

Chapter 6 Case Study

Training and regulation: learning from a regulated context

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The question of human resource development and training in general is highly relevant and popular in the study of HRM and ER. Many argue that the capacity of countries and nations to respond to external competition and to develop quality products rests on the quality of skills that workers have. These skills can be technical skills they have developed in order to engage with specific tasks in their job in an effective manner but there are also communication and what we call soft skills (see Chapter 6) which allow workers to communicate specific issues with regards to the quality of production or service delivery and actually participate through leadership skills in the formulation of alternatives and ideas in relation to operational matters.

In the UK a chemical plant of about 1000 workers had been encountering difficulties with longer term investment and development due to the lack of strategic initiative and direction from its Swiss owners. The company specialized in an area where other companies were making headway and there existed within the workforce, trade unions and local management a sense that they would be subject to closure in the not too distant future. Consequently, there had been little recruitment and training had been limited due to the lack of technological development in the specific area of chemical operations they specialized in. However, in the late 2000s the plant was brought by a leading German chemical firm. The firm had been acquiring various operations throughout Europe as a way of extending its operations into new and parallel sub sectors. There had been a phase of restructuring that had reduced the plant size but which had been done through a series of organized stages with re-training packages and financial support. The lead trade unionist was someone who had been dealing with the previous management regime and had found very few attempts at dialogue compared to the German firm. As part of his new remit he had to visit Germany regularly and participate in the discussions of the company's European Works Council. In describing to the author his visits he was impressed by the sheer scale of the operations in Germany but he also commented that unlike in the UK the company had a much deeper relation with local colleges and apprenticeship systems. Workers were technically developed to a higher standard due to the greater level of codification of skills and investment in skill formation in Germany: the difference was between of a liberal market economy and a co-ordinated market economy respectively (see Chapter 8). However, there was more of an initiative as well in developing on-site training centres and providing more time for workers to maintain and develop their technical and soft skills (see Chapter 6). He had been to the German core plants of the manufacturing company and felt that in the case of Germany they had nurseries, banks, even bakeries on site,

especially in the larger sites, and so there was a different culture with regards to Britain where these kinds of social facilities were not always available. Learning facilities were part of this.

Whilst the parent firm began setting up more training programmes in the UK plant and assisting with the development of a learning function within the trade union there were difficulties in working with local colleges and the local regulatory agencies within the region. The difficulties emerged due to a lack of attention paid to the industry/sector specific needs of chemical firms as there had been a declining presence in the region. Whilst dialogue with the union was beginning to deepen due to greater attention being paid to consultation mechanisms and communication with the workforce it was much more difficult to extend this externally due to the uneven and weak nature of regional government structures and a lack of interest in harder technical skill needs. In addition, the training of trade unionists around social dialogue and joint working was more intensive given the lack of similar courses within the region and its trade union structure which was focused on specific employment relations issues and individual representation. The senior management felt that given the demand for a more flexible workforce and the introduction of new working time shift systems there would need to be a greater effort to invest internally as a consequence of the absence of external supports. The trade union argued that the problem was not just the lack of national investment in training but also the lack of preparation of British managers in terms of managing a more flexible system of work whilst also dealing with health and safety issues which were more developed in the German context.

Questions

- 1 Why would there be differences between a liberal market economy and a co-ordinated market economy in terms of training and development?
- 2 What are the major problems with the social and communication skills – in your opinion – of the British management cadre and why would this be the case?
- 3 Why when talking about training and moving towards a greater commitment to training is social dialogue and/or employee participation seen to be important?
- 4 Why do the internal social facilities described above in the German workplaces matter to us when we talk about training? What do they add?
- 5 How did the local regulatory and state environment influence developments in either context and how does this apply to other examples you know of?
- 6 Does the move to a greater emphasis on social skills and communications skills undermine the focus on technical and operational skills?