

WORKPLACE OF THE FUTURE

A SPECIAL SUPPLEMENT ON HOW YOUR WORKPLACE IS CHANGING

Thursday 15 September 2005



OUR WORKERS ARE OUR FUTURE

PEOPLE POWER



DRIVING CHANGE THROUGH STRATEGY

THINKING AHEAD



TURNING THE TIDE TOGETHER

TALKING TO TESCO

Innovative workplaces the key

Crucial change

Do you work in a workplace where your ideas are respected, where your contribution to the company's innovation and development is valued? Are you consulted about the company's finances and business moves? Does your boss respect your need for work-life balance and invest in your training and development?

This isn't pie in the sky — it's a crucial change that needs to happen in Irish working life if the country is to realise its economic and social ambition of becoming one of the leading edge knowledge economies in the world.

In response to new pressures from low cost economies, companies in Ireland need to be highly innovative, continuously developing new products and services and looking for improvements in operations and processes. This requires us to look to our workers and to our workplaces for the ideas and creativity that will give us a new competitive edge.

One government body has issued a crucial 'call to arms' on behalf of workers, employers, trade unions and the social partners.

The Forum on the Workplace of the Future, which was established at the request of the Government by the National Centre for Partnership and Performance (NCP), published a report earlier this year urging the business community to realise that technical innovation and investment in research and development is no longer enough.

An Taoiseach, BERTIE AHERN TD, says the Government is committed to the transformation of the Irish workplace



An Taoiseach, Bertie Ahern TD

IN these early years of the 21st century, the challenges facing Ireland's economy are changing rapidly. Our livelihoods, our quality of life and so much more depend on how we respond to these challenges. Our success in building a knowledge economy will depend in particular on how our workers and our workplaces change over the years ahead.

I am in no doubt that the key to this success lies in the hands of management, unions and workers. Together we must create more progressive and productive workplaces, where innovation can thrive and where our competitive edge can be sharpened. At its simplest, there is a clear competitive advantage to be won from better deployment and development of our workforce. And there are huge societal benefits to be gained from an improved quality of life for individual workers.

With this in mind, the Government established the Forum on the Workplace of the Future to look at how managers, unions and employees in the workplace can drive change more effectively, and to develop a better national strategy for responding to our changing

workforce and the changing environments that they are operating in.

We have had a series of reviews of industrial policy, substantial investment in education, major infrastructural programmes and, in recent years, we have been dramatically increasing our investment in research and development. What we lack in many cases, however, are practical coping strategies to respond to international and sectoral change at the level of the individual workplace.

'Together we must create more progressive and productive workplaces'

The challenge the forum faced was to try to identify those workplace features that promote the successful adoption of change and innovation, to identify strategies to deal with changing demographics, and to look at

how national-level policies, institutions and legislation could better support workplace change.

The National Workplace Strategy produced by the forum now sets out the path forward for this country. The challenge for everyone concerned is to invest the same energy that has delivered Ireland's economic success into the transformation of the

workplace and of the individual working lives of employees.

Nine attributes

The forum's report has identified nine key attributes that will be the hallmarks of successful workplaces in the future. Regardless of their size, or whether they operate in the public or private sector, successful workplaces will be: agile; customer-centred; know-

ledge intensive; responsive to employee needs; networked; highly productive; involved and participatory; continually learning; and proactively diverse.

One of the key messages in the report is that action by the Government, the social partners, employees and enterprises will be required to achieve its goals, not least in the areas of lifelong learning

and childcare. To make greater progress in both these areas, a new balance between individual, employer and public provision will be necessary. In these, and in other employment-related areas, we should seek to gain early mover advantage from a broader mix of policies. The areas of lifelong learning and childcare are, of course, issues of concern to society far beyond their

A new workplace vision

LUCY FALLON BYRNE, director of the National Centre for Partnership and Performance (NCP), outlines its vision of the workplace of tomorrow

COMPANIES operating in Ireland can no longer compete internationally on the basis of price and low unit costs. The transfer of production to countries with cheaper labour and operating costs has brought a new urgency and impetus to the debate about our economic future.

Many recent examples indicate that a high quality of products and services and reliable deliveries may not be enough in themselves to create a competitive edge for Irish companies. The companies that have the best potential for success in globalised markets are those that are able to operate with speed and agility, anticipate customer needs and harness knowledge and ideas effectively. In order to compete,

companies need to be able to constantly update and develop their products and services as well as their internal operations and processes.

'The emerging global economic order requires our organisations to compete through innovation'

In other words, companies need to combine organisational fitness and flexibility with high levels of innovation. This applies equally to private and public sector organisations. Innovation and agility are key responses to the

accelerating pace of change and sophisticated customer demand in public sector operations. A high performing and dynamic public sector is a prerequisite for a thriving

economy as well as a successful society.

The emerging global economic order requires our organisations to compete through innovation. This should not be confined to investment in research and

development (R&D). Stimulating innovation in each and every organisation across the economy and in the workplace itself is as crucial to our success as investment in R&D, critical as this is. Innovative workplaces will generate the ideas that will fuel our economy in the future.

Through research, analysis and consultation over the last two years, the Forum on the Workplace of the Future agreed a vision of the innovative workplace to which we can aspire. This vision is based on nine interlocking characteristics outlined below. Organisations that develop and embed these characteristics will achieve competitive advantage.

The report outlines the practices and the 'bundles' of practices that will help organisations develop these characteristics. In this way it is a useful reference and guide for organisations in helping to manage change successfully and building greater capacity for innovation.

Is partnership for wimps?

JOHN MONKS, general secretary of the European Trade Union Confederation (ETUC), says working together is essential to success

OVERHEARD at a prominent business school recently: "Partnership is for wimps — real managers manage and lead, trade unions slow you down."

And at a recent union conference in the UK, one union officer said: "Partnership is betrayal. It's sleeping with the enemy. Appeasement with employers can't be right."

Those two anecdotes reveal the problems those of us who advocate partnership have to deal with if we are to widen the number of companies and unions which believe in partnership and in joint approaches to common problems. It is not pleasant being called a "wimp" or an "appeaser".

The partnership message is a tough one, yet anyone who has seen it work or keeps abreast of the excellent work of the NCP knows it is the best way of reconciling the different interests involved in any workplace. Treating each other with respect, being aware of different interests but also alert to the need to overcome common challenges is the only way to maintain a competitive and reasonably stable enterprise. The industrial graveyard is full of the corpses of enterprises that spent long periods of time focussing on their internal disagreements and precious little time on the external threats or opportunities.

If the future is more conflict, more "them and us", then two things will happen.

The unionised sector will be at a greater disadvantage in relation to non-unionised enterprises, and the incentive to avoid unionisation among new technologies and the emerging industries will be all that more powerful. Plenty of workers too will reject an over-emphasis on the "them and us" model. Of course, sometimes unions must fight

'All credit to Ireland where partnership has been an important part of the success of the Irish economy'

and strike — and employers must take hard decisions. But the aim should be to resolve matters in a partnership spirit and maintain earnings and economic success.

So all credit to the NCP for promoting this message so well — and all credit too to Ireland where partnership has been such an important part of the astonishing success of the Irish economy. Working together is always better than falling apart.



John Monks, general secretary, ETUC

Vision for Irish workplaces - a summary

- Be agile**
Build commitment to the need for change and generate new ideas by talking and listening openly and honestly to all workers.
- Be customer-centered**
Ensure all staff understand the impact of their work on the customer by informing and consulting them on changing business challenges, priorities and plans.
- Be knowledge intensive**
Identify and harness all possible sources of knowledge using knowledge management systems and formal and informal learning processes.
- Be responsive to worker needs**
Make learning, work-life balance, health and safety and good quality employment a priority for your organisation.
- Be networked**
Encourage workers from all departments to share ideas and work together. Build collaborative clusters with outside companies and public sector agencies.
- Be highly productive**
Implement complimentary 'bundles' of workplace practices such as team working, involvement, reward and remuneration, communication, training and development.
- Be involved**
Improve management and leadership capacity to encourage employee involvement and support effective and co-operative workplace partnerships.
- Be continually learning**
Assess management and staff training needs, develop learning plans and give this necessary support and funding
- Be proactively diverse**
Enhance equality and diversity policies, recruitment and retention strategies and policies for promoting quality of working life.

Maximising performance through HR practice

New research by the University of Limerick indicates a HR strategy that invests in staff will ultimately pay dividends for companies. CIAN MOLLOY reports



A LITTLE extra human resources (HR) investment in employees produces increases in productivity worth on average €50,000 per employee per year, according to research in some of Ireland's top 1,000 companies undertaken by the University of Limerick (UL) on behalf of the National Centre for Partnership and Performance (NCP).
Prof Patrick Flood and Prof James Guthrie looked at HR practices and compared the relationship between how companies use HR strategies and the overall productivity per employee in each company.

Their final report is called *High Performance Work Systems in Ireland - the Economic Case* and their findings are striking. After factoring out random variables, 'above average' HR practices had productivity rates 15.61pc greater than at companies with 'average' HR practices.

Flood and Guthrie looked at 20 specific HR practices, which they term high performance work systems (HPWS), and which comprise four broad areas:

- staffing practices (recruitment, internal promotions, job security);
- performance management and remuneration;
- training and development;
- communication with employees.

High performance work systems (HPWS)
In particular, their research found that improvements in employee communication and consultation were particularly useful in enhancing productivity. In those companies with higher levels of HPWS

practices, there was the greatest level of information sharing, with nearly three quarters of them providing staff with operating performance information, nearly two thirds providing 'strategic' information and more than half providing financial information reports.

"There are a number of ways in which sharing of information and consultation with employees helps improve productivity," says Dr Larry O'Connell, national co-ordinator of research and policy development, NCPP. "If people are consulted about changes in the workplace, they feel more involved, they feel they have an input into the company's agenda and they feel increased job satisfaction. The international research coming through also shows that if people feel more involved or committed to the workplace, they are better able to handle any stress or pressure they might be feeling. That in turn cuts down on absenteeism and staff turnover."

Job satisfaction

According to Prof Flood, the second most critical area in using HR practice to boost productivity was training. Ongoing job training increases employee job satisfaction, while also improving opportunities for internal promotion and career development within companies.

In the UL study it was found that in the top 1,000 companies surveyed, a typical employee receives some 32 hours of training a year. Nearly half of any particular company's staff had received training in a variety of jobs and skills, but the research found that most of the training given, 65.2pc, was in company-

specific skills, with general skills training, such as communication, problem solving, leadership and so on making up less than a third of the training given.

