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Management Research*

RESEARCH REPORT

**Partnership at the
Organisation Level
in the Public Service**

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Executive Summary

This report explores the role of partnership at the organisation level in promoting organisational change. The study is based on case study research, interviews and the international literature on the topic. The context for the paper is that, as recognised in *Delivering Better Government* (1996) and *Partnership 2000 for Inclusion, Employment and Competitiveness* (1996), if the Strategic Management Initiative is to take root in the Irish public service, management, unions and staff must be actively involved in its implementation. Four cases of a participative approach to change are studied: the Department of Defence, the Department of Finance, Aer Rianta and IBM Ireland.

The rise of enterprise-based partnership as a means of doing business in organisations is traced in the study. Partnership approaches are shown to be part of a broad initiative in industrial relations to move from the adversarial system to one of mutual gains, where there is increasing employee involvement and participation in workplace change. A spectrum of possible partnership arrangements is identified, from greater consultation and information dissemination by management at one end to joint management, union and employee decision-making on workplace issues at the other extreme.

Partnership approaches to change raise particular challenges for management, employees and unions. These challenges are addressed in the report. Managers must show active support for partnership, not revert to the old ways of doing things at the first sign of problems. They must also recognise and legitimise the time input needed to make partnership work. Employees representatives face a tension between involvement in new ways of working promoted by partnership and maintaining their role as employee representatives in collective bargaining. Both management and unions face the challenge of sharing their traditional access to decision-making with the staff of organisations. Unless these challenges are addressed, partnership may be initiated but then the initiative stalls or fails.

Mechanisms to promote partnership are identified. A key role is identified for steering or co-ordinating groups, providing representative participation and setting the boundaries for partnership initiatives at the organisation level. Direct participation mechanisms are also outlined, as means of involving staff throughout the organisation. These include team-based working, employee forums, team

briefings, newsletters, suggestion schemes, attitude surveys and performance appraisal.

Training and development supports needed to foster partnership are also outlined. The need for information which sets the context for change through partnership is identified. So too is the need for joint training of managers, employees and their representatives. The need for a structured approach to training provision, targeted at particular groups and topic areas, is discussed.

The study indicates that there can be no single model of partnership that is applicable in all situations: the range and mix of means used to promote partnership needs to be determined by the organisation itself. But there are guiding principles which provide a framework for the development of a partnership approach; there is more to partnership than taking a range of approaches and trying them out without thinking how they work together.

In this context, the application of the lessons learnt from the cases studied, interviews and review of the literature to the Irish public service is addressed. The adversarial approach which has shaped the conduct of industrial relations in Ireland is outlined, as are recent developments aimed at promoting a move to a mutual gains or partnership approach to change. A number of key lessons are identified for those involved in developing partnership arrangements in government departments, offices and agencies:

- There is a need for a clear structure which sets the boundaries for partnership arrangements. A departmental steering committee composed of management, union representatives and employees could provide such an enabling structure.
- Incremental change focused at the local level is likely to be more successful at the start of the process and help develop confidence and trust.
- A focus on incremental change should not be confused with small scale application of the partnership approach. Partnership arrangements must impact on the whole organisation.
- The precise mix of initiatives to be used (task forces, surveys, focus groups etc.) must be customised to fit the particular working environment and culture of the department or office.

- Senior managers must believe in and actively promote the partnership approach. They must legitimise the time input and promote the resources necessary for training and development.
- Union representatives have a key role to play in moving beyond the adversarial model and in encouraging their members to participate in partnership arrangements.
- Middle managers will have a new role under partnership arrangements, moving from hierarchical supervision to one of team leaders, key link people facilitating the new ways of working.
- Training and development supports should be provided to managers, employees and their representatives engaged in the partnership process. These supports should focus on key issues such as problem solving, negotiation skills and consensus building.
- Attitude surveys and focus groups should be used to (a) determine the concerns of employees and (b) benchmark progress in relation to partnership objectives.
- Teams should be given a specific action mandate and clear reporting and accountability arrangements.
- Including participation skills and actions in job descriptions and performance appraisal can help ensure that partnership becomes an accepted and mandated part of departmental culture.
- A facilitator may serve as a useful support to departments, acting as a guide when establishing partnership structures and processes.
- The life cycle of partnership initiatives should be set and checked regularly. Initiatives should not be allowed to take on a life of their own and become redundant, but should be time limited and refreshed from time to time.

CHAPTER 1

Introduction

1.1 Focus of report

This report on partnership practice in the Irish public service was commissioned by the Committee for Public Management Research. It focuses on the role of partnership at the organisation level in promoting organisational change. The study is based on a review of the literature, an analysis of the experience of a small number of Irish organisations in developing partnership, and interviews with a range of key actors involved in promoting a partnership approach to change. The report offers advice to public sector managers, union representatives and staff who are interested in developing an effective partnership approach to organisational change and development.

1.2 Study background and terms of reference

Delivering Better Government (1996) recognises that if the Strategic Management Initiative (SMI) is to take root in government departments and across the wider public service, it must impact on managers and staff at all levels. There must be involvement in and ownership of the process if the SMI is to affect the day-to-day practices of staff. Otherwise, there is a danger that the SMI could be marginalised as the preserve of senior public servants, and little to do with the day-to-day activities of staff generally. There is a need for a partnership approach to change.

