CASE STUDY

BOC Transhielld

Edited by Ian Gordon-Brown

This article is adapted from a booklet entitled "Industrial Relations and Training Activities", produced by the BOC Transhielld personnel department. It describes what the company, the Transport and General Workers' Union and the Association of Clerical, Technical and Supervisory Staffs have done since the company's formation in 1970 to establish good human and industrial relations. While a new company like BOC Transhielld is in many ways ideally placed to achieve this goal, we should not underestimate the achievement of the company and the unions on this count. It is important to remember that many managers and operatives will be employed whose attitudes will have been determined by past experience elsewhere. We are grateful to the company for permission to reproduce this adapted text, which includes the very important Company Charter of Human Relations in full. In particular we acknowledge Michael Davey, Commercial Trade Group Secretary T&GWU Region No. 9 and his fellow trade union officers, stewards and staff representatives; Ron Broome, Transhielld's Managing Director whose willingness to experiment has made all developments possible; his senior management colleagues; David Redmond, Personnel Director, regarded by many as the architect of Transhielld's industrial relations success; and Peter Buckingham, the author of the booklet on which this article is based.

PART I

BOC Transhielld was formed in 1970 and provides a food warehousing and road distribution service to Marks and Spencer. It is a company of 1100 employees and operates from five strategically located depots in Barnsley, Bristol, Cumbernauld, Faversham and Kirkby.

Each depot is a profit-responsible unit and is controlled by a management team; the labour force is made up of drivers, warehousemen, fitters, cleaners, clerical and catering staff. Generally a three shift rotating system is in operation, each shift with a shift manager and several supervisors. A small head office is located in Central London.

At the outset one of the company's main objectives was to establish an operation which would satisfy the high standards required by Marks and Spencer. This involved the integration of the technical operation and the personnel of two separate, older established depots with the three new purpose-built depots. In addition, this required a planned approach toward parity, particularly in the personnel field. Firm foundations were laid from the outset, and line management were encouraged to get involved in industrial relations.

The company and union structure

The company appreciated the need to avoid the inter-union disputes so prevalent in industries where multi-unionism exists. It approached the Transport and General Workers' Union (T&GWU) for its hourly paid employees and the Association of Clerical, Technical and Supervisory Staffs (ACTSS) for salaried employees. Two committees were formed at national level for the purposes of negotiation and consultation (National Joint Consultative Committees). At each depot a local joint committee was formed mainly for the purpose of consultation. The membership, constitution and functions of these national and local committees are outlined in the company charter of human relations which forms Part II of this article.
Within British industry during the 1960s collective bargaining had been encouraged at local or plant level, but this often created enormous parity problems. It was decided that Transhield should have a national negotiating body in order to avoid as many disparities as possible. The Trade Unions were in agreement with the establishment of countrywide negotiations and these have continued to the present day.

Committees at national and local level required a set of rules or guidelines to regulate their activities. Certain basic procedures had to be agreed in order that company and union policy was administered consistently in each depot. However, to produce a comprehensive procedural agreement was easier said than done.

It took four years to develop a complete version of Transhield’s national agreement—time necessary to allow evaluation of procedures after their application in practice. Nevertheless, some negotiated procedures were established at early stages including the Avoidance of Disputes Procedure, the Disciplinary Procedure and the Appeals Procedure.

The National Agreement contains the company Charter of Human Relations. It outlines the company’s employment policies and could in fact be thought of as an industrial relations constitution. It expects management to have and develop certain attitudes which are in keeping with changes in employee expectations and industrial relations legislation.

In short, the company and the Unions made a great effort to ensure that an ordered structure for negotiation and consultation was established and that procedures were agreed which would enable beneficial relationships between management and unions to develop at the workplace.

The development of industrial relations training

The company was fully aware that it had produced a model procedural agreement and had expounded an enlightened human relations policy, but how was it to implement them? The industrial relations situation was analysed and basic training needs were determined. In addition, an attitude survey was carried out by the Industrial Society at one of the depots which confirmed the need for better communications. It was indicative of the growing pains of a young company that the report quoted an employee as describing the depot as a “management battleground”.

Broadly the objective of the training has been to improve communications at all levels within the company. More specifically, the company has been concerned that management, supervision, shop stewards and staff representatives are aware of and work within the personnel policy, as expressed in the Charter of Human Relations.