One of the difficulties faced by the NCPP and other advocates of greater investment in employees is that everyone agrees it is a good idea, but there is still a reluctance to make that investment. "There is a lot of discussion about lifelong learning and how we might provide it," says Dr O'Connell. "But it always seems to end up in an argument over who should pay for it — employers, employees or the Government — and as a result we are not making any significant advance in resolving the policy challenge."

"There are companies such as Abbott Ireland who are making significant investments in employee training and further education. They realise some of the people who receive training can move on, but most do not. Their levels of staff retention are excellent as a result."

To promote progressive HR strategies, the National Workplace Strategy includes a recommendation to establish a new workplace innovation fund. The fund will provide financial support to organisations that are trying to develop innovative HR strategies, go through organisational change and/or promoting lifelong learning in the workplace. Funding would be conditional on companies providing feedback from their experiences to the wider business and public policy communities. Dr O'Connell says: "There is a growing realisation that we need to look again at the workplace and to fundamentally improve how we do our business and how we work together."

Lessons to be learned from Europe's 'joie de vivre'

Improving on the quality of working life can ease stress and raise productivity. STEPHANIE MAHON reports

WORK-LIFE balance and quality of working life have become buzz terms in recent years. Campaigners and policy-makers agree that they will be a defining feature of a successful workplace of the future. What do these phrases really mean?

Willy Bushak, acting director, European Foundation for the Improvement of Living and Working Conditions, says: "There are many dimensions that are relevant for quality of working life: good working conditions; health and well-being; career and employment security; a good work-life balance; career possibilities; and a good salary."

Bushak believes this issue is pivotal to the survival of Irish and European companies. "Quality of working life is critical. It's decisive for competitiveness, innovation, commitment of workers and the survival of companies in a global world," he says.

According to the European quality of life survey, carried out by the foundation in 28 countries in 2003, reconciling work and family life is an increasingly important issue across Europe. Issues such as working time, working conditions, lifelong learning and public sector provisions, such as childcare and the pension system, all play a part in shaping measures to achieve a better work-life

balance for all European citizens.

Irish employees' quality of working life compared to other European countries ranks high in some areas and low in others. "There are fields where Ireland is well advanced, for example, in workplace partnerships," Bushak says. "There are other areas where more initiatives are needed, such as work-life balance or training."

Ireland lags behind particularly in relation to implementing family-friendly policies. According to the report of the Forum on the Workplace of the Future, Ireland stands out as one of the EU countries where having one or more children under the age of 15 has a significant negative impact on women's employment rates. A recent study of childcare systems in Europe, which rated how each country supported parents' employment rates, ranked Ireland at the bottom out of 15 countries. At the same time, Irish mothers and fathers pay on average 20pc of their income to childcare, compared to 12pc in the rest of Europe.

Working hours

A University of Manchester review of reports on work-life balance in the EU says the degree of working time autonomy is quite limited for many employees and is generally greatest for those in

higher occupational positions. "Current working time arrangements are out of step with the preferences of many men and women.

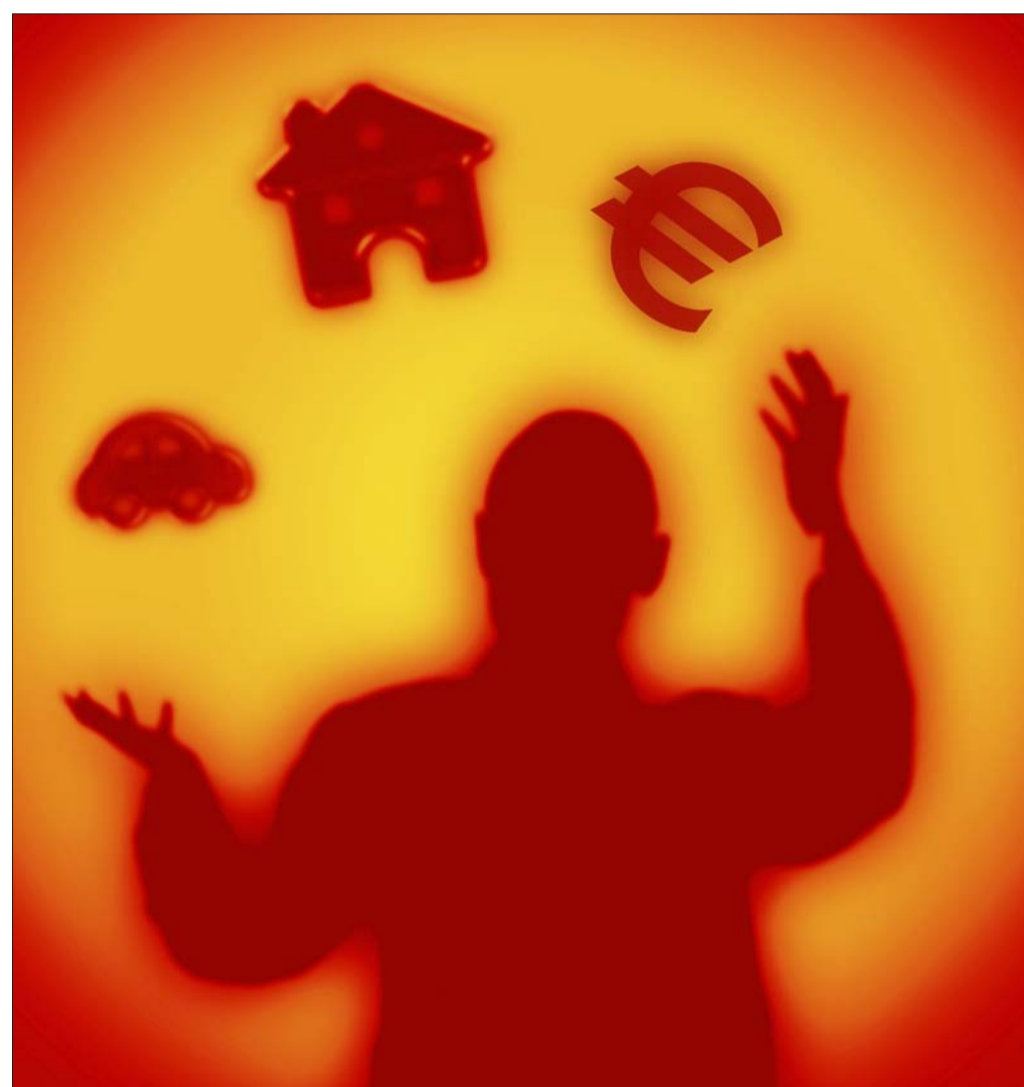
There is manifest improvement in this area over the past few years. Part-time working has spread, mainly among women. But though women's employment rates are rising, they are still notably lower than those for men in a number of member states. And long working hours are still prevalent in Europe — for example, more than one in five employed men and nearly one in 10 employed women usually work 48 or more hours a week.

Health problems

As well as having negative effects on the issue of work and family compatibility, the University of Manchester review says working arrangements that involve long hours, unsocial schedules or intense workloads also increase the incidence of work-related illness, independent from the effects of other working conditions.

The NCPP/ESRI survey of employees found high levels of work pressure, with more than 50pc reporting that they experience some measure of work pressure and many indicating they found work to be stressful. Difficulty in balancing home and work life was found to be a key contributor to this.

The NCPP believes there is scope to address the issues of employee satisfaction and work-related stress more effectively and to improve the quality of working life in general.



Bridging the opportunities divide

Lifelong learning and training initiatives for all employees is key if the economy is to retain its high levels of growth into the future. CAROLINE ALLEN reports

LEARNING for those in work is one of the key challenges facing the Irish economy, according to the Irish Congress of Trade Unions (ICTU). Peter Rigney, Industrial Officer, ICTU, believes there is a need to find more ways of upskilling those in work.

"Ireland is no longer a low-skilled, cheap wage economy. Keeping us in the category of a high skills economy, however, requires continuing attention," he says. "We got to where we are today by relying on a stream of young people emerging from schools, colleges and universities. There is not the same proportion of young people in today's population. This means that the economy's need for skills can only be met by upskilling those in work."

Unions are advocating a series of measures to advance the lifelong learning and training agenda, according to Rigney. "Already research has shown that union members are likely to receive more training than non-union members. In the forthcoming partnership talks, unions will be pushing for a combination of learning leave and payment of college fees for mature students undertaking part-time

study," he says. The Expert Group on Future Skills Needs perceives education and training as pivotal to Ireland's future prosperity. Although Ireland has a well educated workforce, it performs badly by international standards in terms of participation in lifelong learning, ranking eighth out of the original EU 15 and well behind the leading countries, points out Dr Damian Thomas, national co-ordinator, NCPP. Progress was being made in this area, however. "The high rate of implementation of staff training and development practices reported by employers in ESRI surveys and in research undertaken by IBEC indicates employers are beginning to see lifelong learning and training as a priority," he says.

This is also the view of Michael Mulreany, assistant director head of education and research, Institute of Public Administration, who states today there is a greater understanding that education is for life, right through to retirement and beyond. He says the benefits are clear to employers who manage their staff education and training budgets as investors who know that in future the big returns come from invest-

ment in employees.

According to Mulreany, with the emergence of greater numbers of professional learners involved in part-time education there is a justifiable pressure on education institutions to provide courses with a professional orientation, backed up by an attractive interim awards structure and good student support.

An opportunities divide

Critically, the NCPP/ESRI employees' survey also revealed that a significant proportion of employees were not receiving training. Variations in participation were pinpointed, with training more common among educated employees, higher social classes, younger workers and those on permanent contracts. The ICTU, in its report *LIFELONG LEARNING: EVERYBODY WINS*, said it was crucial to upskill not just the existing workforce, but also those outside the formal workplace, the unemployed and discouraged workers.

Caroline Nash, assistant director of enterprise, IBEC, agrees that those in need of training are often those who shy away from it. "We have to develop a culture where learning is not something that finishes at school or university," she says. "We have to encourage its uptake in the workplace. If we created a system where everyone was being trained and upskilled, the problem of employees taking their skills to competitors would be addressed because someone else who had been trained elsewhere would be able to slot in."

Skills passport

Remarking that government training initiatives such as Skillnets



seemed to be working well, Nash reaffirms the need for a specific targeting of support to vulnerable sectors and employees at greater risk of redundancy. IBEC also supports the concept of a Knowledge Economy Passport (KESP) to be introduced for workers.

The Government and the social partners recognises the need to devise new practical arrangements, potentially based on a three-way commitment of resources from

government, employers and employees, to increase levels of lifelong learning, according to Thomas.

