Consultation Paper

Modernising Our Workplaces to Deliver Ireland’s Competitive and Social Vision
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Foreword

As a country, we have set ourselves a competitive and social vision that is ambitious and demanding.

This vision is based on accelerating the shift to higher value added and higher skilled activities; modernising our public services to respond more effectively and more efficiently to peoples’ changing needs; and making the transition to a knowledge society, while continuing our commitment to equal opportunities and a framework of social protection for employees and citizens.

The implications of this vision will be demanding, in particular for the labour market, human resources, workplace relations and how organisations in the public and private sector adapt to change. All organisations and systems (including companies, public service organisations, managers, unions, industrial relations) will have to modernise and to embrace ongoing organisational change. We will also need, especially in the new set of economic circumstances, to speed up and improve the ways in which we anticipate and adapt to change.

I am confident that, by working together, we can modernise our workplaces to deliver Ireland’s competitive and social vision. Up to now, however, there has been little systematic examination of the workplace requirements for building an innovative, knowledge-based economy and society. We need therefore to undertake a fundamental reassessment of the way in which work is organised and managed.
For these reasons, the Government has asked the National Centre for Partnership and Performance to establish a Forum on the Workplace of the Future, as we committed to in our Programme for Government. The role of the Forum is to foster in-depth discussion on how workplaces can best adapt to competitive pressures, improve the delivery of services and respond to the changing needs of employees.

The introduction of successful and sustainable change depends largely on the intelligence and creative commitment of employees and managers. The Government has asked the National Centre for Partnership and Performance, in establishing the Forum, to consult and engage widely with employers and employees, managers, unions, labour market and organisational change experts and all those with an interest in shaping the workplace of the future.

There is no one set of responses to the challenges and opportunities for modernising our workplaces. These should be worked out through a process of dialogue, problem-solving and shared learning.

I look forward to the Forum creating the framework and knowledge necessary to guide future developments and policy in relation to the world of work.

An Taoiseach, Mr. Bertie Ahern, T.D.
The Forum on the Workplace of the Future aims to establish a vision of the workplace in Ireland. It will help set an agenda for change, based on a shared understanding of current global trends and future strategic directions for the economy and society. The Forum will consider how the world of work is evolving and how workplaces can proactively adapt to deal with competitive pressures, improve the delivery of public services and cater to the changing needs and preferences of workers.

The Forum will provide a framework for addressing issues and implications of workplace change in a comprehensive, forward-looking way. It will identify ways in which ‘the workplace of the future’ can be built. A central concern is to establish how well workplaces in Ireland are placed to meet the challenges of the twenty-first century or whether they carry with them practices and structures that belong to an earlier era.

This paper is an invitation to employers, employees, managers, unions and everybody wishing to influence future developments in relation to the workplace, to contribute their views and experiences on the changing nature of work and workplaces in Ireland and on how we can best adapt to change.

This consultation paper is designed to assist all those who wish to engage with the Forum and to provide a framework for responses and submissions. It sets out, in broad terms, the background and rationale for the establishment of the Forum and explores
the many issues that will be considered during the deliberative process. Section 1 outlines the reasons why we are focussing on the workplace at this critical period in our country’s development. It reiterates Ireland’s ambitious and challenging social vision and explores the implications of this vision for organisations and workplaces. It charts important global trends, which are relentlessly driving change, and it identifies the unprecedented challenges facing our workplaces in responding to these developments.

Section 2 outlines the issues to be considered by the Forum. It explores in particular how companies and organisations in the public and private sectors can better anticipate and adapt to change. It identifies the major changes in the workforce in Ireland over the past decade and considers how we might interpret these changes and anticipate and respond to changing needs. This section also raises questions on ways in which we can build a coherent national policy and support framework to secure economic and social success into the future. The analysis of issues in each area is captured by a number of searching and challenging questions aimed at charting the way forward. We are inviting responses to these questions as they apply to particular circumstances and experiences and in order to facilitate this, the questions are restated and collated in Section 4.
Section 3 describes the organisational model of the Forum: a core Taskforce comprising the Council of the National Centre for Partnership and Performance and four panels which will support the Taskforce and allow for greater participation in its work.

Finally, in Section 4, Mr. Peter Cassells, the chairperson of the Forum invites you to engage with the Forum and outlines the various ways in which this can be facilitated. An initial step in this process is an invitation to respond to the issues raised in this consultation paper and the chairperson looks forward to receiving your views and submissions.

In developing this paper I would like to acknowledge the valuable contributions of the following: Professor William Roche, The Smurfit Graduate School of Business, University College Dublin, Chair of the Forum Scoping Group; Dr. John Geary, The Smurfit Graduate School of Business, University College Dublin; Professor Roy Green, Department of Management, NUI Galway; Dr. Maria Maguire, Independent Consultant; Dr. Larry O’Connell, National Centre for Partnership and Performance; and Dr. Philip J. O’Connell, Economic and Social Research Institute.

Lucy Fallon Byrne
Director
1. Why we need to focus on the Workplace

1.1 Ireland’s competitive and social vision

Ireland is committed to developing as a knowledge and innovation-based economy and society, capable of sustaining international competitiveness and social cohesion. The view taken by influential national bodies such as the National Economic and Social Council and Forfás is that our future success depends on our ability to achieve an environment where research and knowledge, high level skills and expertise, high quality infrastructure and business services are combined in a flexible and creative way:

“...the global economy is evolving rapidly and Ireland’s approach to economic development must evolve with it. ..... Where once our development was driven by inexpensive labour, high levels of foreign investment and fast employment growth, Ireland’s future competitiveness, standard of living and economic development will increasingly require us to build on the knowledge, experience and skills of our workforce and our valuable base of modern businesses in ways that lead to an innovation-intensive economy.”


