



Survey report September 2008

Employment relations

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Summary of key findings

Union recognition and relationships between management and the unions

- Nearly two-thirds of unionised employers describe the relationship between management and the unions as either positive or very positive.
- About a quarter of respondents that recognise unions report that the relationship between management and the unions is neither positive nor negative, while 9% of employers describe relationships with the unions as negative or very negative.
- Half of unionised employers describe personal relations between managers and unions as good, and 44% said they are variable.
- Just 2% of employers say personal relations between managers and union officials are bad, and 3% report they are non-existent.
- Just over 40% of unionised organisations say their relationship with the unions had changed in the last year, with manufacturing and production and public services organisations most likely to report change.
- Among employers citing changes in union relations, 42% report that the relationship has become more negative and 41% of respondents say the opposite.

Impact and influence of unions

- Nearly 60% of respondents in organisations that recognise unions think that unions exert a significant or very significant influence on their organisation. Just over 40% of respondents say that unions exert little or no significant influence.
- Public sector respondents are most likely to see union influence as strong, with almost three-quarters reporting union influence as significant or very significant.
- A positive net balance of respondents say union influence has become weaker over the last two

years. A fifth of respondents think that union influence has weakened, compared with 14% who believe that it has strengthened. Nearly two-thirds of employers report no change.

- Public sector organisations are least likely to report a weakening of union influence.
- Nearly half of respondents that recognise unions say unions take a constructive line when change is proposed always (6%) or usually (41%). Four in ten employers say unions respond constructively sometimes, 12% report that unions take a constructive line rarely, and just 2% say unions never respond constructively.

Strike action

- More than a quarter of unionised organisations have been affected by strike action at some point over the last 12 months.
- Almost 50% of unionised public sector organisations have been hit by strike action over the period, while 12% of unionised private services employers have been affected by strike action.
- Eight out of ten respondents in organisations that recognise unions cite pay as the main reason for strike action. The next most common strike issues were pensions (6%), other proposed changes to employment conditions (6%) and redundancy (2%).
- Among employers affected by strike action, nearly 60% said the level of strike activity experienced had increased compared with the previous year, with 10% citing a decrease.
- Public sector organisations are most likely to have seen an increase in strike action (60%), with non-profit employers least likely to have seen an increase (40%).
- Almost 30% of respondents in unionised organisations report that there is either: a current

dispute that could escalate to a ballot for strike action (19%); or a ballot for strike action about to take place (5%); or imminent strike action following a successful ballot (5%).

- Looking ahead over the next 12 months, almost a third of respondents in organisations where unions are recognised think strike action among their employees may be likely, rising to 51% among public services employers.
- In all, 28% of unionised private services employers anticipate possible strike action among their workforce in the coming year, as do 15% of manufacturing and production organisations.
- Nearly 90% of employers that recognise unions identify pay as the issue most likely to spark strike action in the coming 12 months. However, respondents also believe that redundancy, other proposed changes to employment conditions and pensions could lead to industrial action.
- Seven out of ten respondents say they have not been indirectly affected by strike action taken by employees in other organisations in the last 12 months. Three out of ten say they have been affected by this kind of indirect action, for example public transport strikes.

Informing and consulting employees

- Two-thirds of all respondents report that their organisation has representative arrangements for informing and consulting employees, such as a staff forum or council.
- The survey highlights the increased importance of non-union representation in today's UK workplaces. Just 22% of respondents report union representation, which is barely more than half of those reporting non-union representation (42%), while more than one in three report both.
- Two in five organisations have introduced new arrangements for informing and consulting employees following the implementation of the Information and Consultation of Employees Regulations in April 2005.

Attitudes towards current and future employment relations

- There is widespread support for the idea that the UK is entering a new, more unstable period of employee relations, with three out of five respondents agreeing with this proposition.
- However, 56% agree that media speculation about a new 'winter of discontent' is exaggerating the current level of industrial unrest.
- More than half (54%) of respondents believe that trade unions still have the power to cause serious problems for the UK economy, while 22% disagree.
- More than half (52%) of all respondents also think the Government will have to take legislative action to protect essential services such as power and transport from the effects of industrial action.
- Looking ahead, maintaining and developing employee engagement emerges as outstandingly the most likely focus for developing the employment relationship across the workforce as a whole; it is also seen by a wide margin as the most desirable.