"Developing future skills has been identified as one of the five strategic priority areas within the National Workplace Strategy with an associated range of integrated policy recommendations that will seek to stimulate improvements in the delivery of and access to lifelong learning and training," he says.

ICTU ad 20x2

United approach will work to our advantage

PHILIP KELLY, assistant secretary, Department of the Taoiseach and chairperson, NCPP, says implementing high-participation, high-involvement work practices is a win-win situation



Philip Kelly, assistant secretary, Department of the Taoiseach and chairperson, NCPP

EFFECTIVE and appropriate changes are required in Irish workplaces if Ireland's economy is to be characterised by high-quality, high-skilled, well-paid jobs. The report of the Forum on the Workplace of the Future, *Working to our Advantage — A National Workplace Strategy*, paints a clear picture of how work is evolving and the challenges facing organisations and their employees in an emerging knowledge society.

Crucially, it also establishes a guiding vision for Irish workplaces, and outlines a range of actions that the Government, the social partners, employers, trade unions and employees need to undertake to realise this vision.

The forum's report is the product of extensive research, consultation and debate with a broad range of public and private sector bodies and organisations. It marks a first step in building a broad political and social consensus in support of workplace change and organisational learning.

Yet despite revealing a strong awareness among employers, unions and

employees of the need for change and innovation, the research undertaken by the Economic and Social Research Institute for the NCPP shows the extent to which Irish employees' willingness to proactively engage with and manage change is currently being under-utilised.

This under-utilisation is the product of a combination of factors. While there are clear deficiencies in areas such as childcare, lifelong learning and training and development, the forum's work also highlights the existence of a persistent 'opportunities divide' in the Irish workforce. In particular, women, older workers, people with disabilities, non-nationals and lower socio-economic groups all face different barriers preventing them from fully participating in the workforce and reaching their full potential. Also, organisations are not yet adopting the comprehensive 'bundles' of work practices which have been shown to be associated with high performance.

To address the key issues identified by the report, the forum has outlined an ambitious and integrated set

of 42 policy recommendations which together constitute a new National Workplace Strategy. There is a need for innovative and focused action on childcare, lifelong learning, employee involvement and participation, and on training and development, as well as in the areas of dispute resolution, flexible working, leadership and management skills, and workplace diversity.

A key message, however, is that the implementation of high-participation, high-involvement work practices within workplaces is a win-win situation for both employers and employees. The mutual benefits include increased innovation and higher productivity, with an enhanced quality of working life within which employees are more engaged and more satisfied than at present.

'This strategy will help us meet the challenge of accelerating the pace of workplace change and innovation'

Obviously, there are serious financial implications to achieving progress on such complex issues as childcare or lifelong learning. It is now time for the Government, employees and employers to work together on a new three-way commitment of resources on these issues. For this to be achieved, the relevant parties should accept the benefits in the medium to long term of bearing some of these costs now.

Recognising limitations within existing policy infrastructure, the forum recommended the establishment of a High Level

Implementation Group. This group, which is chaired by Tony Killeen TD, Minister for Labour Affairs, has already been established.

The group comprises senior representatives from the Departments of the Taoiseach; Enterprise, Trade & Employment; Finance; Education & Science; and Justice, Equality & Law Reform, along with representation from Forfás, FÁS, IBEC, the CIF and ICTU. The group will oversee the establishment of the institutional arrangements geared towards achieving the level of co-ordination needed for the successful implementation of this strategy.

Despite the significant advances of the last two decades, Ireland continues to face real competitive and social challenges. One of the strengths of the forum is that it has fostered a shared understanding of these challenges and built a momentum around the need to develop new approaches and initiatives.

In order to harness this momentum, state bodies and agencies and the social partners must champion the agreed vision and make the case to employers, employees and trade unions about the benefits of proactively engaging with workplace change and innovation. Only then will the forum's recommendations be effectively implemented.

In this regard, the national social partnership system, which has demonstrated its capacity to resolve complex problems, provides a strong platform. The forum's comprehensive set of recommendations could provide a basis on which the Government and the social partners might agree a new set of joint actions under a new national agreement.

A key ingredient in the success of Ireland's social partnership approach has been its capacity to evolve and respond to changing economic and social circumstances. The forthcoming negotiations on a new programme provide an opportunity to rebuild the social partnership consensus around the necessity to stimulate workplace innovation and change.

What they say about working in Ireland today



An Taoiseach, Bertie Ahern TD

The same energy we have invested to date in Ireland's economic transformation must now be brought to the transformation of the workplace.



Tony Killeen TD, Minister for Labour Affairs

Delivering the National Workplace Strategy in full will be challenging. As the national social partnership process has demonstrated, however, we have the capacity to develop innovative and consensus-based responses to complex problems. This will be critical in meeting the challenges ahead and in supporting the emergence of the high performing, quality workplaces that will underpin Ireland's future economic and social progress.



Philip Kelly, assistant secretary, Department of the Taoiseach and chairperson, NCPP

A key message is that the implementation of high-participation, high-involvement work practices within the workplace is a win-win situation for both employers and employees. The mutual benefits are increased innovation and higher productivity, but also an enhanced quality of working life with which employees are engaged and more satisfied than they are at present.



Lucy Fallon Byrne, director, NCPP

I believe that if we focus on the ideas and creativity of our workers in every workplace in Ireland, we will become the most successful knowledge economy in the world.



John Monks, general secretary, European Trade Union Confederation

Partnership has been such an important part of the astonishing success of the Irish economy. Treating each other with respect, being aware of different interests but also alert to the need to overcome common challenges is the only way to maintain a competitive and reasonably stable enterprise.



Turlough O'Sullivan, director general, IBEC

The transformation that has taken place in Irish workplaces over the last 10 to 15 years has been remarkable, and the *Working to our Advantage — A National Workplace Strategy* report provides us with the catalyst to enable us to work together to get to the next level.



Maria Cronin, director of European and social policy, IBEC

We are going to see things change in the years ahead. Traditionally women have been the lower earners but it is expected in the medium term that women will dominate in all the professions except engineering, which is a positive argument for keeping graduates' skills in the labour force.



David Begg, general secretary, ICTU

The request by the Government to the NCPP to establish the Forum on the Workplace of the Future is an indication of its commitment to ensuring Irish workplaces should become centres of excellence and champions of best practice.



Catherine Byrne, deputy general secretary, Irish National Teachers Organisation

Creating an education system that will allow the children of today to play their part in the knowledge economy of the future requires us to fundamentally rethink our approach to investment in education. Problem solving, critical thinking, team building, communication and interpersonal skills, along with the ability to take risks and to experiment, are the vital attributes that the innovative workplace of the future will require.



Willy Bushak, acting director, European Foundation for the Improvement of Living and Working Conditions

There are many dimensions that are relevant for quality of working life: good working conditions; health and well-being; career and employment security; a good work-life balance; career possibilities; and a good salary.

Our workers are our future

The knowledge economy is about people. We must now look to our workers for the ideas and creativity that will lead us to success. LAURA COATES reports

A CRUCIAL change must be brought about in Irish working life if this country is to become one of the leading knowledge economies in the world, according to Lucy Fallon Byrne, director of the National Centre for Partnership and Performance (NCP). Irish workplaces must evolve into places where workers' ideas are respected and their contribution to their employers' businesses are valued. Workers should also have buy-in to any major changes in the firm's operations or policies. Employees, in other words, should be the source of change driving ideas and creativity to help companies keep a keen business edge.

These changes must happen for the country's workplaces to become highly innovative, with new products and services being developed and operations and processes being continually improved.

The Forum on the Workplace of the Future was established at the request of the government by the NCPP. Its recent report, *Working to our Advantage — A National Workplace Strategy*, urged a national switch in focus from all the social partners. Together with technological innovation, the new focus must also be on workplace innovation. This places employees at the centre, contributing to the future success of the economy.

Fallon Byrne recently called for workers and bosses to wake up and take note of this switch. "Policy makers, the social partners and the human resources community all need to make a concerted effort to bring about a transformation in the next 10 years if we are to build innovative workplaces," she stresses. The report outlined some of the

changes which can help this transformation take place. Innovation and creativity in the workplace can be fostered by good communication and participation between management and staff, good staffing and recruitment practices, training and development, and real regard being paid to equality and diversity.

"At the top of the list is involving your employees and harnessing their ideas to the maximum. After all, the knowledge economy is about people," she says. "Every organisation has to look at ways by which, on a daily basis, employees are given information and consulted and invited to contribute — whether that is in an SME, a large multinational, a school, a hospital or whatever. It's about partnership with a small 'p', acknowledging that the knowledge economy involves workers in planning, and it is through the workforce that you get new ideas."

Other 'bundles' of good working practices include clear feedback and appraisal systems for workers, employee financial involvement through schemes such as profit sharing, more team working and, essentially, lifelong learning and training.

"Those bundles of practice are systematically not there in Irish workplaces now — they are the exception rather than the rule," she maintains. "For example, the amount of information employees get about the running of the firm is low. Many say they are not getting basic information on profits, threats to the company or competition. They are telling us they don't hear whether the company plans to reorganise or whether there is going to be a new strategic direction to the company."



Lucy Fallon Byrne, director, NCPP

Change of mindset

Keeping employees in the loop is also critical to making change happen and implementing successful change in a company or organisation. "When people are given information and consulted, they are much more willing to accept change and to implement it. Those who don't get information are less likely to change," she says. "Also, there is a very strong link between consulting people and reducing their levels of stress, which goes hand in hand with building a high quality of life for people at every level in the workforce."

The payoff for both workers and bosses is an innovative workplace that will be able to compete in the knowledge economy, and a better quality of working life for employees. The forum's conclusions were drawn from extensive research among bosses, workers and organisations across the economy. It convened meetings and conferences and conducted three major national surveys on the workplace, covering a total of 1,900 organisations and more than 5,000 public and private sector employees.

Fallon Byrne believes the will is already there to implement innovative working practices, but it takes "vision and commitment on the part of management". Employees and trade unions must also be realistic about the need to change.

"There are lots of traditional norms and values lingering about how work should be organised and what workplaces should be like. A level of understanding and commitment is required," she says. The role of the NCPP, she adds, is to support all parties in bringing about this transformative change in the workplace.

