust towards skills utilisation, as the Trust seeks to ensure that its investment in skills will have a direct impact on improving performance.

The learning centre at Blackpool Hospital Trust began as a trade union initiative, with the support of the Trust. It arose from the partnership between the employer and trade unions and offered basic skills and leisure courses to employees. However, as the learning centre became more established, it also became more integrated into the Trust's overall learning agenda. The ULRs have continued to provide a signposting service to the learning centre, and the union learn chair, who became a full-time employee in the learning and development team, has worked to coordinate the learning centre's activities.

The focus at Blackpool on retaining experienced members of the workforce throughout the reorganisation has further tied skills acquisition to skills utilisation. Through the reorganisation, employees' skills have been identified along with the skills necessary to enable them to gain new roles in the Trust. The accessibility and flexibility of the learning centre means it has been able to meet the needs of the redeployed workforce and help them upskill in order to progress in the workplace and enter new roles. Union representatives and officials also provided support to employees throughout

the change programme, and encouraged them to take up learning opportunities and new roles.

Learning and the development of the workforce is a core part of the culture at Blackpool, and so the Trust has been keen to maintain it as far as it can even though budgets have been reduced. However, more constrained finances have meant that it has had to tie its business strategy more closely to its learning and development strategy. This has led to a more careful evaluation of resources, to make sure that spending on skills is more closely matched to use and need. In part this has been achieved through giving managers greater tools and guidance to evaluate training needs within their teams: identifying how training and skills will help managers to meet their objectives, and how new skills will be integrated into individual team member's roles.

The successful learning agenda at Blackpool over the last six years has provided a good platform for the unions to identify new opportunities. The basic skills and leisure learning programme has developed into a responsive learning service that has helped a significant number of employees advance in the workforce and enter roles where they are able to use a wider range of skills. The unions are now exploring opportunities to provide new courses more closely focused on giving union representatives and members the skills necessary to advance at work. IT, communication and presentation skills are seen as being particularly important.

Case study 3: Norse Group

About the company

Norse Group is a holding company, bringing together facilities management provider Norse Commercial Services, NPS and care provider, NorseCare, creating a group-combined turnover in excess of £200m and providing employment for over 10,000 people. Its client list includes the NHS, MOD, the emergency services (Fire and Rescue and Police), Housing Associations, Local Authorities and numerous private sector organisations. Norse is based in the East of England, but has expanded in recent years to other parts of the country.

Background

In the early 2000s trade union representatives and local managers at Norse identified a lack of functional skills among the core facilities management (FM) workforce. The company knew that employees working in cleaning, catering, and maintenance often lacked some literacy and numeracy skills, but had adapted processes to help employees work without them. Examples of this were the use of colour coding and relying on managers to explain documents and forms to employees. This had a considerable effect on management time and potential consequences for health and safety and well-being.

At the same time, Norse faced a particularly tight labour market and was struggling to recruit and retain sufficient numbers of staff. The company had ambitions to expand, and yet it lacked the people with the right competencies and skills to do so. HR director, Tricia Fuller, believed that there were capable people within the existing workforce, but they often lacked the skills and confidence to progress. When vacancies were advertised, internal candidates would not apply. Together with the GMB union, the company established a pilot project in 2001 with a group of 12 learners working in school catering, which focused on literacy and IT skills.

The company and trade union learned a great deal from the pilot project and in 2002/3 Norse Group

worked with its five trade unions to put together a joint bid to the Union Learning Fund to support a larger scale skills programme. The bid was successful and the project was awarded £500,000. Two union reps, one from GMB and one from UNISON, were seconded from Norse to work as part-time project managers, encouraging, motivating and assisting the learners to join the programme. This continued until April 2004 when the company and the five unions put in a further joint bid, this time to the European Social Fund (ESF). They were subsequently awarded further funding to expand and continue the work.