Union recognition and relationships between management and the unions

Relationships between management and unions reported by respondents are typically positive. However, more than 40% of employers that report a change in union relationships over the past year say relationships have deteriorated.

Just over half of the employers surveyed recognise one or more trade unions, rising to 95% of public sector organisations and falling to 27% of private services organisations. See Table 1.

The proportion of respondents to the CIPD employment relations survey whose organisations recognise one or more trade unions is significantly higher than the national average of 30% of workplaces recognising unions, recorded in the Government's 2004 Workplace Employment Relations Survey.

Not surprisingly, larger organisations responding to the CIPD survey are much more likely to recognise trade unions than smaller employers, with 90% of employers employing 10,000 or more people recognising one or more trade unions, compared with just 28% of organisations employing 250 or fewer members of staff.

Among respondent organisations that recognise unions, about a third recognise one, 25% recognise two, 16% recognise three and 25% recognise more than three. See Table 2 for the sector breakdown.

Table 1: Proportion of respondents recognising one or more trade unions (%) (n=856)

	All	Manufacturing and production	Non-profit	Private services	Public sector
Yes	53	57	51	27	95
No	46	43	49	73	5

Table 2: Number of unions recognised, by sector (n=454)

	Organisations (%)				
	All	Manufacturing and production	Non-profit	Private services	Public sector
One	34	47	60	46	13
Two	25	31	30	30	19
Three	16	12	8	11	21
More than three	25	10	2	13	48

Relationships between management and unions

The relationship between management and unions reported by respondents is typically positive. Nearly two-thirds of unionised employers say that they would describe the relationship as either positive or very positive. About a quarter say their relationship is neither positive nor negative, and just 9% describe relationships as negative or very negative. Manufacturing and production employers are most likely to describe positive relationships, with private services organisations most pessimistic over union relations. See Table 3.

Table 3: How positively or negatively respondents rate relationships between management and unions (n= 454)

	Organisations (%)				
	All	Manufacturing and production	Non-profit	Private services	Public sector
Very positive	12	15	10	13	11
Positive	53	56	58	42	55
Neither positive nor negative	26	25	28	32	23
Negative	8	4	2	9	10
Very negative	1	1	2	3	1

When asked how they would describe personal relations between managers and union officials, respondents in unionised organisations are also on the whole quite positive. Half describe personal relations as good, and 44% say they are variable. Just 2% of employers say personal relations between managers and union officials are bad, and 3% report they are non-existent. Private services organisations are most likely to report poor personal relations between managers and union officials, while public services employers are most positive over such relationships.

Just over 40% of organisations say their relationship with the unions has changed in the last year, with manufacturing and production and public services organisations most likely to report change.

Among employers citing changes in union relations, 42% report that the relationship has become more negative and 41% of respondents say the opposite. In all, 17% of employers say the relationship has changed in some other way. See Table 4.

Table 4: Proportion of organisations reporting positive or negative changes with unions in the last 12 months (n=184)

	Organisations (%)				
	All	Manufacturing and production	Non-profit	Private services	Public sector
More positive	41	54	50	44	28
More negative	42	30	25	38	56
Changed in some other way	17	16	25	18	16

Public services employers are significantly more likely to say that union relations have deteriorated in the past year compared with employers in the other three main sectors, with 56% reporting more negative relationships and just 28% believing that relations have improved.

Manufacturing and production employers and non-profit organisations are most likely to believe that the change in relationships between management and unions in the last 12 months is positive.

Among organisations that say union relationships have changed in some other way, changes in staff, tensions over national issues and closer working relationships were among the most commonly cited issues.

Partnership

Respondents are split down the middle on whether they would describe their organisation's relationship with the union as a partnership (44%) or not (44%), with 12% not stating either way.

Responses to questions about the obstacles to effective partnership with trade unions come from people whose organisations recognise trade unions, and who are therefore able to speak with some experience of the practical issues. Interestingly, there is little inclination to indulge in blaming either one side or the other for failures of partnership. Lack of trust is

seen as among the three most significant obstacles by one in three respondents, but this is lack of trust on both sides.