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Time to bring 'added value' home

If Ireland is to successfully complete the transition from a low-cost manufacturing base to a world-leading knowledge economy there needs to be concerted investment to create higher quality modern workplaces. CIAN MOLLOY reports



A SURVEY carried out by the ESRI has shown a new competitive context is emerging in Ireland. Companies are increasingly competing in knowledge intensive, high value-added sectors of the economy. To do this they are combining cost containment with a greater focus on innovation and internal capacity building. Strategic priorities are changing, bringing issues such as skills, knowledge, flexibility, employee involvement, innovative reward and performance management to the fore. Enhancing the quality of internal human resources and knowledge intensity of companies will determine the long-term prospects of most businesses in Ireland and their employees. This also means the strategies

of Ireland's industrial development agencies must change fundamentally. The foreign businesses being attracted to Ireland today are totally different from those that the Irish Development Authority (IDA) brought to this country 10 or 15 years ago, says spokesperson Brendan Halpin. "In the past we would have sought assembly plants, but that sort of work is now moving out of Europe and frankly we don't want it back. In an environment where there is near full employment, it is difficult to attract Irish people to low-skilled work." The IDA's aim is to ensure new investments by foreign companies result in an enhancement of the skills level and strategic position of the Irish subsidiary within the multinational corporation. This can involve the strengthening or addition of functions such as research

and development, supply chain logistics, marketing, customer service, treasury management, regulation and marketing. This focus on higher value-added activities also extends to companies that are new to Ireland, as the IDA now emphasises the quality as well as the total number of new jobs created. **Managing innovation** "Our core business is now the information technology sector and the life sciences — jobs that demand high skills in terms of engineering or science qualifications and which also require high levels of administration skills, particularly when it comes to managing innovation and research and development," he says. On the international traded services side, Ireland has a growing reputation as a centre for excellence in fund manage-

ment and insurance and treasury operations. The IDA is promoting Ireland as a multi-lingual, pan-European location ideal for services such as technical support, as provided here by companies like Yahoo!, Google, IBM and Hewlett-Packard. "Look at Apple's operation in Cork and how that has changed. That used to be an assembly plant, now hardly anything is assembled there. It is added value activities such as software development and technical support that are being carried out," says Halpin. "People say we are a high cost economy for employers and it is true that in terms of providing people to man assembly lines we are expensive. But in terms of providing highly skilled personnel we are competing very well against Germany, France, the UK, the Scandinavian

countries and even the US," notes Halpin. "Considering the skills available here in Ireland, we are not high cost. We would be considered moderate cost." Although the IDA has no formalised policy in relation to either the human resources practices or management development issues within the multinationals it attracts to Ireland, its core strategy is premised on supporting the development of higher skilled, higher performing, higher quality modern workplaces.

Enterprise Ireland (EI) is especially concerned with helping Irish companies, particularly companies with a good export potential, to move towards providing higher value goods and services. EI will help any qualifying company to develop a training plan and will advise on any funding assistance that might be available for training. In addition, FÁS will help enterprises achieve 'excellence through people' certification, which is Ireland's national standard for the development of human resources.

More specifically, EI offers a range of management development and training courses for CEOs, board members and senior managers. "If any company is seeking to go up the value chain, there are consequences in terms of the additional capabilities that will be required by the firm," says Liam O'Donohoe of EI's client management services unit.

"Within the company, employees below management level are probably going to need more complex skills and these can be acquired with the help of FÁS. But the management board itself is also going to need an expanded skill set and EI can help here in three ways.

"One way of expanding the skills of a board of directors or the senior management is to expand the board membership and/or to hire new senior managers. EI will help you to identify what are the skill sets you need and how you might find people who already have those skills.

"Secondly, we can help with management development and improving leadership through courses that we run with the Irish Management Institute or Trinity College Dublin, namely a Masters in International Business Marketing and a Masters in Technology Management. We are particularly keen to help Irish enterprises to manage innovation, because that is where added value business comes from.

"Thirdly, we have identified that many Irish enterprises have difficulty finding people with experience or expertise in international sales, so we have built on our existing mentoring programme to provide mentoring that is specifically geared towards passing on knowledge about exporting and international sales."

For companies considering exporting for the first time, EI runs a programme called Firstflight, which highlights the pitfalls and costs of export trade. O'Donohoe says some companies which undergo the programme decide exporting isn't for them at this particular stage in their development. "Often a company will find that the costs of exporting are higher than they expected, or that their product isn't quite right, or that there are

other activities that need prioritising first. When you start exporting, the whole delivery of your product becomes much more complicated. The same is true when you start trying to innovate. Going after added value business requires added capabilities, but EI can provide advice and support to help Irish businesses grow."

'In the past we would have sought assembly plants, but that sort of work is now moving out of Europe and frankly we don't want it back'

As a government agency charged with supporting and driving change in the workplace, the National Centre for Partnership and Performance (NCCP) is also responding to the new competitive context. There is a particular focus on fostering flexibility and greater levels of employee involvement and discretion. It is accepted among the social partners that to remain competitive, organisations will have to create an agile, highly productive working environment that actively encourages employee involvement. Dr Larry O'Connell, national co-ordinator in research and policy development, NCCP, emphasises: "Building these types of workplaces will require more investment in internal management practices, new leadership training, better communication and increased employee involvement as without this type of investment in human capabilities, companies cannot hope to survive in the knowledge-based economy."

Harnessing employee potential

Introducing high performance work practices will get the best from employees. STEPHANIE MAHON reports

WORKING to Our Advantage - A National Workplace Strategy reports on the work of the Forum on the Workplace of the Future that assessed Irish workplaces.

The forum report drew on a range of data sources, including three national surveys by ESRI and NCCP, and six major conferences on workplace change. While there is an evident appreciation of the need for workplace change and innovation among employers and employees, and evidence that some significant changes are already occurring, there remain substantial gaps in practice.

Employees, despite evidence of the need for change, are not being fully exposed to the full suite of progressive working practices that would tap their full potential and drive improvements in performance and innovation in our workplaces. The evidence reviewed by the forum points to the need to stimulate workplace innovation across all sectors of the economy in a focused way that is linked to national innovation and enterprise priorities. In particular, the forum identified a number of key gaps that need to be bridged if Ireland is to achieve its aim of building a dynamic, inclusive, knowledge-based economy.

Work-life balance

Irish organisations must begin to embrace innovative work practices that promote work-life balance, such as teleworking, flexi-time and profit sharing. "Only a minority of companies appear to be using high performance work practices in the 'bundled' synergistic way that delivers most benefit," says Dr Larry O'Connell, national co-ordinator of research and policy development, NCCP.

"Smaller companies face a range of

difficulties in relation to workplace innovation, particularly with regard to investment in training, partnership, new work practices and employee financial involvement," O'Connell says. Large state-run organisations, however, also need to continue to find ways to improve. "In certain areas, such as training and work-life balance, the public sector is leading the way. Practices such as performance management, team working and more flexible recruitment and pay practices, however, are still at an embryonic stage in many organisations, and these will require more flexible and strategic approaches to human resource management if they are to develop," he explains. "Recent reviews in key areas such as health and education and ongoing shortfalls in service provision across a range of public services point up the need to accelerate the rate of progress with the workplace modernisation agenda," O'Connell adds.

Employees have limited control over their own work and little involvement in their organisations. O'Connell says employees in four out of 10 Irish companies report there is low consultation and no partnership-style arrangement in their workplaces.

The need for improved communication concerned the forum. A large number of workers reported that they "hardly ever" receive information from management in key areas such as performance and workplace change. The Irish Management Institute was strong on this point in its submission to the forum: "Good communication and open systems of employee consultation and engagement will be required to enable often difficult change to occur."

Irish companies will need to

innovate to stay in the game and yet, the report says, a significant proportion of employees are not getting regular training or upskilling opportunities. Ireland currently ranks eighth out of 15 EU countries on lifelong learning, and well behind the leading countries.

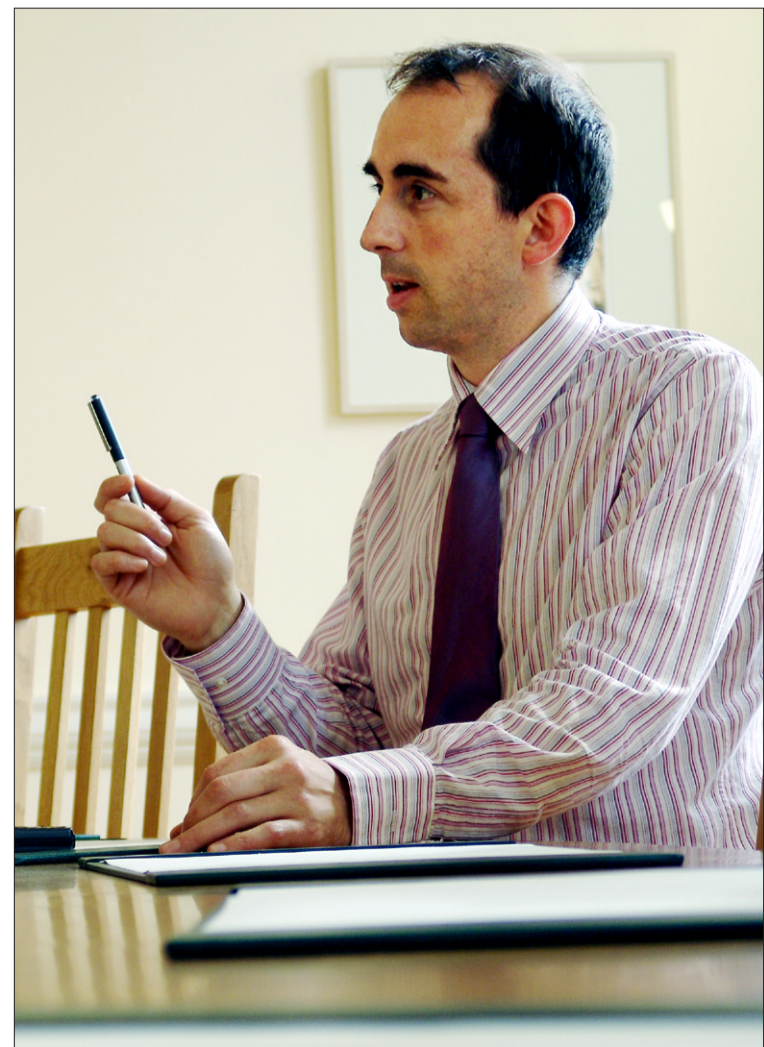
Equality issues

A lack of participation or training is rampant in certain sectors. "Access to opportunity is restricted for those employees working in low-skilled jobs," O'Connell says. "The survey shows that people with lower qualifications and lower occupational class are less likely to get information and consultation, to have discretion or autonomy, to be involved in partnership or participation or to receive training."

