

# Case Study

SCOTLAND  
FOOD & DRINK  
PARTNERSHIP

## Employees are your most important asset

*“If you train people to be the best they can be, and treat them well, they won’t want to go anywhere else. As well as good retention and loyalty, you get better morale, better productivity and a closer working relationship.”*



### Who we are

Arla has a unique position, being a global dairy company owned by dairy farmers in several countries, we have the opportunity to provide healthy dairy products to people around the world, and we want to do this in a responsible way.

In addition, we have our Corporate Identity which is called Good Growth. This is based on our cooperative and collaborative philosophy, our responsible working practices, our natural milk, our healthy products and our responsibility towards society, the environment and our colleagues. Together, these cornerstones form the basis of our identity.

### Looking after your people

As a multinational company, we have a Code of Conduct running across our different countries and we also follow audit and certification schemes such as [SMETA \(Sedex Members Ethical Trade Audit\)](#).

This sets us apart from some smaller food and drink companies in terms of specific practices

and audits, but we’re just the same as them in one crucial respect: **we rely on our people.**

By treating people fairly and well and developing them, we see a range of business benefits: from a more positive workplace culture to better staff retention to higher productivity.

### Fair work in practice

At Arla, we are dedicated to developing our business in a responsible manner. We know that long-term success is only achieved if we add value to people’s lives – whether they are consumers, customers, partners, colleagues or owners – while acting responsibly towards the environment and the communities we are part of. Sustainability and profitability go hand in hand and we believe that our dedication to being responsible will benefit us commercially. When we look at the Scottish Government’s ‘Fair Work’ principles, it’s clear they align closely with our own internal best practices and can help deliver similar business benefits. For example, one of the Fair Work principles in Scotland is ‘**having an effective workforce voice**’. And this is a principle we apply ourselves:

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- **We recognise unions** on our sites and have **working councils** where union reps meet regularly with management.
- **We run our annual company-wide staff survey** and would recommend it to other companies, no matter how large or small. We ask a wide variety of questions on, for example, health and safety, our culture, pay and conditions, and how people feel they are treated.
- **We have six-monthly ‘pulse surveys’** at each local site, so if anything is flagged up as a concern, we can address it in a timely manner.
- **Teams have daily review meetings** where they update colleagues on what’s happening that day, create problem-solves if required, or raise questions or concerns. These are two-way meetings and we encourage our colleagues to input.
- **There’s a suggestion scheme:** if people think something could be done better, they can tell us. They can also nominate people for ‘Colleague of the Month’, with a cash prize.
- **We use [Yammer](#) to communicate** better internally. So that people can access it themselves, we have enabled all our colleagues to be digital and they can also access it through an app, directly to their personal phones. We also have a touchscreen information board in the factory so all our colleagues can see what’s happening, not only at our Lockerbie site but across the UK and wider business.

We see multiple benefits from giving our workforce a voice. Employees know they’re being heard, and we get great input from our frontline colleagues.

The practices above help us deliver other elements of Fair Work: **respect and fulfilment**. Staff give us great ideas on how we could make their work more stimulating or satisfying, which all feeds into stronger loyalty and higher productivity.

We also have our Stronger People agenda which promotes Health and Wellbeing and provides a wide range of resources to help and support our colleagues.

## **Workforce development**

At Lockerbie, as at our other sites, we like to promote from within wherever we can. Training and workforce development make this possible:

- **We have mandatory training running throughout the year** on, for example, health and safety, manual handling, chemical handling, environmental awareness, fire warden and first aid.
- **All employees sit down for a ‘Dialogue’ session each year** to discuss their personal development plan. For instance, our production staff may want to multi-skill into a different department or role, so we discuss this with them to help them achieve their goals.
- **We have colleagues completing SVQs** (Scottish Vocational Qualifications) and **Lean Six Sigma** training (which helps teams improve operational performance), with support from Skills Development Scotland.

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- We currently have a number of colleagues on our EDEN Dairy Apprenticeships Degree courses and two colleagues on degree courses in Instrumentation Measurement and Control at Heriot-Watt University, all doing a mix of work-based and taught study.

Not every employee at Arla wants to develop new skills or qualifications, of course, but everyone has the opportunity to do so. If you treat your employees as your greatest asset and they want to stay with you for the long-term, the business benefits are clear. You don't have to be a multinational to operate this way.

## Where to get advice and support

As a large company with specialist HR and employee relations teams, we already have a lot of internal support on workforce development and best practices. But we also use external support which smaller companies would find useful. For example:

[Skills Development Scotland](#) have been a great help on SVQs (Scottish Vocational Qualifications) such as apprenticeships.

[ACAS](#) has useful codes of practice on a range of different employment issues.

Scottish Enterprise [Fair Work Employer Support Toolkit](#)

For further information about Apprenticeships click [here](#)

## What is Fair Work?

The Scottish Government's concept of 'Fair Work' is 'work that offers effective voice, respect, security, opportunity and fulfilment'.

In practice, the Scottish Government's [Fair Work First guidance](#) asks businesses to, eg:

- Invest in skills and training
- Have an effective workforce voice (this could be through unions but there are other ways too)
- Ensure no inappropriate use of zero hours contracts
- Take action to tackle the gender pay gap
- Pay real living wage

Many food and drink businesses find they are already following Fair Work practices (or are going beyond them) as part of their audits for certification schemes or retail contracts. They're also becoming a requirement for many public sector contracts and grants.