The only items that score higher as obstacles could be described as institutional – two in five respondents feel that union representatives lack sufficient understanding of the business, while one in three agree that the recognised unions do not represent a sufficient proportion of staff to deliver business-wide consultation. These are both issues that are in principle susceptible to management action, the first by training for union representatives and the second by more wholehearted implementation of the regulations on information and consultation.

The strongest criticisms of one side or the other are that local union representatives are more interested in making a name for themselves than achieving positive outcomes for employees and the business in the longer term (24%); and that senior management does not want partnership because it could slow down how quickly the organisation responds to new business challenges (20%).

Of the 34 respondents who identify other obstacles to effective partnership, the largest numbers say that representatives lack skills or knowledge (9), or that there are too few representatives (6). See Table 5.

Table 5: Obstacles to effective partnership with trade unions (n=454)

	(% placing among 3 most significant obstacles)
Union representatives lack sufficient understanding of the business	39.0
Recognised unions do not represent sufficient proportion of staff to deliver business-wide consultation	33.0
Lack of trust on both sides	32.2
Local union representatives are more interested in making their name than achieving positive outcomes	24.4
Senior management does not want partnership because it could slow down response to new business challenges	19.8
Animosity and a culture of confrontation exists as a result of past disputes	19.8
National-level union politics interfere with local representatives' ability to build relationships with management	18.3
Consultation with the union(s) does not happen at an early stage	14.3
Senior management does not understand what genuine consultation entails	13.0
Partnership is not a realistic model	10.1
Conflict/disagreement between collective bargaining and wider consultation arrangements	7.9

Impact and influence of unions

Six in ten employers that recognise unions say that union influence is significant or very significant. However, a positive net balance report that union influence has weakened in the last 12 months.

The survey shows that where unions are recognised they have a considerable impact on the organisation. Nearly 60% of respondents report that unions exert a significant or very significant influence on their organisation. Just over 40% of respondents say that unions exert little or no significant influence.

Almost half of employers say that unions typically respond in a constructive way when major organisational changes are proposed. In all, 47% of respondents say unions take a constructive line when change is proposed, always (6%) or usually (41%). Four in ten employers say unions respond constructively sometimes, 12% report

Table 6: The proportion of organisations describing union influence as significant or insignificant (%) (n=454)

	All	Manufacturing and production	Non-profit	Private services	Public sector
Very significant	8	9	0	11	9
Significant	51	48	38	36	65
Little significant influence	36	38	50	47	24
No significant influence	6	6	12	7	2

Public sector respondents are most likely to see union influence as strong, with almost three-quarters reporting union influence as significant or very significant. Non-profit organisations are least likely to cite union influence as significant. See Table 6.

However, a positive net balance of respondents say union influence has become weaker over the last two years. A fifth of respondents report that union influence has weakened, compared with 14% who believe that it has strengthened. Nearly two-thirds of employers report no change.

Again it is public sector organisations that are least likely to report a weakening of union influence.

that unions take a constructive line rarely and just 2% say unions never respond constructively.

Private services employers are least likely to cite constructive responses by unions in response to proposed organisational change. Manufacturing and production respondents report the most polarised union relations – more than half say unions take a constructive line to proposed change always or usually, while 17% report that unions respond positively either rarely or never.

Level of union membership

Both unionised and non-unionised employers were asked whether the level of union membership in their organisation has increased or decreased in the last 12 months.

More than two in five replied that the level of union membership has stayed the same. One in five said they don't know. Of the rest, one in eight said that the level of membership has increased and a similar proportion that it has gone down. See Table 7.

A higher proportion of respondents in the voluntary sector report an increase in union membership. This is consistent with the increased pressure for union recognition in the voluntary sector reported below, though it is not possible to say from these data whether increased union membership has preceded or followed pressure for recognition. Higher-than-average proportions of respondents in manufacturing and public services report decreases in union membership, while a high proportion of respondents in the public sector also report either a stable level of membership or an increase.

Pressure from unions to achieve formal recognition

Respondents were asked if there was pressure from one or more unions to achieve formal recognition. It is important to note that this question was asked only of those organisations that don't recognise any trade unions.

The most remarkable thing about the responses is the degree of stability they show. More than nine out of ten (93%) respondents say there is no pressure from unions for recognition, while only 6% say there is. See Table 8.

The absence of union pressure is most marked in the largest and smallest organisations, where those employing fewer than 250 or more than 10,000 people report virtually no pressure.

