Involvement practices lead to mutual gains in Irish companies

There is an urgent need to focus on our workplaces at this critical time in our country’s development. The performance of our workplaces is now critical to our economic and social success. Crucially, to meet the demands of the knowledge economy and to fulfil our country’s economic ambitions to shift to high valued added activities, our workplaces must be capable of creating new opportunities in a competitive global marketplace.

Acknowledging the growing priority attached to the workplace as a source of competitiveness and following a request from the Government, the National Centre for Partnership and Performance recently established a Forum on the Workplace of the Future.

A key objective of the Forum is to identify and promote the particular workplace characteristics that will nurture and sustain high performance and high levels of innovation.

Three major surveys

However, there has been very little systematic analysis of our workplaces to date. We have an information gap in relation to what is happening in our workplaces and where best practice is occurring. Unlike Australia, the USA and the United Kingdom, where regular surveys of employees and employment relations are undertaken, Ireland to date, has had limited data on attitudes and experiences in the workplace.
The NCPP is addressing this information gap by commissioning a number of important surveys including a major employee survey of 5,000 persons. In association with leading members of the academic community and the staff of the ESRI, the Centre commissioned three distinct surveys:

- Employers’ (private sector) experiences and attitudes to change and practices in the workplace;
- Employees’ experiences of and attitudes to change and practices in the workplace;
- A national survey of changes in the public sector workplace (employer census).

Over 5,000 employees and 2,000 employers in the private and public sectors took part in three surveys, helping to build an accurate picture of the realities of the Irish workplace.

The initial data from the surveys was presented by the ESRI at a conference held by the Forum on the Workplace of the Future on 6th October. The ESRI is currently analysing the data and will publish its findings early in 2004. Over the next few months, the Centre will present the key themes and trends from the survey. Some interesting conclusions are already beginning to emerge.

**Increasing pressure for change**
Identifying the nature and impact of change in the workplace was a key objective of all three surveys. The public sector workplace survey, which was completed by senior managers in 400 organisations, contains data on the external and internal pressures for change. The figures show that the most intense external pressures experienced by public sector organisations come from:

- Budget constraints (94%);
- Demands for legislation (95%);
- Demand for increased standards and efficiency of service delivery (83%).

It would appear that the key drivers of change are similar in the private and public service. Cost containment is a key change driver in both sectors, as are increasing demands from the customer or client. However, private sector organisations face intense competitive pressures, while public sector organisations are under pressure to modernise and become more efficient.

**It would appear that the key drivers of change are similar in the private and public service.**

<table>
<thead>
<tr>
<th>What is in?</th>
<th>What is out?</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Innovation</strong></td>
<td><strong>Labour reduction</strong></td>
</tr>
<tr>
<td>- Introducing new products (72%)</td>
<td>- Reducing the number of employees (20%)</td>
</tr>
<tr>
<td>- Improving Quality (82%)</td>
<td></td>
</tr>
<tr>
<td>- Customisation (80%)</td>
<td></td>
</tr>
<tr>
<td>- New production technologies (70% of manufacturing companies)</td>
<td></td>
</tr>
<tr>
<td><strong>Cost</strong></td>
<td><strong>Structural solutions</strong></td>
</tr>
<tr>
<td>- Reducing Costs (60%)</td>
<td>- Reconfiguring divisions/departments (15%)</td>
</tr>
<tr>
<td></td>
<td>- Mergers/demergers (10%)</td>
</tr>
<tr>
<td></td>
<td>- Outsourcing (18%)</td>
</tr>
</tbody>
</table>
How are organisations responding?
In the private sector, responses to change pressures are focused around innovation and cost containment. Structural solutions, such as downsizing, reorganisation and outsourcing, are less popular (see Table 1). Over 80% of companies stated that product quality improvement and customisation is a ‘very important’ or ‘important’ response to external pressures.

Significantly, around two thirds of companies viewed increased workforce flexibility and increased staff involvement in problem solving and decision making as ‘very important’ or ‘important’.

In the public sector, manager and employee training and development was cited as a ‘very important’, or ‘important’ response to pressure by over 90% of respondents. Eighty six per cent of organisations viewed developing service quality standards as being a key response to change pressures.

Informing and consulting staff (87%) and including staff in decision-making and problem solving (85%) were also considered very important or important responses to change in the public sector.

Clearly, both sectors are responding to change by increasing the level of innovation in either products or services. Both sectors also seem to agree that increasing autonomy, information, consultation and increased employee involvement in problem solving and decision-making are key responses to external change drivers. A large percentage of organisations in both the private and public sectors also seem to be developing their capacity for employee involvement.

Work practices promoting involvement
Each of the three surveys examined a range of work practices that promote employee involvement. They range from increased autonomy and discretion, to information and consultation practices, to direct involvement of employees in decision-making.

In the private sector, when asked whether they implemented arrangements regarding information and consultation with staff about change in the company, 61.5% of employers stated that they had done so.

Conversely, in the employee survey, respondents were asked to record whether they ‘hardly ever’ receive information from management on a range of change issues. Just 36% stated that they ‘hardly ever’ received information on the introduction of new products or services. However, the figures were not as positive for financial information, such as sales and profit figures, with over half the respondents saying they ‘hardly ever’ received information on these issues.

Employee participation in problem solving
Another bundle of HR practices examined in the surveys was that of employee involvement in problem solving and decision-making. The survey identifies two sets of involvement practices. Partnership activities comprise formal employee involvement in problem solving, through trade unions or other representative bodies. Participation activities comprise formal or informal employee involvement in problem solving, using structures and processes such as team working, Quality Circles, task forces, or committees.

In the private sector employers’ survey, 62.4% of respondents stated that they had implemented arrangements for the direct involvement of employees in decision-making and problem solving. Seventy per cent had facilitated employee discretion in the way their work is organised.