The training plan was divided into four phases. The first introduced the concept of communication and stressed its importance. The following three phases all dealt with developing systems of two-way, face-to-face communications, but by three separate but complementary methods:

1. Briefing Groups
2. Group Discussion
3. Group Problem Solving

The training programme

The company’s training programme began in November 1973 and is still operating. The first phase of the communications courses was designed to inform management and supervision of changes in society and in the law which would have a profound effect upon people’s attitudes at work. Courses were also held for shop stewards and staff representatives, in co-operation with the Trade Unions, to develop their ability to communicate effectively with their members and with management. Trade Union officers ran this course with assistance from the company. During this phase all course members were able to take part in role playing exercises to make them more familiar with the procedures in the National Agreement.

In the next phase of training, the first method of face-to-face communication was introduced as a practical application of the company’s philosophy. This briefing group system was based on the published guidance of the Industrial Society. Prior to the training courses, formal depot briefing group structures were already established to inform all employees at all levels on all aspects of the company’s activities. Diagram 1 describes a typical formal depot briefing group structure.

Formalised training in leading briefing groups was given to all levels of management and supervisors in the month prior to implementation. By agreement, depot trade union conveners and supervisors were trained together, an experiment which proved successful and facilitated the early operation of briefing groups within the company. Thirty-minute sessions were found to be most effective. A ten-minute prepared talk from management of supervisors was followed by a 20 minute open session.

The third and fourth phases of the training programme—Group Discussion Leading and
Group Problem Solving—were introduced to extend the scope of two-way, face-to-face communication beyond that of the briefing group method which was limited to discussion of one topic.

Diagram 1: Briefing Group Structure

Group Discussion Leading was seen as a skill necessary for all managers to enable them to identify the attitudes and views of a group. It involves a dialogue in which an issue is discussed to a prepared structure in a logical order to enable the leader to establish the group’s consensus of opinion. Group Discussion must involve a cross section of those individuals likely to be personally affected by the issues and should include the “natural leaders” of the shop floor. It has been established that individuals in a group are likely to accept a consensus view, even though they held an opposing view to start with.

It is also well established that from personal involvement comes commitment. From commitment comes greater effort—and less likelihood of resistance to change leading to industrial unrest and its variety of undesirable consequences.

A limited sense of involvement and participation is produced by briefing groups during the question and answer period. More commitment is obtained in group discussion—but it is limited to the established group consensus of opinion. Further commitment to effort in the operational sense (ie where profit is made) requires an additional management skill in face-to-face communication namely Group Problem Solving. (Note that it is described as a “Group” approach, not as a “joint” approach which implies a regression to “them and us” behavioural pattern.)

This third part of Transhield’s approach to better communications provides a means by which all grades of personnel in the company can meet (in groups of five to say, eight people) to develop and agree recommendations for the best solutions to problems by adopting a simple six-step logical and objective approach.

Although this skill is not yet fully developed throughout company management, all have been trained to lead such groups. Supervisors have also been trained in Group Discussion and Problem Solving so that they can contribute more effectively as first line managers. It is interesting to note that as a result the company was approached by the trade unions to extend training in communications for shop stewards and staff representatives to cover the three techniques described above.

In addition to the industrial relations training, a series of Cash Flow Seminars were developed at most of the depots. These seminars were aimed at a cross section of employees enabling them to have a better understanding of such concepts as profit and cash flow. Simply, the objective was to illustrate that even making a profit did not necessarily ensure the viability of a company. Furthermore the intention was to stimulate thought regarding the easing of cash flow problems and cost saving. The interest shown in these seminars led to a follow-up exercise which took place during 1976.

Training employees in understanding financial information is an essential complementary exercise to the human relations activity.

Evaluation

Training goes only part way to solving communications and industrial problems. The important question that remains is—how effective has training and its implementation been in developing good human relations within Transhield?
As far as the initial communications courses were concerned, the company did not expect that all the faults would be ironed out overnight. Possibly the most valuable side effect of the courses was that management and trade union representatives were able to meet their counterparts from other depots in an informal atmosphere. The skills which were taught were well received and seen by the course members to be useful in their working environment.

One measure of success to date is that the Transhield Industrial Relations Course for Supervisors has been adapted by Chartridge, the training centre for the BOC group for wider application throughout BOC.

