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Leisink, Peter; Greenwood, Ian

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**Peter Leisink and Ian Greenwood**

Universiteit Utrecht, THE NETHERLANDS and  
Leeds University Business School, UK

## **Company-level Strategies for Raising Basic Skills: A Comparison of Corus Netherlands and UK**

**ABSTRACT** ■ This article reports findings from a study of the factors that shape workplace training practices and influence workers' participation. A comparison of basic skills training in steel production facilities in the Netherlands and the UK reveals that institutional frameworks matter but also that management attitudes and union activities influence training arrangements and set conditions for participation. Participation in training depends on these conditions as well as on personal characteristics of workers.

**KEYWORDS:** comparative industrial relations ■ line management ■ steel industry ■ workplace training

### **Introduction**

Institutional and regulatory contexts differ between countries, and these differences can have profound effects on employment security and training and skill development, as Lloyd (1999) shows in comparing the French and British civil aerospace industries. This article examines how far the institutional framework helps explain whether low-skilled workers threatened by restructuring as in the steel industry benefit from company investments in the development of workforce skills. The issue is important because while lifelong learning and basic skills training are high on the political agenda, previous research does little to explain what determines training practices and outcomes at workplace level.

Company-level strategies of management and unions are known to be significant for training and learning in the workplace (Green et al., 1999; Heyes and Stuart, 1998). Institutional factors influence the conditions under which workers can make use of training arrangements, but we expect that other factors help determine whether unskilled workers participate in training and what sort of skills they develop. While unions may use industrial

relations institutions to establish company training arrangements for low-skilled workers, the space which enables workers themselves to make use of this opportunity depends for instance on their workload and their relationship to their line management. Their motivation to participate also reflects, for example, the characteristics of the training arrangements and the support received from fellow workers and coaches, factors that are usually central to adult education research. However, there is a dearth of studies that explore how institutional and other factors in the workplace interact to shape training practices (Heyes, 2000; Munro and Rainbird, 2004; Smith and Hayton, 1999).

## **Theoretical Framework**

This section begins by situating basic skills training in the context of lifelong learning. Two issues arise here. First, whose needs does training aim to serve? Rainbird (2005) differentiates between training for the organizational needs of the employer (which may however also be of value to the employee, for instance by improving employment security), and training for employee needs, providing broader development opportunities for skills and knowledge that are not directly related to their current jobs. Although the distinction between enterprise-specific training and generic training contributing to employability and personal development is problematic (Caldwell, 2000; Smith and Hayton, 1999), who has the power to define the relevant training needs remains a primary feature of what Heyes (2000: 156) labels 'the production politics of training'. Second, which employees are in a position to benefit from opportunities for (lifelong) learning? Empirical data show that in both Britain and the Netherlands, workers with low formal qualification are less likely to receive training than more highly qualified workers (Rainbird, 2005; ROA, 2003). Employers tend to 'forget' workers with lower qualifications, as many are older and seen as offering a lower return on investment. Both issues illustrate that (lifelong) learning is a 'contested terrain' (Coffield, 1999: 486; Rainbird, 2000).

Smith and Hayton (1999: 262–7) treat workplace industrial relations and management attitudes as 'training moderators': they influence the type of enterprise training arrangements established following the introduction of workplace change, quality improvement and new technology. Relevant factors are management structures; trade union strength and involvement; and industrial relations culture. The Cranet surveys suggest that primary responsibility for major policy decisions on training and development resides with HR departments and line management together, and that the devolution and assignment of responsibility to line managers varies considerably: there is far less devolution in the UK than in the Netherlands

(Larsen and Brewster, 2003). In addition, Smith and Hayton (1999) point out that management attitudes may be fragmented within the enterprise, with senior managers pledging commitment to training and middle and junior managers often preferring training that is short, sharp and focused on operational concerns. Green et al. (1999) demonstrate the influence of union strength on training practices, and Heyes and Stuart (1998) show the importance of the active involvement of unions in training decisions. Industrial relations culture in a firm can range from adversarial to cooperative relationships (Smith and Dowling, 2001). In the former, training is often treated as an area of management prerogative, making it difficult for unions to exert influence even if training provision has been negotiated (Stuart, 2001); a cooperative culture makes it more likely that employee representatives will participate in decision-making. Although partnership has formed a critical part of the UK Labour government's employment policy since 1997, and training has been presented as a natural case for cooperation (Stuart and Martínez Lucio, 2005), British employment relations are relatively adversarial whereas Dutch employment relations tend to be cooperative (Naastepad and Storm, 2005).