The strongest evidence of union pressure comes from the voluntary sector, where 11% report such pressure. Figures between 14% and 18% of respondents reporting such pressure are recorded in a number of regions – the east of England and north-east England, and in Scotland and Northern Ireland – though the number of respondents in each case is relatively small.

More than half of those reporting union pressure for recognition say that this has increased in the last 6–12 months, while one in three report no change and one in ten say pressure has reduced.

Table 7: Level of union membership (%) (n=856)

In the last 12 months, do you think that the level of union membership in your organisation has:

	Total	Manufacturing and production	Non-profit	Private services	Public services
Increased	13	9	19	7	21
Stayed the same	43	42	39	43	51
Decreased	13	17	13	7	17
Don't know	23	24	23	30	12
Not stated	8	7	6	13	–

Table 8: Pressure for union recognition (%) (n=393)

Is there pressure from one or more unions for formal recognition?

Yes	6
No	93
Not stated	1

Strike action

Over one in four organisations where unions are recognised have been affected by strike action in the last 12 months, and nearly a third of unionised employers anticipate their employees may take strike action in the coming year.

In all 26% unionised organisations surveyed have been affected by strike action at some point over the last 12 months. Almost 50% of public sector organisations have been hit by strike action over the period, while 12% of private services employers have been affected by strike action. Non-profit organisations (10%) and manufacturing and production organisations (8%) are least likely to have been hit by strike action in the past year.

Among employers affected by strike action, the average number of days lost to strike action in the last 12 months was 3 days.

Non-profit employers report the highest average number of days lost to strike action per organisation, with public sector employers affected by strike action reporting the lowest number of days lost per organisation. See Table 9.

The vast majority of strike action reported by respondents was official (90%); however, there are some significant sector differences. In all, 95% of public services respondents say strike action affecting their organisation had been official, with just 5% of public sector respondents reporting unofficial strike action. However, just 60% of non-profit respondents say strike action affecting their organisation has been official, with 40% of respondents in this sector reporting unofficial strike action in the last 12 months.

Strike action reported involved all categories of staff. About three-quarters of respondents say that strike action has involved front-line or operational staff and a similar proportion report that clerical staff have been involved in strike action. Two-thirds of employers say professional staff have been involved in such industrial action and 55% of respondents report managerial staff have been involved in strike action.

Table 9: Average number of days lost to strike action in the last 12 months (n=117)

	All	Manufacturing and production	Non-profit	Private services	Public sector
Average number of days lost to strike action in last 12 months	3	5	8	3	2

Pay is by far the most common issue cited as the reason for strike action – not surprising, as the twin pressures of rising inflation and the credit crunch place incomes under increasing stress. Eight out of ten respondents cite pay as the main reason for strike action. The next most common strike issues are pensions (6%), other proposed changes to employment conditions (6%) and redundancy (2%).

Among employers affected by strike action, 57% say the level of strike activity experienced has increased compared with the previous year, with 10% citing a decrease. A third of respondents report no change. Public sector organisations are most likely to have seen an increase in strike action (60%), with non-profit employers least likely to have (40%).

Almost a third of organisations that recognise unions report that one or more ballots for strike action have been held in the last 12 months. See Table 10 for a sector breakdown.

Among employers that recognise unions, nearly 30% of respondents report that there is either: a current dispute that could escalate to a ballot for strike action (19%); or a ballot for strike action about to

Table 10: The proportion of organisations reporting a ballot or ballots for strike action have been held by unions in the last 12 months (n=454)

	All	Manufacturing and production	Non-profit	Private services	Public sector
Yes	31	16	12	22	51
No	57	67	72	64	41
Not stated	13	17	16	13	7

Table 11: Organisations that report: a current dispute could lead to a ballot for strike action; or that a ballot is about to take place; or strike action is imminent following a ballot (n=454)

Organisations (%) that report there is:

	All	Manufacturing and production	Non-profit	Private services	Public sector
A current dispute with the union/s that could escalate and lead to action	19	15	12	17	29
A ballot for strike action taking place or about to take place	5	1	2	4	7
Imminent strike action likely following a successful ballot	5	0	2	2	8

Nearly 90% of respondents say the ballot had been successful. Public sector employers are most likely to cite successful ballots (94%) giving unions a mandate for strike action, compared with just 67% of non-profit respondents. About three-quarters of private services employers and manufacturing and production employers say ballots for strike action in the previous 12 months had been successful.