Progress and change

One of the most significant barriers the project faced was gaining the trust of employees and giving them the confidence to take up the learning opportunities that were being offered. The GMB's training and development officer, Jenny Webber, personally recruited the first learners for the pilot project. In the second phase of the work, the trade union project managers were tasked with going into all of Norse's workplaces and speaking to employees about learning, organising open evenings, and recruiting and developing ULRs. The trade unions played a crucial role in engaging the workforce by talking to employees to identify those who might benefit from the courses, by encouraging them to take part, and by supporting them throughout the courses. This direct approach from ULRs helped bypass the natural anxiety about sharing skills gaps direct with line management.

The project also faced other barriers. Once the programmes were up and running, there was a high uptake from female employees, often within the cleaning and catering services, but male employees were more reluctant to take advantage of the opportunity. The company and project managers organised events aimed specifically at men, such as an evening with the former Welsh rugby union international, Scott Quinnell, who talked about his experience of managing dyslexia and learning to read. There were also several

events with authors where Norse Group purchased their books to give out free copies to the staff who attended. After a talk and a buffet, the authors signed these books. These events were arranged in partnership with Norfolk Library Service.

Wine and cheese evenings and other social events were also organised to provide informal settings in which employees could find out more about the learning opportunities. Visits to museums and the Norwich Archive Centre were arranged which included talks aimed at encouraging adults to read. Friends and family were also given the opportunity to take the courses, which gave learners more support and helped improve retention.

The company worked with local colleges to deliver the courses, rolling them out site by site. Courses were mostly delivered in the evening, and at the site where employees were based, rather than at schools or colleges. To try to encourage a wide range of employees to re-engage with learning, the company and unions became creative in the courses they provided with the aim of making learning enjoyable. As well as more standard literacy, numeracy and IT courses, they encouraged employees with particular skills – for example music or cake decoration – to teach others, and offered introductory courses to science and history. Employees on functional skills courses were offered half pay for the hours they spent at the courses, which could be claimed when the course was completed. This helped to cover expenses such as childcare and travel.

By 2007 over 2,000 learners had completed functional skills training. Re-engaging with learning had motivated many employees and this triggered a demand for further learning opportunities. The company has since developed a wide range of NVQs and more recently, apprenticeships aimed at 16–24 year olds. In the current workforce, 67 per cent of all employees hold NVQs Level 1–3.

Supervisors and first line managers were given the opportunity to take the functional skills courses

on the grounds that it would give them an insight into the training their teams were receiving. It also enabled them to address some of their own basic skills needs, which they may otherwise have been reluctant to acknowledge. After seeing the training their employees were receiving, managers began to request their own training opportunities and so the company began to offer management training qualifications ranging from BTECs to MBAs.

The extensive skills programme addressed most of the functional needs of the existing workforce, but since then Norse has expanded by taking responsibility for the provision of domiciliary care services on behalf of Norfolk County Council. As a result, new employees have been recruited. UNISON and its ULRs have begun working with the company to establish a project to assess the skills and learning needs of this new population with the aim of rolling out functional skills training for them.

Part of the aim of the learning programme has been to create an internal talent pool. Employees have not necessarily received pay increases once they gain qualifications, but they have been encouraged to identify opportunities to progress into roles that allow them to make the most of their new skills. This culture of internal promotion and career advancement exists from the front line to the boardroom. As an example, a new director post was recently filled by an internal candidate. The internal promotion rate is monitored closely by the Head of HR. There are numerous examples of employees who have started in first tier roles, and moved into higher skilled work with the encouragement of the company. The confidence among the workforce that employees who want to advance in the workplace will be given the training to do so has increased the level of ambition, particularly at the supervisor and middle management level.

Impacts and benefits

Norse has expanded rapidly over the last five years, with contracts and joint ventures in Norfolk, Suffolk,

London, Devon and Barnsley, and the company has plans to grow further. The initial learning programme from 2001 has triggered a huge array of learning activities at Norse Group. Once the ESF funding had drawn to a close, the company agreed to take the learning programme in-house, and in 2007, the company founded its own training academy, which is accredited by a number of qualification boards. The company has received two Business in the Community's National Example of Excellence Awards for its Skills For Life programme in 2007 and 2010, with subsequent re-accreditation in 2008, 2009 and 2011. It retained its Investors in People award in 2011. In 2008, the HR Director was made the Prince of Wales Ambassador for the East of England and was tasked with encouraging other employers to improve the skills in their organisation.