Women in particular fall victim to access issues. The European Foundation for Improvement of Living and Working Conditions's *Quality In Work And Employment* report shows that despite a higher level of educational attainment among women, on average, all countries show a considerably higher share of female low-wage earners.

Also, according to the European quality of life survey, carried out by the foundation in 28 countries in 2003, women in paid employment tend to report more difficulties in balancing work and family tasks. "By 2015, FÁS expect that 50pc of women will work in professional positions," O'Connell says. "Meeting this target will require organisational innovation in areas such as work-life balance, childcare, career planning and management, training strategies and performance review systems that can cater for the needs of women."

Childcare is an especially impor-



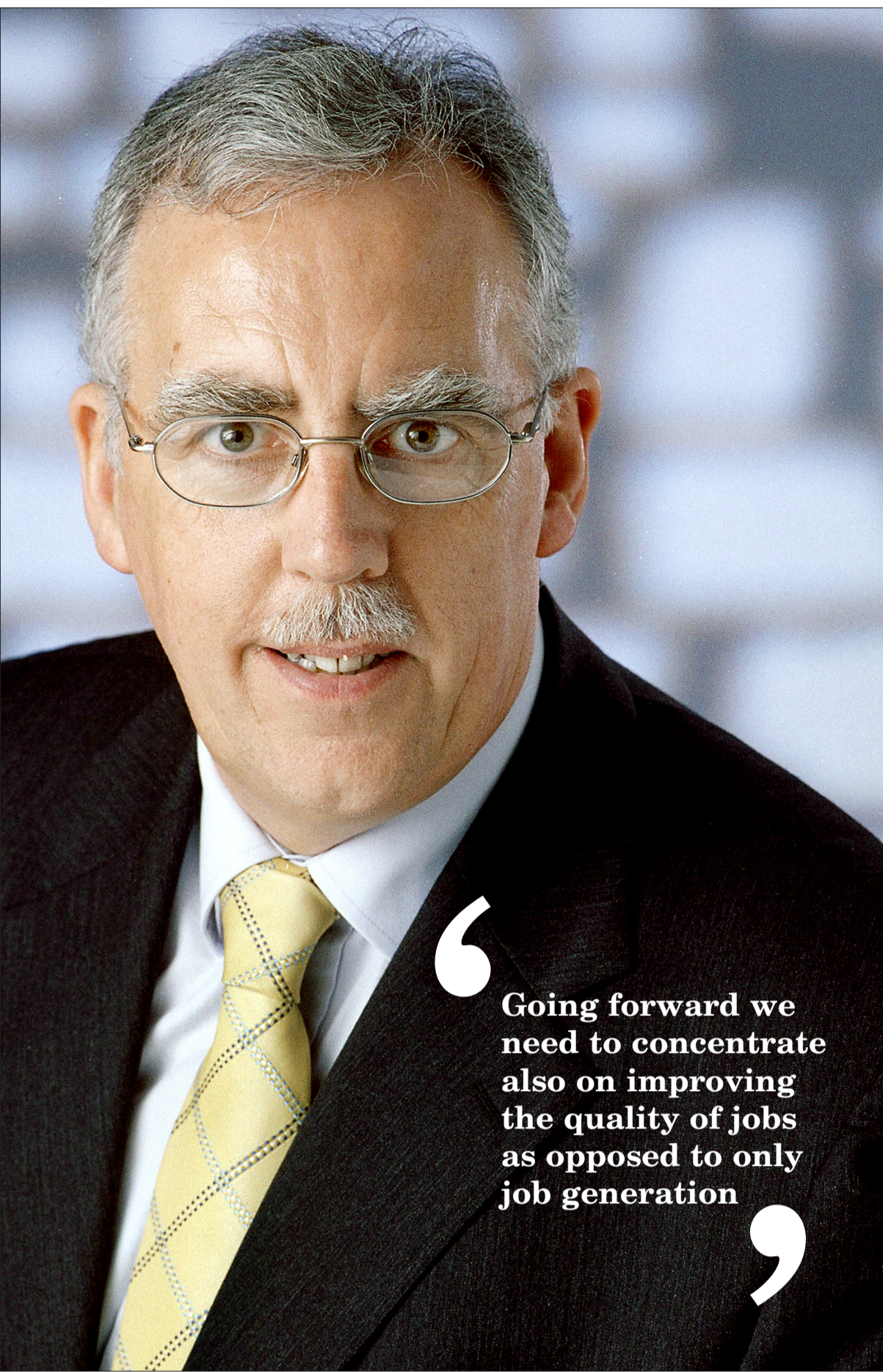
Dr Larry O'Connell, national co-ordinator of research and policy development, NCCP

tant issue for employees in this country, and Ireland ranks poorly by comparative standards, according to the forum report. "At the same time, the cost to parents of childcare is the highest in Europe," it states.

O'Connell believes the first thing to get right is a commitment to workplace innovation and towards

finding new solutions. "A concerted effort is needed to develop awareness and understanding of the benefits of new workplace models and to encourage the spread of these progressive employment and human resource management practices - throughout all sectors of the economy," he concludes.

**NCCP
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“Going forward we need to concentrate also on improving the quality of jobs as opposed to only job generation”

Tony Killeen TD, Minister for Labour Affairs

Driving change through strategy

TONY KILLEEN TD, Minister for Labour Affairs and chair of the National Workplace Strategy's High Level Implementation Group, says workplace change is now at the heart of the Government's agenda

AS Minister of State with responsibility for Labour Affairs, I strongly endorse the work undertaken by the Forum on the Workplace of the Future and the NCPP, which I believe has put the issue of workplace change at the very centre of the Government's agenda. The forum has served to highlight the need for a concerted focus by all the relevant stakeholders on driving workplace change and innovation. The forum's recently published report, *Working to our advantage – A National Workplace Strategy*, provides a comprehensive framework that will assist workplaces to meet the challenge of enhancing Ireland's economic competitiveness and performance. The National Workplace Strategy outlined by the forum underlines the need to move forward with an increased emphasis on adaptability, high performance, employee involvement, innovation, learning and skill development.

Service activities
Change has become a constant feature of economic life. In Ireland, in the EU and across the world, all sectors are affected by change and restructuring. The structure of employment is moving ever more away from traditional sectors to new, rapidly expanding service activities, many of which require different forms of work organisation. There is

an increased need for flexibility in the workplace and both employers and employees have to be able to adapt to new ways of working. The National Workplace Strategy highlights the various steps that are required to ensure improved adaptability in workplaces. The forum's report is the product of an intensive period of consultation and debate and it entails recommendations covering issues such as skills development, workplace innovation, lifelong learning, dispute resolution and employee involvement. The recommendations form the basis of the National Workplace Strategy, which combines new planned initiatives and strategic objectives with an emphasis on adding momentum to the implementation of existing policies that focus on workforce and workplace development.

Social dialogue
Identifying an appropriate workplace-based response to issues such as lifelong learning will require the full commitment of all the relevant workplace stakeholders. An important aspect of the forum was the level of engagement and active participation by government departments, agencies, the social partners, individual employers and trade unions.

This reflects the strong and effective tradition of social dialogue and partnership that has evolved in Ireland since 1987, when the first social

partnership agreement was negotiated in response to the economic crisis then facing the State.

A High Level Implementation Group has been established with the purpose of overseeing the implementation of the National Workplace Strategy on a collaborative basis. The group is comprised of senior representatives of the relevant government departments, state agencies and social partners, with the NCPP serving as the secretariat.

Immigration policy
The forum's report also highlighted that, in a climate of continued employment growth and changing skills requirements, Ireland's labour market capability will increasingly rely on an effective labour market management strategy. The report recommended the introduction of a responsive and robust economic immigration policy that will enable the Government to anticipate and respond rapidly to pressure points in the labour market. To this end, the recently published Employment Permits Bill will put in place a statutory framework for immigration.

The immigration issue highlights the extent to which the challenges associated with future workplace development and change have been generated by Ireland's extraordinary economic success in the period since the late 1980s. Although it is important to

avoid complacency in relation to issues such as unemployment, it is apparent that going forward we need to concentrate also on improving the quality of jobs as opposed to only job generation.

Achieving this objective will require an urgent focus on enhancing the skills of the current and future workforce through increased investment in upskilling, training and lifelong learning. Similarly, individual employees' future employment security will be increasingly dependent on them maintaining and developing their own portfolio of skills and competencies. Developing future skills is one of the strategic priority areas within the National Workplace Strategy.

Complex problems
Delivering the National Workplace Strategy in full will be challenging. As the national social partnership process has demonstrated, however, we have the capacity to develop innovative and consensus-based responses to complex problems. The shared understanding that has been forged through the work of the forum suggests there is a real commitment in the High Level Group to work in a collaborative manner. This will be critical in meeting the challenges ahead and in supporting the emergence of the high performing, quality workplaces that will underpin Ireland's future economic and social progress.

Working to our Advantage – A National Workplace Strategy

There are five main strands of the National Workplace Strategy that will be overseen by the High Level Implementation Group

THE forum made 42 recommendations constituting a National Workplace Strategy. A High Level Implementation Group, chaired by Ireland's Minister for Labour Affairs, Tony Killeen TD, has been established to oversee work on the five strands of the Strategy as follows:

1. Increase commitment to workplace innovation

Ireland must dramatically improve innovation in its workplaces through encouraging the take up of 'bundles' of human resources (HR) practices associated with high performance and innovation. These practices include the following:

- High levels of employee involvement and participation, enabling workplaces to gain maximum advantage from the knowledge, creativity and commitment of their

employees;

- An understanding that upskilling and continual learning for those already in the workforce is an essential and critical investment in our rapidly changing and increasingly knowledge-based economy;
- A genuine commitment to diversity and equality of opportunity as core aspects of organisational strategies for dealing with the changing labour market and the new competitive environment;
- Good communications, information sharing and consultation arrangements;
- Staffing, recruitment and retention policies which are linked with overall strategy;
- Performance management and appraisal systems;
- Innovative reward systems including

employee financial involvement.

Companies will need to review their current structures, work practices and systems of communication to ensure they are sufficiently flexible and responsive.

The forum recommendations include the establishment of a fund at national level to promote workplace innovation.

2. Build capacity for change

Irish organisations must improve their capacity to change by building leadership and management capacity, increasing employee involvement, and enhancing dispute resolution mechanisms.

3. Develop future skills

Some 80pc of Ireland's workforce will still be working in 2015, but Ireland ranks only eighth out of the EU 15 for participation in lifelong learning. The forum recommends international approaches, such as 'personal learning accounts', should be examined, and that agencies must improve cross-cutting approaches to part-time access to learning, the cost of further education, and accreditation of work-based learning.