In most cases successful ballots did lead to strike action. Eight out of ten organisations report that ballots had led to a strike; however, a fifth of employers say strike action had been avoided, suggesting that successful last-ditch negotiations had taken place.

A small proportion of respondents (6%) say that a successful ballot had led their organisation to settle to avoid strike action.

take place (5%); or imminent strike action following a successful ballot (5%).

Public sector employers are most likely to anticipate a current dispute leading to strike action or report that strike action is about to take place (44%). However, nearly a quarter of private services respondents say that a current dispute could escalate, a ballot for strike action is about to take place, or imminent strike action is likely following a successful ballot. See Table 11.

Looking ahead over the next 12 months, almost a third of respondents think strike action among some of their employees may be likely, rising to 51% among public services employers and falling to 8% among non-profit organisations. In all, 28% of private services employers anticipate strike action

among their workforce in the coming year may be likely, as do 15% of manufacturing and production organisations.

Nearly 90% of employers identify pay as the issue most likely to spark strike action in the coming 12 months. However, respondents also believe that redundancy, other proposed changes to employment conditions and pensions could lead to industrial action. See Table 12.

the coming year among their employees is likely to increase. Just over two-thirds see no change and just 4% believe there will be a decrease in the level of strike action in the next 12 months.

Indirect strike action

Seven out of ten respondents say they have not been affected by strike action taken by employees in other organisations in the last 12 months. Three out of ten

Table 12: Top five employment issues identified by organisations as likely to lead to strike action by employees over the next 12 months (n=145)

	Organisations (%)				
	All	Manufacturing and production	Non-profit	Private services	Public sector
Pay	86	71	75	80	93
Pensions	9	14	0	8	9
Redundancy	17	24	0	32	13
Working hours	8	14	0	20	2
Other proposed changes to other employment conditions	19	29	25	32	12

Pay is most likely to be identified as an issue that is likely to lead to strike action by public sector employers. However, all sectors see this issue as most likely to lead to strike action. Private services employers are more concerned about possible redundancies leading to strike action compared with respondents in the other three main sectors. Manufacturing and production respondents are most likely to see pensions as a possible spark for strike action in the coming year.

In all, 15% of respondents among unionised organisations believe that the level of strike action in

say they have been affected by this kind of indirect action. Of those that have been so affected, the great majority say this was on fewer than five days. See Table 13.

Public sector respondents (45%) and those in the largest organisations (employing more than 10,000 employees) (52%) are more likely to say their organisation has been affected by strike action by employees in other organisations. These organisations are also more likely to report being affected on higher numbers of days.

Table 13: Proportion affected by strike action in other organisations (%) (n=856)

On how many days in the last 12 months has your organisation been indirectly affected by strike action taken by employees in other organisations?

Our organisation has not been affected	70
1 day	7
2–5 days	18
6–10 days	4
11–20 days	1
More than 20 days	1
Not stated	1

Informing and consulting employees

Two-thirds of employers have representative arrangements for informing and consulting with employees, such as a staff council, with nearly twice as many organisations reporting such arrangements are with non-union employees as those saying information and consultation arrangements are with union representatives.

Two-thirds of all respondents report that their organisation has representative arrangements for informing and consulting employees, such as a staff forum or council. In organisations employing between 5,000 and 10,000, the figure is four out of five, while in those employing fewer than 250, it is less than three out of five. This is unsurprising since the legislation encouraging employers to establish arrangements for employee information and consultation has been in force longer for the larger organisations. However, a significant minority of employers still have no such arrangements. See Table 14.

The survey highlights the increased importance of non-union representation in today's UK workplaces. Just 22% of respondents report union representation, which is barely more than half those reporting non-union representation (42%), while more than one in three report both.

The position in the public sector is entirely out of line with that in other sectors, with 49% reporting union representation (only) and 9% non-union representation (only) and 42% both.

In terms of size, almost two out three of the smallest organisations (employing fewer than 250) (65%) report using non-union representatives (only) compared with one in six in the largest organisations. See Table 15.

Two in five organisations have introduced new arrangements for informing and consulting employees following the implementation of the Information and Consultation of Employees Regulations in April 2005. Of these, 76% have entered into a voluntary agreement formalising existing arrangements, and 22% have introduced new arrangements following negotiation with employee or union representatives. See Table 16.