Both sectors also seem to agree that increasing autonomy, information, consultation and increased employee involvement in problem solving and decision-making are key responses to external change drivers.
Employees who were involved in partnership and/or participation arrangements were asked their opinion on the effect such arrangements had on various aspects of their job and their workplaces. In general, employee respondents felt partnership arrangements have a positive impact on the workplace. Two thirds of respondents stated that partnership arrangements have a positive effect on issues of direct interest to employees – such as job satisfaction, pay and conditions and employment security. Almost 90% of employees engaged in participation arrangements stated that it has a positive effect on productivity or performance, and 86% felt it has a positive impact on willingness to change (see Table 2).

Employees also felt that partnership arrangements have a positive effect on issues of concern to employers, such as organisational performance, employee willingness to embrace change, and the confidence with which employees’ cooperate with management.

**An opportunity for the high road**

These findings are significant as they provide concrete information on employees’ and employers’ attitudes and experiences. They also explore some myths and stereotypes that have become commonplace in recent years. Other positive findings are emerging, which suggest that workers are happy in their jobs and have high levels of commitment to work and to their organisations. Significantly, there is a lot of evidence from this survey that workers are open to change and are willing to take increased levels of responsibility.

This willingness increases substantially if it offers opportunities for respondents to better themselves (e.g. promotion, upskilling). This would appear to indicate that opportunities exist in Irish organisations for employers and employees to take the ‘high road’ and to develop and implement high quality, high skilled, mutually beneficial approaches to change.

Lucy Fallon Byrne  
Director, National Centre for Partnership & Performance

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**TABLE 2  Irish employee assessment of the positive effects of partnership and participation arrangements in the workplace**

<table>
<thead>
<tr>
<th>Positive effect on the following:</th>
<th>% agreed</th>
<th>% agreed</th>
<th>Benefits to:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job Satisfaction</td>
<td>72</td>
<td>91</td>
<td>Individual</td>
</tr>
<tr>
<td>Pay and conditions</td>
<td>71</td>
<td>52</td>
<td>Individual</td>
</tr>
<tr>
<td>Employment Security</td>
<td>70</td>
<td>57</td>
<td>Individual</td>
</tr>
<tr>
<td>Productivity or performance</td>
<td>67</td>
<td>89</td>
<td>Organisation</td>
</tr>
<tr>
<td>Employees’ willingness to embrace change</td>
<td>73</td>
<td>86</td>
<td>Organisation</td>
</tr>
<tr>
<td>Confidence in co-operating with management</td>
<td>76</td>
<td>87</td>
<td>Organisation</td>
</tr>
</tbody>
</table>
Technology a key change driver
The advances in the use of information technology at work are striking. In nearly 40 per cent of the establishments surveyed, all employees used computers in their work. Technology-driven change is clearly the main force that is enforcing reform in the ways in which work is being organised. What effects it will have on the long-term physical and mental well-being of employees remains unclear. Demands on them grow alongside the ever-increasing complexity in how technology is used. What is without question is that future employees will have to be more adaptable, versatile and effective in the use of information technology.

Permanent jobs on the increase
The management survey reinforces other findings in ESRC surveys, primarily that Britain is experiencing a revival in the number of full-time, permanent jobs in industry and services. Nor is staff turnover as widespread as might have been expected in a tight labour market. The use of outsourcing and subcontract work is not as common as was supposed. Indeed, the survey suggests there has even been the return of some non-core functions to the company.

Moreover, there is a strong belief, shown by companies as well as employees, that jobs should provide genuine career and promotional opportunities. Nearly 70 per cent of managers surveyed said their establishment would prefer to promote existing staff to fill senior vacancies, rather than head hunt or use recruitment agencies to meet their manpower needs.

Increased employee relations workload
Another key finding from the survey underlines the increasing importance in British workplace regulation in the development of the employment relationship. Managers are growing more and more concerned with employment issues, as legal costs soar and pressure to deal with individual employee needs grows more...

The Future of Work – a UK perspective
The future of paid work has become in the past few years a subject of endless fascination and real importance for public policy-makers as well as employers, trade unions, and above all, for employees themselves. Robert Taylor, former Employment Editor with The Financial Times, is a Research Associate at the London School of Economics and a Research Fellow on the Economic & Social Research Council’s (ESRC) Future of Work Programme. He was the keynote speaker at the recent inaugural conference of the Forum on the Workplace of the Future. He introduced a recent ESRC survey of 2,000 human resource or industrial relations managers, which came up with some interesting findings on the current state of the workplace in the United Kingdom.
intense. Nearly half the managers surveyed said their workload on employment matters had gone up over the past three years.

The survey also found clear evidence of a growth in regular individual employee appraisals and the need to communicate more information to employees. However, it suggested few firms provide more than minimum information to employees.

Gap between rhetoric and reality
It appears that firms want to manage their employees more effectively. They see the increasing value of nurturing and encouraging existing staff in learning and training, in enhancing the value of their labour. Firms want the right to encourage labour flexibility inside the workplace, to encourage the creation of more adaptable, effective workers.

Yet, there remains a large gap between rhetoric and reality. Too few firms in Britain are introducing human resource development or mutual gains programmes to meet their business requirements. Professor David Guest, in a survey of senior managers in 835 UK-based organisations, found that only one per cent of them practised more than three quarters of the 18 human resource management practices he itemised. In Guest’s view, most managers only pay lip service to the idea that people are their most important asset.

Institutional networking for new organisations
Government should encourage new forms of organisation to lay down the foundations for a ‘high road’ enterprise strategy. However, this should not be undertaken using a top-down approach. It will need the active consent and enthusiastic cooperation of firms, employees and trade unions in strategic alliances with educational institutions, job centres, the learning and skills councils and local chambers of commerce. In other words, stimulating workplace change requires the development of collaborative clusters, webs and networks that bring together existing institutions in local or regional labour markets behind a concerted programme of workplace change.