Consistent with this, the enterprise development agencies are focusing significant effort on building up internationally traded services and businesses which are knowledge intensive, highly productive and capable of competing in high value-added markets. The IDA is adopting a similar approach towards new Foreign Direct Investment opportunities. It is now emphasising ‘job quality, higher value added activities and making Ireland a centre for innovation and strategic management of value chains’:

The Lisbon Strategy adopted by the European Council in 2000 sets a similar vision for the EU, committing it to the goal of becoming, by 2010, ‘the most competitive and dynamic knowledge-based economy in the world, capable of sustainable economic growth with more and better jobs and greater social cohesion.’
This ambitious competitive strategy is allied with a wider vision involving high quality and efficient public services, the maintenance of social cohesion and the promotion of social inclusion. The preferred competitive strategy is explicitly seen to be one that offers the opportunity for successfully combining a dynamic enterprise economy with social solidarity.

The implications of this vision for the labour market, organisational adaptiveness, human resources and workplace relations – in short, for the workplace – are understood to be demanding. The critical bearing of workplace arrangements on the competitiveness of businesses and on the quality and efficiency of public services is now being recognised more clearly and directly than ever before. Such aspects of workplaces as their capacity to compete in value-added markets, their organisational priorities and their employment practices provide a new and crucial focus for national debate.

Up to now, there has been little systematic examination of the preconditions in workplaces for the type of competitive advantage and forms of improved public service delivery Ireland wishes to pursue. Nor have the implications of the changing structure of work and employment and the changing needs and values of individuals in relation to work been explored in any detail. There is now an urgent need to focus on the workplace implications of Ireland’s competitive and social aspirations and to set out the workplace requirements for building an innovative, knowledge-based economy and society.

The nature of pressures affecting organisations in the public and private sectors, the extent of change occurring in work and employment practices and the impact on workers, workplaces and the conduct of employee relations need to be established. How workplace change is being approached and how public policy can support the necessary changes is a critical issue. The implications of the significant changes that are taking place in the labour market and the labour force must be anticipated and managed. The interests, aspirations and employment prospects of diverse groups of employees and the quality of their working lives in the changing world of work need to be analysed and understood.

The more difficult economic circumstances resulting from the global economic slow-down increase the urgency of addressing these issues. The challenge facing businesses and public services alike is to respond effectively to serious competitive and financial pressures, while continuing to accelerate the shift to a knowledge society with value added economic activities, quality public services and commitment to equal opportunities.

The Forum seeks to establish an understanding of how different sectors of the economy are placed in terms of the workplace implications of Ireland’s competitive and social vision. Crucial questions in this context are whether there is a high-skill, high value-added dimension in all sectors of the economy and whether all workplaces have the potential to transition towards this. It is equally important to identify the specific issues and implications for different parts of the public sector.
1.2 Drivers of change

The combined effects of economic, social and technological changes are transforming the world of work. The factors driving change include:

- **Increasing competition** resulting from globalisation, EU enlargement, trade liberalisation and deregulation of previously protected industries.
- **Changing and more fluid industry boundaries** as a result of regulation and convergence of technologies, and the entry of new competitors with different business models and lower cost structures.
- **The transition to a knowledge-based economy** with economic activity increasingly concentrated in high skill sectors, an increasing premium on the skills and knowledge of the workforce and growing importance attached to lifelong learning.
- **More intense international competition** for investment and jobs and more mobile capital.
- **Advances in information and communications technology** and its rapid spread both inside and outside the workplace, transforming how work is done and how individuals organise their lives.
- **Rapid technological change**, providing opportunities for new production methods and new products and services, and the emergence of ‘new economy’ activities that exploit digital technology.
- **International legislative and regulatory changes**, including European directives, relating to the workplace.
- **Increasing awareness and expectations** on the part of consumers with regard to both private and public goods and services.
- **Increasing demands for better quality**, more customised, cost-effective public services and awareness of the need to improve the delivery of public services.
- **Changes in the profile of the workforce**, particularly the increasing employment of women, rising skill levels, increasing national and ethnic diversity and the growing proportion of older workers.
- **Changes in the expectations and needs** of individuals in relation to work and employment and a desire for more control over their lives generally.

Taken singly, each of these factors exerts a powerful influence on the workplace. Combined together, they signal a fundamental transformation of the world of work. It is difficult to think of an industry or a sector that is not affected in some way. These issues are of widespread relevance to policy makers, employers, managers, employees, unions and the general public. The choice is between actively shaping the workplace of the future versus merely reacting to the forces of change.
1.3 Implications for organisations and workplaces

There is a pressing need to develop a guiding vision of how workplaces in the private and public sectors can best adapt to competitive pressures, and respond to the changing preferences and demands of all stakeholders. Such a guiding vision requires a transformation of our knowledge and analysis of the workplace. It requires a transformation of the focus of policy responses to the pressures that have become apparent across workplaces. It also involves a more holistic understanding of workplaces in the context of competitive and social objectives.

The Forum will address the following areas:

- The implications for workplaces in the private sector in terms of the employment and organisational requirements for sustained competitiveness and responding to the changing needs of the workforce.
- The implications for workplaces in the public sector, as they strive to improve standards of service delivery, cater to the needs of their workforce and provide added value for resources expended on public services.
- The changing workforce, emerging needs and whether workplaces are responding in appropriate ways.
- The implications for national policy and supports in terms of facilitating the necessary adjustments by employers, managers, employees, unions, government agencies and other stakeholders.

1.4 Objectives of the Forum

The objectives of the Forum are to:

- Build awareness and deepen understanding of the dynamics of change affecting organisations and workplaces through interaction and debate amongst key stakeholders and the general public.
- Identify the critical success factors of the knowledge economy and society as they relate to the workforce and the workplace.
- Put the theme and importance of workplace change at the centre of national debate and deliberation.
- Collect and assess evidence, data and opinion regarding change and continuity in workplaces so as to create a forward-looking, integrated understanding of opportunities and threats in the context of competitive and social objectives.
- Enable the many stakeholders concerned with the world of work to identify in specific terms the extent to which workplaces and related policies and supports are well equipped for the challenges facing them.
- Provide a platform for the generation of new ideas and the articulation of new approaches and raise the motivation of employers, employees and policy makers to drive the changes that are needed.
- Contribute to the dissemination of information about workplace change and encourage the diffusion of innovative and sustainable forms of work organisation.
- Emerging from the Forum, create the intellectual framework and knowledge necessary to guide future developments and inform policy in relation to the workplace.
2. Issues to be considered by the Forum

2.1 The private sector: How companies and organisations can anticipate and adapt to change

Competitive pressures are driving changes in production technologies and methods, operating processes, product development and R&D activity. They are also driving change in working practices and employment arrangements, as firms seek to gain flexibility, improve productivity and increase their capacity for innovation.