It was necessary to ensure that the skills would be used in practice. Briefing Groups have been used with considerable success in communicating information to all levels within the company. For example, all employees were briefed on the major provisions of the Health and Safety at Work Act. Briefing groups are held at regular intervals, usually every two to three months. An important development has been that supervisors have come to feel more a part of management and their confidence has increased.

One practical example where the problem solving technique has been used was at the Bristol depot. For some time the layout of the warehouse had been regarded as unsatisfactory. It hampered

**Diagram 2: Bristol Depot Problem Solving Structure**

![Diagram](image-url)
the efficiency of the whole depot operation. The problem was not only to change the layout, but more importantly to ensure acceptance of change by the employees.

As a first step an individual shop floor worker was given the task of gathering the opinions and suggested solutions to the problem from all levels of personnel within the depot. He spent several weeks at this task.

The collected views and possible solutions were then put before a working party composed of managers, shop stewards and other employees who added their comments and suggestions. Thirdly, at a meeting of the local joint consultative committee the most appropriate solution was decided upon.

The final stage before implementation was to arrange a thorough briefing group exercise in order to communicate the proposed changes to all employees. The whole exercise took three months and involved every employee in the depot. On the day that the new system and layout were introduced, and due to the nature of the work the changeover had to be made in one operation—it could not be phased over a period or introduced piecemeal—everything worked smoothly and easily and without a hitch.

When the new system had been in operation for a little while it was reviewed and evaluated. Only a very few and minor changes were found necessary. On the success of the exercise, the General Manager at Bristol stated at a national joint consultative meeting: “all had been involved, all had participated, leading to a successful solution and easy implementation”.

A similar exercise concerning the cold store operation was initiated by the Barnsley depot General Manager.

It is felt that these techniques are an essential experiment in developing worker participation at the company. Experience will reveal whether we are going too fast too soon, but it is judged to be of greater benefit to the company to lead and attempt to anticipate future possibilities.

It would be wrong to give the impression that Transhield is one big happy family where no industrial relations problems arise. Certainly there have been difficulties and there have been a few short stoppages. It is impossible to guarantee that there will be none in the future; however, it is our belief that the extent of such action may well be curtailed as a result of our training activities and their practical application.

The company has developed a good and open relationship with the trade unions. There is little doubt that the nature of our national agreement and the extent of our training programme have been instrumental in achieving this development.

Recent developments

Industrial relations and training are on-going processes and the company is fully aware that much still needs to be done. Inevitably what has been said in this paper indicates a move towards constructive worker participation; and the programme has concentrated on avoiding the traditional jargon of industrial relations and the rigidity of attitudes it implies, so as to bring about a natural development. To some extent this has taken place. In the last two years this has been taking place, as part of a natural evolution alongside the debate on industrial democracy—the Bullock Report, the Industrial Democracy White Paper etc—that has been developing at national level. Towards the end of 1975 the trade unions asked for periodic informal meetings with the company at which matters relating to the wellbeing of the company as a whole could be discussed. The company was encouraged by this request, and happy to respond. The first meeting, which involved all members of both National Joint Consultative Committees, both manual and staff, occurred at the end of 1975. It agreed to develop the problem solving technique throughout the company as a means of increasingly involving employees at all levels in running their share of the business, and initially for groups in each depot to produce solutions to the problem of increasing costs.

More recently discussions took place with the Unions to develop these periodic company level meetings into a company advisory council which represented all employees. Joint training is now in progress to effect this development. In this way the company seeks to involve employees increasingly in discussions on longer term company development and strategy, while recognising the board’s ultimate responsibility for decisions.

It will be clear from this short article that both company and unions are concerned to increase employee participation in all activities of the company. The company does not claim to have a definitive approach to industrial relations problems. Rather it presents the Transhield experience as indicative of a joint and planned approach which is proving successful.
Michael Davey and David Redmond have also stated that “industrial relations and training are progressive processes and we are fully aware that, although substantial progress has been made, much still needs to be done. If we might indulge in a little mutual appreciation for a moment we feel the following influences have helped our efforts so far:

1. Transhield as a company recognised at the outset that its human relations objectives could not be attained other than by a joint approach with the union.