4. Improve access to workplace opportunities

The forum identified an 'opportunities divide' in the workplace whereby highly qualified and more senior workers have better opportunities for training, information, consultation and autonomy at work. In order to improve access to workplace opportunities for key sources of future labour, including women, non-national workers, older workers and workers with disabilities, the forum recommends the development of further childcare supports to improve the quality of working life for all workers, and to increase the participation of women in particular. In addition, Ireland must develop a policy framework that facilitates older workers who wish to remain in the workforce.

5. Improve the quality of working life

The forum makes a number of recommendations to ensure good quality of working life for all workers, including increased access to learning and consultation, employee involvement and autonomy, as well as increased take up of work-life balance policies in Irish organisations.

STRATEGIC PRIORITIES				
COMMITMENT TO WORKPLACE INNOVATION	CAPACITY FOR CHANGE	DEVELOPING FUTURE SKILLS	ACCESS TO OPPORTUNITIES	QUALITY OF WORKING LIFE
CRITICAL ACTION AREAS				
Resource and fund workplace innovation across the economy	Improve leadership and management capacity	Increase investment in training	Champion proactive strategies for diversity	Establish employability as a key principle
Make workplace innovation a key requirement in state funding awards	Increase employee involvement and autonomy	Facilitate continuous learning, ongoing upskilling and re-skilling	Improve childcare access, affordability and choice	Support and promotion of quality of working life
Co-ordinate and improve data collection	Enhance the effectiveness of the dispute resolution and avoidance system	Build three way commitment to individual lifelong learning (among Government, employers and employees)	Implement a transparent economic immigration policy	Address the opportunities divide
Develop innovation networks and benchmarking tools	Develop a more proactive role for unions which reflects the changing views of members	Foster an integrated approach to skills development	Encourage greater participation among key groups	Increase employee autonomy, involvement and learning

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LEADING TO POLICY RECOMMENDATIONS AND IMPLEMENTATION BY THE HIGH LEVEL IMPLEMENTATION GROUP

NCPP CONFERENCE AD 25X4

CASE STUDY

Turning the tide together

A national framework helped turn around the industrial relations discontent at Tesco Ireland a few years ago. CIAN MOLLOY reports

PARTNERSHIP in the workplace has helped ensure the continuing success of Tesco Ireland, the country's largest retailer.

Just over three years ago the industrial relations climate that existed at the company was very different than what exists today. The words of one equality officer best described the company's relationship with unions at the time: "war of attrition".

This manifested itself in industrial action and countless trips to the Labour Relations Commission and Rights Commissioners, where at one stage the company had one case for every 90 people employed.

"There was a realisation from the company, the union and our staff that there had to be a better way," says Paul Creedon, head of employee relations, Tesco Ireland. "A new national framework was established in 2002 for employee and trade union relationships."

"From the company's perspective, there was a clear competitive imperative in seeking to bring about a change in this working environment. Aside from the time and energy involved in going to third party agencies to resolve numerous disputes, the damaging adversarial climate had fostered a culture in which there was a discernible lack of willingness to engage constructively with change. Within the retail sector, the introduction of new competitors, a forever-growing convenience market, combined with ongoing changes in customer demands and shopping patterns, ensured the absence of progression had the potential to impact negatively on the organisation's ability to compete in this market."

Critically, the two trade unions within the company, MANDATE and SIPTU, also recognised the adversarial climate was doing more harm than good. John Douglas, general secretary, MANDATE,



which represents 95pc of Tesco Ireland employees, said: "At a local branch level, our shop stewards and representatives were being run off their feet — we had to find a better way."

Together the company and the unions established a national framework agreement for company-union relations in 2002. This saw the establishment of a national steering group composed of top-level representatives from Tesco Ireland and the two trade unions. A national issues group was also formed. This steering group went on to organise a staff consultation process that goes far beyond the, as yet to be implemented in Ireland, EU Information and Consultation Directive.

store forum meetings."

Mutual respect for each other's agenda is "highly important" for any partnership model, says Creedon. "Partnership does have its costs — the company has invested hugely in resources, training and capability — but these costs are transparent and as a company that wants to positively engage with its staff and unions this is money well spent."

"In companies where there is an adversarial climate you do not bring your people with you and you run the risk of losing sight of your customer. These are initially hidden costs which soon become evident but which you don't consider at the time because you are more interested in fighting."

'Partnership does have its costs but these costs are transparent and as a company that wants to positively engage with its staff and unions this is money well spent'

Pre-emptive consultation

A number of consultative forums have been set up: monthly store forums; quarterly regional forums; and a national store forum, which meets twice a year. Each forum has a set agenda. At a store level the forums cover issues such as store performance, anticipated changes and other elements relating to company-union partnership arrangements and agreements.

"We've put together a pre-emptive consultation mechanism, so staff are brought on board in terms of having ownership of the company's agenda," says Douglas. "One reason we've gone beyond the EU directive is we don't want to be limited as to what can be discussed at

As well as the staff forums, the company and the unions worked together to improve the disciplinary and grievance procedures at the company. This means issues can be resolved effectively and equitably as close to the source of the problem as possible.

There has also been a big investment in training, which is run jointly by the company and the trade unions, so that managers and shop stewards are trained side by side.

"The partnership model is groundbreaking, not just in retail but for the whole of Ireland," says Creedon. "We are getting a lot of enquiries from people interested in seeing how it could work for their companies."

CASE STUDY

Accommodating staff key to success

Respecting and utilising the ethnic diversity of its staff gives management at the Morrison Hotel a competitive advantage in business. ALAN ROCHE reports

RESPECT for diversity is a core employee value at the Morrison Hotel, Dublin. The management team has helped create an environment that promotes this, but it has done so because it is a 'way of life' and their staff are the indicators of this.

Helen Fahy, human resources manager, says this is a staff-inspired policy. "It is not an edict handed down from management. The policy itself resulted from suggestions made by outside consultants who had worked closely with staff to find out what policies would most improve morale and productivity."

According to Fahy, the Morrison has always had staff from all around the world and it has helped to create an eclectic feel within the walls of the hotel. "When we interview a prospective employee we try to find out what type of person they are. It doesn't matter where they come from or even what they know — what is most important is who they are," she says. "People can always be trained with relevant skills; a person's personality is not a training issue."

Implementing a 'respect for diversity' policy could have led to the creation of a complicated and dogmatic regime of political correctness gone mad, but at the Morrison they have chosen the simple life.

"What we are doing certainly isn't rocket science. We call it 'our way of life'. It is about developing and maintaining good relations with our staff, our people. This has only worked so well because it has the full participation of everybody here."

The Morrison is conscious about extending the same respect for culture and faith to Irish people as it does to members of cultural minorities. "If a member of staff is a devout Catholic, then we will take their need to attend Sunday mass into account when creating duty rosters every bit as much as if they had to attend a mosque or synagogue were they practicing Muslims or Jews," says Fahy. "Because this policy is seen to be developed for everybody and applied to everybody equally it has been embraced enthusiastically."

Fahy says the ethnically diverse staff has brought many benefits to the Morrison. "Staff members from overseas will be fluent in languages other than English," she says.

"They are also intimately acquainted with the customs of their own countries. When guests stay with us we want them to be comfortable at all times. When staff have additional insight into ways to do that with which management may not be familiar, then you understand why we respect the diversity of our staff so much."

This approach has been recognised by the Equality Authority, which said: "The existence of a diversity/equality policy within the Morrison Hotel reflects a commitment and determination by the organisation to non-discrimination, to making adjustments for diversity and to taking positive action to achieve full equality in practice. This planned and systematic approach means that this organisation works to achieve clear and agreed equality objectives."



From left: Morrison Hotel employees Tatjana Terehova, Henri Van der Meulen, Mirza Amir Hussain and Tsz Wan Wang

CASE STUDY

Courting success with partnership

Improving industrial relations and engaging staff are some benefits of the Courts Service's partnership programme. ALAN ROCHE reports

DEVELOPING and reforming the public sector is not the easiest thing in the world to do, but an inclusive partnership programme is helping to smooth the significant organisational changes occurring within the Courts Service.

The Courts Service was established in November 1999 to manage the courts; provide information about the court system to the public; provide, manage and maintain court buildings; provide support services to the judges; and provide facilities for users of the courts. It employs more than 1,000 people in offices all over the country.

John Glennon, human resources director, says: "When an organisation is evolving and developing there will always be some resistance to change. We are no exception. The partnership process has been one method used to overcome that resistance. We have been quite successful at implementing new work practices and policies."

The Courts Service central partnership committee is chaired by the chief executive, PJ Fitzpatrick. The central committee is supported by six regional partnership committees. "The partnership process brings a huge number of benefits with it, including improved communication within the organisation,"

Glennon explains. "An issue raised at any partnership committee will feed back to the central committee and so be brought directly to the attention of the chief executive."

One of the biggest benefits is in improving relations between management and staff when it comes to implementing new work practices. This applies equally to everyday working problems as it does to the bigger issues within the organisation.

"Finding solutions to contentious issues, such as car parking or ethical issues which arise from the code of conduct, has been facilitated by the partnership process," says Glennon. "While staff members or management may not always like the outcomes from the partnership process, the democratic nature of the process leads to the acceptance of those outcomes. For example, a new carparking policy will shortly be introduced which will see all carparking spaces in the Dublin region pooled on a first-in basis." This is a radical change from the current hierarchical system of allocation.

Engaging enthusiastic members of staff and management in a partnership programme brings a greater level of knowledge and intellect to bear on the

issues examined. "When we were developing a work-sharing initiative we also used the partnership committees to make suggestions," continues Glennon. "As a result of the ideas arising from that, many of which came from staff themselves, we developed a work-sharing policy that allays management's fear of losing direct control of staff and maximises the benefits of work-sharing to those involved in it. Had management developed a policy and implemented it in a dogmatic fashion, it is likely we would have faced a lot of resistance and there are elements in the current scheme of which the management may never have thought."

Partnership policy will continue to be a valuable tool in the future, according to Glennon. "About 25pc of our staff have served on one of the partnership committees at this stage and that percentage will grow in the future. I believe everyone who has served on one of those committees now has a unique insight into how difficult it can be to find the solution to any given problem and as such they will be more willing to participate in solutions in the future."

"The next phase of development will be an extension of the role of the partnership process in decision-making," he adds.

