



Event report March 2007

The future of collective voice

Messages from a one-day conference on the current state and the future of collective voice organised jointly by the Chartered Institute of Personnel and Development, London Metropolitan University, and the London School of Economics

The Voice and Value Conference

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First stage – Overview and policy agenda

Welcome and opening remarks

Opening the seventh Voice and Value Conference, Howard Davies, Director of the London School of Economics (LSE), said that he was pleased again to open proceedings in this very successful conference series. He recounted an anecdote from his own recent experience featuring a ‘collective voice’. His position as LSE Director had just been reconfirmed. And the LSE Student Union had balloted members on whether or not they should have a say in the process. They voted in favour of not having a vote. ‘Well, that is an example of making use of organised voice,’ he teased. ‘But of course, I do like to witness an active employee voice – organised and well established. Having practitioners from various organisational settings, as well as academics from a range of universities, this conference is a potential opportunity to drive things further.’ Davies also heralded the book launch of Paul J. Gollan’s *Employee Representation in Non-union Firms*, scheduled to take place at the end of the conference.

Voice and HRM: complements or substitutes?

The first contribution, by Alex Bryson (Policy Studies Institute (PSI)), reported on an empirical investigation of the relationship between the incidence of human resource management (HRM) practices and different forms of employee voice. The study, in collaboration with Paul Willman (LSE), Rafael Gomez (LSE) and Tobias Kretschmer (University of Munich), drew on data from the British Workplace Employee Relations Survey (1998). Using a 13-item measure, the study’s findings supported the notion of a positive correlation between employee voice and HRM. The results further indicated that employees don’t necessarily have to be organised in unions to have a say at work, although union-only voice regimes don’t appear to be easily reconciled with HRM. Dual-channel (unionised voice as well as direct management–employee information and consultation)

arrangements appear to feature the most comprehensive range of HRM practices. Union-only environments tend to involve a compressed distribution of HRM practices, while non-union voice regimes seem to include more formal employee appraisal and incentive pay practices.

Although HRM appears to facilitate an employee voice, the findings are not unconditionally transferable to other countries. ‘It works very differently in the US,’ for example, Bryson said: the public policy framework for employee voice matters.

Inspired by the presentation, there was a brief discussion about whether or not employee voice constitutes an inherent feature of HRM.

Information and Consultation (I&C) Regulations – opportunities for using courts to enhance voice

Raymond Jeffers, a partner with Linklaters, examined the current legal scene related to employee voice. ‘On 6 April 2005, things changed,’ he said. ‘Pandora’s Box is well and truly open: one can now go to the courts on information and consultation issues.’ Jeffers cited two high-profile cases that illustrate ways in which individuals and unions are willing and able to challenge employers using the Information and Consultation Regulations – to pursue goals such as getting information and then seeking arrangements that can lead to default I&C institutions that employers may not welcome, and even to mount challenges to pre-existing agreements.

The case heard by the Central Arbitration Committee between Amicus and Macmillan, and by the Employment Appeal Tribunal between Moray Council and Steward, offered illustrations of how not to handle employee voice arrangements. Looking towards future prospects, issues include possible challenges around definitional issues – for example ‘employee’,

'undertaking' – as well as conceptual matters such as 'employee request' and 'pre-existing' agreement. Operational issues extended to matters such as what constitutes 'confidential information' in I&C settings. Enforcement of negotiated agreements may also feature in applications to the courts and there is the question of possible challenges reaching the High Court. A question was raised about using the European Court of Justice (ECJ) based in Luxembourg. The response was that the ECJ could be used only to challenge any failure by the Regulations to implement the underlying European Directive or possibly to resolve any ambiguity in the meaning of the UK Regulations. Jeffers concluded that anyone wanting early progress in getting consultation up and running would be ill-advised to follow such a time-consuming route!

Second stage – State of play

Voice, geography and multinational companies

Chris Brewster (Henley Management College) presented findings showing that employee voice practices across geographies may be socially embedded. His analysis drew on an extensive longitudinal database, formed from the Cranet survey series 1992, 1995, 1999/2000, and 2003/2004 (44 countries, thousands of responses). Acknowledging theoretical debates around globalisation, counter-posing convergence and divergence, Professor Brewster used the survey data to argue that final convergence on a single employee voice model was not yet evident. 'There are some changes, for example, in Germany where fewer trade union memberships are registered and less consultation takes place than in the recent past, although the latest data appears to indicate a swing back.' Generally, levels of collective voice (trade unions, bargaining, works councils and joint consultative councils) have not changed much across the geographies surveyed. 'The presence of trade unions and other employee consultation mechanisms work complementarily,' he said. Indicative of geography-related path dependency, Sweden – with an influential public sector in which organised voice is standard – experienced no changes.