2. It has become policy to develop a management totally committed to an open, participative style of working.

3. Any reasonable request for information by the union has been met without question. Both parties recognise that access to all relevant information is an essential first step to successful participation.

4. The adoption of an informal style of negotiation has avoided the development of traditional, conflict-oriented role playing.

We hope that our progress so far is merely the beginning of increasing participation by all in the activities of the company”.

The Company Charter for Human Relations which is described in Part II has provided the framework within which this joint approach has been developed. It spells out a code of practice, and a philosophy, acceptable to the great majority of those who work in BOC Transhield. Its existence has been essential to the company’s success to date. We would warmly commend such a charter as follows, to others.

PART II
THE COMPANY CHARTER OF HUMAN RELATIONS

This company believes that one of its most important responsibilities is to create a working environment in which its employees can happily perform their daily duties with a sense of belonging to a successful enterprise where:-

The dignity of individuals at all levels is respected;
They can achieve satisfaction in making a worthwhile contribution;
There are equal opportunities for all to realise their potential;
Their efforts and competence are justly rewarded.
To achieve these aims a Human Relations Policy has been evolved which it is intended will be regarded at all levels as enlightened, dynamic and effective.

The basic philosophy is geared to first class communication, participation of employees and co-operation with the trade union.
In brief we intend to create a happy, rewarding and very efficient company in which everyone works sensibly and well together.

Company
Management has the primary responsibility for good human relations and will take the initiative in creating and maintaining them.

Management’s task is to conduct its business efficiently and profitably. A major objective of management will be to develop fair and effective human relations policies which command the confidence of employees. To this end effective communications and consultations at all levels will be implemented to ensure that employees are kept fully informed.

Good human relations depend upon good organisation. Management will therefore act to ensure:

Responsibility for each group of employees is clearly defined in the organisational structure;
Individual employees or work-groups know what their objectives are and are kept informed of progress towards achieving them;
Work is organised so that the individual employee has the chance to achieve a sense of satisfaction in his job;

Co-operation with the trade union (T&GWU and ACTSS) in establishing effective procedures for:

i formulation of terms and conditions of employment,

ii the settlement of grievances and disputes,

iii appeals;

The observance of agreements and the use of agreed procedures;

Identification of trends in industry to anticipate and keep abreast of change.

**Employees**

The individual employee has obligations to his employer, to his trade union and to his fellow employees. He shares responsibility for the state of these relationships in the establishment where he works and his attitudes and conduct can have a decisive influence on them.

The basic relationship between employer and employee is defined in the individual contract of employment. This is expressed in clear and precise language. It is the employee's responsibility to satisfy himself that he understands the terms of his contract and to abide by them.

**Employment policies**

Clear and comprehensive employment policies are essential to good relations between management to make the most effective use of its resources and to give employees equal opportunities to develop their potential.

Management will initiate and accept primary responsibility for these policies, which will be developed with the participation of the employees' representatives.

**Planning and the use of manpower**

The sound planning and efficient use of manpower are important for the success of the enterprise. The company and the trade union agree that full productivity can be better achieved when employees have a share in the benefits.

Therefore, it is accepted that management and employees will participate in evolving measures to continually improve productivity resulting in improved profits and conditions of employment.

**Recruitment and selection**

Sound recruitment and selection policies create good human relations by ensuring that people are engaged for jobs suited to their abilities.

Vacancies will be filled from within the company, particularly when such vacancies offer promotion or broader experience to existing employees. When it is not possible to fill vacancies from within the company the need to bring in outside experience is recognised and the assistance of the union would be sought in recruitment.

**Training**

To be successful adequate training must be given. This helps the individual to develop his potential, to increase the satisfaction he finds in his work and to improve his earning capacity.

The Staff Development plan operates to assist in providing career development for all levels of employees.

**Status and security of employees**

Insecurity of employment and fear of consequences of sickness have a major influence on attitudes to work and good human relations. Except for circumstances outside its control the company has as its main objectives:-

The greatest possible stability of employment and earnings.

Reasonable job security for employees absent through sickness or other genuine causes.

Obviously the level of manpower will fluctuate according to both the demands of the business and advances in operating efficiency. Effective communication with employees through their representatives will ensure a knowledge of any changes contemplated, on which consultation would take place before any action was implemented.

It is the desire of the company ultimately to achieve staff conditions for all employees in co-operation with the T&GWU or ACTSS.