A significant aim of *Partnership 2000 for Inclusion, Employment and Competitiveness* (1996), the national agreement between the Government and the social partners, is to extend partnership agreements at the enterprise level. This includes the public service, as paragraph 10.16 of *Partnership 2000* states:

It is recognised that successful change must be based on a partnership approach both at the overall public service level and within individual organisations. The objective is to achieve joint ownership by management, unions and staff of the entire process. To this end, an adversarial approach to change must be replaced by an open, co-operative process based on effective consultation and participation by all concerned. For the civil service, the task now is to develop such an approach by building on the existing arrangements at general and departmental councils for progressing and implementing the action programmes arising from the Strategic Management Initiative (SMI) and *Delivering Better*

Government (1996) and on the structures being developed in each department and office to engage staff at all levels in the change process. Similar arrangements, tailored to meet the particular needs of each sector, will have to be put in place for the wider public service. Appropriate training will also be provided for management, unions and staff to facilitate the development of these arrangements.

Arrangements for partnership at national level are well established. The social partnership approach has been in existence for over a decade. But partnership arrangements at the organisation level are not so well developed. The NESC report *Strategy into the 21st Century* (1996:165) encourages the development of new models of enterprise level partnership, tailored to fit existing employment settings and taking account of existing arrangements.

Consequently this study was initiated to focus on partnership at the organisation level in the public service, and develop information on how best to progress this approach more widely. The terms of reference for the project were to:

1. Establish what the international literature has to say on partnership at the organisation level, particularly with regard to: (a) defining partnership, (b) determining what partnership is for; and (c) prescribing models and frameworks for implementing a partnership approach.
2. Develop case study material on partnership practice, from a range of public and private sector organisations.
3. Carry out analysis based on 1 and 2 above, and propose a framework outlining key features of an effective organisation-level partnership and a range of techniques and practices available to promote such partnership.
4. Outline the basis for a training package for managers and employees involved in promoting a partnership approach.

1.3 Study approach and methodology

Three main means of obtaining information were used:

1. *Literature review.* The literature on partnership was reviewed. This provides a general picture of the opportunities, problems and issues associated with partnership both in Ireland and internationally.

2. *Case Studies.* Four case studies where a partnership approach is being tried were identified and analysis undertaken:

- The Department of Defence, where a participation/partnership approach to the SMI is being pursued on the civilian side of the Department.
- The Department of Finance, where a change management initiative on human resource management involving staff participation is currently underway.
- Aer Rianta, where an extensive programme of worker participation has been developed, and
- IBM Ireland, where employee forums are being used to facilitate organisational change.

In choosing the case studies, a purposeful sampling approach was taken, whereby information-rich cases were selected for in-depth study (Patton, 1990). The aim was to select cases (a) where participants were willing to talk openly, and (b) which provided insight into issues which are of general importance when developing organisation-based partnership. It was also the aim to get a mix of cases from the public sector, including the civil service and state bodies, and the private sector, to provide some comparative information on approaches to partnership and change.

Data for the case studies was collected during 1997. Information was obtained by means of semi-structured interviews with managers and staff who were responsible for overseeing the initiatives. Reports, files and other documentary sources were also examined as appropriate. When the data collection was complete, accounts were drafted of each case study. These reports were reviewed by each organisation to ensure their accuracy and comprehensiveness. Appendices 1–4 contain details of the case studies.

3. *Interviews.* Semi-structures interviews took place with key informants on partnership issues. These included representatives from management (IBEC – Irish Business and Employers Confederation), unions, and consultants and academics specialising in the area.

1.4 Brief description of the cases studied

A brief description of the four cases studied is given below.

Department of Defence

At departmental briefings following the launch of *Delivering Better Government* (DBG) (1996), a programme of change for the civil service arising from the Strategic Management Initiative (SMI), top management committed themselves to the SMI/DBG programme. They also emphasised the importance of participation by staff in planning and implementing SMI/DBG in the department.

After these briefings, the department took a number of initiatives to maintain progress and ensure participation. Three working groups were established, focused on strategy, human resources development and image. A series of workshops were held for all staff, to feed into the working groups. Working group reports fed into the process by which the departmental strategy statement was arrived at. In presentations on the strategy statement by top management to staff, a key theme was the need to ensure continuing participation and the creation of a partnership between managers and staff in the continuing strategic management process, particularly branch business planning. Two participation working groups were formed in 1997 with the aim of ensuring full participation in the business planning process.

This case study looks at the role of the consultative workshops in facilitating the three working groups and at the current developments in participation/partnership as examples of developing a partnership approach to change. The focus is on the civilian side of the Department of Defence.

It is too early yet to say what the outcomes of this participation/partnership approach will be. To date, most emphasis has been put on getting the process right, with a view that the content will emerge if this is done correctly. But there are already signs of a change in culture and approach to tackling issues in the department. Significant issues have been addressed in the consultative workshops and there is a commitment on behalf of top management to take action to address these issues.