Modern effective workplaces can be encouraged to develop high performance strategies by including human resource management issues in government policymaking across all institutions. An increasing number of European countries are now encouraging such initiatives:

The Finnish experience
In Finland, the social partners have worked together since 1996 on the formation of workplace development programmes. The Finnish programme provides a minimum framework and stimulus driven by the business needs of enterprises. However, it does link the dissemination of information technology, the educating of managers and the encouragement of diverse employee skills, with the improvement of working conditions and occupational health, as well as a quality of working life agenda. It is this strategic connection between business and employee needs that underpins the success of the programme. Outside research institutes, technical colleges and consultants are brought in to help to shape and establish workplace modernisation programmes. The resulting quality learning networks have proved important in the transformation of Finland into a high quality/high performance economy.

Silicon Valley clusters
Recent research into Silicon Valley suggests much of the success of its information technology sector stems from the development of links between the region’s work institutions. Flexibility and adaptability have emerged via constructed networks and communities. What has emerged is a rich and complex web of industry-based clusters that bring together employer associations, temporary help agencies, community educational institutions and non-profit making groups to enhance training and improve job placement.

Developing positive corporate relationships
This would suggest that the encouragement of social capital is crucial to the modernisation of workplaces. Across the world, firms are being urged to become more socially responsible, to develop more transparent and representative forms of corporate governance, and above all to empower workers. There are signs of a growing readiness by some firms, sensitive to producer and consumer pressures, to integrate social and environmental concerns into their business operations. In much of Western Europe legal codes and voluntary agreements reinforce this approach.
Corporate governance should not be exclusively concerned with the short-term level of the share price and the vagaries of the stock market. It involves the need to establish a negotiated balance between the often conflicting interests that impact on the way firms behave, to ensure overall success for the enterprise. This means establishing links and understandings with employees, customers and suppliers.

In addition, it ought to bring about a new kind of relationship between trade unions and companies. Trade unions have nothing to fear and much to welcome in an institutional approach to workplace change. They can embrace a modernisation agenda in the firm and negotiate agreements that strengthen and improve the conditions of their members. Research carried out by the GMB union into its existing partnership agreements, suggests they work best for the firm and employees where workplace unionism is already strong and autonomous.

We should be searching for a wider vision, rooted in the principles of the European social market model, of partnership and social citizenship, of balancing competitiveness and efficiency with equality and humane workplaces. This must be rooted in a shared view of what constitutes the mutual interest of the firm and its employees.

Robert Taylor

**Performance through institution-building**

Many firms complain they suffer from too much regulation and red tape. But it is less likely that countries will move onto the ‘high road’ without regulatory stimulus. Across Europe and in parts of the United States, we can find robust and autonomous institutions in the world of work, that collaborate together through clusters and networks without undermining competition and the market economy. Indeed, the use of institutions and regulation to make markets work better is widely accepted.

The picture of a wholly unregulated free for all as the way to modernisation is illusory. The key question is how embedded and pervasive do institutions need to be to operate effectively with the grain of market forces, and not against them? In the case of Britain, the incentives to continue to produce and serve with low skills, low value products and services remain powerful. The barriers to the construction of a vibrant, technologically advanced and knowledge intensive workforce are formidable.

Often, the rhetoric we use in the world of work is of self-confident, assertive, individual risk-takers and individualised workers with skill portfolios and training accounts. But this does not reflect the complex realities that exist. Team working, clusters and networks, collaboration and partnership underline an associational approach to workplace change that is in line with reality, even in Silicon Valley.

We should be searching for a wider vision, rooted in the principles of the European social market model, of partnership and social citizenship, of balancing competitiveness and efficiency with equality and humane workplaces. This must be rooted in a shared view of what constitutes the mutual interest of the firm and its employees. The introduction of information and consultation committees by European Union Directive provides an opportunity to start building this vision. None of it will be easy, but institution building can provide the way forward to the new world of work that can unite business imperatives with a more enlightened approach to work opportunities and workplace change.

Robert Taylor

*Economic and Social Research Council, UK*
Partnership in the Civil Service: Key Lessons and Challenges

This year, the Centre undertook five case studies of partnership in civil service organisations. Individually and collectively, the five stories offer valuable lessons about partnership as an approach to change and modernisation in the civil service. A broad variety of partnership approaches to change and modernisation have developed in civil service organisations and the individual case studies describe varied experiences and different benefits. However, the Centre has identified commonality in the outcomes from these good examples of practice.
The five case studies demonstrate that partnership approaches in the civil service have engaged with key strategic and functional issues and have operated as a key enabler of organisational change and development.

**An evolving response to change**

The case studies also indicate that robust partnership approaches can contribute to the development of a co-operative industrial relations environment and a high involvement managerial culture. Equally, the development of improved industrial relations and more open management styles support the development of partnership as a robust change enabler. The examples of good practice demonstrate a dynamic and mutually supportive relationship between the three processes concerned with civil service modernisation and change.

The recognition of this overlapping and evolving relationship facilitates issues being transferred from one arena to another with a view to making positive progress. As such, attention is shifting from a narrow debate about which issues belong in which forum, to a focus on how and in what way the different elements of an issue can be more effectively progressed by each of the change management processes.

In seeking to understand and explore further the nature of this evolving relationship between partnership, industrial relations and managerial style, the following key lessons are of interest:

### Partnership engages...

#### ...with leaders

The development of robust and effective partnership processes provides opportunities for leaders to engage with the change agenda. Commitment from, and pro-active engagement of top management and senior trade union officials was critical to the successful development of partnership in each case study. In particular, partnership processes offered Chief Executives, or Secretaries General an opportunity to demonstrate their commitment to an inclusive approach to change. Members of the senior management team and trade union officials also played important roles as influencers in building employee confidence in partnership’s ability to deal with change issues.

Partnership offered trade unions an opportunity to play a more pro-active role in driving organisational change. Significantly, a positive engagement with partnership approaches supported and complemented the work of many union representatives. However, the researchers also spoke to trade union representatives who expressed a sense of disconnectedness from the partnership process in their respective organisations.