Ireland, with its open economy, is highly exposed to global competitive forces, with further pressure from declining cost competitiveness, the appreciating value of the Euro and high inflation relative to the Eurozone.

In responding to these pressures, the macro-economic policies implemented by successive governments and endorsed by the national level social partnership agreements, have reaffirmed the role of labour markets, internal dynamics of firms, wage bargaining and public policy in supporting the creation of competitive advantage.

The Forum will investigate the nature of competitive pressures and opportunities affecting firms and their effects on workplaces. It will also examine how workplaces are responding to major changes in the workforce and people’s working lives as a result of changes in the occupational, skill, gender and age profiles of the workforce. Developments in areas such as work-life balance, commuting, E-working and their implications will be assessed together with the implications of the increasing diversity of the workforce.
Implications for organisations

To be successful in this competitive environment, organisations need to engage in continuous learning and achieve continuous improvement, with an emphasis on problem solving capabilities and flexibility.

“Improving the knowledge-handling capacity of the workplace, the effective handling of problems and the achievement of continuous improvement are now at the heart of work organisation in many areas”.

“We...are training staff how to constantly change and improve work practices ... It is about reducing low to no-value work in our processes. ...Every area of the firm must evaluate how they do their jobs on a regular basis.”
Excerpt from interview with Dell Ireland Vice-President of Services and Operations, Irish Times, June 6, 2003.

Particular organisational challenges facing firms in this environment include:

- Removing barriers to change so that competitiveness can be protected and work can be optimised.
- Developing the skills and capabilities required to move up the value chain.
- Promoting organisational learning and capacity for problem-solving.
- Developing organisational fitness, in the sense of a structure and culture that is flexible and adaptable in responding to rapidly changing market conditions.
- Reducing costs while maintaining morale and productivity.

The importance of the organisational attributes of firms and workplaces in building and sustaining competitive advantage is widely acknowledged. However, the extent to which the competitive priorities and features of firms and workplaces are consistent with Ireland’s competitive and social vision, remains a seriously under-examined area.

As part of the Forum’s activities, a survey of employers in both the private and public sectors is being conducted to establish how they are responding to competitive pressures and the changing workforce.

It is important that the Forum establishes the major competitive pressures experienced by different sectors of the economy, the strategic and operational priorities that arise from these pressures, and the resulting organisational imperatives. This would include identification of barriers to action by organisations in relation to proactive strategies in responding to competitive pressures and the changing workforce.

The consultation process is seeking views and information on the following:

- The nature and intensity of competitive pressure experienced by firms in different sectors of the economy.
- The balance in different sectors between different competitive strategies based on innovation, quality and price/cost and their organisational implications.
- The main barriers to achieving successful organisational innovation and change.
**Implications for work organisation and employment practices**

In the emerging knowledge based economy, the intelligence and creative commitment of employees and managers is becoming the key resource of organisations. As a result, many companies and organisations have undertaken a fundamental reassessment of the way in which work is organised and managed.

New production systems are being created based on flexible technologies, highly skilled workers and flatter organisational structures. This has lead to more team and project-based working, partnership style arrangements, performance management and new forms of employee financial involvement. This, in turn, has improved the innovative capacity of companies and their ability to anticipate and adapt to change.

The Forum will consider the role of these new forms of work organisation and employment practices in developing and sustaining competitive advantage and achieving mutual gains for employers and employees.

Significant experimentation with new employment practices and innovation in work organisation has been evident in Ireland from the 1990s. By examining and listening to successful cases of good practice, the Forum will seek to establish the critical features of these new practices, their ease of introduction and their durability. The Forum will also examine the applicability of these new forms of work organisation and new employment practices to more sectors and more employees.

The consultation process is seeking views and information on the following:

- The degree of diffusion in Ireland of new forms of work organisation and employment practices, their features and their implications for employers, managers, employees and unions.
- Design features and conditions within firms and workplaces that affect the durability, functioning and effects of new forms of work organisation and employment practices.
- Examples of good practice in this area that enabled managers and employees to build sustainable competitive advantage and to achieve levels of productivity that provided the basis for high living standards.

**Implications for management culture and style**

New employment practices give major focus to the involvement of employees in the planning and design of work. The aim is to harness skills and knowledge more effectively, promote organisational learning and increase flexibility. Survey evidence suggests that employees also want more voice, greater responsibility and more opportunity to use their initiative.

“At the core of the new systems are changes that give employees more say in how to do their jobs and changes aimed at encouraging greater teamwork, flexibility and problem solving.”


Management and leadership values and approaches are now understood to be among the main factors affecting the success of practices such as team working, job autonomy, task forces, and business process improvement. Moreover, such employment practices tend to erode traditional demarcations between management and workers and between different groups of workers. These practices also assume a much greater degree of involvement and opportunity to exercise initiative on the part of employees. This may range from simply giving employees more say with regard to operational work activities, to providing for increased employee voice and involvement in a broader range of management issues and strategic concerns. This implies a culture of management and leadership that is
very different from the model that characterised traditional forms of work organisation. It requires a more open, high-trust, problem-solving environment with a greater sharing of information and more consultation and dialogue.

Issues of style and culture are also gaining prominence as the Irish workforce becomes more diverse.

In approaching workplace change, therefore, managers have to consider the type of management style and organisational culture needed in a highly dynamic environment and how to promote this. An important dimension in this context is the development of the management and interpersonal skills needed for new employment practices and how the targets and incentives set for managers shape their behaviour.

The consultation process is seeking views and information on the following:

- **Specific features of management culture and style that are seen to be critical to workplace change and improved workplace relations.**
- **Perceived needs in the area of management development to build the appropriate skills and capabilities.**
- **The sorts of working relationships and organisational arrangements and structures likely to define the successful enterprise going forward.**

**Implications for employees**

Relatively little is known in the Irish context about how employees are experiencing the changing world of work. Therefore, as part of the Forum’s activities, a major survey of employees’ attitudes to their jobs and workplaces is being undertaken, covering over 5,000 Irish workers. The survey results will feed into the Forum’s work.