**Health, security and accident prevention**

**General**

The company recognises that it has moral and legal responsibilities to protect its employees and others affected by its operations. In addition, it is essential in order to operate its business efficiently that it should prevent accidents both to people and property and generally promote the well-being of its employees. These are clearly mutual objectives of the company and all its employees and, therefore, the company seeks the genuine co-operation of every employee in attempts to achieve these aims.

This document sets out in more detail the policy to be followed on health, safety and accident
prevention. It is largely based on company policy prior to the passing of the 1974 Health and Safety at Work Act, but the obligations laid by Parliament on both the company and its employees by this legislation have been taken into account. The company will monitor the operation of this policy and revise as necessary.

Objectives
To provide safe and healthy working conditions.
To contribute to the safe and efficient operation of company activities by prevention of accidents and damage to property.
To ensure as far as is reasonably practicable, that the design, manufacture and instructions to users of company equipment and products result in safe operation and handling.
To minimise risk and nuisance to the environment from company operations.

Responsibility
The policy and the basic principles to be followed throughout the company are set out in this document.

Implementation and extension of these general principles will clearly vary depending on the nature of the work and local conditions and is ultimately the responsibility of the Managing Director.

On a practical basis, safety and health are largely determined at the workplace and therefore as a basic principle the company holds the person in charge of each depot responsible for the safety and health of every employee in the depot and also for the prevention of risk or nuisance to the environment.

Consultation and co-operation
Aside from the strictly legal requirements the company recognises that Health and Safety can only be fostered by co-operative effort. In furtherance of this co-operation the company will arrange necessary training, communication and regular consultation between managers and other employees directly through properly constituted safety committees.

Legal Requirements
The company, through its consultation with BOC Ltd Safety Co-ordinating Committee and BOC Ltd Safety Advisers, will monitor changes in legislation and disseminate the necessary information to responsible managers.

By maintaining contact with relevant outside organisations BOC Ltd will ensure that its experience is taken into account when new Codes of Practice are drawn up. It will also monitor such new Codes and disseminate information on them; the company will do likewise to depots.

Training
Depot management are responsible for ensuring that, for any process in which they are involved, all new, existing and redeployed employees are:
inform of safety and health hazards, of which the company are aware, in relation to the process, materials used and operations involved.
instructed in safety precautions required and the reasons for these properly instructed, trained and kept up to date in the safety aspects of their work.

Health and Safety Inventory
The company will ensure that:
due regard is given to possible hazards when considering new processes or changes in existing ones
periodic safety inspections are undertaken.
Management will arrange for accident and health statistics to be recorded and analysed. They will also consult with and explain to employees the incidence and causes of damage both to people and property and the remedial action required.

Environment
It is the intention of the company, with the co-operation of its employees, to maintain high standards in working conditions, hygiene and cleanliness, so that we are leaders in our industry.

Joint endeavour
The effective implementation of any modern philosophy for human relations depends upon creative collaboration between the parties concerned in the enterprise. To give effect to the company policy in this field in a way which will enable its personnel at all levels to make a maximum contribution, participation will take place through the medium of two committees as follows:
Local Joint Consultative Committee
National Joint Consultative Committee
The constitution and function of these committees and the necessary relationship between the company and the union is outlined in the following pages.
Relationship with T&GWU and ACTSS

The company recognises:

It is normal custom and practice for employees in appropriate categories to become members of the T&GWU or ACTSS and the company encourage this.

That the T&GWU and ACTSS have sole negotiating rights for agreed categories of the company's employees.

The union recognises:

The management's responsibility to plan, organise and manage the operation of each depot in order to achieve its objectives, again with full consultation.

The company and union

Have a common objective in ensuring the efficiency and prosperity of the enterprise for the mutual benefit of the company, its employees and customers.

Undertake to consider jointly matters affecting the interests of the management and employees, using agreed procedures.

Agree to use their best endeavours to avoid any stoppage of work or other restrictions on operations until the procedures for resolving issues have been exhausted.

Pending settlement of any dispute the same rate of wages, or hours worked, or conditions of employment that existed prior to the dispute shall apply.

At those depots where union members agree, the company will deduct union dues from their wages and pay them to the union. These deductions will be made in accordance with current legislation and company administrative practice.