#### ...with industrial relations processes

For partnership to drive organisational change both management and unions had to be willing to promote an open and inclusive agenda, which included placing change issues within the ambit of partnership. In this regard, the development of a positive relationship between partnership approaches and industrial relations machinery was essential as it facilitated issues that had an IR dimension being discussed in a partnership forum. In some instances, the solutions to such issues were effectively framed within the partnership arena and agreed in an industrial relations setting. An innovation such as the Members Forum in the Civil Service Commission ensured that partnership engaged with an open and inclusive agenda.

#### ...with employees

The case studies demonstrate that the partnership process is an effective mechanism for promoting employee voice. In particular it offered greater potential and scope for staff views concerning organisational change to emerge and be taken seriously. Similarly it provided an identifiable and effective forum for staff to raise issues for discussion and, in some instances, resolution. The majority of the case studies stated that “staff now feel that they are being listened to” and that their contribution to the modernisation agenda is valued.
Partnership drives...

...improved communications
The partnership process enhanced the level and quality of intra-organisational communications in each of the case studies. In the Department of Social and Family Affairs, increased staff expectation of information and consultation was often met as managers became more conscious of the need to inform and consult on strategic and operational issues.

...employee involvement
The partnership process functioned most effectively in examples where it was complemented by a commitment from senior management to fostering a management style based on employee involvement and participation. The Department of Transport partnership committee is linked to employee participation in departmental decision-making. This emphasis on a high involvement management style creates a fertile environment for partnership to develop into an enabler of the organisation's change agenda. Equally it also encouraged the development of the skills and behaviours necessary to manage change using partnership approaches.

...policy-making
For partnership to function as a key enabler of change it should address a broad range of issues linked to the modernisation agenda. In successful examples this was facilitated by the fact that the nature of partnership's involvement with the policy-making process varied considerably, depending on the issue in question. For example, in the Civil Service Commission, the partnership committee adopted the following policy roles on different issues:

- Strategic / Formulation
- Participative / Operational
- Consultative
- Progressive / Leadership
- Evaluation and Monitoring.

Importantly, adopting different policy roles assisted the development of a participative approach to key operational and strategic areas without diminishing the speed or quality of output. This approach also ensured that partnership processes linked into decision-making forums without too much formality or duplication of existing structures.

Partnership innovates...

...organisational development
As a relatively new process within the civil service, the partnership approach has to clarify its appropriate role within individual organisations. As already suggested, the more effective examples of partnership in action occurred when there was an evolving, dynamic relationship between all the drivers of organisational change. A willingness to experiment and innovate made an important and positive contribution to the positioning of partnership approaches in a number of ways:

- Experimenting with and customising different communication methods to meet staff needs – e.g. Department of Social and Family Affairs;
- Innovative approaches to implementing key aspects of the SMI – e.g. the approach to the Strategy Statement in the Department of Transport and PMDS in Department of Social and Family Affairs;
- The development of innovative measures to enable wider participation in the partnership process – e.g. the Civil Service Commission;
- Innovative solutions to complex problems – The policy on work-sharing in the Courts Service and No Smoking policy in the Civil Service Commission;
- Integrated strategies for stimulating information sharing and dialogue between staff – e.g. the Department of Transport;
- Engagement with issues not normally associated with the partnership process – e.g. Exceptional Performance Awards in the Courts Service and the Commission;
- An innovative and flexible approach to the development of devolved partnership structures – e.g. different types of local committees in the Department of Social and Family Affairs.

...approaches to problem-solving
In part, the partnership process' capacity to generate innovative solutions to potentially complex problems was underpinned by the adoption of a pragmatic problem-solving approach to issues. In certain instances this has generated a working environment in which “there is a real emphasis on getting things done rather than just simply restating set positions”. Central to this process was the principle that what is important are the views articulated, rather than the grade or representational status of the individual in question. This pragmatic, problem-solving approach produced innovative solutions to change issues. In the case of the Department of Transport and the Courts Service, for example, a partnership-style approach enhanced the organisation's problem-solving capacity.
Partnership improves…

...policy implementation
As suggested above, partnership processes displayed their potential to improve an organisation’s problem-solving capacity. This reflects the fact that a partnership approach to problem solving links people with the relevant knowledge and expertise with the process used to solve the problem. The emphasis on facilitating broader staff consultation brings a wider pool of expertise and experience to bear on the decision-making process. Even though ‘managers must manage’, partnership approaches provided opportunities to consult with staff with knowledge and experience and therefore, make better-informed decisions. The fact that consensus building and consultation underpinned such decisions increased their credibility and facilitated their acceptance by employees. This increased the prospects for the effective and efficient implementation of policy decisions and strategies.

...monitoring and review
In organisations such as the Civil Service Commission there is ongoing commitment to internal monitoring and review to identify what is working, what is not and what should be done to ensure continuous improvement. One of the features of the work of the Courts Service HR unit in supporting partnership activity was to identify good practice in other civil service organisations. In the Department of Social and Family Affairs, partnership is undergoing a major review to clarify its future strategic direction. Self-reflection represented an opportunity to renew the parties’ commitment to the process, sustain initial momentum and build on examples of good practice.

The challenge facing partnership approaches to change
Partnership’s role in the implementation of the modernisation agenda has developed steadily and partnership committees now play an important role in the verification of the changes being introduced as part of the public service benchmarking process. However, there is a danger that over-emphasis on the verification role will isolate the partnership committees (and therefore partnership approaches to change) from other change processes, including management and industrial relations processes.

Key individuals and organisations have expressed concern that the benefits of a partnership approach to change have not been communicated effectively to the wider civil service staff. This gap between partnership activists and other staff is contributing to a sense that the momentum towards adopting a partnership approach to change is stalling.

The challenge now is to create a visible and sustainable link between the verification work of the departmental partnership committee and the organisation’s ongoing response to the challenges of the modernisation agenda.

To order copies of the case studies, please contact damian@ncpp.ie.