**PUBLIC JOBS AD
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Ireland calling for diverse workers

Including older workers and immigrants will be necessary to meet the country's workforce needs up to 2010. CAROLINE ALLEN reports

THE concept of a diverse workforce is here to stay and presents enormous opportunities, according to Michael McDonnell, director of the Chartered Institute for Personnel and Development. "All the forecasts indicate we are going to need a significant increase in the labour force. Organically we won't be capable of meeting those requirements and we are going to have to open the labour market and tap other sources such as older people, women returning to work and those from abroad."

The number of young people entering employment is falling because of lower birth rates, the report of the Forum on the Workplace of the Future found. Approximately 40pc of workers will be above the age of 45 by 2015. "Nowadays Irish people experience better health and increased longevity, which when combined with a relatively young retirement age and an ageing population, will put a strain on pension resources," the report states.

Paul Murray, head of communications at Age Action, believes there is huge potential to tap into the knowledge and skills of older people. "We have not as a community looked at the potential of older people.



Research shows that a quarter of people aged over 55 who have retired would consider going back to work," he says.

One of the things stopping them, according to Murray, is lack of flexible hours. He says there is room to involve older people in different professions and jobs. "There is plenty of scope for retired

doctors to advise on diet and exercise, work in counselling and with older people. There is opportunity to use retired bankers in charities and the Credit Union movement, and retired nurses could work in nursing homes."

Tax breaks

Initiatives such as allowing people to postpone their take-

up of the state pension and avail of it at an enhanced rate later on would entice older people back into the workforce, Murray maintains. Tax breaks for older people in the form of either an allowance or reduced PRSI would also help, he says.

The skills of many non-nationals are also under-utilised, according to Professor Gerard Hughes, research professor, ESRI. Hughes, who researched the impact of immigration on Europe's societies with Emma Quinn of the ESRI, said immigrants had made a significant contribution to the Irish economy. "A high proportion of them have third-level qualifications but while many are in appropriate jobs, there is also a concentration of immigrants in low-skilled occupations."

A common complaint is that the permit system for those from non-EU countries is restrictive, says Kevin Glackin, project co-ordinator with responsibility for diversity at the Irish Trade Union Trust. "It doesn't give them the opportunity to have their qualifications recognised and to work in their professions. As a result, a lot of immigrants are going to countries which offer better opportunities."

The changing workforce

Since the late Eighties the profile of the Irish workforce has changed considerably. This has seen the Irish workforce become:

- **Larger** — Between 1987 and 2003 the numbers at work in Ireland increased by approximately 710,000 while the unemployment rate fell from 17pc to 4.2pc
- **Feminised** — There has been sustained increase in female participation rates, rising from 36.7pc to 42.2pc between 1993 and 2003
- **Diverse** — In addition to returning Irish emigrants there are currently approximately 127,000 foreign workers employed in Ireland
- **Professionalised** — Employment growth has served to intensify the trend of professionalisation that began in the early Sixties
- **More educated** — Almost a quarter of all Irish workers now have a third-level

qualification compared to 17pc in 1999

- **Service-oriented** — Ireland is now essentially a service-oriented economy, with 69pc of employment now accounted for by the services sector
- **Knowledge-based** — A number of the aforementioned trends (more educated, more professional and service dominated) have also contributed to a significant increase in the importance of knowledge workers
- **Flexible** — Since the late Eighties there has been a significant increase in both part-time working and other forms of flexible working arrangements. Part-time working now accounts for 16.8pc of the total employment compared to 8pc in 1996
- **Older** — Although Ireland has a relatively young population compared to the EU average, workers aged 45 years and above already represent an increasing share of total employment.

It's good to talk

A new bill gives employees the right to information and consultation with their bosses. LAURA COATES reports

NEW legislation introduced in mid-July will give employees statutory rights to be informed about and consulted on major issues affecting their employment.

Under the terms of the Employees (Provision of Information and Consultation) Bill 2005, a general framework has been established which sets out minimum requirements for the right to information and consultation of employees. The bill has been passed by the Dáil and will be introduced into the Seanad this autumn.

Employers will be obliged to provide information and consultation on issues such as: the development of a firm's activities and economic situation; the structure and development of employment within the firm; and any decisions likely to lead to substantial changes in work organisation or contractual organisations within the firm.

The bill was prompted by an EU Council Information and Consultation Directive, which all member states are obliged to implement. Ireland and the UK will have until March 2008 to complete the implementation on a phased basis, which is three years longer than their EU counterparts. This extension is because Ireland previously did not have laws in place about information and consulting employees. At the moment, workers have no legal right to information and consultation, except in circumstances such as collective redundancies or transfers of ownership.

Under the proposed legislation, companies with at least 150 employees must implement the directive once it becomes law. From March 2007, companies with at least 100 employees will be obliged to follow suit, with smaller firms with at least 50 workers following a year later.

Tony Killeen TD, Minister for Labour Affairs, speaking at the launch of the bill, said: "It heralds a new era of effective, two-way information and consultation practices in undertakings. It is a positive step on the road to improved competitiveness and the development of a greater sense of partnership at the level of the enterprise. So will this new emphasis on consultation between all parties in the workplace bring about a new era in employment relations? Both sides of the social partnership bring their own sets of worries and concerns to the table. From the unions' point of view, management must move away from a traditional mindset and proactively engage with employees and their representatives. Taking consultation on board will also involve a change of traditional union mindset as well. Employers worry that consultation could lead to trade secrets being leaked and decision-making processes hindered."

Research project

In view of the implementation of the directive, the NCPP carried out a research project on information and consultation activities in a range of 14 public and private companies, including Allianz, the ESB, Dell, Barnardos and

Roches Stores. These firms faced a range of situations which required informing and consulting, from the development of a stock control system to organizational restructuring, resource deployment and enhancing work-life balance practice.

'Employees who report higher levels of consultation are more likely to accept change'

The study found the benefits of informing and consulting with employees included: better organizational performance; better informed decision-making; an openness to change and flexible and adaptable ways of working; better staff-management relationships; and a better working environment with the sense of being valued for employees.

Many of the organisations had already identified communicating, informing and

engaging with staff as an integral part of their business and organizational strategies. Many of the firms which had attempted to increase the scope and quality of their consultation processes found that employee consultation was seen as supporting, rather than challenging, the right to manage.

The study found consultation was less prevalent in the early planning stages of decision-making than in the later planning or implementation phases, except in unionised companies.

Essentially the study identified the key to more effective informing and consulting lies more in the context, manner and spirit of consultative arrangements than the arrangements themselves.

It was revealed the majority of management respondents in the companies profiled broadly expressed their support for the general aims and spirit of the directive, but added that any future regulation did not constrain competitiveness and flexibility.

The report of the Forum on the Workplace of the Future found employees who report higher levels of consultation regarding decisions affecting their work are much more likely to be willing to accept change. It also found participatory work practices and good communication in the workplace increase employee satisfaction and willingness to embrace change.

Principles of a good approach

The NCPP has outlined some principles of a good practice approach to information and consultation:

- Adhere to the spirit of the directive, which is to ensure employees receive the information to which they are entitled, and to implement arrangements that enable information and consultation to improve decision-making and organisational performance;
- Recognise there is no one model of good practice and the key is to develop and customise practical arrangements that meet the needs and culture of the organisation and its employees;
- Adopt benchmarks of good practice when developing an information and consultation strategy. This will assist the organisation to measure the impact of information and consultation on its performance and profitability;
- Approach the implementation of the directive with a commitment to openness and transparency;
- Be mindful of the need for confidentiality in today's competitive environment;
- Foster a culture of information sharing, joint problem solving and consultation in the organisation. Identify 'champions' who will advocate this approach. Ensure all

managers in the organisation have the necessary skills to inform and consult with employees and their representatives;

- Recognise the key to more effective informing and consulting lies not so much in the practices that are adopted as in the context, manner and spirit in which they are introduced and progressed;
- Ensure employee representatives have the skills necessary to engage in information and consultation activities on behalf of the organisation's staff;
- Ensure information and consultation arrangements are built on and support existing practices, and that the arrangements are aligned with the objectives of the organisation's HR and industrial relations approaches;
- Align information and consultation activities with the organisation's strategy and business plan;
- Understand that information and consultation arrangements evolve as trust grows, and allow room for experimentation and innovation.

Adapted from: The EU Information and Consultation Directive, *Everything You Need to Know*, available from the National Centre for Partnership and Performance, www.ncpp.ie.

Correcting the home-work balance

Fresh thinking will boost workforce participation and help solve the crisis in childcare. CAROLINE ALLEN reports

THE positive benefits associated with meeting employees' needs for work-life balance were highlighted in the report of the Forum on the Workplace of the Future. Flexible working arrangements and family-friendly practices were found to have a positive impact on employees' overall experience of work. The report highlights, in particular, the positive benefits in relation to the experience of employees in meeting the challenges and reducing levels of stress associated with organisational change and balancing work with family life. The forum also stressed the critical importance of work-life balance initiatives for organisations to attract and retain key staff and build capabilities for high performance in a knowledge-based economy.

Work-life balance will be the biggest issue facing the labour market in 10 years' time, the employers' organisation, IBEC, predicted in its submission to the Forum on the Workplace of the Future. From IBEC's perspective, the needs of business for quick, high quality and specialised responses to market demands within the global economy has meant a growing demand for flexibility in relation to personnel and the organisation of work. IBEC suggests work-life balance policies should be promoted within an overall context of diversity management, so as not to stigmatise or adversely affect the careers of those on flexible arrangements.

According to Dr Damian Thomas, national co-ordinator, NCPP, the increased interest in this issue reflects the fact that "the nature of work, individuals' expectations of

the workplace and indeed our culture have all undergone considerable change in the last 10 to 15 years. Traditional workplace models characterised by predominantly male, full-time employees working nine to five are becoming less appropriate in meeting the changing needs of organisations, their customers and their employees."

Professor Philip O'Connell, research professor, ESRI, contends that flexible working arrangements could help retain key workers, especially women who might otherwise opt out of the workplace altogether. Offering more part-time work or job sharing would help attract and retain more women but policies to ensure equality of hourly pay and opportunities between part-time and full-time work are also needed, he said.

According to Maria Cronin, director of European and social policy, IBEC, the availability of flexible work is increasing significantly. "Our information suggests around 80pc of companies provide some sort of flexible arrangements. We have found arrangements that marry the needs of individuals for flexibility with the requirements of the business and other employees, done on a voluntary basis, work extremely well," she said.

