

## **Chapter 2 – Additional Student Case Study**

Plymco is a company that manufactures welding equipment. It has gone through significant changes in recent years due to a decline in UK manufacturing and increasing competition from lower wage economies. It employs 150 staff (compared to 350) ten years ago. It does not recognise trade unions for collective bargaining purposes but around 50 of its skilled manual workers are members of UNITE. This has increased in recent years as a result of perceptions of job insecurity and also the fact that wages have fallen in real terms (increased slower than inflation). The company has basic HR procedures (discipline, grievance etc) but has no HR department. Pay is not negotiated but just decided by the company directors each year and apart from a noticeboard there are no formal structures of communication.

**Reading:** Acas (2014) *Employee Communications and Consultation* - <http://www.acas.org.uk/media/pdf/i/g/Employee-communications-and-consultation.pdf>

1. What do you think are the main problems facing this organisation?
2. What employment relations processes and practices would be of benefit?
3. What would be the challenges in introducing these practices and how could they be overcome?

**Key points:** The main problem facing the organisation is the lack of employee voice and consequent lack of trust – the company has to decide how it wants to regulate employment relations. It could recognise the trade union and negotiate wages collectively. Alternatively, if it doesn't wish to follow this route it needs to develop structures through which they can involve employees and give them a say in decision-making within the organisation. Acas could be useful in advising over possible changes and navigating some of the barriers to these changes.