Dr. Damian Thomas
National Co-ordinator, Organisational Change & Innovation
The Forum on the Workplace of the Future has been established by the NCPP at the request of the Irish Government. The Forum will foster in-depth discussion on the ways in which change in the workplace can support Ireland’s transition to a high value added, knowledge based economy.

A Taskforce consisting of NCPP’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 of 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 Forum will engage and consult 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. Individuals, groups and organisations can engage with the Forum by:

- Making a submission to the Forum on issues such as:
  - 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/public sector anticipate and adapt to change, including good examples of 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, as well as conferences and workshops to be held over the next twelve months;


Panel members are listed right.
Update 13

Prof Roy Green
NUI, Galway
Chairperson
Miriam Brennan
Creative Labs
John Campion
ESB
Michael Carr
Allianz Ireland Plc
Michael Fenlon
Tegal Metal Forming
Stefan Klein
Centre for Information and Organisation, UCD
Jennifer Lee
Jurys Doyle Hotel Group
Niall O’Donnellan
Enterprise Ireland
John McAteer
Abbott Ireland
Brendan McGinty
IBEC
Denis O’Flynn
Irish Distillers Ltd
Pat O’Neill
Irish Centre for Business Excellence
Sean Silke
Medtronic
Pat Sweeney
Aughinish Alumina Ltd
Donie Wiley
AIB Bank plc

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

THE PUBLIC SECTOR
How organisations can anticipate and adapt to change

NATIONAL POLICY AND SUPPORTS
How national policy and supports can help companies and organisations to adapt to change

Bryan Andrews
Office of the Civil Service & Local Appointments Commission, Chairperson
Richard Boyle
Institute of Public Administration
Catherine Byrne
INTO
Frank Brennan
Chartered Institute of Personnel and Development
Nicholas Jermy
St. Vincent’s Hospital
Philip Kelly
Department of An Taoiseach
Frank Kelly
Dublin City Council

Dr Maria Maguire
NUI, Galway
Jill Matthews
National Economic and Social Council
Peter McCoone
IMPACT
Mary Meaney
Institute of Technology Blanchardstown
Matt Merrigan
SIPTU
Tom Pumphrett
Labour Relations Commission
Pat Ring
Department of Finance
Vivienne Tegg
South Eastern Health Board

Forum Taskforce
NCPP Council

WORKFORCE
Participate needs workforce

John Travers
National Tourism Development Authority, Chairperson
Marie Bourke
Safes
Tom Beegan
Health and Safety Authority
Maurice Cashell
Labour Relations Commission

Niall Crowley
Equality Authority
Patricia Curtin
FAS
Kevin Duffy
The Labour Court
Simon Hare
Department of the Taoiseach
Ger Healy
Central Statistics Office
Carmel Keane
Department of Finance
Tom Kelley
Enterprise Ireland
Declan Morrin
Labour Relations Commission
Pól Ó Dubhghaill
Department of Finance
Prof. Sean Ó Riain
NUI, Maynooth
Breda O’Toole
Industrial Development Authority
Breda Power
Department of Enterprise, Trade and Employment
Prof. Bill Roche
The Michael Smurfit Graduate School of Business
David Silke
National Economic and Social Forum
John Sweeney
NESC
TBC
ICTU
Liam Doherty
IBEC
Case Study

The Office of the Civil Service & Local Appointments Commissioners: Developing a new business ethos

The economic growth enjoyed by Ireland during the 1990s was associated with total employment expanding by 539,000 between 1993 and 2000. Change in the Civil Service Commission was influenced by the need to compete in an increasingly competitive labour market, particularly in recruiting for clerical grades. There was a decline in the number of applicants and lengthy delays. Simultaneously, there was a significant increase in the demand for staff from its client departments, as economic buoyancy fuelled an expansion of public sector employment. Client departments complained about the service, which sapped employee confidence and morale.

This necessitated the development of a new business ethos that encompassed a customer-focused and flexible service delivery model, while retaining the probity traditionally associated with the Commission. It represented a fundamental change in organisational culture and necessitated significant change in work practices, employee relations and work organisation.

A new business ethos

Business process mapping was introduced to all staff. The Commission provided training and asked individuals and teams to analyse their existing work processes and suggest improvements. The emphasis on employee involvement helped to ‘tap into’ employee’s expertise, encourage fresh thinking and promote a sense of ownership of the change process.

The Commission invested in IT systems to improve its service delivery. The centrepiece of the investment was the development of the SMART Centre, which enables applicants for clerical positions to sit a selection test and undertake assignment procedures on the same day.

In addition, the recently launched Careers Store uses multi-media technologies to provide an information brokerage service to client organisations and job seekers.

Characteristics of partnership in the Commission

The Commission’s partnership approach to change displayed a number of interesting characteristics as it developed over the last few years. They include:

Innovation in enabling participation

An integral part of the successful development of the partnership committee within the Commission was the emphasis on developing innovative methods for facilitating and stimulating employee involvement:

■ In order to facilitate and support attendance, the date on which meetings are scheduled is desig-
nated ‘Partnership Day’ and committee members may not organise other meetings for that day;

Prior to meetings an email is circulated to staff asking them to submit issues of concern to them. This is to ensure staff can make a direct input into the meeting;

The second item on the agenda of each meeting is the Members Forum. Committee members raise issues on behalf of staff; its position high on the agenda indicates its importance and ensures adequate time is given to the issues raised. In practice, the Members Forum has proven to be a highly innovative mechanism for engaging with staff and providing them with a ‘voice’ within the partnership process;

In addition, the committee introduced ‘Spare Seats’ to allow staff members to attend partnership meetings. This initiative addressed some of the uncertainties that staff had in relation to ‘what goes on’ at committee meetings;

In addition to establishing a Committee, civil service organisations can establish Sub-Groups to address specific issues. The Commission ensures that approximately fifty per cent of the members of each sub-group are from the wider staff complement and believes that to date, at least one in five staff members has engaged with partnership approaches to change in this way.

Internal monitoring highlighted deficiencies in communication practices and the committee worked to improve its performance in this regard.