Important areas that need to be addressed in regard to the implications for employees are:

- **Job quality** with respect to issues such as the variety or monotony of work, work pace and pressure, and task control or discretion. These aspects of work are regarded as crucial for job interest, motivation and work satisfaction. With an increasingly well-educated workforce and the general pattern of occupational upgrading, these aspects are likely to be of growing importance to employees.
- **Flexibility** in working arrangements. This has emerged as an important concern for both employers and employees. While significant work has been done in this area in recent years there is a need to continue to explore the types of flexibility that workers may require and how workplaces are catering to varying needs. Moreover, to the extent that employers are seeking increased flexibility, the impacts on employment practices and working conditions need to be understood.

- **Implications for skills and learning** as the knowledge content of work increases. The workplace of the future is likely to be one which values not only the skills that employees already possess, but also their ability to learn new skills and to engage in continuous learning. This will place increasing demands on employees to keep their skills current and to engage in lifelong learning, and on employers to provide access to training and development opportunities. In addition, as identified by the Taskforce on Lifelong Learning, there is a need for government agencies to find appropriate ways to provide a supportive framework for continuous learning.
- **Changes in employment conditions** in areas such as job tenure and job security; health, safety and equal opportunities; employee voice and involvement in the workplace; and the conduct of employee relations.
- **Employee involvement** including the accommodation of employees’ needs for greater say and involvement in work.
- **Employee financial participation** and reward systems such as profit sharing, gainsharing, share schemes and savings related schemes. These schemes can enhance the productivity, competitiveness and profitability of enterprises, and can, at the same time, lead to higher levels of earnings, improve the quality of work and contribute to greater social cohesion. For these reasons employee financial participation is likely to increase in importance in the future.
It will be important for the Forum to establish how emerging competitive priorities and associated workplace changes are affecting employees. Of particular importance in this context are the implications of the emerging knowledge economy and society for different groups of employees and for different sectors. Whether new employment practices may be leading to the emergence of new lines of differentiation within workplaces is also an important question.

The consultation process is seeking views and information on the following:

- How different groups of employees in the private sector are experiencing change, both positively and negatively.
- The implications of the pace of change, levels of increasing flexibility, skill and knowledge requirements for different groups of employees.

**Implications for workplace relations**

The Forum will examine the contribution of new approaches to workplace relations in enabling firms to manage employment relationships in ways that are best suited to their particular circumstances. The dominant perspective in the international literature has been on new approaches to workplace relations, based on employee involvement and partnership. These approaches are often features of high-performance work systems that are best suited to supporting innovation and quality-focused competitive postures.

There is a growing recognition in Ireland that the introduction of work organisation methods, that depend on continuous improvement, require co-operative and partnership-based approaches to organisational change and innovation.

There are good examples of a diverse range of involvement and partnership-based work arrangements in Ireland. They exist across a range of sectors and organisations including labour-intensive and price-sensitive areas such as retailing, financial services and the tourism and hospitality industry.

It will be important for the Forum to build profiles of successful workplace relations arrangements by examining cases of good practice and contrasting experiences. The features and implications of emerging models need to be understood and forms of workplace relations that may best support competitive priorities in different sectors identified.

The consultation process is seeking views and information on the following:

- The perceived contribution of new approaches to employment relations in facilitating organisational change.
- Necessary conditions within firms for successful involvement and partnership arrangements.
- The skills and competencies required by those directly involved in introducing and managing change through partnership.
2.2 The public sector: How organisations can anticipate and adapt to change

The Irish public service, as well as the wider public sector, is experiencing pressures for change. These pressures arise from concerns about economic performance and competitiveness; the needs and demands of consumers and citizens; and the challenge in attracting and retaining committed employees. The forces driving change in public sector organisations include:

- Demands for better quality, more customised, cost-effective service delivery.
- Demands from industry for effective policy and regulatory frameworks and the provision of a high quality physical infrastructure.
- The need to provide an attractive and dynamic work environment for public servants, with opportunities for career development and learning.
- Concerns about obtaining value for money, ensuring a focus on outputs as well as inputs, and achieving returns on investment in service improvement.
- Demand from private sector companies to be allowed to tender for services in some areas traditionally run exclusively by public service organisations.
- Acknowledged shortcomings in key areas such as health, education and infrastructure.
- Concerns about persisting social inequalities despite the high standard of living achieved in recent years.
- The need to adapt to changing social, work and lifestyle patterns of consumers and employees.
- The impact of information and communication technology on the organisation of work and service delivery.
- The need to tackle complex issues in a more integrated way, cutting across organisational and policy boundaries.

Delivering Better Government acknowledges the need for fundamental reforms and sets out a blueprint for change. Organisational and workplace issues are prominent in this context.

“Central themes in the reshaping of organisational life are the necessity for flexible, responsive structures and systems, based on knowledge as the most fundamental resource. Central themes in the reshaping of the individual’s life and work are the necessity for career mobility and the acquisition and use of knowledge as the basis for effective work. Government is not excluded from the impact of these changes. Indeed, it has a central role to play in guiding and giving specific shape to the pattern of change in the nation.”

The organisational and employment-relations priorities consistent with Ireland's vision of public services for the 21st century are seen to be similar to those associated with the competitive and social strategy as a whole. Public services are expected to set and achieve high standards of service; use resources effectively; innovate and improve; and develop new modes of service delivery involving the use of information and communications technology. They are also expected to work in partnership with other public services and voluntary and private sector providers; to be open, transparent and accountable; to encourage access and to provide choice. These priorities are given added momentum in a fiscally more constrained environment. The emphasis has shifted decisively towards higher productivity and the delivery of change in core aspects of work organisation and employment practices in public service workplaces.