These industrial relations aspects relate to the wider system of employment regulation. Institutional frameworks, including those regulating employment security and training, differ substantially between countries, and this influences company-level strategies. Extensive employment regulation in the Netherlands includes legal rights for works councils to approve company training policies, and the legal obligation on the employer to obtain permission for collective redundancies from the Employment Services Authority. The latter is obtained more easily if unions endorse the employer's request, hence the unions can turn their refusal to cooperate into an instrument to further employment pacts. Employment regulation is less extensive in Britain and provides unions with fewer formal rights. Therefore, it is of great interest that Union Learning Representatives (ULRs) have recently obtained legal rights to facilities to perform their role in providing information and advice about learning to workers (Wallis et al., 2005).

Other factors with an influence on training practices include the presence of a company training centre, a training policy plan and the systematic assessment of workers' training needs (ROA, 2003). The literature on adult education (Caldwell, 2000; Thijssen, 1996) has pointed to the importance of various features of training arrangements for actual participation in training. Characteristics of the organization of adult education which promote the willingness of low-skilled workers to participate include the creation of learning groups with a good social atmosphere that offers a secure learning climate, and the practical relevance of what is learnt (for instance, learning tasks must be practically applicable on the job). In addition, facilities

(compensation of time and costs of training), encouragement and support by line managers and coaches, and information on employment prospects are considered important (Thijssen, 1996).

Finally, the literature on adult education regards training participation and the effectiveness of training practices as dependent on the characteristics of workers too. Thijssen includes in this category such personal characteristics as intelligence and fear of failure, intrinsic/extrinsic motivation, previous experience of education and training, job history and private circumstances (including family life and social activities such as participation in a union or sports club). We follow Rainbird's approach (2000: 2), which integrates these workplace and personal factors as situated dynamic interactions of persons and structures at workplace level:

Individuals are located within occupational hierarchies which provide differential access to formal learning opportunities and in jobs which provide differential access to informal learning opportunities and career progression. As a result, some workers enter employment with expectations of access to learning and career progression and will find opportunities to learn informally in the work environment. Others will enter jobs with few opportunities for learning and progression, and low aspirations for themselves which are reinforced by the low expectations of their managers.

## Case Study Research

Steel is a global industry and competition is fierce. Asian firms such as Mittal have grown rapidly in the last decade, and as a response European firms have started to specialize in niche markets or have consolidated through merger activity in an attempt to benefit from economies of scale (European Commission, 2001). Corus emerged in 1999 through the amalgamation of British Steel (UK) and Hoogovens (NL), resulting in a national company with 24 business units and some 60,000 employees. Not until 2004 did Corus make an operational profit; this was the best year for the steel industry for more than a decade thanks to the high price of steel as a result of a growing demand, particularly in China. Nonetheless, globalization pressures have induced further bouts of concentration in the industry, making Corus the object of a take-over competition in early 2007 between Indian Tata and Brazilian CSN, won by Tata.

The takeover of Hoogovens by British Steel in 1999 raised mixed feelings among the Dutch workforce and management. Hoogovens management as well as union and works council representatives feared that Dutch profits would be transferred to the UK to cover the major losses of British Steel, and that no substantial investments would be made in the Dutch operations. These mixed feelings and the differences between the market segments served by the Dutch and UK operations have contributed to

employment protection policies in the Netherlands, while British management attention has focused on increasing productivity and flexibility and cutting labour costs.

There is little need for the purpose of this article to pay attention to corporate governance practices, including stakeholder dialogue with the European Works Council. Training policies and practices are not part of the agendas at firm level, but are left to the business units. This means that the national operations in the Netherlands and the UK have retained their previous discretion over training policies.

Our research examined Dutch and British Corus workplaces. For the Dutch case study various documents were used, from management, from the company training centre and the unions. Participant observation in the training centre was complemented by semi-structured interviews conducted in 2003: with 11 workers from three plants, who participated in the basic skills training programme; three line managers of different (business) units; eight persons who were professionally involved in training practices; two senior human resources managers; a trade union officer and the deputy chair and secretary of the central works council. Interview topics were established on the basis of the theoretical framework and an initial focus group interview with trainers and coaches.

For the UK study, primary data were also obtained from semi-structured interviews. These were supplemented by material from both company and union sources, and participant observation at a series of learning centre meetings. The site of Corus Scunthorpe has been selected for detailed analysis in this article, because this has a rich practice of basic skills training. Respondents for interviews were chosen from lists of employees provided by management, including production and craft employees, management 'specialists' (representing human resources, industrial relations, finance, training and engineering), and union representatives. A total of 20 interviews were conducted at Scunthorpe during 2003. National trade union officials were also interviewed.