Premised on consultation and employee involvement. The broad range of issues addressed using participative approaches was facilitated by the fact that the committee’s level of involvement in policy-making and implementation varies between the following functions:

- Strategic;
- Participative/ operational;
- Consultative;
- Progressive/ leadership;
- Monitoring/ evaluation.

For example, on a number of issues (e.g. no smoking policy), the Committee both initiated the idea (strategic) and took full responsibility for the final policy decisions (operational). With regard to the relocation to Chapter House its role was consultative and co-ordinating.

The Committee undertook a monitoring role in relation to the rollout of the Staff Attitude Survey. Finally, the Commission’s proposed HR strategy will see the Committee take on a role that progresses a policy initiative that is the ultimate responsibility of a specialised division. Varying levels of involvement facilitate experimental and developmental partnership approaches and a participative approach to key operational and strategic areas without diminishing the quality of policy output.

Innovation and Learning by Monitoring

The partnership committee is characterised by a considerable degree of innovation. This necessitates a strong commitment to internal monitoring and review in order to identify what is working, what is not and what steps are necessary to ensure continuous improvement. For example, internal monitoring highlighted deficiencies in communication practices and the committee worked to improve its performance in this regard.

The benefits of partnership in the Commission

As a result of the actions described above, the Commission has succeeded in developing a more customer-focused, efficient service while retaining its reputation for probity. For example, in the area of clerical recruitment, a radical improvement in service delivery and turnaround has been achieved. Improvements in this and other core areas of recruitment and selection have enhanced its reputation with both client organisations and jobseekers. This has contributed to improved organisational confidence and staff morale.

Importantly, staff willingness to engage with a significant change agenda was facilitated by the fact that it resulted in increased job satisfaction, improved workload scheduling and reduced frequency of monotonous tasks. The high level of participation in the change process generated a sense of enthusiasm and ownership of the project that was pivotal to its successful completion.

Dr. Damian Thomas
National Co-ordinator,
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Organisational Change & Innovation

Promoting Information and Consultation: Repositioning the Debate

As was outlined in a previous issue of Update, the EU-sponsored Information and Consultation Directive will be implemented in Ireland in March 2005. The Directive is an important development in Irish employment relations. In addition to extending existing employee information and consultation rights, it provides an opportunity to foster and deepen customised, partnership-style approaches to change at enterprise level. To assist Irish organisations to make the most of the opportunities presented by the new environment, the Centre is engaged in an EU-funded project to promote awareness and a shared understanding of the Directive amongst Irish employers and employee representatives.

The Centre’s project has involved the establishment of a learning network comprising fifteen organisations drawn from the public and private sectors. Its members include unionised and non-unionised organisations, as well as indigenous and foreign-owned undertakings (see Table 1). The learning network represents a range of key sectors in the Irish economy, including manufacturing, the service industry, retailing, public utilities, e-commerce, education, health and telecommunications.

As part of the project the Centre has undertaken a review of current information and consultation practices in each of the participating organisations. This involved conducting both one to one interviews and focus group meetings with senior managers and employee representatives. In total, seventy individuals from fifteen organisations participated in the research. The Centre will publish a detailed report on the outcomes of that research – highlighting areas of commonality between the organisations, as well as examples of good practice at enterprise level. As part of the project outputs, the Centre will also develop and disseminate learning materials. These learning materials will promote good practice in relation to information and consultation and highlight the potential contribution that such practices can make to the development of high performance workplaces.

The key findings from this research project will be presented at a major national conference, hosted in Galway by the Centre on 26th November. The conference is entitled Building High Performance Workplaces – The Role of Information
and Consultation. The Conference will be launched by a keynote address from the Minster for Labour Affairs, Frank Fahey, TD. As well as presenting case studies from network members including Allianz; Nortel Networks and the VHI Call-Centre, the conference will also hear from IBEC and ICTU representatives, and from a senior representative of the UK’s Department of Trade and Industry.

In undertaking this project the Centre envisions achieving a number of specific objectives. Firstly, given that the Information and Consultation Directive poses challenges for all the relevant stakeholders, the Centre, through the outcomes of this project, hopes to address some of the uncertainly and concern that has grown up around its implementation. The project will identify how organisations are currently approaching the implementation of information and consultation rights, and support other organisations to learn from their experiences.

More specifically, the Centre aims to promote information and consultation activities as a key driver of the national policy objective of encouraging higher value added, knowledge-based economic activities. The Centre believes that effective information and consultation practices are essential building blocks for high performance workplaces, capable of thriving in highly competitive international markets, or delivering high quality value for money public services.

This project seeks to foster best practice dialogue and employee involvement amongst organisations, employees and employee representatives, by adopting a shared learning approach. In particular, the project outcomes will highlight the mutual benefits to be generated by the adoption of more effective practices and procedures for informing and consulting with employees.

Although the Centre recognises the importance of developing more effective information and consultation practices, it does not underestimate the challenge facing the Department of Enterprise, Trade and Employment in transposing this Directive into Irish law, given the divergent views that have been expressed by a number of the key representative bodies. In this regard it is interesting to note that at the opening sessions of the Forum on the Workplace of the Future (6th/7th October), there was a general consensus that engaging employees is essential for firms to move up the value chain. Indeed, one senior HR Director stipulated that managers will have to create an environment in which employees want to contribute and are willing to engage with change and constant improvement. This would clearly suggest that organisations, in both the public and private domains will have to improve their existing practices and procedures for engaging with and involving staff, irrespective of the shape of the final statutory regulation.

Although there was a general consensus at the inaugural sessions of the Forum, it is important to note that the NCPP/ ESRI Employee Experiences of and Attitudes to Change in the Workplace survey found that a significant proportion of employees -approximately a quarter - felt excluded from both decision-making and information and consultation processes. Given this gap between rhetoric and reality the challenge for the Centre is to reposition the debate around information and consultation. It must move away from an overt and narrow focus on something organisations must do, because of impending regulation, towards something that organisations should be doing, because of the benefits. The current project represents an initial step in this deliberative process.