Marked decline

While there is a very high participation rate of women aged between 25 and 29 in the workforce, there is a marked decline when it comes to older women, said Cronin. "We are going to see things change in the years ahead. Traditionally women



Dr Damian Thomas, national co-ordinator, NCPP

have been the lower earners but it is expected in the medium term that women will dominate in all the professions except engineering, which is a positive argument for keeping [women] graduates' skills in the labour force," said Cronin.

There is clear evidence to suggest that significant competitive and social advantages can be generated through effective work-life balance policies and childcare arrangements. This fact has long been recognised by some European countries where a combination of family-friendly policies and effective three-way funding arrangements involving state, employer and employee have underpinned the development of relatively robust childcare provision. Improving access to affordable, good quality childcare and family-friendly work practices is now recognised as a

critical aspect of Ireland's labour force management capability.

Increasingly for a wide range of people, the ability to enter into or continue in paid employment depends on the availability of opportunities to balance their jobs and life outside of work, acknowledged Micheál Martin TD, Minister for Enterprise, Trade and Employment, at the National Framework Committee on work-life balance seminar in Cork last June. Work-life balance was not just about limiting the number of hours spent at work, Martin said. "It is also about giving people a degree of autonomy as to how their working time is managed. To do this effectively will require us all — employers, workers, trade unions and Government — to devise a long-term approach. This should take account of changes in

our individual priorities as careers progress and personal circumstances change."

According to Paula Carey, social policy officer, ICTU, there is a need for public investment in the care infrastructure for children, those with disabilities and older people. "While there is significant political pressure at the moment on childcare, the social partnership should be harnessed so that it addresses the three areas."

Significantly, the new National Workplace Strategy recognises the importance of improving work-life balance arrangements. In particular, it highlights the urgent need for the Government and social partners to work together to develop a co-ordinated policy response and practical solutions for providing effective childcare supports.

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Evolving to innovate

CHARLES LEADBEATER, key note speaker at the Workplace Innovation MasterClass on 30 September, outlines nine principles of evolutionary innovation that Irish companies will need to adopt to remain competitive in a global knowledge economy

UNSURPRISINGLY, many established companies used to a slower pace of change regard the search for innovation as highly unsettling. Executives usually claim they want their lumbering, inward-looking organisations to become fleet-footed, imaginative and entrepreneurial; they just do not know how to make it happen. They often have little incentive to change because invariably their companies are built around profitable product lines.

These executives recognize that incremental innovation is not enough, yet fear that radical innovation is too risky. Innovation is appealing and exciting but it's also painful and fraught with risk. What can be done? The best way for companies to work through the dilemmas posed by innovation is to design and customise a process of evolutionary innovation from within by using nine principles borrowed from biology as a guide.



Charles Leadbeater, independent writer and consultant

The nine principles of solving innovation dilemmas

Principle One: Diversity

Companies and public sector organisations should begin the process by unlocking internal and external sources of new thinking. 3M is famous for encouraging employees to spend 15pc of their time developing their own ideas. We need to rethink deep-seated notions about ideas and create criteria for evaluating new business proposals are often opaque at best and at worst designed to preserve existing routines and reinforce past success. Innovative companies, on the other hand, have open selection criteria whereby promising ideas attract resources, just as promising entrepreneurs in Silicon Valley attract venture capitalists.

Knowledge only advances if good ideas are selected and poorer ideas rejected. Moreover, people must feel confident enough to propose a new idea and they should not feel demoralised when they are rejected. Selection procedures need to reward good efforts as well as good proposals to encourage people to come forward again.

That is how new ideas become embedded in organisational knowledge so they can continue even when the originators have moved on. Companies may have to appoint technology integrators, service producers and new product drivers to take forward this process of replication and reproduction.

Growing user involvement in innovation, or what Eric Von Hippel of Massachusetts Institute of Technology terms the democratisation of innovation, promises to transform institutions and professions. The best example is perhaps computer games. One estimate is that 90pc of the content of successful interactive computer games such as *The Sims*, which allows users create their own communities, is now created by users making their own modifications to the game. Given the complex problems facing many public service organisations, there is a strong argument for

encouraging such organisations to enlist users as co-producers and co-designers to stimulate innovation in the same way that changes in the computer games industry has been driven by the user revolution.

Principle Two: Selection

Within many organisations, the criteria for evaluating new business proposals are often opaque at best and at worst designed to preserve existing routines and reinforce past success. Innovative companies, on the other hand, have open selection criteria whereby promising ideas attract resources, just as promising entrepreneurs in Silicon Valley attract venture capitalists.

Principle Three: Replication

Once selected, a good idea has to spread. It will not succeed if it is trapped in a narrow niche. A business organisation passes on the equivalent of its genetic code by turning a good idea into a new product, process or routine.

That is how new ideas become embedded in organisational knowledge so they can continue even when the originators have moved on. Companies may have to appoint technology integrators, service producers and new product drivers to take forward this process of replication and reproduction.

Principle Four: Co-evolution

Companies co-evolve with their environment — the markets they compete in, the people they recruit, partners and suppliers. Companies that can shape their environment to enhance their ability to evolve successfully will prosper. Innovative companies seek environments encouraging innovation.

A good example of corporate co-evolution is the way that companies set standards in global industries. Matsushita adopted a conscious policy of co-evolution with partners to establish VHS as the standard for video. It licensed VHS technology freely to other consumer electronics companies, which widened the initial distribution of the technology, co-opted competitors who may have been developing their own products and sent a positive signal to suppliers of complementary products. It also helped to generate a sense of momentum behind VHS which became the standard for the industry because it was co-evolved by Matsushita and its partners.

In internet services many

rigidities in a rapidly changing environment.

Often the obstacle to innovation is a company's inability to discard routines, product lines, relationships and assumptions which made it successful in the past. Xerox was slow to respond to the threat of low cost Japanese plain paper copiers because it was apprehensive about cannibalising the profits from its high volume copiers. Companies must be prepared to initiate 'unlearning programmes' to expose the tacit assumptions that underpin their business models. That often means exposing corporate conventional wisdom to sceptical and critical questioning from all staff and/or outsiders.

Applications International — are modular. They are made up of self-managing units operating with considerable discretion but within clear parameters, for example, governing capital investment. These simple rules impose a basic shape on the company but encourage self-management and motivation within a decentralised organization. Networked organisations need clear simple rules to hold them together.

Principle Eight: Spare capacity

Successful organisations are not perfectly honed machines. They bristle with multiple possibilities. Indeed perfection does not work in business. In other words, evolution offers little support for business process reengineering taken to the extreme.

Principle Nine: Timing

Timing plays a vital role in bringing out the value of apparently superfluous characteristics. The inventors of the telephone and the computer spectacularly failed to foresee how they would transform daily life. Video tape was first developed in the US by a company called Ampex to record programmes broadcast on the east coast so they could be seen later on the west coast. Ampex did not see how an invention could, with modification, serve a domestic market. Thomas Edison invented the phonograph because he thought people talking over the telephone would want a permanent record of their conversation, similar to a ticker tape from a telegraph machine. Only when the phonograph was in the hands of other people did its use to play music come into being. Often innovation takes off when products get into the hands of users.

• Charles Leadbeater is an independent writer and consultant. He will be hosting a Master Class on Workplace Innovation at the Royal Hospital Kilmainham on Friday, 30 September, 2005. To book a place, contact Gaye Malone on 01-8146391 or email info@ncpp.ie

'The inventors of the telephone and the computer spectacularly failed to foresee how they would transform daily life ... often innovation takes off when products get into the hands of users'

companies are trying to co-evolve with their consumers, through open source software that consumers can help devise and upgrade. An innovative company needs to co-evolve with early adopters and leading edge niche markets, as well as profitable established markets.

Principle Six: Disruption

Long periods of incremental change can give way to explosions of intense innovation caused by complementary changes in competitive pressures, technology and regulation. That is why companies need to be hybrids, capable of continual incremental innovation but also radical re-invention.

Principle Seven: Simplicity

Successful companies seem to follow simple rules and embody clear values which allow people scope for entrepreneurship and innovation. Some of the most innovative companies — Cisco, Sybase, Science

CASE STUDY

Upskilling staff pays for itself

Awareness of their impact on Medtronic's future encourages employees in the medical company to participate in the training made available to them. ALAN ROCHE reports

MEDTRONIC provides medical professionals with products and therapies to treat a range of chronic diseases. This is a highly competitive, rapidly changing, innovation-driven business and significantly Medtronic considers employee involvement and development to be an integral part of its business strategy. The company is headquartered in Minneapolis and currently employs almost 30,000 people around the world, including some 2,100 at its site in Galway city.

Investing in staff is an area that Medtronic in Galway has prioritised and the returns have more than justified the spending.

Sean Silke, human resources director, says: "Because of the nature of our industry and the pace of technological development in the medical sector we need a high level of performance from our staff. Our company needs to be flexible and capable of reacting swiftly to new developments in the sector. The ability to do that comes from people, not from machines. Medtronic invests considerable effort during the recruitment phase to try and find the right person with the right skills for the job. No matter how perfect a new member of staff is for a specific position, however, they are never considered to be the finished article and consequently we continue to invest in their ongoing development."

Silke says it pays for Medtronic to continually update the skills of staff members. "A staff member with a high level of education and expertise is an incredibly valuable asset. But if their expertise is not constantly challenged and their education not continually updated, then the skills they joined with will diminish over time through lack of use. Staff who are familiar with the latest technology and techniques are more likely to create innovative developments and solutions," he adds.

Technological advances

For Medtronic, innovation is not solely about technological advances. "Innovation

is mostly about radical life-changing developments, but it is also about the little things that we aim to do better every day," according to Silke. "Every single worker's thoughts and actions can have an effect on the company as a whole. If those individuals are well trained and motivated then the company gets the benefits of that every single day."

Silke is conscious that the company's products directly affect the quality and length of people's lives all around the world. "If you take a global view of Medtronic, then a product supplied by one of Medtronic's many divisions worldwide is used to improve the quality of a sick person's life once every six seconds. We in Galway work with vascular technology. As heart disease affects so many people in this country

many of our staff know someone who is affected by it either directly or indirectly. So our staff are acutely aware of how important the work they do is."

That awareness of their own significance has helped encouraged members of staff at Medtronic to participate in the training that is made available to them. "It is vital to ensure staff participate in training and that they engage in a development programme that is appropriate to their needs and to their job," he says. "Part of the key to encouraging participation is to ensure that employees have the chance to develop personally as well as in their careers, and so learning opportunities need not always be tailored solely to their current job but also to meet their aspirations as well."



Work in action at Medtronic in Galway

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