It might be anticipated that large multinational companies (MNCs), having the potential to 'shape realities' consequent on their economic resources,

would wish to import practices from 'home country' operations to subsidiaries in 'host' countries, raising constraints and possibilities for third-party employee representatives. 'Sure, global players have the power to push through their preferred practices but still they have to adapt to systems and meet expectations arising from local norms and values. There are few cases where MNCs try to fight the system rather than to play by the rules.' The overriding conclusion appears to be that, while MNCs may favour standardisation, the evidence suggests that their employment relations practices tend to remain largely conditioned by the host environment.

I&C in practice

A research team from Warwick Business School, comprising Mark Hall, Mike Terry and John Purcell, presented initial findings from a study co-sponsored by the Advisory, Conciliation and Arbitration Service (Acas), the CIPD and the Department for Trade and Industry (DTI). The research involves longitudinal case studies in organisations with differing employment relations cultures and I&C arrangements. One common finding so far was that the parties are trying to maintain the distinction between negotiation and consultation. And that union/non-union representation is an issue of contention.

In the first of two contrasting case studies presented – a housing association where employee relations had been strained – the I&C Regulations had had a 'catalytic effect', with an incoming (interim) HR manager, part of a new senior management team, 'looking for answers'. Following an initial stand-off (2004), when management ran into opposition from full-time union officials when attempting to establish a joint union/non-union forum with equal seats, an uneasy compromise had been found (2006). A non-union 'great place to work' forum met at six-weekly intervals (in the afternoon), with a union joint consultative and negotiating committee (JCNC) meeting separately the same day (in the morning) – each with an identical agenda. Non-union representatives had taken a more active role in agenda-setting than their union counterparts. The conclusion was offered that management support for I&C is of crucial importance, but that employee representative support seemed still in the 'nappy stage'.

In the second case reported – a division of a US-headquartered engineering company, with 80% union membership density across multiple plants in the UK – the emphasis remained on strong workplace-level bargaining. Despite union requests, no national-level arrangements existed. The company's HR management articulated a business case for I&C, based on legal compliance and a tradition of employee involvement, leading to a new national-level consultation structure. The only area of contention between the parties had been the question of non-union employee representation. While informal arrangements had been operating, union head office insistence on a 'negotiated agreement' had created a stalemate – nothing has been signed one year on.

Improvements in employee involvement at Lloyds TSB

Natalie Lode, Senior Communications Manager at Lloyds TSB, described the company's accomplishments in terms of employee involvement. 'One of the focus areas of Lloyds TSB in the case of voice is to build line management capability,' she said. 'It is of great importance that people are provided with information to get the "big picture" of where the company is heading. But information alone is not enough. Line managers need the competences and skills required to translate that information into implications for their teams – that is, "what does it all mean for me?"' Employee motivation and 'engagement', she said, are critical to customer satisfaction, which is closely linked to sales growth. But Lode did not only speak of 'nice to haves', she also presented measures through which Lloyds TSB wants to equip its staff. 'We are developing our training offerings on core communication skills such as active listening, managing difficult situations and involving people, through one-to-one coaching and team communication workshops.' Lode said that pilots of the activities implemented had received positive feedback from employees, and appeared to help local management teams a lot in workforce engagement activities. This is an ethos that runs all the way through the company, starting at the top. The chief executive draws on a model emphasising employees' place in the value chain when presenting to the financial investment community.

Third stage – The practice and processes

Introducing the afternoon sessions, Duncan Brown (former CIPD Assistant Director General) pondered, tongue in cheek, on possible signs of cynicism about representative forms of consultation among the next generation of workplace entrants. His eight-year-old daughter had told him of an education-related issue that mattered to her. When he had suggested raising it with school council representatives, she had retorted, 'There's no point as they don't take any notice.'

Collective communications from an employer perspective

Malcolm Heaven, Chair of the Marks & Spencer National Business Involvement Group (BIG), outlined the 'BIG journey' the large retailer had embarked on some 18 months earlier in managing employee voice. Stressing that 'people do not like change', Heaven explained that Marks & Spencer had had to tackle resistance and confusion during its period of recovery-oriented change, in order to facilitate workforce commitment. 'An effective communications platform is the key when you want to reach 65,000 employees,' he said. Results had been encouraging, however. External commentary indicated that 'M&S appear to have moved mountains in a very short period', he reported.