Dr. Damian Thomas
National Co-ordinator,
Organisational Change and Innovation

For further information on this project and the forthcoming Conference in Galway contact damian@ncpp.ie.
Hearts and Minds: High Performance at Medtronic

Medtronic is a multinational company that manufactures cardiovascular medical devices for a highly regulated and demanding market. The company operates in a complex and volatile business environment, but despite a difficult trading environment, the company continues to grow and prosper. Central to this growth is an organisation wide commitment to innovation based upon mutually beneficial involvement of the staff and the trade union. This case study looks at key aspects of the approach to innovation and work at Medtronic: communication and employee relations.

Medtronic Galway has developed a business model that is focused on quality, improvement and innovation. However, this is not separated from the focus on costs — hourly rates in Ireland are four times those that apply in Mexico: US$16 versus US$4. The result is an unrelenting and broadly based focus on change and innovation, as the following statistics help to highlight:

- 66% of revenue is generated from products which are less than 2 years old;
- 80% of employees are working on products that are less than 2 years old.

This market and operating context mean that every possible source of improvement or competitive advantage must be explored. This
includes employees. Across the company employees are asked to contribute and management is working hard to ensure that the employees and the union want to contribute.

Innovation is not an isolated activity. It is something with which everyone is involved. There is a strong commitment to increasing employee involvement in decision making especially within areas affecting the team-based operation where inputs and those decisions are vital. In this environment everyone — front line staff and engineers, technicians and other support staff — are expected to recommend improvements to their work.

Making change happen: Communication

There is a very progressive approach to information sharing and communication at Medtronic. Communication is seen as ongoing work in progress. The techniques are modified and changed from time to time in an effort to develop the most appropriate approach. Along with email and company circulars, Medtronic uses a range of communication channels, including:

- Monthly overview meetings;
- Quarterly general employee updates on the business;
- Regular weekly departmental meetings;
- Staff surveys;
- European Works Council
- Worldwide Forum

The monthly meeting is a global presentation made to managers and employee representatives. However, the cornerstone of information sharing at Medtronic is a quarterly meeting held with all staff (200–300 per meeting). These meetings provide staff with business specific information and opportunities for a question and answer session. There are reasonable levels of participation. These meetings provide the most formal opportunity for employee input. Feedback sessions with shop stewards and line managers offer further scope for communication.

Confidentiality is a key consideration at Medtronic. Information with market consequences—for example the actual design of a new product—is not divulged at the quarterly meeting. There is an understanding within the union and among staff that this is necessary to protect the company.

There are also face-to-face team meetings, within business units and across departments. These complement the information exchange at quarterly meetings. The chief executive of Medtronic Galway meets with his senior management team on a weekly basis. In each business unit, similar meetings take place. Further, there are weekly meetings between supervisors and employees, providing employees with a lot of relevant, specific information, in relation for example to yields, or how various products are selling. At these meetings the information shared is more specific, ensuring that employees are informed and involved in decision-making.

Special project groups are established as needs arise. These offer an opportunity for staff to deliberate on specific issues. Most recently, over 200 staff participated in focus group sessions to develop a Statement of Core Values. The aim is to make consultation and involvement a core element of how business is carried out on a day-to-day basis.

There is a real desire among senior management to encourage and support employee involvement. For example, a key management focus and challenge for the human resources team at Medtronic is to work closely with project groups, teams and the union in order to help find ways to improve work organisation.

Making change happen: Employee relations

In an industry defined by terms like flexibility, innovation and cost containment, it is important to note that strong employee relations with unionised and non-unionised employees is major contributory factor to sustaining international competitiveness.
The relationship between management and trade unions at Medtronic is strong and constructive. No time has been lost since 1982 to industrial disputes, and the company has not had to resort to third party intervention on any issue to date. Management believes that it can approach union representatives directly and work with them to find solutions. There is also a feeling among management that individual employees are increasingly taking responsibility for their needs and that this is changing the role of formal representation at Medtronic.

There is ongoing interaction and dialogue between union shop stewards and management. Shop stewards, and union representatives in general, facilitate information sharing. There is an open door policy and the relationship between managers and union representatives is strong. There are regular weekly meetings between the shop stewards and HR managers.

It is the belief of the union that they share responsibility for the survival and improvement of jobs at Medtronic Galway. There is an awareness that staff must be open to re-training and to further education. The ability to adapt and change is seen by management as a fundamental requirement. Staff accept that the need for ongoing learning if they are to have long term job security. For example, 150 Medtronic employees have enrolled in part-time third level courses for 2003/2004.

The union also works very hard to ensure that their members are adequately rewarded for their effort and initiative. For SIPTU, work place change and improvement is very much a two way process. There is an incentive based element to pay which means that up to 5%–7% (depending on grades) of salary is linked to Division and Site performance, with reductions for non-attendance and poor performance. There is no formalised partnership agreement at Medtronic Galway. Formal pay negotiations take place between union officials and management. In general, Medtronic has at least matched national pay agreements.

**Human capital creates competitive advantage**

At Medtronic, the development of human capital is seen as a critical lever for competitive advantage. There is a real commitment to the idea that the future of Medtronic relies in finding ways to develop and build upon human capital. Management is actively working to enable and support employee involvement. The aim is to create the conditions in which employees want to contribute. Making this happen requires significant time and financial effort. However, the experience at Medtronic suggests that investment in human capital is succeeding.

*Dr. Larry O’Connell*

*National Co-ordinator, Research & Development*
Learning by Monitoring System piloted across three sectors

Over the past twelve months, the Centre has been working closely with the Health Services National Partnership Forum (HSNPF) and the Local Authorities National Partnership Advisory Group (LANPAG) on a major project to assist the emergence of ‘second-generation partnership’ in public sector organisations. A second-generation approach means that workplace partnership becomes the way in which business is conducted in an organisation, rather than a parallel set of activities, which are often conducted in isolation from mainstream efforts at organisational change. The Learning by Monitoring project team is developing a range of tools that will help to ‘mainstream’ or ‘embed’ workplace partnership approaches to change in public sector organisations.