Department of Finance

A 1995 Price Waterhouse review of the Department found it to have a strong public ethos and commitment to high quality and timely work. However, it was critical of weaknesses in the Department such as its people management and communication capabilities.

As part of the response to this review, the Department established a Change Management Working Group to oversee the implementation of the recommendations of

the review. A decision was made to include all levels of staff on the Group. An early issue that the Group decided to look at was human resource management. It is this issue and how it was addressed that is the focus of this case study. The approach adopted was to involve all staff through structured workshops and explicit feedback mechanisms in the production of a new human resource management strategy and actions.

The participative approach to the development of human resource policy in the Department of Finance is a new initiative for the Department. The Price Waterhouse review had identified a hierarchical and cell like approach to management, and emphasised the need for more team-based working practices. The workshops are an attempt to introduce a more participative and flexible approach to change. It is too early yet to say what the outcomes from the process will be. Several staff at the workshops indicated that they would 'reserve judgement' on the process until seeing the response of management to the workshop findings. But there is general consensus that the workshops were well received in the department and that significant issues have been addressed. Senior management have made a commitment to address these issues.

Aer Rianta

A Joint Union/Company Group (JUCG) on participation was established in 1991, and they were responsible for the development of a constructive participation initiative at Aer Rianta. Constructive participation is based around three key documents: (a) *The Compact*, which sets out the principles, objectives and strategy for participation, (b) *Requisite Arrangements* which outlines the practical framework for participation arrangements, and (c) *Operational Programmes*, which sets out six programmes which aim at ensuring the implementation of constructive participation.

The aim of constructive participation is to develop partnership fora at each level of the organisation, from the work group, through to departmental business unit and corporate groups, with representatives from management, unions and staff in each grouping. Significant resources have been devoted to getting the participation process up and running. the JUCG and an associated executive group combines both full-time and part-time staffing commitments from the unions and management. Training and development supports have been put in place for the working groups, which also draw heavily on the use of facilitators.

In many ways it is too early to say yet what the implications of constructive participation will be at Aer Rianta. The emphasis to date has focused on the process of securing

effective participation rather than on the outcomes arising from participation. But it represents an example of a comprehensive approach to the promotion of partnership throughout an organisation on an on-going basis.

IBM Ireland

IBM Ireland moved from a reactive approach to change in the 1980s to a more proactive approach in the 1990s. In this move, top management see the involvement of management and employees in the process as of paramount importance. A strategic vision for the organisation and an associated programme of change was initiated by management. The challenge was to get the rest of the organisation to buy into the process.

The main means of promoting dialogue is employee forums. All employees are expected to attend at least one forum every year. They discuss issues of concern to the company. Budgeting and costing information is shared with employees, and no boundaries are drawn as to what can be disclosed.

Employee forums have been found to be an effective employee involvement tool. They are seen as contributing significantly to the improvement in performance of the company in recent years. They do, however, take a significant amount of management time, and are only effective in the context of a broad change programme for the company.

The four cases thus give a variety of experiences based around a partnership approach to change. IBM Ireland and the Department of Finance cases focus on one specific approach – employee forums and workshops respectively – to promoting participation. The Department of Defence and Aer Rianta cases illustrate a broader approach to developing partnership. The environments of the cases also contrast. IBM Ireland represents a non-unionised, private sector environment, Aer Rianta is a state-sponsored body with a degree of commercial freedom, and a highly unionised environment, and the Departments of Defence and Finance are government departments with long established management-union procedures. Thus the cases, though small in number, provide a diversity of experiences from which to learn about partnership. In most cases they are at an early stage of developing a partnership approach. The impacts from the approach to change have not yet fed through the system. This reflects the fact that partnership at the organisation level, particularly in the public service, is a relatively recent phenomenon in Ireland. The emphasis in the case studies is thus on learning from the processes and procedures used to initiate a partnership approach to change.

1.5 Report structure

Chapter 2 explores the concept of partnership: what the term means and why it is considered important. In Chapter 3, specific challenges and issues associated with the development of partnership are identified and discussed. Chapter 4 investigates practical ways of developing a partnership approach to change in organisations, looking at a range of mechanisms available to promote partnership. In Chapter 5, the training and development supports needed to enable managers, employees and their representatives to develop partnership approaches are outlined. Finally, in Chapter 6, a broad framework and approach to promoting partnership for change in the public service is established.

CHAPTER 2

Partnership – what is it and why bother?

2.1 *Partnership definitions*

Partnership is one of those words which can mean different things to different people, depending on the perspective they are looking from. As partnership concerns the allocation of decision-making, it is not unusual for those who currently make decisions to view partnership in a different light from those who do not.

Partnership 2000 (1996:62) gives a definition of partnership in the context of the agreement:

Partnership is an active relationship based on recognition of a common interest to secure the competitiveness, viability and prosperity of the enterprise. It involves a continuing commitment by employees to improvements in quality and efficiency; and the acceptance by employers of employees as stakeholders with rights and interests to be considered in the context of major decisions affecting their employment.

Partnership involves common ownership of the resolution of challenges, involving the direct participation of employees/representatives and an investment in their training, development and working environment.

