

Case study 1 *continued*

- Political issues. This might include issues where both parties have a common interest and can work collectively to engage politicians on all sides of the spectrum.

Above this group sits a smaller group: the Corporate Consultative Committee Steering Group to which the 30 members of the Committee elect eight members and which is chaired by Andrew Smith, HR Director of Employee Relations. This meets monthly and the company membership varies depending on the subjects.

It is able to deal in more detail with sensitive issues from the full committee agenda and with specific issues, including those where the company needs to develop consistent UK-wide policies. Examples would be the arrangements for holiday pay following legislation requiring employers to include overtime and other extra payments in the calculation, and the reorganisation of pensions resulting from the abolition of contracting out.

One objective is therefore to ensure consistency of key policies at national level while leaving pay bargaining to individual businesses. The Committee and its steering group do not touch pay bargaining by mutual agreement, though, Mr Smith says, the information flows through the system to set the context for pay bargaining at individual business level. The committee structure also does not deal with disputes.

A separate group consists of national officers of the three unions involved together with the head of the CSEU, Hugh Scullion. These are the final level in any dispute escalation process and would become involved if the company were unable to reach agreement with its own union representatives or regional union officials. This group also meets regularly at both an informal and formal level with the company at very senior level, which may include BAE Systems chief executive Ian King and UK Group Managing Director Nigel Whitehead. The agenda for this group is more removed from the day-to-day issues and more focused on strategic issues.

Union officials involved in the process say that some of the discussions are tough, including those on the holiday pay arrangements, but they readily acknowledge the benefit of what Mr Scullion calls their *"very informed, very open relationship."*

"We are involved at a very high level, and consulted on all the main issues," adds Azza Samms, who leads the unions' conveners group.

The company's approach is to be as open as possible with its union interlocutors and this is in turn valued by them. Also, the regular involvement of BAE Systems' senior leadership matters. This has fostered a high level of personal trust. The senior union representatives know that, on critical issues, they can approach the leadership directly, though most potential problems are defused at an earlier stage.