**Implications for public service organisations**

Successive waves of public sector reforms across a wide range of countries over the past two decades have seen innovations such as:

- The creation of more clearly defined strategies.
- The devolution of responsibility and accountability for objectives to operating units of public services.
- The introduction, in some cases, of quasi-market devices intended to increase user choice and spur efficiency.
- The use of information and communications technology (ICT) to enable more efficient and effective service delivery.
- The introduction of new forms of employee financial participation and reward systems to better align performance with organisational effectiveness.

In Ireland a number of developments have taken place which are blurring the boundaries of public service organisations, and resulting in demands for high levels of productivity, accountability and efficiency from central government. These include developments such as outsourcing some private and voluntary sector provision and moving activities into smaller agencies at arms length from government departments. They also include public-private partnerships for the construction and operation of large capital projects.

With little scope for increases in funding, maintaining and improving public services will require flexibility and increased productivity. The Forum will need to establish how much scope there is for organisational responses in areas such as new organisational forms, use of ICT to enable new forms of service delivery and public-private partnerships.

The Forum will need to explore the implications of the blurring of boundaries that is occurring between the public, private and voluntary sectors as a result of new service delivery partnerships and the implications for public sector workplace relations of more flexible models of service delivery.

The consultation process is seeking views and information on the following:

- Levels of pressure that public sector organisations are experiencing and the nature of their responses to those pressures.
- The organisational implications of achieving service enhancement and user responsiveness in a climate of cost containment and increased accountability.
Implications for work organisation and employment practices

There is an acknowledged need for new ways of working in the public sector. For example, the comprehensive review of the civil service conducted in 2002 by PA Consulting indicates that considerable work still needs to be done in the areas of employment practices and human resource management.  The Social Partnership Agreement 2003–2005, Sustaining Progress, provides a basis for addressing issues of workplace change in the public service. This challenges public service managers, employees and unions to move forward with changes needed to enhance service and efficiency and address the changing needs of employees.

Changes envisaged include team and cross-functional working, use of new technology and E-government, atypical working, changes in working time and working arrangements and full implementation of performance management systems. They also include enhanced training and development for staff, a stronger focus on equal opportunities and changes to recruitment, promotion and reward systems.

The Forum will need to explore new forms of employee financial participation and reward systems, which are appropriate to public service settings. Elsewhere, these schemes are seen to enhance productivity, improve performance and, at the same time, lead to higher levels of earnings and improvements in the quality of work.

Organisations in the wider public sector, operating on a commercial or semi-commercial basis face their own particular pressures for change, similar in many respects to the pressures affecting private sector companies.

It will be important for the Forum to identify examples of successful change in work organisation and employment practices in public service organisations and to highlight the key success factors. Whether there may be particular characteristics of public services that constrain the sorts of changes that are possible is an issue that will need to be probed.

The consultation process is seeking views and information on the following:

- Changes in work organisation and employment practices to facilitate the implementation of service delivery models using, for example, new technology and E-government.
- Whether there are particular internal labour market practices prevalent in the public service which act as barriers to change.
- The balance between centralisation and decentralisation in managing workplace issues and how this should evolve in the future.

Implications for management culture and style

Experience in other countries and in the private sector suggests that a service-focused approach represents quite a different and contrasting kind of organisational culture to that often found in public services. Achievement of flexibility, improved accountability and a focus on results, innovation and improvement also implies a particular type of management and leadership culture. At the same time, there are issues to do with the public service ethos and public accountability that need to be recognised and safeguarded. As in the private sector, the issues of developing the appropriate management and leadership skills and capabilities and fostering the management/leadership behaviours that are perceived to facilitate organisational change are important ones.

The Forum will need to explore issues of management style and culture in the public service to identify ways of bringing about needed changes without undermining critical aspects of the public service ethos.

The consultation process is seeking views and information on the following:

- Specific features of management culture and style that are seen to be critical to workplace change and improved public services.
- Perceived needs in the area of management development to build the appropriate skills and capabilities.
**Implications for employees**

Employees in the public sector are affected by the same types of issues in the changing workplace as those discussed above for private sector employees. Implications in the areas of job quality, flexibility, skills and learning and employment conditions will need to be addressed. These factors have a crucial impact on the quality of public service provision as well as employees’ experience of working in the public service.

To the extent that the pace of workplace change in the public service has lagged behind that in areas of the private sector, public service employees may face particular challenges of change and adaptation. Further, it needs to be recognised also that public service encompasses a diverse range of workplaces with varying circumstances and organisational cultures and therefore presents quite different issues of workplace change for different groups of employees.

The Forum will need to establish how workplace changes are affecting employees and how effectively their needs are being addressed in areas such as changing skill and learning requirements, job quality, and employee financial participation and employment conditions.

The consultation process is seeking views and information on the following:

- How employees in different areas of the public service are experiencing workplace change, both positively and negatively.

**Implications for workplace relations**

The issue facing government, public service managers and other key stakeholders is how to bring about changes in workplace relations that appear to be required in the public sector. Much importance has been attached to promoting partnership in the public service as a way of involving staff in the change and modernisation process and moving to a new, less adversarial basis for workplace relations. Reviews of the operation of arrangements for partnership and involvement in the public service suggest that the focus to date has mainly been on bedding in new structures and roles. Process-related concerns such as better communications, improved employment relations climates and similar matters have also received a good deal of focus. The challenge now is to move towards ‘second generation partnership’, in which more mainstream issues and business are handled through channels for partnership, involvement and improved organisational performance. Attempts to achieve this are apparent in the civil service, health and local government sectors.

The Forum will need to explore models of workplace relations that can support necessary improvements in public service delivery. Key issues to be addressed in this context are the importance of partnership and involvement in achieving organisational change and improvement, and the challenge of aligning different levels of partnership and involvement.

The consultation process is seeking views and information on the following:

- The perceived contribution of new approaches to employment relations and HRM in facilitating organisational change.
- The necessary conditions in organisations to support and sustain successful involvement and partnership arrangements.
- Perceived problems and challenges in achieving improved performance and working through partnership in public sector organisations.
- The skills and competencies required by those involved in managing change through partnership.
2.3 The changing workforce: How we can anticipate and meet new needs

The past decade has witnessed major changes in the size and composition of the workforce in Ireland. The labour force and employment grew very strongly over the course of the 1990s, perhaps the most impressive achievement over that period being the virtual elimination of unemployment. An important element of the expansion in employment has been the surge in women’s employment over the past decade. Women are expected to account for about 45 per cent of total employment by the year 2015. Ireland is also in the early stages of the process of population ageing, but already the number of older workers, aged over 45 years, is growing faster than that of younger workers.