We present each national case below, first describing business strategy and employment policies, examining management and union attitudes, industrial relations institutions and their influence on the organization of training. This is followed by an explanation of the attitudes of workers which help to explain their participation in basic skills training practices.

## **Corus-NL**

### **Business Strategy and Employment Policy**

The major activity of Corus-NL is production of hot-rolled steel strip, cold-rolled and metallic-coated steel. The main markets include automotive, transport, construction, shipbuilding, freight containers, general

engineering and consumer electronics. Concentration on these niches in the product market has been a gradual process from the 1970s onwards; they represent high-quality segments. Product differentiation and the shift from a seller's to a buyer's market require that production strategy pays attention to quality and customer demands. Therefore, quality control, variation of tasks and coordination of activities became increasingly important in the production process (Van Veen, 1997).

The organization of work has changed because of the adoption of new management concepts, involving the reduction of the number of hierarchical layers, the devolution of decision-making authority to lower levels and the introduction of self-managing teams with authority over production, quality and personnel issues. The introduction of teamwork has gone along with a tendency towards multi-skilling, higher skill levels and other competences such as social and communication skills.

Because of productivity gains from technological and organizational changes, overall employment fell from 21,000 in 1977 to about 11,000 in January 2001. This has been a gradual decline, with the exception of 1993, when 2075 workers left the company with more than 300 compulsory redundancies (Van Veen, 1997).

The way in which Corus-NL has adapted to these changes through its staffing and training policies differs over time in relation to the wider labour market situation. By the late 1980s there was a sufficient external supply of high-skilled workers and Hoogovens was able to attain higher skill levels by recruiting new workers with a diploma at the level of lower vocational education (Van Veen, 1997). After the labour shedding in 1993, Hoogovens drafted new plans for substantial restructuring, resulting in negotiations over retraining and redeployment programmes. The social policy and partnership tradition, union strength (almost half the workers were union members, a high proportion by Dutch standards) as well as a sudden change in the labour market situation – by the late 1990s Hoogovens was virtually unable to recruit new employees with senior secondary vocational education – led to an Employment Pact in April 1999. This ran until April 2004, and was then extended to 2007. The Pact is an example of a broad social partnership approach (Sutherland and Rainbird, 2000) with unions and management jointly declaring that Corus-NL 'should remain an enterprise geared to the future aiming for a continued good position in the steel market and maximum job security for its workers'. These aims were considered to require support by the company for further training and development and the employability of employees, positive employee reaction to organizational changes and opportunities for alternative employment, and employee initiatives to increase their employability (Corus, 1999). Corus-NL committed itself specifically to setting up training programmes targetting workers with low qualifications.

The Employment Pact is now integrated in the collective agreement, which is concluded by the Dutch senior management and the unions and contains clauses on training policy and provision. The Agreement states that every department will make a training plan which must be approved by the works council and that all workers up to middle-level vocational education (level 2) with whom participation in specific training courses is agreed as part of the Personal Development Plan will be compensated for this training in terms of money and time.

Managers of the training centre estimate that 1500 to 2000 workers have not attained level 2 qualifications. Almost all are male workers aged over 40, and include immigrant workers from Mediterranean countries and also Dutch workers lacking basic literacy and numeracy skills. Taking these circumstances into account, the training centre developed the Practical Craft Programme (PCP), which offers practice-oriented training ('learning by doing'). Training centre specialists assess workers' competences and advise them on training. Training takes place one day per week in the on-site centre, in groups of nine workers who have their own trainer. This is supplemented by on-the-job coaching back in the workplace.

### **Managers' Attitudes towards Training**

Senior management and unions concluded the Employment Pact, but it is at the discretion of unit managers to make a business unit plan, including a human resources budget. There is no central control by senior management on the take-up of the training budget. The interviews with three business unit and operations managers provide evidence of two different views on training, which illustrates the fragmentation of management attitudes noted by Smith and Hayton (1999).

The business unit manager of the coke factories is a strong supporter of training, and provided more than 80 percent of the workers who started with PCP in 2002. Many of his workers have no formal qualifications and his ambition is that all workers under 40 years of age must have at least level 2 qualification and all workers over 53 years of age level 1. He believes that training helps bring about the change of attitude that is required for better safety behaviour:

Unskilled workers were employed at 'the black side' of the coke factory because they only needed to be able 'to hold a brush'. Nowadays, however, security procedures have been added to the work process as well as team meetings, and these changes require extra skills of the workers employed in this process.

