

Name: Npower  
Name: GMB, Unison and Unite  
Size: 12,500 employees  
Sector: Gas and electricity generation and supply  
Location: Nationwide, but employment concentrated in the Midlands,  
Yorkshire and the North-East

### **The organisation and the role of the workplace representative**

Npower is a gas and electricity generation and supply company. Unions and collective bargaining have always played a prominent role in the company, which is the product of mergers of parts of the old Central Electricity Generating Board and regional supply companies in the Midlands, North East and Yorkshire. Developing an integrated approach to managing employment relations has been a significant challenge. There are now three separate divisions of the business: Generation, Retail and MeterPlus, with separate bargaining structures for each. This case study concerns Retail and MeterPlus. Management and union reps report a positive climate of employment relations, with reps consulted both through the national negotiating machinery and through ad hoc workplace level meetings. Both management and union reps spoke positively of the strong co-operative relationship between them within the company.

### **The issue**

The company had a joint capability and disciplinary procedure. The aim of the capabilities part of the procedure was to manage poor performance around issues like absenteeism, which did not warrant disciplinary action. However, in practice, managers were unsure of when to go through the capabilities procedure, and when to invoke the disciplinary procedure. This meant that the disciplinary procedure was often used inappropriately, with the result that the staff often felt they were being treated unfairly, while management felt that time and effort was being wasted on inappropriate use of the grievance procedure, without tackling underlying performance issues.

In response to this problem, a joint working party, comprising HR managers and union reps was established. The decision to form a joint working party reflected the success of a previous joint working party, which had looked at the grievance procedure.

The working party started with 'a blank piece of paper', first seeking to build mutual understanding, then developing this understanding into a new capabilities agreement. The 'blank page' approach worked to diffuse tensions when compared to previous attempt to negotiate change, where negotiation had been used to 'edit' previous agreements, because in the past, union reps had been suspicious of management motives in editing or removing particular sections. Once the agreement had been successfully negotiated, the union reps were heavily involved in the roll-out of training in the new procedure for line-managers. This training program succeeded in securing high levels of buy-in from these managers.

Both parties agreed that the Capability procedure should permit initially the utilisation by managers of a less formal approach, which was focussed on using coaching to improve performance and provided separate sub-processes for dealing with short-term and long-term sickness absences. Under the previous procedure, management had been compelled to complete an independent investigation before starting use of the procedure. Management were keen to remove this requirement, as they felt it was inappropriate because it undermined the essential manager/employee relationship. The unions were keen to keep it because they felt to remove it would breach principles of natural justice. In the end, a compromise was reached whereby an HR adviser would be consulted at appropriate stages about how a manager progressed through the procedure.

The outcome of the working party was a new, separate Capability procedure which all sides were much happier with. The working party had the effect of cementing already positive relations between management and union reps.

### **How we benefited from effective collaborative working**

While it is too early to quantify the benefits of the new system (the new procedure was only agreed in February 2008), management felt that the working party had resulted in several benefits. First, it had reinforced the climate of constructive engagement that management enjoyed with union reps. Secondly, it had resulted in a new procedure that worked. Union involvement meant that the procedure worked in an operational context, and went with the grain of existing custom and practice. Feedback from line managers on the new procedure was very positive. Line-managers felt much more comfortable using the new procedure, felt that it enhanced their ability to manage the performance of their teams, and improved their relationships with local union reps. In other words the new procedure met the operational needs of the business much better than the previous procedure had.

Union reps were also pleased with the new procedure. They felt that it treated their members much more fairly. It also saved them time, because they did not have to spend as much time dealing with disciplinary issues, because there was less use of the disciplinary procedure, and when the disciplinary procedure was used, it was more likely to be used appropriately. They also felt that the new procedure improved their relationship with line-managers, particularly through their involvement in training line-managers in the use of the new procedure.

### **What we would do differently**

On the whole, both sides felt that there was little that they would do differently. Both agreed that the joint working party model was a good one. Although it had some additional costs in terms of time and co-ordinating meetings, the results were significantly better than other approaches to developing new procedures and agreements. Both sides acknowledged that there were some teething problems and difficulties with the new procedure, but both were committed to working together to iron out these difficulties with a minimum of fuss.