Rapid economic development over the final four decades of the twentieth century has given rise to a sustained long-term trend of occupational upgrading, entailing the expansion of professional, technical and managerial occupations and increasing the importance of education and skills. While this long-term transformation was largely complete by the turn of the century, professional and managerial occupations are expected to continue to expand over the next decade or so, while manual work is expected to continue to decline in importance.

While workers in many sectors report high overall levels of job satisfaction, in some sectors workers continue to report that they are engaged in monotonous work, are less likely to report that their jobs involve learning new things, and less likely to report that they exert control over either the methods or the pace of their work.°

As in other European countries there has been an increase in part-time working in Ireland in recent decades and, as elsewhere, the large majority of part-time workers are women. The proportion of households with no one in paid work fell sharply over the course of the 1990s, while the proportion in which all adults were at work increased sharply. This reflects the employment boom and suggests that employment opportunities became much more widely dispersed over the course of the 1990s.
The changing needs of employees

A more diverse workforce, comprising an increasing proportion of women, older workers, non-Irish workers and people with disabilities, poses significant challenges for workplaces in areas such as work-life balance, equal opportunities, flexible employment arrangements and changes to the organisation of work. The growing number of households in which all adults are working and the increase in commuting is likely to accentuate the needs of employees with regard to flexibility and balance. While such issues are receiving increased focus, not enough is known about workplace responses and the extent to which employment arrangements are adapting to new needs and opportunities.

As part of the Forum’s activities, a survey of employers in both the private and public sectors is being conducted to establish how they are responding to competitive pressures and the changing workforce.

Investment in human capital is regarded as one of the essential factors for competitiveness while education and skills are crucial for labour market success and life chances of employees. The increasing knowledge content of work is placing new demands on workers, employers and education and training systems. The challenge is to ensure that young people entering the workforce possess the right sorts of skills for the knowledge economy. However, it is equally important that those already in the workforce develop a commitment to lifelong learning and that a supportive framework be put in place to update their skills and knowledge.

The growth of knowledge-based work and particularly the increasing technology content in many areas of work is creating new opportunities for highly skilled workers. However, it also presents a threat that older and less skilled workers may become stranded on the wrong side of the ‘digital divide’. In this context, strategies are needed to address the skills and capabilities of vulnerable groups of workers.

The Forum will need to address the workplace implications of changing employee preferences and values and how workplaces are responding to the needs of a more diverse workforce. It is also important to consider the implications of mobilising new sources of labour supply, for example from women and older workers, to meet anticipated demands as the growth of the labour force slows. Increasingly, for example, the diversity of the workforce is viewed internationally as an important source of competitive advantage.

The consultation process is seeking views and information on the following:

- How workplaces can respond effectively to the changing needs and preferences of workers.
- Issues of equal opportunities in the workplace that need to be integrated into overall organisational strategy to cater to the needs of an increasingly diverse workforce.
- Supports needed to ensure that vulnerable groups of workers are not adversely affected by changing skill requirements.
- How participation in training and lifelong learning by those already in the workforce can be encouraged and resourced.
The emerging occupational profile is one in which service industries in both the private and public sectors predominate, with a smaller manufacturing base dominated by high tech industries. This is very different from the workplace of the recent past, in which many more people worked in agriculture, traditional manufacturing, production, food, and distribution than is now the case. The workforce is increasingly well educated and is dominated by professional, managerial and service occupations, with manual and lower grade white-collar employment declining in importance. Nevertheless, low incomes remain a problem in certain sectors.

Workforce indicators suggest a long-term trend in which Irish people are becoming increasingly demanding of the quality, intrinsic interest and challenge of their jobs. These trends are consistent with the general pattern of occupational upgrading that has occurred in the past four decades or so. They suggest that employees would be generally receptive to increases in the intrinsic interest, challenge and responsibility of their jobs. They also suggest that to get the best from the workforce, employers will need to cater to these needs.

Changes in work and employment arrangements in the areas of working hours, the growth of part-time working, and the manner in which households combine paid and unpaid working are evident. However, there is very little data available in other important areas such as patterns of job tenure, mobility between employers, contingent employment arrangements, home working and telecommuting. As a result, little is known about whether and how work is being restructured, and how this is affecting employees.

The Forum will help to establish the extent to which new forms of working, such as telecommuting are becoming a feature of the Irish labour market and changes in areas such as job tenure and mobility. It will also examine how workplaces are catering to employees’ needs for more interest and challenge in their jobs.

The consultation process is seeking views and information on the following:

- The workplace implications of the changing occupational profile of the workforce
- The workplace implications of the increasing participation of women
- How different groups within the workforce – for example workers with disabilities, immigrants, older workers – are affected by changes in work and employment arrangements
2.4 How national policy and supports can help companies and organisations anticipate and adapt to change

The industrial revolution changed the world of work in its time. It is now clear that the knowledge society and the combination of multiple innovations outlined in this consultation paper will equally bring profound, long term changes in the way we organise work and our working lives.

In recent years we have worked out, through social partnership and the process of problem-solving and shared learning which is integral to it, the national policies and supports to develop a successful economy.

A key question now is whether we have the same ability and capacity to modernise our workplaces for the future. And how to do so in a way that improves competitiveness, safeguards living standards and jobs and improves the quality of working life.

National framework

Modernising the world of work will require all sectors and all organisations and systems (including companies, public services bodies, managers, unions, industrial relations and systems of public policy and delivery) to innovate and to embrace ongoing organisational change and capability. There is also a need, especially in the new set of economic circumstances, to speed up and improve the ways in which we anticipate and adapt to change.

To achieve this, it is necessary to develop a coherent policy framework towards modernisation and change, competitiveness, workplace relations and the changing needs of employees. There is also a need for all the agencies involved in these areas to build a co-ordinated and informed approach to future developments.