Recognizing that workers will feel more comfortable in training if they are with their own colleagues, this manager has supported the idea of participation of teams of workers. The budgetary conditions for large scale



participation in PCP pose no problem for this manager; normally managers have to pay for courses but PCP was supported by the central management.

The operations manager of the iron-processing factory, which employs about 150 workers, and the business unit manager of the logistics services unit, with about 100 workers, do not obstruct their workers' participation in PCP, but neither do they *actively* promote it. They have a positive opinion about the programme but have their doubts about the general policy goal of aspiring to a level 2 qualification for all current workers; in their view there are many jobs in their unit for which level 1 is sufficient. Their lack of active support for PCP does not flow from budgetary constraints; both managers recognize that their training budgets are not fully used.

### **Industrial Relations Institutions and Worker Representatives' Perspectives**

There is no interaction between the line managers and union activists, as the union has no shop floor organization. The unions operate at the central Hoogovens level, and there is a division of labour between unions and works council which means that the unions have primary responsibility for negotiating the company collective agreement while the works council sees to its implementation among its other tasks. This operates smoothly because most works councillors are union members and many are on the branch union committee.

The FNV union branch officer has a moderately positive opinion about the Corus employment and training policy. The union view is that employees must invest in themselves, but with two caveats:

First, lifelong learning can be too demanding. Can one expect every employee, including those over 50 years of age, to continue learning? There are older workers who have a lot of practical knowledge, which can be made good use of in work teams, and not every worker needs to be an all-rounder in a theoretical sense. Secondly, the facilities which Corus offers are good but are in need of improvement. Managers erode facilities which workers have a right to.

The works council's task has become difficult because it is situated at the business unit level, while HR policies are mainly dealt with at factory level where personnel officers are responsible for workforce planning, implementation of training schemes and related matters (Van Veen, 1997). The works council is in favour of lifelong learning and subscribes to the need for investment in training by employer and employee:

There is much to be said to have competences broader than your Corus job, but the snag with lifelong learning is that people get the idea that

they are preparing for the outside labour market. This has a negative effect with many workers. Corus is like a big family, you see people at birthday parties, you travel on the same bus, work often passes from father to son, shift work pays a thirty percent bonus, so you do not leave Corus.

Following the Employment Pact every unit should be drawing up training and personal development plans, but unit managers do not comply with this, because according to the works council, short-term unit interests override the Corus interest. The works council wants senior management to see that something is done and favours more centralized decision-making over HR policies so that junior and middle management can be influenced and controlled from above. So far, however, senior management has not been willing to respond.

### **Employee Attitudes**

A number of workers' characteristics appear to influence their interest in PCP. For workers aged over 50, participation in PCP is voluntary and few take part. According to the workers who were interviewed, these workers feel 'too old' and they are 'unsure that they can complete PCP'. Some believe 'we won't be around to see another restructuring'. The closure of the coke factory has been announced many times before, but contrary to expectations this closure has not occurred because the coke factory is making a profit'. Formally workers under 50 cannot be compelled either, but some workers in the coke factories report that they are told in interviews with management that their future employment chances will depend on their having a recognized level 2 qualification.

Another differentiation is between those participants who have some level of formal education and those without. The former left school usually because they had friends who had a job and money but for whom the experience of school was not in general an unpleasant one. For them a return to school is less difficult than for those who disliked school when they were young. The former voice as their motive for participation in PCP their intention to get promotion and to get better pay; for the latter it is the 'voluntary compulsion' to take part if they want to keep their job and pay. Overall, money is the most important motivator to apply for a place in PCP.

In the stage preceding the decision to take part, the reactions of fellow workers are also influential. Some workers observe that their own enthusiasm has made others interested in participation. However, other workers reported that shiftleaders and fellow workers discouraged them from taking part, in some cases because PCP was not regarded as directly relevant for their job and in other cases because their participation would cause absence and roster problems.

## **The Organization of Training**

The characteristics of the organization of PCP are generally evaluated as positively contributing to participation in training practices. Workers are positive about their trainers because they motivate, adapt to the individual and are easily accessible. Most workers are also positive about the learning-by-doing concept but some have a reservation that the programme is more 'theoretical' than suggested. Another reservation is that the practical assignments in the course are for many workers not familiar to their daily work. As a consequence many workers cannot use in their work what they learn in the course and the reinforcement of learning by doing does not work for them. Also, the role of the coach who supports the worker on the job is less effective than intended because the lack of on-the-job learning possibilities gives the coach fewer opportunities of coaching the worker.

For some workers with young families and for some older workers, it is a negative factor that participation in PCP is not fully compensated in time. Being away from home for one extra day per week does not go down well with their wives and families.