Table 14: Arrangements for informing and consulting employees (%) (n=856)

Does your organisation have representative arrangements for informing and consulting employees, such as a staff forum or council?

Yes	67
No	32
Not stated	1

Table 15: Union and non-union representation (%) (n=572)

If your organisation has representative arrangements for informing and consulting employees, is this with:

Non-union employee representatives	42
Union representatives	22
Both union and non-union employee representatives	35
Not stated	1

Table 16: Proportion of organisations introducing new arrangements for informing and consulting employees (%) (n=856)

Has your organisation introduced new arrangements for informing and consulting employees following the implementation of the Information and Consultation of Employees Regulations in April 2005?

Yes	39
No	60
Not stated	1

Attitudes towards current and future employment relations

Six in ten respondents agree the UK is entering a more unstable period of employment relations, with more than three-quarters reporting that developing and maintaining employee engagement is the most likely priority for employers going forward.

There is widespread support for the idea that the UK is entering a new, more unstable period of employee relations, with three out of five respondents agreeing with this proposition. However, 56% agree that media speculation about a new 'winter of discontent' is exaggerating the current level of industrial unrest.

A similar proportion (58%) agree that employers can expect to have to face increasing levels of industrial action over the next 12 months, with respondents in public services most likely (68%) and those in the voluntary sector least likely (49%) to agree. See Table 17.

More than half (54%) of respondents believe that trade unions still have the power to cause serious problems for the UK economy, while 22% disagree. Respondents in organisations whose staff work across the UK are more likely to hold this opinion quite strongly.

More than half (52%) of all respondents also think the Government will have to take legislative action to protect essential services such as power and transport from the effects of industrial action.

Table 17: Attitudes towards employee relations (n=856)

	Agree (%)
The UK is entering a new, more unstable period of employee relations.	59
Employers can expect to have to face increasing levels of industrial action over the next 12 months.	58
Media speculation about a new 'winter of discontent' is exaggerating the current level of industrial unrest.	56
Trade unions still have the power to cause serious problems for the UK economy.	54
The Government will have to take legislative action to protect essential services from the effects of industrial action.	52

Table 18: Future developments in employee relations (n=856)

	% saying among 3 most likely/desirable	
	Most likely	Most desirable
We will focus on developing/maintaining high levels of employee engagement	75	63
We will respond to circumstances and keep our options open	54	38
We will support effective local representation of individual employees on discipline and grievance issues	47	34
We will focus on developing consultation arrangements with non-union representatives	40	36
We will pursue an active partnership with a recognised trade union(s)	26	26

The future of employment relations

Respondents were asked how they thought employment relations would develop in their organisation. They were asked to rank both the likelihood and desirability of five statements on possible employment relations priorities. See Table 18.

Looking ahead, maintaining and developing employee engagement emerges as outstandingly the most likely focus for developing the employment relationship across the workforce as a whole; it is also seen by a wide margin as the most desirable.

Looking at the results in more detail, however, there is a marked contrast in attitudes between private and public services. In private services, 51% of respondents identified employee engagement as the single most likely development, compared with only 29% in public services and an average across all sectors of 43%.

Partnership with recognised trade unions scored remarkably low and is seen as both the least likely and the least desirable of the options listed. This is, however, another area where there is a marked divergence between sectors: partnership is seen as among the three most likely developments by 46% of respondents in public services but only 11% in private services. Partnership also scored in the top three most likely developments in 40% of larger companies (more than 5,000 employees).

Responding to circumstances and keeping options open – which might be described as the pragmatic or ‘wait and see’ option – also scored highly and was seen as the second most likely (and most desirable) development among those listed.

Conclusions

There is no doubt more organisations are being affected by increasingly turbulent employment relations, to a large extent linked to the credit crunch. More than a quarter of organisations, where unions are recognised, have been affected by strike action in the last 12 months. And almost one in three unionised employers anticipate that some of their employees may strike in the next year, with pay at the root of the problem. Eight out of ten employers cite pay as the reason for recent strike action, while 90% of organisations that believe strike action is likely in the next year cite pay as the critical issue.