The Foundations of Learning by Monitoring (LBM)

Research Fieldwork

The LBM system emerged from detailed research conducted over a six-month period with a range of personnel from Health Agencies and Local Authorities. The interviewees included management and staff involved in workplace partnership in four organisations – Beaumont Hospital, Dublin, Limerick City Council, Meath County Council and South Eastern Health Board.

Over sixty interviews were conducted, representing a broad range of perspectives on workplace partnership. These interviews revealed insights into the workings of partnership structures and processes in fourteen sites and helped researchers understand what makes
Interviews revealed insights into the workings of partnership structures and processes in fourteen sites and helped researchers understand what makes partnership work, what hinders its development and how it can be embedded in the core business of the organisation.

**Theoretical Framework**

The LBM system is based on a theory of partnership development that proposes using the following steps:

- **Step 1**
  Understanding the nature of partnership in the organisation;

- **Step 2**
  Analysing partnership activities in the organisation using a structured framework;

- **Step 3**
  Comparing partnership in the organisation with other solutions;

- **Step 4**
  Improving partnership approaches through implementing development plans and actions.

The system is designed to guide workplace partnership through these steps by providing tools that correspond to each step. Using the tools will allow organisations to follow this development model, ultimately leading to a new and more strategically effective phase of workplace Partnership.

Some of the LBM tools are already in operation on a pilot basis and further tools will become available as the project expands. To date, the Centre has focused on developing a Self-Evaluation Questionnaire, which is the starting point for all users wishing to engage in the process of Learning by Monitoring.

**The Learning by Monitoring Tools**

**The LBM Self-Evaluation Questionnaire**

Users can register to use this questionnaire on the LBM section of the NCPP website, which also provides a range of useful documentation relating to the questionnaire. The questionnaire itself may be completed on the Internet or manually. The questionnaire contains 80 ‘item statements’ that cover all aspects of workplace partnership. Once completed, users should expect to have a thorough understanding of how partnership operates in their workplace.

Users are asked to outline examples of good practice as they proceed through the questionnaire, e.g. how the organisation dealt with change issues using a partnership approach. These examples, along with other information about other resources will populate an online knowledge bank.

**Self-Evaluation Feedback Report**

A feedback report is generated once the LBM Questionnaire has been completed. It allows LBM participants to review in detail their strengths in relation to employee involvement, as well as areas for improvement. It also helps to highlight strategic priorities for the organisation. As more information becomes available through the pilot phase, participating organisations will also have the option to confidentially benchmark their performance against the norm for organisations in their sector.

The rich data that was generated from this research was analysed and provided the basis for building a practical set of tools. Organisations are now beginning to use the tools on an experimental basis, to develop partnership in their organisations.
The Online Knowledge Bank
The Centre is developing an Online Knowledge Bank, which will include a variety of links on improving Workplace Partnership, such as case studies and examples of good practice inputted by other users. Areas for strategic development identified through the feedback report will guide participants to relevant areas of the knowledge bank.

Shared Learning Networks
Based on the principle of shared learning, networks will be developed between partnership practitioners, across sectors and across geographical regions. The online tools will facilitate the development of virtual communities of learning about workplace partnership. Access to these virtual communities will remain restricted through the password-only entry to the LBM website.

Current LBM Developments
The pilot phase of the project consists of testing and researching existing tools and improving them according to user needs and preferences. The most significant of these tasks is piloting the Questionnaire. Following last April’s launch of the pilot phase of the project, twenty public sector organisations signed up to participate and many have given a firm commitment to complete the Self-Evaluation process by November. The Centre is using a variety of methods to obtain feedback, including formal and informal interviews, observation visits and focus groups.

Seven Partnership Committees have already completed the Questionnaire and are awaiting feedback. The partnership committees of Cork City Council, Cavan County Council and Clare County Council have allowed the project team to observe the Self-Evaluation process; more observation visits will take place over the coming weeks.

New Steering Committee Established
In September 2003 a steering committee was established to oversee the pilot phase of Learning by Monitoring. PartnershipIT, the organisation responsible for partnership in the Institutes of Technology has joined the project. Over the next few months all LBM developments will involve the Institute of Technology sector in addition to HSNPF and LANPAG.

The Future of Learning by Monitoring
When fully operational, the Learning by Monitoring system will help Partnership Committees, groups and fora to achieve improved organisational performance and mutual gains using partnership approaches to change. The potential for collaboration between organisations across the public and private sectors is enormous and the LBM process should enable collaboration to emerge as a key driver of second generation partnership.

Alison O’Neil
Project Research Worker

If you would like further information on any aspect of the LBM system, or to inquire about becoming involved, please contact Alison O’Neil, telephone 01 814 6308 email alison@ncpp.ie, or visit our website on www.ncpp.ie/lbm.
Forum on the Workplace of the Future
Inaugural Conference, 6 – 7th October 2003


2. Peter Cassells, Chairperson of the Forum on the Workplace of the Future, and Professor James Williams, Head of the Research Unit, ESRI, discuss the initial outcomes of the employer and employee surveys, presented at the conference.

3. Dr. Larry O’Connell, National Co-ordinator, Research & Development, NCPP, addresses the Forum conference, watched by Sean Dorgan, CEO, IDA Ireland, Padraig McManus, CEO, Electricity Supply Board, and Shane Kenny, Panel Moderator.

4. Lucy Fallon Byrne, Director of the NCPP and Robert Taylor, Fellow of the Economic and Social Research Council, UK, at the Forum’s Inaugural Conference. Both addressed the conference on Delivering Ireland’s Social and Competitive Vision – Why focus on the Workplace?

5. Jane Williams, Director, SIA Group; Brian Sweeney, Chairman Siemens Ltd., and Sean Silke, HR Director, Medtronic. All three sat on the panel discussing Forces driving Change – Implications for the Private Sector.