The learning programme arose, in part, from the need to create the workforce the company required at a time when external recruitment was very difficult and the local labour market was not providing the necessary skills. The learning opportunities at Norse have helped to address this problem in two ways. Firstly, Norse has built a base of functional skills among the workforce and a learning culture that encourages and supports progression within the company. This has produced a larger talent pool. Secondly, the training opportunities offered by the company are an attractive part of the employment offer and the reputation and profile of the company has risen. This has made recruitment easier.

Functional skills were also important in the day-to-day roles of the workforce. Although the company had developed ways of compensating for a lack of literacy, numeracy and IT, improving those skills has had a positive impact on health and safety. For example, the accident rate fell by 9.76 per cent in 2010. Providing learning opportunities to the workforce has also had an impact on the level of commitment and engagement. Tricia Fuller notes the increased loyalty of those who feel that the company has invested in them and supported them. This has translated

into improved retention, decreased turnover, and sickness absence reducing to 3.04 per cent.

The company's reputation for learning and development has also had direct commercial benefits. The national recognition it has received through its awards from Investors in People, Business in the Community and others, has made it more attractive as a potential partner, particularly when contracting or establishing joint ventures with the public sector. Geoff Tucker, sales director, sees the learning culture as attractive to clients and partners. In 2010 Norse had a 96 per cent customer retention rate.

Finally, learning from the original functional skills project, the company has now built its own training academy, which provides courses at all levels. This has given the company significant capacity to train and develop its own workforce. The benefits of this are twofold. Firstly, it has allowed the company to 'recruit for attitude, train for skills', meaning that they can employ people with the right attitude, regardless of their current skill levels. Secondly, the company has been able to use its existing workforce to support its expansion.

The unions at Norse have also benefitted from the learning work. The programmes gave them the opportunity to reach out into different workplaces and raise the profile of union learning. Membership levels rose during the period. The shared learning agenda between the trade unions and the employer has contributed to good industrial relations at Norse.

Analysis

Norse now has an established learning culture that is an integral part of its identity and way of working. However, it was the identification of the functional skills needs within the workforce and the potential benefits to the company of improved skills that laid the foundation for this improvement. This led to the development of the initial project by the trade union, and the funding secured by the trade unions for expansion.

There are several reasons why the skills training at Norse has been accompanied by more effective skills use. Firstly, at the functional skills level, the training provided was meeting the need for skills within those jobs. Literacy and numeracy were necessary in all jobs and the newly acquired skills were easily integrated into existing roles. Employees with improved literacy were able to read instructions, internal communications, labelling and administrative forms and payslips which not only enabled them to work with greater autonomy, it also freed management time which had previously been used to assist employees with those tasks. The learning programmes were also designed to improve confidence among the workforce, enabling them to participate and progress at work, and have opportunities to use more of their skills.

Secondly, the skills programme was developed to meet a genuine skills need across the organisation, increasing the chance of the new skills being used. The difficulty of recruiting locally meant that the company needed to 'grow its own' to meet its current needs and its plans for expansion.

The company has allowed employees to determine their own learning pathway, and identify the skills and training they would like to undertake. However, there is also a strong culture of progression and, through regular reviews, employees are encouraged to identify the next steps in their career and the skills necessary to get there. By matching progression with skills, employees are more likely to acquire skills that will be needed and use them in the job.

Learning has been an important driver of employee engagement at Norse and the skills training provided is intended to support a more engaged and highly performing workforce. Part of Norse's offer to customers and partners is improved efficiency through better management of the workforce, and that by skilling and empowering the workforce they can work more effectively. The company aims to streamline policies and procedures and delegate decision

making through the line, reducing management time and bureaucracy. The company estimates that it saved £67,200 on management time in 2010 following an intensive programme of literacy and numeracy.