In an effort to develop coherence across the many public agencies and government departments with a particular focus on change and workplace developments, the National Centre for Partnership and Performance established The Strategic Alliance Network, in 2001. The network includes key government departments such as the Department of Enterprise, Trade and Employment, the Department of Finance and the Department of the Taoiseach, industrial policy agencies such as the IDA, Enterprise Ireland and FÁS and dispute resolutions agencies the Labour Relations Commission and the Labour Court. In addition, the network includes The Health and Safety Authority and the Equality Authority.

The organisations participating in this network, along with employer organisations, management bodies and unions will have a key role to play in informing the deliberations of the Forum.

As part of this consultation process information and views are sought on the following:

- How a more integrated and effective national policy framework can be developed to assist the process of anticipating and adapting to workplace change
- How the different Government departments and agencies might best coordinate their various activities to support organisational innovation and change.

There is a general acceptance that co-operative working relations are the key to managing change, higher performance and a better workplace.

- How best then can employer organisations, management bodies, employees and unions explore ways to support positive and productive relationships?
- How can unions best support their representatives to develop the skills and expertise to actively participate in and support the creation and management of change?
It is recognised that the factors driving change are likely to intensify, in particular as we make the transition to a knowledge society. So, how do we ensure that policy makers, employers, managers, employees and unions:

- Develop, through ongoing exploration, a shared understanding of the economic, social and other factors driving change, and
- Develop the skills and motivation to actively experiment in a problem-solving way, in the creation and management of change?

Support for Organisational Learning and Workforce Development

In the transition to a knowledge society, organisations and individuals will be under increasing pressure to change and to acquire new knowledge and skills. The ability of managers and employees to learn and acquire new knowledge and to actively and creatively cause and manage change will be critical factors in determining competitiveness and the quality of working life.

The whole culture of the workplace will need to be permeated by a learning and innovation ethos, with people learning from each other and from customers, suppliers and social trends.

To assist this process, the national supports for organisational innovation and workforce development will need to be more closely aligned with innovation and enterprise policy.

Equally, as the Taskforce on Lifelong Learning pointed out, the pace of change in technologies, products, services and the knowledge content of jobs will make continuous learning throughout life an imperative for everyone. Our national educational and training system will have to address these needs in a more integrated way, particularly with regard to lifelong learning for those already in employment.

As part of the consultation process, we are anxious to obtain information and views on:

- How national policy and proactive supports can encourage organisational innovation and workforce development
- How employees and managers can be supported to acquire new knowledge and develop the skills for working effectively in new types of organisational settings
- Bearing in mind the report of the Taskforce on Lifelong Learning, how access to ongoing learning and training can best be organised and supported, in particular for less-favoured groups and for SME’s.
Data Needed to Support Change

Good quality, timely information about trends and experiences relating to workplace change and workforce development is an essential ingredient for responding effectively to competitive forces and to pressures for the improved delivery of public services.

Despite the good work of the Central Statistics Office, the data information relating to the labour market and workplace change in Ireland has not evolved in line with changes in the economy and the structure of the workforce. As a result, our understanding of areas such as the changing characteristics of firms and organisations, workforce trends and new work systems is underdeveloped.

This hampers our ability to anticipate changes, in particular as we make the transition to a knowledge society and to provide relevant data for policy making.

The Forum will consider the infrastructure that is needed for data collection and analysis in this area and how this might be put in place. The objective will be to build broadly based support among stakeholders for a data collection and research strategy that can support the anticipation and management of change in the private and public sectors and amongst the workforce.

As part of the consultation process, the Forum is anxious to obtain information and views on:

- The main gaps in data and information in relation to the labour market and workplace change.
- The quality and range of data available from existing sources both nationally and internationally and what we can learn from relevant data initiatives in other countries.
- The actions required to develop an adequate data infrastructure to inform and support deliberations by key groups including employers, managers, employees, unions and the broader policy making community.
3. Organisational model of the Forum

The proposed organisational model for the Forum is depicted in the figure overleaf.

A Taskforce consisting of the Centre’s Council will provide strategic direction for the Forum. The work of the Taskforce will include organising and presiding over public hearings of the Forum; collecting information and evidence; commissioning additional research; preparing the Forum’s interim and final reports; and designing the dissemination strategy for the Forum’s findings.

Four Panels will assist and support the Taskforce. These will deal with:

- How companies in the private sector can anticipate and adapt to change.
- How organisations in the public sector can anticipate and adapt to change.
- How we can anticipate and meet the needs of a changing workforce.
- How national policy and supports can help companies and organisations to adapt to change.

The Lisbon Strategy commits the European Union to the goal of becoming, by 2010, the most competitive and dynamic knowledge-based economy in the world, capable of sustainable economic growth, with more and better jobs and greater social cohesion. In line with this strategy, the Forum will, in the context of Ireland’s presidency, work closely with the European Foundation for Living and Working Conditions, to identify and learn from cases of good practice in other European countries where organisations and workplaces have successfully anticipated and adapted to change.
Forum Taskforce
NCPP Council

Forum on the Workplace of the Future

THE PRIVATE SECTOR
How companies and organisations can anticipate and adapt to change

THE PUBLIC SECTOR
How organisations can anticipate and adapt to change

THE CHANGING WORKFORCE
How we can anticipate and meet the needs of a changing workforce

NATIONAL POLICY AND SUPPORTS
How national policy and supports can help companies and organisations to adapt to change
The Forum on the Workplace of the Future will consult and engage widely with employers, employees, managers, unions, labour market and organisational change experts and all those with an interest in shaping the workplace of the future.

We are doing this because we recognise that the introduction of successful and sustainable change depends largely on the process by which change is generated – a process that must entail the widest possible discussion and debate.

We also recognise that there is no one model of a future workplace. Equally there is no one set of responses to the challenges and opportunities facing companies and public sector organisations. Experimentation, problem-solving and learning, involving employers, employees and others will reveal many of the new possibilities.