## **Summary**

The Dutch case demonstrates that, helped by the external circumstances of business and labour market development and a history as a social employer, unions and senior management acted – partly forced by the other party's institutional power and partly out of self-interest – to conclude a mutually advantageous agreement. This offered management the unions' willingness to collaborate in organizational changes and offered the workers employment security and facilities to attain required skills. However, the case also demonstrates how the unions and works council are unable to enforce the implementation of the agreement when local management is not motivated to do so. The importance of local management attitudes is also evident in that supportive managers are able to arrange conditions that encourage participation by workers who would otherwise have abstained. Training programmes are organized by the company training centre without involvement of union activists, and training is provided by professional experts. The basic skills training is regarded as moderately successful by all stakeholders. The actual participation in training schemes appears dependent on factors familiar from adult education studies.

## **Corus-UK**

### **Business Strategy and Employment Policy**

Across Corus-UK, management strategy focuses on continuing attention to cost control with consequent reductions in staffing levels, more efficient

utilization of capacity, and on increasing the competitiveness of core products alongside product diversification. Increasing customer demand for higher quality products goes along with tighter product specifications. The recent period has also seen increased cost of both energy and raw materials.

Restructuring of the steel industry since the 1980s has seen privatization, organizational restructuring and large-scale job loss (Bacon and Blyton, 2000; Blyton et al., 1996). More recently, in 2001, a restructuring exercise resulted in the loss of more than 6000 jobs throughout the UK. In April 2003, Corus announced a further 1150 UK job losses. In November 2004, Corus employed 24,300 workers in the UK, compared to some 150,000 employed by British Steel in 1980.

The Scunthorpe site reflects the overall pattern. It manufactures wire rod, plates, sections, direct hardening steel and micro-alloyed steels for the shipbuilding, engineering and energy industries. In 2002, it produced 3.7 million metric tonnes of crude steel. Technological change has been incremental, adapting to production requirements. As with all UK steel works, the history of Scunthorpe has been one of contraction, with more than 300 redundancies announced in 2001–2. In 2003, approximately 4200 workers were employed at Scunthorpe. New job losses were announced in February 2005.

Greater management attention to increased productivity and flexibility, and reduction in labour costs has resulted in reduction in the number of pay grades and hierarchical levels and the introduction of teamworking. Teamworking, rolled out from the mid-1990s, has led to a fundamental change to the organization of manufacturing work and requirements for skill, with craft and process workers combined into multi-skilled teams. Multi-skilling was aimed primarily at providing process workers with basic craft skills.

Staffing and training policy has been driven by the process of continuous job loss and changes in work organization based around teamworking. The internal, not the external, labour market has been the source of skilled workers. Numerous operations, for example, laboratory work and elements of quality assurance have been progressively contracted out, as have many relatively unskilled functions. Management is now increasingly concerned about the age profile of its workforce and has begun to recruit young apprentices after many years of running down apprenticeship schemes.

At the time of the research, the craft unions at Scunthorpe had 10 ULRs, the process union none. (Craft unions represent grades of employees such as electricians, engineers and boilermakers. The process union represents non-craft employees, those who are often classified as semi- or unskilled – this of course only in the sense of formal qualifications.) Their role, which they have legal rights to pursue, is to assess training needs and promote and arrange training for their workmates; neither ULRs nor unions in the UK have a positive right to bargain on training matters. This does not of

course preclude unions, ULRs and management from concluding local agreements. However, there is no structured discussion between management and unions on training.

At Scunthorpe, a 'learning centre' has been set up through the initiative of ULRs; start-up funding was raised externally but maintenance costs are covered by the company. Non-work related courses are funded through union and government funds. The Scunthorpe centre is governed by a detailed learning agreement, negotiated between craft union and management representatives on the Learning Partnership Committee (LPC) that oversees the operations of the centre. The agreement commits management and unions to partnership for training, but based upon deliberations within the committee and not through a general commitment by management to a collective agreement on training. Craft union representatives see the role of the centre as providing 'aspirational' training to their already skilled members. The centre currently provides training that is not directly related to specific jobs, for example, language and computer skills, and in workers' own time. Management is interested in utilizing the centre for job-related training; union representatives are not entirely opposed to this, and in fact new apprentices are provided with basic numeracy training. The process union has shown no interest in becoming involved in the activities of the centre; it sees itself as the vehicle to arrange (off-site) training where this is demanded by its members.