The company had invested significantly in the programme. There are 3,500 employee representatives covering six divisional and 500 store-level BIGs, in addition to the national body. In order to enable consistency in how employee representatives discharge their roles, the company offers workshops and emphasises the importance of proactive feedback. A common language of 'inform, consult, involve' is part of this I&C enabling framework, intended to establish a direct relationship between the workforce and business priorities. Illustrating the process of employee consultation on a major scale, Heaven described a 'pensions change consultation' exercise currently under way that has an impact on 26,000 employees. Despite the business engagement orientation, indicative of the efforts to maintain BIG's independence, while the M&S chief executive and HR director joined a two-day workshop bringing 850 employee representatives into one room, the corporate officers were there at the express invitation of the I&C group. Proposals and

counter-proposals were considered over a minimum 60-day consultation process permitting time for a business response to ideas and suggestions to be communicated. Heaven's conclusion was that this episode illustrated how an agreed process could be established enabling 'true consultation' on a grand scale.

Employer responses to current developments in I&C

Fiona Webster (a consultant with ORC and expert on pan-European employment regulation) talked about the critical impact management can have on information and consultation. Webster said she had two important aspects to flag in her presentation portfolio. First, she outlined a case for allowing managers more time to engage in the process of consultation – 'since consultation is much more than just communication'. The need to make business decisions quickly conflicted with the demand to follow consultation procedures – especially across national borders. Second, she said the quality of information needed to be stressed. 'At all levels, managers need to be involved in the process. It is important that they are engaging in it on a regular basis,' Webster continued. Organisations needed to motivate managers to contribute in a constructive way. Corporate investment in appropriate management training measures may contribute to success. She concluded with the observation: 'Nevertheless, the topic of confidentiality is still an ongoing challenge for business.'

Ancestral voices – noises from trade unions' past

Sarah Veale, Head of the Trades Union Congress (TUC) Equality and Employment Rights Department, offered a historically informed report about the trade unions' past and current state. Veale had good news for the audience: after years of heavily decreasing union membership figures, the numbers were slightly increasing again (according to Labour Force Survey figures in 2006). And trade union membership was increasing particularly among professionals and among women, consistent with changes in the composition of the labour market. Comparing the public and private sectors, the former remains much better represented than the latter is, however. Smaller unions, and those with a strong occupational identity, were prospering; the large general unions continued their historical decline.

While there were 'reasons to be cheerful' regarding the prospects for employee voice involving and led by trade unions, then, Veale said the movement was haunted by 'ancestral voices', with negative consequences for the contemporary image of organised collective voice. Given structural features of the employment system, with workers increasingly isolated, there were major challenges for those offering to represent the employee voice. Creative thinking will be required to explore solutions beyond traditional institutionalised settings. Twenty-first-century industrial citizenship was an issue a fourth-term Labour government would need to face up to.

Fourth stage – The great debate

Implications of and prospects for the I&C Regulations

The final session provided the usual space for an expert panel to reflect on propositions and learning points from the many and varied topics covered in a limited time over the course of the day.

The panel – consisting of Mike Emmott (CIPD), David Marsden (Professor of Industrial Relations, LSE), John McQueeney (DTI), Jock Simpson (National Joint Council for Engineering Construction), Diane Sinclair (non-affiliated) and Sarah Veale (TUC) – was introduced and moderated by Marc Thompson (SBS, Oxford University). Thompson stimulated the discussion by asking panel members for their predictions for the future of employee voice, based on reported responses on all sides to the I&C Regulations. Emmott posited a key role for front-line managers in the process of establishing employee voice in organisations. 'These managers must not feel threatened about stimulating change,' he said. 'Emotional engagement is of critical importance in this regard.' McQueeney called for standards in the workplace to facilitate change. Simpson argued, however, that legal frameworks didn't change culture. This was especially pertinent to voice considerations in private sector industry – now a virtually trade-union-free zone.

Marsden acknowledged the point that line managers need communication skills to respond to today's challenges. 'But it's not all about technical know-how,'

he said. Echoing Fiona Webster, he pointed out that often resources are scarce and time frames are too tight. Some time lag needed to be built in to the consultative process if organisations were really serious about employee engagement. Sinclair agreed: 'Management is about managing people. Often you have to force managers to speak to their people. But that is exactly what makes a change and needs to be implemented into organisations' cultures,' she said. From the floor, Eddy Donnelly (Bournemouth University) underlined the importance of establishing trust between 'voice' partners, and challenged the panel by asking how this might be established and maintained. Veale replied that it needed resources and managerial action frames that encouraged, not inhibited, such a culture of trust. By way of conclusion she referred back to her evidence indicative of ongoing broad support across British society for 'the collective', something policy-makers and managers alike needed to factor in to their forward planning considerations.

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