You can engage with the Forum by:

- Making a submission to the Forum on the many issues covered in this consultation paper. In particular, we would welcome views and information on:
  - Ireland’s competitive and social vision
— The forces driving change and the implications of these changes for organisations and workplaces

— How companies and organisations in the private sector anticipate and adapt to change, including examples of good practice

— How organisations anticipate and adapt to change in the public sector, again including examples of good practice

— How we anticipate and meet the needs and expectations of a changing workforce

— How national policy and supports can help companies, organisations and employees to adapt to change.

- Attending public sessions of the Forum and the proposed workshops and conferences in different parts of the country (details of the dates, times and venues will be published in national and local newspapers and on our website).
Discussing the issues raised in this consultation paper within your organisation or workplace.

Visiting our website (www.ncpp.ie/forum) for progress reports and for a discussion with others on the issues being explored by the Forum.

Taking the time, if asked, to answer questions from the Economic and Social Research Institute, which, as part of the work of the Forum, is conducting a survey of employee and employer attitudes to change.

I have no doubt that by developing a national dialogue on these important issues, we can safeguard competitiveness and jobs while simultaneously modernising our workplaces for the future. I look forward to your active participation in this dialogue.

Peter Cassells
Executive Chairperson

You should send your views or requests for information to:
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Consultation Questions

The private sector: How companies and organisations can anticipate and adapt to change

- What degrees of competitive pressure are firms in different sectors of the economy experiencing?
- What is the balance in different sectors between different competitive strategies based on innovation, quality and price/cost and their organisational implications?
- What are the main barriers to achieving successful organisational innovation and change?
- What is the degree of diffusion of new forms of work organisation and new employment practices? What are their features and their implications for employers, managers, employees and unions?
- What are the design features and conditions within firms and workplaces that affect the durability, functioning and effects of new forms of work organisations and employment practices?
- What are the examples of good practice in this area that enable managers and employees to build sustainable competitive advantage and to achieve levels of productivity that provide the basis for higher living standards?
- What are the specific features of management culture and style that are critical to achieving workplace change and improved workplace relations?
- What are the perceived needs in the area of management development to build appropriate skills and capabilities?
- What sorts of working relationships and organisational arrangements and structures are likely to define the successful enterprise going forward?
- How are different groups of employees in the private sector experiencing change, both positively and negatively?
- What are the implications of the pace of change, levels of increasing flexibility, skill and knowledge requirements for different groups of employees?
- What is the perceived contribution of new approaches to employment relations in facilitating organisational change?
- What are the necessary conditions within firms for successful involvement and partnership arrangements?
- What are the skills and competencies required by those directly involved in introducing and managing change through partnership?
The public sector: How organisations can anticipate and adapt to change

- What levels of pressure are public sector organisations experiencing and what is the nature of their responses to those pressures?
- What are the organisational implications of achieving service enhancement and user responsiveness in a climate of cost containment and increased accountability?
- What changes in work organisation and employment practices are required to facilitate the implementation of new service delivery models using, for example, new technology and E-government?
- Are there particular internal labour market practices prevalent in the public service which act as barriers to change?
- What is the balance between centralisation and decentralisation in managing workforce issues and how should this evolve in the future?
- What are the specific features of management culture and style that are seen to be critical to workplace change and improved public services?
- What are the perceived needs in the area of management development to build the appropriate skills and capabilities?
- How are employees in different areas of the public service experiencing workplace change, both positively and negatively?
- What is the perceived contribution of new approaches to employment relations and HRM in facilitating organisational change?
- What are the necessary conditions in organisations to support and sustain successful involvement and partnership arrangements?
- What are the perceived problems and challenges in achieving improved performance and in working through partnership in public sector organisations?
- What are the skills and competencies required by those involved in managing change through partnership?

The changing workforce: How we can anticipate and meet the needs of a changing workforce

- How can workplaces respond effectively to the changing needs and preferences of workers?
- What equal opportunities issues in the workplace need to be integrated into overall strategy to cater to the needs of an increasingly diverse workforce?
- What supports are needed to ensure that vulnerable groups of workers are not adversely affected by changing skill requirements?
- How can participation in training and lifelong learning by those already in the workforce be encouraged and resourced?
- What are the workplace implications of the changing occupational profile of the workforce?
- What are the workplace implications of the increased participation of women?
- How are different groups within the workforce – for example, workers with disabilities, immigrants, older workers – affected by changes in work and employment arrangements?
National Policy and Supports: How national policy and supports can help companies and organisations adapt to change

- How can a more integrated and effective national policy framework be developed to assist the process of anticipating and adapting to workplace change?
- How might the different Government departments and agencies best coordinate their various activities to support organisational innovation and change?
- How best can employer organisations, management bodies, employees and unions explore ways to support positive and productive relationships?
- How do unions ensure that their representatives have an understanding of the factors driving change and the skills and expertise to actively participate and support the creation and management of change?
- How do we ensure that policy makers, employers, managers, employees and unions develop the skills and motivation to actively experiment in a problem-solving way, in the creation and management of change?
- How can national policy and proactive supports encourage organisational innovation and workforce development?
- How can employees and managers best be supported to acquire new knowledge and develop the skills for working effectively in new types of organisational settings?
- Bearing in mind the report of the Taskforce on Lifelong Learning, how can access to ongoing learning and training best be organised, in particular for less-favoured groups and for SME’s?
- What are the main gaps in data and information in relation to the labour market and workplace change?
- What quality and range of data is available from existing sources both national and internationally and what can we learn from relevant data initiatives in other countries?
- What are the actions required to develop an adequate data infrastructure to inform and support deliberations by key groups including employers, managers, employees, unions and the broader policy making community?
Notes and references


3. Data from the *European Values Survey 1999/2000*. The European Values Survey is a large-scale, cross-national, and longitudinal survey research programme carried out under the aegis of the European Values Study (EVS) foundation. The 1999/2000 European Values Survey is coordinated from Tilburg University. The Irish data are available through the Irish Social Science Data Archive.


5. For a comparative review of public service reforms see information published by the OECD’s Public Governance and Territorial Development Service and on the related section of the OECD website.


8. Evidence from *European Values Survey*, op. cit.