

## **Building partnership and assisting change: an Acas workplace project at Johnson Matthey, Clitheroe**

*A case study of an Acas workplace project which resulted in vast improvements to management/union/employee communication and consultation, within the context of a larger scale change programme.*

### *Background*

Johnson Matthey plc is a speciality chemicals company which processes and manufactures precious metals, catalysts and speciality chemicals. It has seventeen sites in the UK, one of which is in Clitheroe, Lancashire, which employs around 200 full-time staff. The site was previously one of two owned by ICI Syntetix, one of 27 offshoot companies which emerged from the breakup of ICI. Following the acquisition of Syntetix from ICI in November 2002, Chemicals and Syntetix were brought together as the process catalysts and technologies business of Johnson Matthey. Acas was involved in a number of the ICI offshoots, helping them to develop new consultative structures and manage the devolution of bargaining of pay, terms and conditions to site level. Around 80 per cent of Johnson Matthey's Clitheroe site workforce belongs to one of two recognised trade unions, Amicus/MSF, Amicus/AEEU, and the GMB.

### *How did Acas help?*

The Acas workplace project took place in 2001, prior to the Johnson Matthey takeover. The purpose of the project was to assist with the establishment of local pay bargaining. Previously, there was a joint consultative committee on the site which met monthly. However, both management and unions recognised that meetings tended to be adversarial and focused on trivial issues.

The introduction of local bargaining provided an opportunity for both sides to take joint responsibility for reaching agreement on site and to engage in training around working in partnership together. However, there was no framework for bargaining in place and neither side had any experience of negotiating pay and conditions. Consequently, both parties approached Acas to help them to develop a new management/trade union relationship which would enable them to engage in effective local bargaining.

The Acas workplace project was one of several initiatives taken to develop a partnership relationship at the site. These included managers and union representatives attending conferences, training provided by one of the recognised trade unions, and visits to other companies with experience of partnership working. In turn the shift to partnership working was one aspect of a wider workplace change programme which also included: changes in recruitment and selection procedures and



in shift patterns; the implementation of a 'total productive maintenance programme' involving manufacturing improvement teams; secondments; 'best factory' visits; and a drive for continuous learning in the workplace.

### *What did Acas do?*

The Acas workplace project took place prior to the first set of annual pay negotiations on the site. It consisted of three one-day workshops at the site, each attended by around 20 managers and employees. On Acas' advice, participants were selected to include employees and managers who were not directly involved in bargaining pay, in order to raise their awareness of what the process demanded of those who *were* involved in bargaining. Participants also included both managers and employees who were sceptical about the process, and those who were more in favour of change. The aim was to build trust amongst the whole workforce by making the process transparent.

Workshop sessions were designed to allow participants to develop negotiating skills, and foster understanding of 'win-win' bargaining principles and the potential benefits of joint working. The Acas adviser used methods including group work and role play exercises to promote interaction between participants. Key to the success of these techniques was examples and scenarios based on real life experiences and situations outside the workplace, from negotiating in a football club to the dynamics of the parent/child relationship.

There was a consensus among participants that these techniques provided opportunities for learning to be both fun and thought provoking. Participants believed that the focus of the workshops on learning through participation, rather than instruction by the adviser, resulted in quality debate that challenged existing attitudes by bringing them into the open.

### *Outcomes: A new partnership approach to change*

Because the Acas project was part of an ongoing change programme at the site, its impact needs to be seen within a wider context. However, there was a shared recognition that the project had made an important contribution to a change in attitudes and practice which had in turn contributed to improved performance. A manager speculated that they would not have achieved the level of success they had without Acas' assistance, while a union representative commented that the process of improving trust between managers and employees began with Acas' involvement.

Indeed, there was a perceived shift 'from confrontation, to communication' in management/union relations, evidenced in earlier and more effective communication between the parties. This was considered to have been particularly beneficial to the first two annual pay negotiations where information sharing in the run up to the negotiations had reduced the amount of time spent in formal discussions. This had resulted in 'very short, sharp wage negotiations' consisting of one or two sessions of two hours each. The third round of pay negotiations had however been more protracted, because of employee concerns about changes to the grading system



brought about by the sale of the site. These difficulties demonstrated that change is an ongoing process.

An important outcome was that management and trade union representatives were able to see their aspirations around partnership come to fruition. However the approach they adopted was characterised by informality, with problems now resolved through frequent, everyday communication between line managers and representatives, rather than referred up the line. Managers felt that this informal approach was in many ways preferable to a formal written partnership agreement because 'trust is the thing that keeps it (the partnership) together, not a bit of paper'. Indeed, both sides felt that the change programme had resulted in improved trust between managers, employees, and their representatives.

As a result of these shifts in the relationship, managers now had enhanced perceptions of representatives' role. This was because representatives were now better informed, and were more receptive and participative. Likewise, representatives felt that their opinions were more valued and that they were more 'enlightened' about business needs and objectives. They had a better understanding of how the business operated – particularly the impact of cost based factors such as sickness, absenteeism and overtime. These factors resulted in more meaningful communication and a shift in bargaining tactics whereby issues were prioritised, and the trivia which had sometimes dominated discussions in the past was filtered out of the process.

The successful impact of the organisational change process – in which Acas played a crucial role – was evidenced by substantially improved onsite efficiency, including improved stock turn and overall equipment effectiveness. These improvements in turn resulted in increased output and profits, which generated new investment in the plant from the parent group.

Acas' neutrality and the skills, experience and quality of input of the Acas adviser were seen by both management and union representatives as the key factors contributing to the success of the project. Management felt that Acas' involvement had accelerated the pace of change and had an immediate positive impact on subsequent negotiations. Both parties emphasised that a key advantage of using Acas was that it offered a distinctive 'relationship-building' service not necessarily available elsewhere. As one union representative put it:

*'When you look at what the alternatives are, when we were looking for Acas or anybody else, you really struggle because what you're talking about is quite conceptual. It's new. And not enough people out there are able to deliver what we were looking for. And I think (with) Acas, we were very fortunate that they were able to deliver.'*

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