By giving employees the skills and resources they need to do the job – along with greater responsibility and autonomy – they believe that employees are more willing and able to identify improvements and efficiencies that contribute to improved performance. This level of autonomy is also likely to positively affect the use of skills.

ULRs and trade union representatives and officials have played an important part in building the learning culture at Norse, particularly in the early stages. The ULRs, project managers and trade union representatives were known among the workforce and were able to gain their trust. This meant they were able to identify the functional skills needs of the workforce and encourage the company to work with the unions to address them. It also helped to have colleagues and peers advocating learning, particularly in the early stages, rather than managers. Employees were more likely to take part if a course was recommended by someone they worked with. The HR Director believes that the success of the project only happened because of the involvement of unions and ULRs. She cites this as a critical success factor.

The company has since developed their own capacity to deliver training in-house, giving them more flexibility and allowing them to tailor courses to the needs of their established workforce. However, they acknowledge that in new contracts, joint ventures, or services, trade unions and ULRs are still likely to be important in engaging the workforce in learning. The new project with UNISON with the domiciliary care workforce is one such example, and the company is looking to establish similar arrangements in some of its more recent joint ventures.

Analysis and conclusions

Analysis

The case studies show a number of different triggers for employers changing working practices to optimise the use of skills. Labour market conditions, and the ability of the employer to find the skills they needed to support the development of the organisation, encouraged employers to develop the skills they needed using their existing workforce.

Employers were also driven by concerns about productivity and efficiency. In the military aircraft market, facilities management market, and in public health, employers needed to find better ways of working in order to remain competitive. Using the skills and knowledge of the workforce more effectively, and involving them in continuous improvement, was one way of doing this.

In most of the case studies, employers were concerned about the retention of the workforce. Finding ways for employees to gain and deploy their skills more effectively was seen as a means of improving their commitment and engagement, and keeping a valuable group of employees within the workforce.

In each of these cases, good industrial relations were a prerequisite for changing working practices. Constructive and cooperative relationships between the trade unions and the employers, and the trade unions and their members, have helped to facilitate change. Although the trade union learning agenda seems to be helpful in maintaining dialogue with employers when the relationship is otherwise strained, high trust relationships and a commitment to mutual gains was necessary in addressing the use of skills. At an individual level, good relations were also crucial in encouraging employees to deploy all their skills to the benefit of the company. Where relations were good, unions were able to exercise greater influence over the skills agenda and practices such as job design, progression and redeployment.

The case studies show the range of roles that trade unions can play in supporting employers and employees to optimise the use of skills. Unions can be a driver of skills acquisition that then leads to change in workplace culture, and the more effective use of skills. At Norse, the unions' demonstration of the capacity of the workforce to engage with learning and upskilling, encouraged the company to see their existing workforce as a resource for expansion. The employee engagement the company achieved through the learning programme encouraged the company to develop an approach to managing the workforce based on empowerment and devolved decision making, which as well as boosting job satisfaction, gave employees more discretion over skill use.

Unions also acted as funders or co-funders of skills programmes, enabling employers to meet their skills needs by developing their existing workforce. Trade union officials brought expertise in how to engage with employees who were not confident learners, and officials as well as ULRs encouraged and supported learners. Unions helped build the confidence of employees through learning, making employees more willing to participate at work and use their skills.

Where improving skills use entailed changes in working practices, trade unions, through their relationship with the workforce, offered employers insight into the practical challenges of implementing changes, and could also act as a conduit for information to the workforce, helping to address concerns and create buy-in.

At BAE Systems, trade unions were also intimately involved in redesigning jobs to make better use of skills. The principle that those doing the job were best placed to improve it gave the unions a legitimate role in working with employees to redesign roles. Involving employees in job design also contributed to efforts to build a continuous improvement culture, and increase the participation of the workforce. Employees and unions had concerns about the quality of jobs,

the opportunities for progression, job satisfaction and reward, and employers were concerned about retention and performance. This created a mutual interest that formed the basis for joint working.