A number of key points emerge from this definition. An *active* relationship is stressed, indicating the need for actions to be undertaken by the parties involved to develop and enhance the relationship. The notions of *common interest* and *common ownership* are introduced: indicating that partnership aims to work in the interests of both employers and employees and that both must have a commitment to making it work. Similarly, the definition recognises that employers and employees have certain *obligations* under a partnership arrangement. Employers must recognise employees as legitimate stakeholders. Employees must seek to improve the quality and efficiency of their services. Finally, the definition recognises the importance of investing in training and development and the working environment to create a climate supportive of partnership.

In a public service context in Canada, Kernaghan (1993:61) defines partnership as “... a relationship involving the sharing of power, work, support and/or information with

others for the achievement of joint goals and/or mutual benefits.” This definition recognises that partnership is as likely to involve work sharing, supports, or the sharing of information as it is to involve shared decision making. In IBM Ireland, for example, information sharing is a key element of employee forums. In Aer Rianta, the extent of autonomy and empowerment offered to groups and individuals is one of the elements covered by participation. In the Department of Finance, the shared determination of human resource development policy is the focus of activity.

At the organisation level, partnership may involve elements of both employee involvement and participation. Definitions of these terms vary, but a useful framework is provided by work done for the European Foundation for the Improvement of Living and Working Conditions (EFILWC), which identifies a range of types of involvement and participation (Krieger and Sisson, 1997:5):

- *Financial participation.* This may be through profit sharing or share ownership.
- *Direct participation.* Two types of direct participation are noted: *consultative participation*, where management encourages employees to make their views known on work related matters, but retains the right to take action or not; and *delegative participation*, where management gives employees increased discretion and responsibility to organise and do their job without reference back, within defined parameters.
- *Indirect or representative participation.* This may include joint consultation, co-determination, collective bargaining, and worker directors.

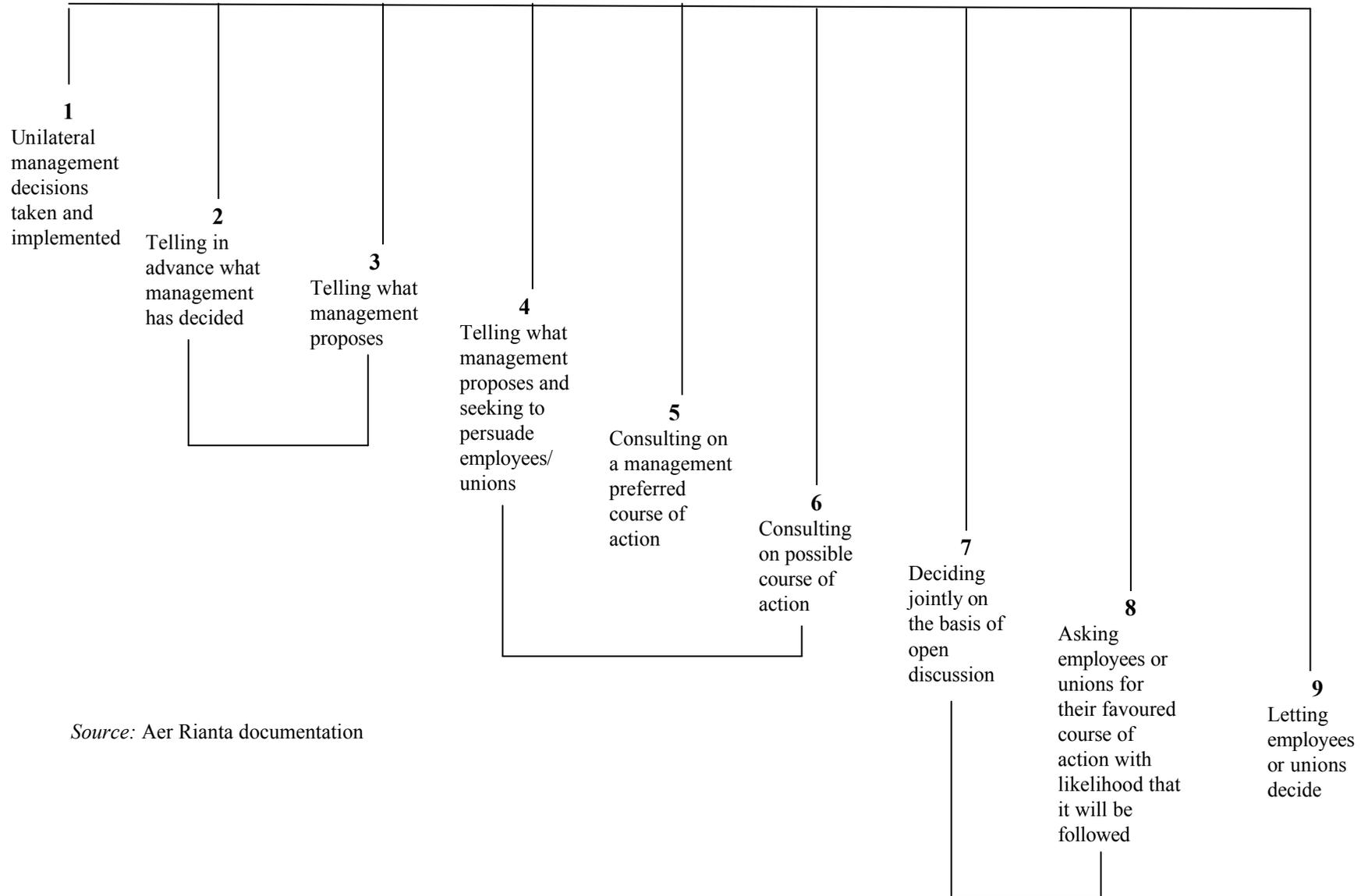
The main focus of this study is on direct participation as defined above, within the context of representative participation arrangements. The reason for this focus is that the partnership approach to implementing the SMI in the public service envisages the direct involvement of staff and unions in the process, as active partners rather than passive recipients. It is at this level that current approaches are seen as weakest at present. In this context, direct participation can involve employees as individuals, giving individuals a voice in the process and/or employees as groups or teams, giving teams, either temporary or permanent, a role in the change initiative.

