

(Formerly the *People, Communication and Behaviour* SIG)

Double dispute week – special issue

1 of 2 - Culmination culture (an invitation to submit views)

2 of 2 – A lot of wind and hot air



Cooling towers at Ratcliffe on Soar coal fired power station – a hold out for fossile fuels?
(see 2 of 2 below)

In the week that headlines in the UK are dominated by the dispute with the workforce at Royal Mail and the environmental protestors with E-on at Ratcliffe on Soar, I make no apology for putting forward the argument that only effective Human Factors and Communication RM can arrive at solutions, or at least compromises, in these situations.

1 of 2 - Culmination culture (an invitation to submit views)

It has been widely held that organisational culture stems from the top downward and the greatest pressure is often felt at the culmination of an expansion or takeover

programme which had required raised capital – the gearing of the organisation has changed if capital has had to be raised in the financial markets and there is the greatest demand for organisational performance objectives to be met at a time of rationalising group systems.

However, an alternative view is that there are two underlying cultures within the workplace, that cascading down from the top and alternative ways and agendas generated from within the work force. This polarisation was certainly evident during the post WWII decline in British manufacturing and nationalised industries – “the bosses -v – the unions”.

The appearance of an article in the *Economist* 17th - 23rd October 2009 about EDF the French energy company reminded me that these two alternative views actually interplay with each other: We were told that EDF had purchased British Energy late last year for 12.5 billion pounds (22.5 billion US dollars) and with proposed additional expansion (including in the US) the company’s annual interest alone on it’s borrowings were predicted by Citigroup, a bank, to rise to 2.5 billion euros (3.7 billion US dollars) for 2009/10.

Of course, with typical journalistic omission, the article doesn’t show the *lower* £ figure of the interest cost and of greater importance, makes no mention of other factors e.g EDF’s turnover and tangible asset value so the reader has to make a judgement, probably ill informed, if the borrowings are manageable or not. Further information follows that the company is 85% owned by the French government, so no doubt the security and culture are a little different from organisations owned by pension funds and other more conventional institutions, albeit that they have purchased a British generated alternative culture to mix into their organisational pot..

The concept of raising capital to expand and become more global is one that has and will no doubt continue as the world “shrinks” and commerce is conducted by fewer, larger players. The point for us being that all this imposes even greater challenges on Risk Management. It is argued that human factors and communication are probably the last and most pertinent frontier for the years ahead. Over the next few months, we will try to address some of the emerging issues and all contributions from readers in this area (*human factors and communication in global expansion*) will be gratefully received (comments for publication will be anonymous unless expressly requested otherwise).

Additional Editorial Comment

In the same issue EDF had taken a full page advertisement featuring a very presentable lady environmental engineer, promoting the clean attributes of nuclear power and another French cum global commercial giant, Renault, announced that it’s first all electric production car will be out in two years time. Perhaps, a common agenda to save the planet will be the backbone of all long term cultures.

Actually, the EDF advert was very well timed to come out for the same weekend as the protests at the UK’s largest coal fired power station at Ratcliffe on Soar.- a holdout for fossil fuels and a showpiece construction project in the East Midlands of the 1960s. We will look at this further in the item that follows. Ed.

2 of 2 – A lot of wind and hot air

The site for this power station at Ratcliffe on Soar was selected for the proximity of both the Trent and Soar rivers (the Soar is a tributary of the Trent) meaning there was a plentiful supply of water – well that's one version of the story, but your editor can remember that more influential protesters stopped it being built the other side of Nottingham on another site by the River Trent that is currently subject to much argument over proposals for a football stadium to host the 2018 World Cup, then to be occupied by *Nottingham Forest*. Anyway, as usual, I digress.

The 1960s decision to build an extra power station (still the largest coal fired in the country) in this area was not only to provide for energy needs – the secondary reason was part of a grand ongoing plan to promote good industrial relations with the mining industry with long term jobs for the miners not to mention railway employees in bring coal to the power station, combined with public re-assurance in view of safety concerns with the fledgling nuclear industry.

The coal plan went hand in glove with the expansion of the traditional East Midlands coal fields by the opening of the Asfordby (Leics) superpit shortly afterwards. Many held the belief that the coal reserves were nothing like as large as was stated by the then National Coal Board, but this was purely a gesture to the influence and political power held by the miners' unions (remember *King Arthur Scargill?*).

Nowadays the political agenda is very different. **E-on** have inherited a massive production unit that could be described as now becoming a toxic asset (well, almost literally too!)

Editorial comments:

1) Eagle eyed readers will have noticed that the steam from the cooling towers in the pic at the top of this issue clearly shows the windforce in the area. Your editor, who visited the site earlier this year on an un-related rail matter (the buildings in the foreground are the new East Midlands Parkway station and the Midland Main Line passes across the vista in front of the towers) was almost blown off his feet as a gale rushed along the Trent Valley – there are no prizes for further noticing that the height of the towers was raised at one time.

Would it not be a good idea to put up some wind generators on the site to work side by side with the coal fired system? Cheap enough to connect up to National Grid, the wiring loom must already be there for the power station and the countryside is already blighted anyway. When the station closes down eventually, more of these could replace the existing main structures and in the meantime even if the output wasn't very high, the impression of a "transitional" arrangement might be good for the public image.

2) Your editor does not feel qualified to comment on the possibility of Royal Mail and the British Government following French doctrine as seen at companies like EDF and Renault, but readers will have their own views. The only thing that is certain is that the concept of former British institutions like the National Coal Board and the Central Electricity Generating Board now seem as out dated as the former communist administration in the Soviet Union – all systems from a bygone age.

January 2010 – a further SIG meeting will be held at the Offices of BDO Stoy Hayward in Baker Street, London, at the slightly later time of 5.00 PM one afternoon.

A great opportunity to start off the SIG's business in the New Year and a full preview of this event will be provided to members along with the actual date in a future issue.

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Secretary

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And lastly, a thought to leave you with:

Why do windfarms have to have generators that are like windmills? Could there not be a jet engine type of arrangement on top of the tower that ran in reverse and was pointed into the wind by a weather vane attached to it's body? Perhaps they would be too noisy - if someone out there is technically minded, I would love to know. Ed.

PS. 11.02 AM – my post has just come through my door here in Nottingham, so clearly some at Royal Mail are working – I have known a good number of people at Royal Mail over the years, both management and posties, all sincere individuals – the SIG's best wishes to them in reaching a speedy resolution.

***** End of Transmission *****