### **Managers' Attitudes on Training**

At the level of strategy, senior management insists that restructuring 'must be linked to training'. For one senior HR manager, 'if we cut the workforce, we need the multi-skilling to get the flexibility that ensures that the process continues'. Training for teams incorporated elements of soft behavioural skills. A clear view also exists amongst management that training has an important role to play in changing culture, through increasing employee commitment to the organization, individual motivation and a readiness to accept change. In fact a recent initiative designed to improve the performance of a mill involved a substantial cultural change programme aimed at improving morale and creating within the workforce a readiness to accept change.

Management is wary about sharing its influence over training and does not want to see the activities of the ULRs providing a 'foot in the door' for the involvement of unions in shaping training strategy; 'We have to decide which parts of the learning experience we want to support, pay, or not pay' (training manager).

On the ground, the needs of production and low staffing levels have led to increased overtime working and a reluctance or inability of line managers to withdraw workers from the process for training. However, management responsible for the training of craft workers suggest that if an individual

wants a Higher National Certificate (equivalent to an ordinary degree) in engineering, 'we will let them do it if we can release them'. Differences in outlook between line managers who want more flexibility and the training to support this, and those committed to cost control are apparent. Indeed, interviewees suggested that line managers now have some budgetary control over departmental training, and that the availability of training is to some extent dependent upon the outlook of line managers towards training and basic skill needs. In the words of one team member: 'there is no real structure to training in the mill, it depends on the manager'. It appears that the incidence of training is uneven, but that those who are already relatively skilled are more likely to receive extra training opportunities. The support of a regional HR manager has been instrumental in achieving support from local management for the recently established learning centre.

Management is concerned that its understanding of skill levels is poor and is particularly keen to initiate assessments to identify basic skill problems. In a number of production units, skill matrices have already been established and workers' skill levels and hence training needs are assessed against core job competences and general competences including softer skills. This reflects attempts by management to understand better key skills and codify them into work instructions. The matrix system is in place but unevenly applied with some workers unaware of its existence. One HR manager feels that 'manning levels don't allow the matrix to be used'.

Both management and ULRs on the LPC agree that attempts to assess existing skill levels will be opposed by many workers, because of their fear that perceived 'weaknesses' will be used in redundancy selection. Because of this, somewhat ironically, management regards the role of ULRs as crucial to this exercise and feels that the learning centre is the vehicle through which basic skill needs can be assessed. Management believe that ULRs can gain the confidence of employees and allow assessments to take place. The craft unions are cautious but generally supportive of this approach, but have insisted that they be involved in any such initiatives and they alone hold competency records.

### **Industrial Relations Institutions and Union Perspectives**

Although recent investment at the site has allayed some fears, future employment prospects are generally seen as uncertain. All unions are well organized at shop floor level, but they do not have a formal role in the development of strategies for learning and training. There is little or no coordination over workplace learning between the process and craft unions. The absence of site-level bargaining arrangements for issues relating to workplace learning has prevented structured dialogue between unions and management. The recent establishment of the learning centre and the partnership around this are, however, beginning to change the terrain of debate.

A coherent approach to the identification of basic skill needs is being hampered by a lack of definitional clarity. This reflects to some extent the relative nature of basic skill needs. Senior representatives of the process union see basic skill needs in terms of the improvement poor literacy and numeracy. They also believe however, that screening during recruitment means that the number of process workers with such basic skill needs is small. They are also content that once individuals with such needs are identified, management is effective in providing remedial training. Indeed a senior process union representative argues that 'my members are not that interested [in training]. The majority are over 40 ... People just want to get out. So we need to get young people in.'

Craft unions perceive basic skill needs in terms of the defence and continuation of craft skills and are concerned about the future erosion of such skills within teams. A senior representative of the engineering craft union (also a ULR) complains that 'the company had been deskilling teams. We are losing experienced craftsmen and not taking on apprentices. We've been telling the company for years ... if we don't invest in skills, we have no future. The company didn't accept that we had a basic skills problem'. Craft unions are also concerned that craft workers are vulnerable, 'if process workers are trained to above level 2, they will take craft jobs'.

### **Employees' Attitudes**

The majority of workers in all sites are over 40 years of age with a substantial cohort above 50. Most have been employed at the same site for many years. Craft workers undertook apprenticeship training, as did many process workers via apprenticeship programmes in production methods. Whilst craft workers are highly motivated to receive training, those based in teams (a cohort of craft dedicated employees exist) are overwhelmingly unhappy at what they see as an erosion of their skills:

Craft skills have been diluted down to semi-skilled. There is a big problem with the shortage of electrical skills. In addition, we served an apprenticeship so should be on more [money]. There is no extra pay for skills. Young electricians don't stay for more than a few years. They want to do what they were trained for. (Craft-trained team member)

The majority of workers interviewed expressed an interest in receiving training. Many process workers are, however, still disappointed that the substantial training initiative that accompanied the introduction of team-working provided only basic maintenance skills, many of which are not in practice utilized. There is a general view that extra training should be rewarded with extra pay. Management does not agree.