It should be noted, however, that there are degrees of participation, as Figure 2.1 illustrates. As can be seen, position two and three on the figure illustrate situations where management makes decisions and informs staff of the decisions. The next three positions illustrate situations where management are engaged in consultation with staff (consultative participation as in the definition above). Positions seven and eight

represent situations where there is joint management and employee determination of actions (delegative participation as defined above). Positions one and nine represent extremes, neither of which involve a partnership approach in any meaningful sense.

It should also be noted that partnership implies a commitment to a long-term relationship. Partnership is not something that can be dropped at the first set back. As an alternative approach to industrial relations, it is likely that there will be a 'learning curve' of experience and that the partnership approach will develop over time. *Partnership 2000* lays the foundations for partnership at the organisation-level, but these foundations have to be built on over time.

Figure 2.1: The Degree of Participation



Source: Aer Rianta documentation

2.2 *Why Partnership?*

If partnership is to succeed, it must have a clear purpose. Pursuing partnership as an end in itself is unlikely to produce significant change in an organisation. In IBM Ireland, for example, employee involvement focuses around the implementation of strategic programmes, VISION and Horizon 2000. In the Department of Defence, the Strategic Management Initiative (SMI) provides the context for partnership initiatives.

The NESC report *Strategy into the 21st Century* (1996: 166) sets out a number of objectives for enterprise partnership:

- to enhance the prosperity and success of the enterprise;
- to create the basis for discussion of major decisions affecting the organisation's future;
- to engage all stakeholders' ideas, abilities and commitment;
- to enhance the quality of the work environment.

For a public service organisation, the first objective above, enhancing prosperity and success, might be directly applicable when the organisation is operating in a commercial environment. However, even when not directly applicable, public organisations have a role to play in enhancing economic prosperity and success generally. In this context meeting the strategic objectives of the organisation is the crucial issue. Thus the focus of partnership in the civil service and wider public service would be on achieving the objectives arising from the SMI process. Partnership in this context is a means to an end. The other three objectives are directly translatable to a public service setting. They relate to the process of partnership – involvement of all stakeholders in the decision-making process – and to the improvement of the quality of the work environment.

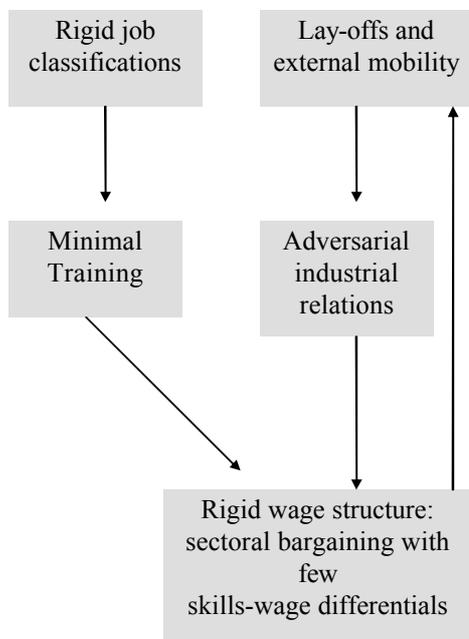
These objectives for enterprise-level partnership derive from changes in industrial relations systems and processes in recent years. IBEC, ICTU and the Labour Relations Commission are all promoting a partnership approach to industrial relations to go beyond the traditional adversarial model. For example, IBEC and ICTU have agreed a joint declaration on employee involvement. The Labour Relations Commission (1996) has developed a strategic policy statement *Improving Industrial Relations*, which highlights the emergence of a partnership model, based on key policies and principles such as new forms of work organisation involving teamwork and flexibility, and an enhanced role for employees and their unions in both strategic and operational decision-making.

Such changes are also being promoted at the European level. A European Commission Green Paper on *Partnership for a New Organisation of Work* was adopted in April 1997 (European Commission, 1997). The Green Paper invites the social partners and national authorities to seek to build a partnership for the development of a new framework for the modernisation of work.

