

Electronic Data Systems (EDS)



Background

EDS is a leading global business services company that designs, develops, and implements technology solutions. It is American-owned and has over 120,000 employees in 53 countries. It set up in the UK in 1984 where it now has some 16,500 employees at 250 locations. As a provider of outsourced services many of its employees are based at customers' workplaces. In the UK EDS recognises five trade unions for collective bargaining purposes covering around a quarter of the workforce.

Strategy Involvement Forums

In early 2005 EDS established four nationally-elected employee bodies in the UK called Strategy Involvement Forums. This development was driven by the overall European employee relations framework – to work with employee representatives for the benefit of the business and employees. The concept of forums for consulting employees was not new to EDS. It already had works councils in a number of European countries, and has had a European Works Council since 1996 which meets at least three times a year. This made it easier to introduce in the UK and explain to senior corporate leadership.

Rather than establish a single UK forum covering the whole company, it was decided to establish four separate ones to reflect the organisational structure of EDS. The aim is to ensure that managerial decision-making and consultation are aligned at the same level within the company. Each forum operates under its own agreement, but they are all very similar.

Representatives

Each of the four Strategy Involvement Forums has between 6 and 8 employee representatives all of whom were elected by their fellow employees, and serve for a period of four years. There are no automatic places for trade union representatives, and a mixture of union and non-union representatives were elected, roughly in proportion to the level of union membership within the company. The four UK representatives on the European Works Council are elected from the Strategy Involvement Forums to ensure a fit between European and national-level consultation.

Meetings

The Forums meet three times a year. There is a two-hour pre-meeting for representatives and Human Resources colleagues, followed by a two-hour dialogue session with leaders from relevant business areas. Meetings are chaired by business leaders who lead the organisation areas covered by their forum.

There is a clear focus on strategic business issues, such as sales and financial performance of the business area, and recent and probable developments in EDS' financial situation. There is consultation on any significant changes in EDS' structure and activities that are likely to affect employees significantly. Operational issues relating to employment, such as changes to grievance procedures, are typically kept off the agenda and discussed with the HR team rather than business managers.

Consultation on a proposed change affecting employees would typically cover an overview of the proposal, including the current and future desired state, the rationale for the proposed changes, the number and category of employees affected, the anticipated impact on employees, any steps taken to minimize adverse effects on employees, timescales, and lessons learned.

For some issues, Forum representatives form national working groups to discuss an issue affecting all employees in the UK. These forums have specific tasks and will typically meet only once or twice.

What makes it work

For EDS the success of the Forums depends to a great extent on the relationships between the leaders and representatives, and constructive contributions from both parties. EDS arranged independent training for representatives, which it sees as essential for helping them develop influencing skills, and EDS HR coached participating leaders.

The quality of representatives' contributions has increased as their understanding of the business area they represent has grown.. Keeping minor issues off the agenda and focusing on the strategic is also important. The aim is to use the Forums to improve strategic business decision-making, not just deal with day-to-day operational matters.

EDS identifies a number of areas for development. It wants to improve communications from the Forums to the wider workforce, and the representatives themselves have been asked to develop a plan for communications with their constituents. It is encouraging representatives to present on issues to business leaders at the Forums.

The advantages to the business of the new consultation structure are already clear - with leaders expressing their belief in the value of the Forums as a key means of receiving a coordinated view of employees' concerns. EDS recognises, though, that it will take time for the relationships between the leaders and representatives and among the representatives themselves to evolve, and for the full benefits of the Forums to be realised.