Local Joint Consultative Committee

Constitution

The chairman shall be the Depot General Manager.

The vice chairman shall be a Shop Steward/Staff Representative chosen by the Committee.

One Shop Steward or Representative from each functional group including the following will form the Committee:

Supervision
Office
Warehouse
Drivers

Maintenance.
This may be varied by agreement to suit local conditions.
The local full-time official of the union will be invited to attend.
Joint Secretaries will be agreed one of whom will be the Depot Training/Personnel Manager.

Function

Communication and co-operation between all employees and their management by discussion of all matters of mutual interest.

To gain an appreciation of the company's business and to promote smooth working to develop service to the customer.

To discuss the local application of agreement including:

- basic hours of work
- overtime hours of work
- annual holidays
- statutory holidays
- fluctuations in the level of manpower
- interpretation of agreement.

To consider the standard of hygiene and to assist in improving these standards where possible.

To continually monitor working conditions and to consider legislation which affects the well-being of employees, and welfare arrangements.

To discuss training and educational activities.

To consider and investigate the cause of accidents and by example and education to assist in their prevention.

To help develop social activities for employees.

To discuss work methods and standards and assist in utilising the labour force to maximise productivity.

Meetings

The Committee will meet monthly or as required and an agenda will be issued seven days before the meeting. Jointly agreed minutes will be issued within seven days of the meeting, wherever possible.

Selection of Representatives

Each depot will be represented on the National Joint Consultative Committee by a member of management and one elected lay member of the local Joint Consultative Committee.

In order to ensure that local views are taken into account when the union are considering wages and conditions of employment, the union will organise meetings with elected Shop Stewards as required and in agreement with the Company.
National Joint Consultative Committee
Constitution of NJCC for Operating Staff (T&GWU)
The chairman of the Committee shall be a Director of the company.
The membership shall be:
- Group management: up to 5
- Union officials: up to 5
- Depot management: up to 5
- Depot union representatives: up to 5

The membership may be amended as jointly agreed by the NJCC.

Constitution of NJCC for Clerical, Technical & Supervisory Staffs (ACTSS)
The chairman of the Committee shall be a Director of the company.
The membership shall be:
- Group management: up to 5
- Union officials: up to 5
- Depot management: up to 5
- Depot union representatives: up to 5

The membership may be amended as jointly agreed by the NJCC.

Function
This committee ultimately will be responsible for the conclusion and subsequent updating of agreements covering all general terms and conditions of employment between the company and union. Such agreements will continue in force for periods to be mutually agreed and at least three calendar months’ notice in writing, and expiring on the last day of the calendar month, will be given by either party to terminate or vary the agreements.

Both parties accept that this agreement is binding in honour upon them but both expressly agree that it is not intended to constitute a legally enforceable agreement between them.

In view of this the company and the union will strive to ensure that decisions reached jointly are respected by management and by employees.

When any point arises regarding the interpretation of the agreements at depot level, it shall be discussed initially by the Local Joint Consultative Committee.

Both NJCCs shall be empowered to set up Ad Hoc Committees to deal with specific problems as and when required. The membership shall be agreed by the NJCC concerned.

Meetings
These will take place as requested by either party. The two Secretaries jointly will be responsible for:
- i) Preparing an Agenda to be circulated twenty-one days before each meeting.
- ii) A communique for immediate promulgation in each depot.
- iii) Minutes of meetings for circulation within seven days, wherever possible.

BURROWS & SMITH LTD.
PRECISION ENGINEERS & MACHINE TOOL MAKERS

Over the past twenty years Burrows & Smith Limited have developed and maintained a high reputation for precision production in quantity, at economical costs. We offer first-class precision engineering facilities for the production of a wide range of components, assemblies and machine tools, backed by our own Reconditioning Section which regularly maintains the high standard of our productive plant.

The Production Departments are supported by our own toolroom, heat treatment, and painting and finishing facilities, and our Drawing Office caters for jig and tool design. The Heat Treatment Section contains gas-fired furnaces and salt baths—all electrically controlled and recorded. We have a labour force of just over 200.

These facilities are offered exclusively to the trade and, as the company does not manufacture on its own behalf, work placed by customers is not affected by sales fluctuation of our own products.

Saffron Lane, Leicester
Telephone: 831173-7