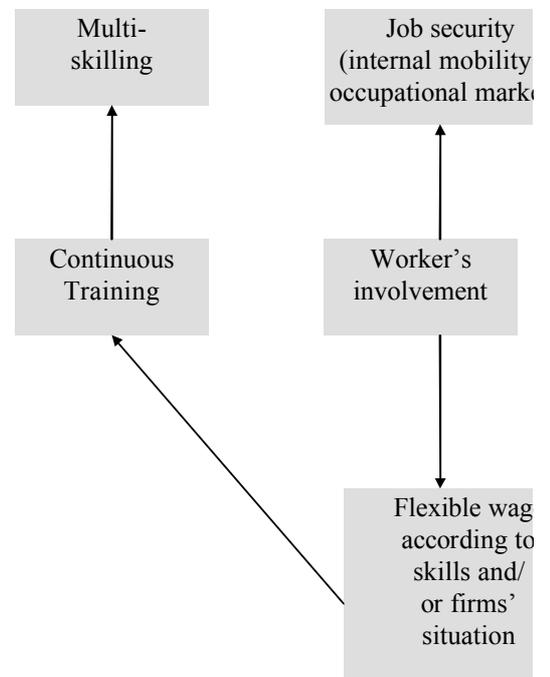
The NESC report *Strategy into the 21st Century* also emphasises this point when looking at alternative models of organisational structure, innovation and training. Figure 2.2, taken from the NESC report, illustrates the old style 'Fordist' model of rigid job classification, minimal training and rigid wage structures. This is contrasted with a new model based on workers' involvement, flexible wage structures, continuous training and multi-skilling. As the report states (1996:162):

This (latter) model alters the set of relationships from one of adversarial industrial relations to one of worker involvement in the production process and in the training process. This fact leads to the conclusion that the appropriate approach to these developments involves partnership arrangements and consensus building to be transferred from the level of the national economy to the level of the firm.

FORDISM
Job classification,
adversarial relations,
minimal training



NEW PRINCIPLES
Security, employee
involvement and
training



Source: NESC (1996)

In general terms, the rise of enterprise partnership as a means of doing business in organisations can be seen as arising from the changes in organisational structures and processes which have been occurring in both the public and private sectors in recent years. Traditional hierarchical and bureaucratic organisations have been giving way to post-bureaucratic models based on devolution of operations and the concentration of strategic control (Boyle, 1995a). For organisations to adapt to this new way of working requires a change of approach to the management of organisations: employees need to be involved in decision making and authority devolved down through the organisation. As Hyman and Mason (1995:144) note "...organisations need to create structures that are amenable to constant change, reflecting, and in part driving, the rapid and radical environmental shifts that we are witnessing as the twenty-first century approaches." The concept of a learning organisation, capable of adapting to and influencing changing circumstances, is one that has been noted as an applicable model in the Irish public service (Boyle, 1995b), and one that lends itself to the partnership approach as a means of achieving the desired goals.

This changed approach is illustrated by the Department of Finance case study. A 1995 review of the department's organisational structure, staffing and skills needs by Price Waterhouse found the department to have a strong public service ethos and commitment to high quality work. But it was critical of weaknesses in the department such as its people management and communications capabilities. The department was seen to have a 'traditional' and hierarchical approach to internal change management issues. The establishment of a cross-grade Change Management Working Group and the involvement of staff in the development of human resource management policy is an attempt to move to an approach where staff are involved and have a more direct say in change and the future direction of the organisation.

Thus new public and private management structures and processes are driving new approaches to industrial relations practices based on new models which promote learning in organisations and adaptation to change. This new approach encourages employee involvement and participation throughout the organisation, and across the range of tasks carried out by organisations. As Aer Rianta state when commenting on participation: "If one is excluded from the policy formulation, planning and review process it follows that involvement at the implementation stage allows little opportunity to influence decision making." (*Requisite Arrangements*, 1995, 1). In this case participation includes participation in strategic decisions and policy making.

CHAPTER 3

Challenges and issues associated with the development of partnership

3.1 Background

At one level, partnership seems intrinsically such a sensible way of progressing business and organisational objectives that its widespread use and welcome would seem automatic. Yet in practice, as noted above, partnership arrangements at the organisation level are not widespread. This cannot be put down solely to the fact that the move to post-Fordist production processes in organisations is only relatively recent and so new forms of working such as partnership have not yet had time to develop. There are other factors at work which can influence both attitudes to partnership and the longer-term success of partnerships.

In Aer Rianta, for example, to arrive at the current agreed constructive participation process took a considerable amount of time. The origins of the programme go back to 1984, when a study group was set up to examine the legislation with regard to worker participation. Yet it was 1994 before the current initiative was agreed. Along the way there were disagreements and discussions between management and unions and also within these groupings. In particular, there was much debate about the relative merits of direct participation and representation and significant emphasis on developing procedures for partnership. Initial workshops in the Department of Defence on human resource management policy indicated that staff generally wanted meaningful participation, but that some felt that there were obstacles in the current way of operating that needed to be overcome. Implementing partnership in a traditional, hierarchical organisation was seen as a challenge.

In this chapter, some of the key challenges and issues associated with developing a partnership approach are identified. First, a review of the literature shows challenges and issues which observers and commentators on partnership have identified as widespread. Second, the challenges for particular groups of staff are identified. This is not done to discourage a partnership approach: later chapters show how progressive organisations are meeting these challenges. Rather, the aim here is to ensure a realistic understanding of the challenges and issues which need to be addressed in developing a partnership approach to change.