## Characteristics of the Organization of Training

The experiences of process workers in relation to the training received during the introduction of teamworking offers an insight into the concerns of many such workers about learning. The majority of these left school without formal qualifications. The manager responsible for arranging basic skills training at a local college explained that for many workers, 'training was a terrifying ordeal'. Even 'reasonably well educated' process workers were 'intimidated' by the classroom structure. Those with poor numeracy and literacy skills were 'worst affected', as one manager illustrated:

They were coming to me in tears, they couldn't sleep, their sex lives were affected . . . Some refused to go to college . . . We tipped the trainers off who were the worst affected . . . Some of them couldn't use a calculator . . . I was surprised how many concerns there were.

The legacy of the introduction of teamworking has shaped much of the character of workplace training, since it was associated with a training programme designed to establish multi-skilled workers. As described above, although craft workers were trained in basic production processes, the main thrust of the exercise was the provision of basic craft skills to process workers. The total expenditure on team training was considerable, although many team workers feel that insufficient time was allocated to this initiative. The majority of craft workers feel that over time their skills are disappearing. Although former process workers in the main now perform a range of elementary craft tasks, many do not. In the words of a process union representative, 'real multi-skilling never happened'. In practice, many process workers have never used their new skills. A number of managers are concerned about this, and despite initiatives such as accreditation to the 'Investor in People' standard, routine training appears to be largely associated with health and safety (a crucially important issue in the steel industry) or the immediate needs of production.

## Summary

The UK case demonstrates the overriding importance of restructuring and continuing job losses to workplace learning and basic skills. Teamworking, and the training associated with its introduction, were contested by craft workers who saw their skills being diluted, as well as by process workers who consider that they cannot use their new skills effectively. Availability of training is fully dependent on the local managers. The unions have no formal rights to discuss training matters with management. Paradoxically, while the learning centre emerged as a union initiative for broader development of union members with skills not directly related to their current jobs, this now provides the ULRs with a position to influence training policy in



**TABLE 1. The Main Characteristics of Basic Skills Training at Corus-NL and Corus-UK**

| Corus-NL  | Corus-UK/Scunthorpe  |
|---|--|
| Formal basis for unions to negotiate training agreement   | No positive right to bargain on training matters and no structured union–management discussions  |
| Delegation of authority on training to line management  | Decentralization is the rule   |
| Cooperative workplace industrial relations  | Mutual distrust typical in workplace industrial relations  |
| On-site company training centre with professional trainers providing basic skills training and job related training   | Management contracts out job-related training to a local college. Other training is provided in-house by learning centre   |
| Irrespective of formal conditions of training participation, junior managers facilitate or obstruct; unions cannot contest because of lack of shop-floor organization | Availability of training is dependent on local managers' outlook. Learning centres initiated by union activists can facilitate union–management dialogue on workplace training |

the workplace in a more direct way, particularly around the advancement of the basic skills agenda.

## Discussion and Concluding Remarks

The main features of workplace training arrangements in the two countries are summarized in Table 1. In the Netherlands, training is formalized by a collective agreement, which details the categories of eligible workers and the conditions of participation. Yet in practice line managers have significant influence on the actual participation of their workers. Workers' practical competences as well as literacy and numeracy are assessed professionally in order to determine what sort of training suits them best, including basic skills training. Training is provided by qualified trainers, who tailor it to the characteristics of adult workers. Completion of the programme is rewarded by a recognized vocational education certificate.

In the UK, training is not regulated by agreements. On the one hand, line managers arrange for training dependent on their operational needs, and they decide who can participate and on what conditions. On the other hand, the learning centres initiated by union activists have varying degrees of partnership with management. These centres provide general skills training, in which workers can participate at their own initiative and often in their own time. Management is certainly acutely aware of the

need to increase skills at all levels and the learning centres would in principle be able to play a role in job related basic skills training. There is however, disagreement whether this is desirable and the assessment of basic skills competences is a sensitive issue associated with uncertainty by many workers of management intentions.

How far can these differences be explained by contrasting national institutional frameworks? The steel production facilities in the UK and the Netherlands are confronted by similar competitive pressure, and in both cases management strategy concentrates – with some differences in timing and emphasis – on cost efficiency, flexibility, product diversification and the creation of market niches, and this is accompanied by organizational changes which generate demand for training. The resulting training arrangements are different but actual participation is less so. This points to the influence of other factors than institutional frameworks, such as the attitudes of local managers and the degree of participatory support that they are (un)willing to offer, the attitudes of workers and the extent to which training activities are adapted to the characteristics of adult workers.