Industrial unrest is to a large extent confined to the public sector, with 49% of public sector respondents reporting strike action in the past 12 months and 51% believing employees are likely to strike in the year ahead. In all, 12% of private services companies were affected by strike action last year and a further 28% of respondents in this sector believe strike action in the coming 12 months is likely.

Almost a third of employers that recognise unions report there is either a current dispute that could escalate to a ballot for strike action, a ballot for strike action about to take place or imminent strike action following a ballot.

More than half of respondents believe the Government will have to take legislative action to protect essential services such as power and transport from the effects of industrial action. And three out of five respondents agree that employers can expect to face increasing levels of industrial action over the next 12 months.

The survey shows that where unions are recognised, pay pressures are beginning to undermine positive

employment relations. It is important that decisions about pay are as open and transparent as possible, and explained and communicated as clearly as possible so people do not feel that they are being kept in the dark or they are being paid less than someone else without good reason. If employees understand the competitive pressures facing their organisation, they are more likely to understand why pay restraint in the current economic environment is critical.

However, although there is concern among employers that the general employment relations climate is deteriorating, many respondents remain positive about relationships with unions within their organisation. Nearly six in ten employers think media speculation about a new 'winter of discontent' is exaggerating the current level of unrest.

In addition, two-thirds of employers report the relationship between management and unions is either positive or very positive. A net positive balance of unionised employers believe union influence has weakened over the last two years and the survey indicated no increase in the level of union membership over the last two years.

The fact that there is not more widespread concern about a deteriorating employment relations climate may also be linked to the lack of union pressure for recognition, with more than nine out of ten respondents reporting no such pressure.

The survey reinforces findings from the Government's 2004 Workplace Employment Relations Survey that non-union representation is becoming increasingly common. Two-thirds of employers surveyed have representative arrangements for informing and

consulting with employees, such as a staff council, with nearly twice as many organisations reporting such arrangements are with non-union employees (42%) as those saying information and consultation arrangements are with union representatives only (22%).

The aspiration of many employers and unions in the last decade has been to establish and maintain relationships based on 'partnership'. It is perhaps surprising therefore that partnership is seen as an important focus for developing employment relations by only one in four of the organisations represented in the survey.

There is more support for partnership in the public sector and in larger organisations, though the proportion of respondents seeing this as a desirable model for developing employment relations is smaller than that which sees it as likely.

Academic comment has sometimes suggested that partnership between employers and trade unions is an

unrealistic model. However, this is supported by only a small minority of respondents. Lack of trust is seen as a much more significant obstacle to effective partnership, alongside a lack of understanding of the business by employee representatives and the fact that recognised unions do not represent a sufficient proportion of staff to deliver business-wide consultation. These are both issues that can be influenced by management action.

Looking ahead, the majority of employers cite developing and maintaining high levels of employee engagement as the most likely (75%) and most desirable (63%) route for developing employment relations. These are positive findings. Employers should be focusing on the drivers of employee engagement to maintain positive employment relations during difficult and fast-changing times. People are more likely to be motivated and committed to the organisation if their manager treats them fairly and with respect on a day-to-day basis and if they have trust in their senior leadership.

Background to the survey

In August 2008, 11,657 HR practitioners were sent an email inviting them to fill in an online questionnaire exploring the state of employment relations in the UK. There were a total of 856 usable replies received – a response rate of 7.3%.

Of these, 28.8% of respondents are from manufacturing and production organisations, 37.7% of respondents are from private services organisations, 22.4% of respondents are from the public services sector and 10.9% of respondents are from the non-profit sector.

In terms of size of organisation: 38.3% of respondents are from organisations employing 250 or fewer employees; 17.9% of respondents are from organisations employing between 251 and 500 employees; 11.8% of respondents are from organisations with between 501 and 1,000 employees; 18.5% are from organisations with between 1,001 and 5,000 employees; 6% of respondents are from organisations employing between 5,001 and 10,000 people; and 7.2% of respondents are from organisations of more than 10,000 employees.

The average-sized organisation surveyed employs 3,634 employees.

We explore leading-edge people management and development issues through our research. Our aim is to share knowledge, increase learning and understanding, and help our members make informed decisions about improving practice in their organisations.

We produce many resources on employee relations including guides, books, practical tools, surveys and research reports. We also organise a number of conferences, events and training courses. Please visit www.cipd.co.uk to find out more.



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