3.2 Common challenges and issues associated with partnership development

Huxham (1995, 1996), in discussions on collaborative activities within and between organisations highlights a number of the potential problems and pitfalls associated with collaboration and, by association, with partnership:

- *Loss of control.* From the perspective of the actors involved, the ability to take action if things seem to be going wrong or differently from expectations may be reduced in collaborations. The sharing of decision-making may act as a constraint on actions.
- *Multiple goals.* The common goals of partnership need to be stated as clearly as possible if it is to succeed. But the specification of these common goals may cause problems in that it can make existing differences more explicit, with the advantages of ambiguity being lost. Also stakeholders are likely to want to achieve their own particular goals through partnerships, which may not relate to the stated purpose of the partnership.

Tension between autonomy and accountability. For those actively involved in partnership, autonomy of action – being able to respond to positions of the other actors in the partnership arrangement – can be important in progressing actions. Yet members may be accountable to their stakeholder groups (managers to a senior management group and/or ministers, trade union officials to their members), which may mean checking back before committing to a decision. Unless the balance is right, this tension can cause problems.

This latter point, regarding accountability systems, is pertinent in the public sector, where ministerial accountability can influence attitudes to partnership approaches to change. Kernaghan (1992:209) notes: “One reason why Canadian governments have made only modest progress in implementing participative forms of management is official concern that the bottom-up participative approach to decision-making is incompatible with the responsibility of ministers for the acts of departmental officials. Hence the continuing emphasis on holding public servants accountable through formal rules and regulations...” In this context, it will be interesting to note how, in Ireland, the Public Service Management Act, 1997, with its attempt to clarify the specification of responsibility to civil servants, influences attitudes to participative management as compared to the previous arrangements.

Situations may also arise where the results of change initiatives are what are known as successful failures. These refer to situations where dialogue is established, the partnership processes initiated, there are some early successes but then the initiative

stalls or fails. Heckscher et al. (1994) identify two main problems at the root of such failures:

1. The difficulty in creating new levels of trust, especially on a large scale: “Though the higher-level managers may believe that they are honestly and freely conversing, the lower-level people will soften, shade, distort, or hide their real views. They do not believe they have the capacity to engage their superiors, and they generally also fear retribution for disagreeing. Thus, there may for a time be the *appearance* of new relations, while the old bureaucratic reality simply goes underground.” (Heckscher et al., 1994:132)
2. Replacing the control systems of bureaucracy without losing control: “The driving impulse in most transformation efforts is the desire to get away from the burden of bureaucratic rules and restrictions; but unless these are replaced with effective alternatives, the system can simply dissolve into inefficiency. The inability to find such alternatives is a prime reason for the tendency to fall back into familiar patterns. To hang onto old controls as long as necessary without blocking the emergence of the new is a very difficult task.” (Heckscher et al., 1994:133)

In an in-depth evaluation of employee involvement in 25 different organisations in Britain, Marchington, Wilkinson and Ackers (1993:48-49) identified four main common problems with employee involvement in the case study organisations examined:

1. A lack of continuity, caused to a large extent by the movement of managers who were the driving force behind schemes on to other duties or a new position.
2. A lack of middle management and supervisory support for and commitment to the development of employee involvement. This may be because of scepticism, concern for their own future role, or lack of training in areas such as the running of team briefings.
3. The choice of inappropriate “off the shelf” systems by employers, irrespective of their relevance to a particular work environment and culture. This was particularly notable where organisations brought in consultants to help them develop schemes but did not have guidelines prepared for the consultants on what might or might not work.
4. A degree of workforce scepticism, created to some extent by the problems outlined above.

3.3 Challenges for particular groupings

These issues mentioned above must be borne in mind when developing a partnership approach to organisational change and development. They create particular challenges both for management and unions if partnership is to be applied in practice.

For management, there are challenges both for senior management and for mid-level managers. Top management must show active support for partnership and model appropriate behaviour if partnership is to take hold in organisations. In IBM Ireland, for example, the managing director put great stress on the first step for employee involvement being getting the management team to work together effectively. A 'contract' for the management team was developed, including: respect for others' point of views; resolve differences between themselves and do not use managing director as a judge. It was seen as important to start with the management team because other staff emulate their behaviour. Employees take their cue from the management team, and if they see behaviour there supportive of partnership, such as sharing of information and an absence on an adversarial approach, they are more likely to replicate such behaviour.

A study by the US Department of Labor (1996) indicates that top management must avoid the danger of reverting back to the 'old way of doing things' at the first sign of problems, and that they should also formally recognise and accept the union's role in partnership: "With recognition and acceptance, union leadership can participate without feeling it has to defend its legitimacy". Top managers need to act as facilitators of the change process.

There are particular challenges, as noted above, for mid-level managers and supervisors. Their role can change significantly in partnership structures, becoming more facilitative rather than acting as the link between employees and senior managers. In many organisations, the use of self-managed teams and team leaders has led to many middle manager positions being changed, causing anxiety amongst those affected unless this issue is addressed in an explicit manner (Boyle, 1997). In the Department of Defence, a particular need to support higher executive officers in the development of 'softer' staff management skills, such as communications and staff motivation, was identified, to help them face the challenges posed by greater staff participation.