Corus-NL has a long history of collective bargaining and a cooperative industrial relations culture. Since the mid-1990s, senior management and unions and works council shared an interest in concluding agreements that combined productivity and flexibility goals with employment security and training investment. The Employment Pact then had to be implemented in a top-down manner. Both management and unions left the preparation and delivery of training programmes to the professionals in the company training centre. The union and works council concern is with the conditions of training provision, and with ensuring that workplace practices comply with the formal arrangements. However, the union lacks the institutional capacity necessary to ensure adherence to the agreement in the workplace.

In the UK there is no central collective bargaining and no formalized training policy. Though previous research has found a lack of devolution of HR responsibilities over training to line management in Britain (Larsen and Brewster, 2003), at Corus-UK decentralization is the rule, which implies variability of practice. The conditions for negotiating a comprehensive social pact are absent: the unions distrust the intentions of management, whose earlier engagement in training is associated with pursuit of organizational flexibility and control over (craft) skills, and management distrust the unions and oppose their participation in decision-making. By virtue of the absence of any arrangements line managers have formally unrestrained discretion. However, in contrast to the Dutch case ULRs can confront line management's variable engagement with training from the ground up; they can partly compensate for the lack of site-level bargaining arrangements with the legal rights they possess. This enables them to win workers' confidence to participate in basic skills assessment and the training provided through the learning centre. However, inter-union differences over craft

and general skills weaken their influence in debates with local management over training.

Our analysis supports the general thrust of Lloyd's (1999) argument concerning the significance of institutional frameworks. In the Netherlands, outcomes are shaped by the legal status of collective agreements, the legal regulation of collective redundancies, and the legal rights of works councils, all of which support collective employee influence over company training policies. In Britain, the statutory rights of ULRs have similar significance. When considering how far, and how, these institutional frameworks help unions to facilitate the participation of low-skilled workers in basic skills training, two findings stand out. First, there are differences in the actual impact of the institutional frameworks. The Dutch framework certainly assists the unions in concluding an Employment Pact and a basic skills training programme, and helps them to set the conditions of training participation, but does not enable them to oversee and monitor the implementation of training and the actual participation of the intended beneficiaries. Given their lack of shop floor organization, they can not confront junior managers directly if these fail to comply with the aims of the training arrangements.

Because of the absence of an institutional framework in the UK for negotiation over training, there is much difference when it comes to negotiating training policy, but not so much when it comes to influencing actual participation in company programmes. Indeed, our second point is that in both cases other factors influence low-skilled workers' (non-)participation in basic skills training. Our cases demonstrate the role of middle and junior managers in the provision and actual usage of training opportunities, as their attitude appears to range from active support for broader basic skills training, support for training oriented at short-term operational targets, passive support, to opposition to training which is not instrumental for production needs. The difference between the two cases is that British line managers' discretion is contingent on union activists' positions in the workplace.

The two cases of workplace training, different as they are, also illustrate that the extent to which training practices are adapted to workers' characteristics influences actual participation. The interviews with workers indicate their interest in how things work in practice rather than theoretical learning, and the function of extrinsic motivation (money) in participating in training. Workers voice their criticism of the lack of practical relevance of what they learn, if they cannot apply this in their own job.

We cannot claim general validity for these findings from the steel industry. However, they indicate that institutional frameworks are important, in the sense that differences between them affect the initial chances of unions to conclude agreements with companies over the basic skills agenda and training programmes designed to benefit low-skilled workers. However

when it comes to actual participation by low-skilled workers, other factors gain prominence. These findings support the practical observation that unions should not restrict their agenda to negotiating agreements but also organize support for training participation in the workplace. The implications for further research are that it is helpful to combine industrial relations and adult education perspectives in order to achieve a complex understanding of how training decisions are formulated and implemented at workplace level.

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**PETER LEISINK** is Professor at the Utrecht School of Governance, University of Utrecht.

**ADDRESS:** Utrechtse School voor Bestuurs- en Organisatiewetenschap, Universiteit Utrecht, Bilhouwerstraat 6, 3511 ZC Utrecht, The Netherlands. [e-mail: p.l.m.leisink@uu.nl]

**IAN GREENWOOD** is lecturer at Leeds University Business School, University of Leeds.

**ADDRESS:** Leeds University Business School, Maurice Keyworth Building, University of Leeds, Leeds LS2 9JT, UK. [e-mail: ig@lubs.leeds.ac.uk]