In all the case studies, there was a sense that increasing the use of skills was a mutual gains agenda. Employees could receive better pay, opportunities to progress, more transferable skills, or more interesting and satisfying jobs. Employers could gain access to employees' skills and knowledge to improve processes and efficiency, increase employee engagement, and improve retention, and gained a readily accessible talent pool to meet future skills needs.

Conclusions relating to strengthening the trade union role

Trade unions already have a role in supporting employers and employees to make the most of their skills. Union officials, representatives and ULRs promote learning and the development of the workforce, and often increase the awareness of employers as to the skills and ambitions of their employees. At an individual level, ULRs and trade union reps support employees to progress at work, and find opportunities for meaningful work that uses their skills and knowledge.

ULRs are one of the great success stories of the trade union movement, and their role in signposting employees to learning, and supporting them on the learning journey is well established. However, in the course of the research for this report it was apparent that ULRs in some workplaces were also keen to expand their role beyond connecting employees to learning, and began to influence the employer's agenda on learning. This could have a positive impact on optimising the use of skills at work, if ULRs were able to increase employer awareness of the skills and capabilities of the workforce, their aspirations and the opportunities they had to use their skills at work.

The case studies show examples of where the organisation of work and various practices have changed to enable skills to be used more effectively. Here trade union representatives and officials, rather than ULRs, have often played the lead role in working with employers to review working practices and implement change. UK trade unions have typically been seen as playing little part in job design and organisation and in improving the quality of management, unlike trade unions in other parts of Europe. However, union representatives are often acutely aware of the impact of poor quality jobs and management on their members. With more information on workplace practices such as job design, and more research on how trade unions can influence them, their role in this area could be expanded. Further research and practical support for trade unions are needed.

Trade union membership is concentrated in the public sector, and an increasing proportion is in higher skilled professional roles. Although trade union provision of functional skills is less likely to be necessary among these populations, there is still potentially an important role for unions in addressing the use of skills. Evidence suggests that the decline in job autonomy seen in recent years affects most types of jobs, not just low-skilled jobs. Employers are increasingly interested in employee engagement and the benefits this has for performance, productivity and innovation. However, to achieve higher levels of engagement, employers must attend to the quality of management, communications, employee voice, and trust. There is a clear win-win agenda that trade unions can use to improve the quality of jobs. Again, trade union officers could benefit from better information on the business case for employee engagement and the role trade unions can play in helping employers achieve it.

One case study showed how unions could use pay negotiations to ensure that employees benefit from using more skills. It also shows how unions are able to use such agreements to guard against

de-skilling and work intensification. This is a very specific case, and the approach may not work in other settings. However, it does show that unions can use bargaining to make sure the productivity gains are shared fairly between the employer and employee. This may directly encourage employees to use their skills, but in the case study here, the significance of the formal agreement was equally that it helped to restore trust between the employer, unions and workforce. Once the workforce felt reassured that their contribution was valued and respected, and that they were not being taken advantage of, they were willing to share their knowledge and skills.

Cooperative relations between unions and employers create the environment for broader discussions about performance, quality of work, and use of skills. This is not necessarily within trade unions' control, but where possible, empowered and informed trade union reps working constructively with employers are able to exercise influence over a wider range of workplace issues.

Notes

- 1 Leitch Review of Skills (2006)
- 2 Leitch Review of Skills (2005), page 108
- 3 Scottish Government, Skills Utilisation Leadership Group (2008)
- 4 Centre for Enterprise, page 17
- 5 Also referred to as high involvement working practices (HIPWs) – see Green, F. (2010)
- 6 UKCES (2010)
- 7 Green, F. (2010), page 8
- 8 Findlay, P., Warhurst, C., & Commander, J. (2011)
- 9 Lloyd, C. & Payne, J. (2007)
- 10 Bryson, A., Forth, J., & Kirby, S. (2005)
- 11 Findlay, P., Warhurst, C., & Commander, J. (2011)
- 12 Lloyd, C. & Payne, J. (2007)
- 13 Green, F. (2010), page 17

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