Union representatives also face particular challenges. As Geary (1995:104) indicates: "Unions face a fundamental dilemma with their involvement in the development of new forms of work organisation: resist and risk marginalisation; concede to agree to management's objectives and invite the rancour of the membership for policing and supporting the implementation of plans which contradict the traditional goals of

unionism". Union representatives tread a difficult balance through involvement in partnership.

There is an inevitable tension between the representative role of union officials and the direct involvement of employees in partnership arrangements. This is particularly the case in the context of employee involvement in formal partnership structures. As mentioned above, this was a particular issue in Aer Rianta. The US Department of Labor study (1996) found that, as with middle management, union leaders found their role changing: "Local union leaders in partnerships now spend a great deal of time educating their members on how to participate and how to become involved in the co-operative process without fear of downgrading or job loss ... union leaders ... spoke of the increased satisfaction from the work they are doing in the co-operative, participatory environment. Also, contrary to another common assumption, union leaders who were engaged in co-operative, service orientated efforts found themselves most often re-elected".

The US Department of Labor study (1996) also found that for management and unions to tackle the issues involved in developing partnerships, strong supports are needed. These supports can take several forms: national employer and union associations; neutral resource organisations; universities and training institutions. These support networks can help educate the parties involved and provide them with the new skills needed, acting as catalysts for change. A particularly useful support role is that of facilitator of partnership arrangements. Many organisations, recognising that they do not have the skills needed to develop a partnership approach themselves, bring in a facilitator to work with the different stakeholders involved in developing a partnership approach. This can help move the process along. Facilitators were used in all four cases studies here. The Departments of Finance and Defence, for example, both used the services of the Centre for Management Organisation and Development (CMOD) in helping them plan and run the consultative workshops for staff.

3.4 Summary

Developing partnership within organisations is not an easy task. Partnership changes the nature of relationships at work: between management and unions and staff generally. Whilst most people welcome partnership as a good idea, its implementation presents particular challenges. How the issues identified here are addressed will in large part determine the success or failure of partnership initiatives.

CHAPTER 4

Means of developing a partnership approach

4.1 Introduction

There is no single way of developing or promoting a partnership approach to organisational change. But there are a number of mechanisms which have been used by organisations which can help promote partnership. In this chapter, ways of developing partnership used by the case study organisations and identified from the literature are outlined. First, the role of steering or co-ordinating mechanisms is identified. Second, some direct participation mechanisms are outlined.

4.2 Developing a partnership approach – the role of steering or co-ordinating groups

As has been discussed, in the public sector *Partnership 2000* (1996) provides for employee and trade union co-operation with the public service reform programme within a partnership approach. At the organisation-level, guiding or steering such an approach is normally overseen by some representative participation mechanism such as a steering or co-ordinating group. This group is tasked with overseeing the process and promoting a partnership approach down the line in the organisation, promoting direct participation mechanisms. Under *Partnership 2000*, management, union representatives and employees are all seen as having a role in steering charge.

Joint consultative committees (JCCs), are a good example of representative participation and have a long history in the public sector. They aim to complement the more traditional collective bargaining approach to industrial relations, through the development of joint consideration of management proposals and decisions. Hyman and Mason (1995:123) note that successful JCCs are based on three principles:

1. There must be as clear a separation as possible between consultation and negotiation issues. Negotiation issues usually remain within the remit of collective bargaining. However, some negotiating issues can fall to JCCs, either formally or informally.
2. Management must show the workforce that JCCs are taken seriously. In particular, they must have the status to make decisions.
3. Employee representatives must have legitimacy in the eyes of the workforce. This often involves trade union representatives, though this can cause problems in multi-union organisations.

In the cases studied, the three public sector organisations had steering groups with varying degrees of similarity to JCCs overseeing the change programme. In Aer Rianta, a Joint Union Company Group (JUCG) comprised of four union officials, two shop stewards, five managers and a secretary, had as its function “to initiative and jointly manage the implementation of the terms of the compact and to develop, promulgate and monitor the process of constructive participation in Aer Rianta” (*Requisite Arrangements*, 1995, 18).

In the Department of Defence, there are several departmental-level structures to facilitate partnership. the Defence Forces Strategic Management Committee, chaired by the Secretary General and including the Chief of Staff, Adjutant-General and the Quartermaster-General and two assistant secretaries, defines and oversees the approach taken to the SMI. Within this framework, the Departmental Council provides a formal opportunity for union and management joint consideration of SMI issues and of partnership approaches. The Council has an independent chair, and representatives from management and the relevant union. Participation working groups, made up of nominees from the Civil and Public Service Union and Public Service Executive Union, plus staff who responded to a general invitation from the Secretary General, help determine the direction of future participation approaches, particularly at branch/section level.

Finally, in the Department of Finance, as mentioned earlier a Change Management Working Group is overseeing the implementation of the recommendations of the Price Waterhouse review. The Group is chaired by the Secretary General for Public Service Management and Development and includes three assistant secretaries, two principal officers, three assistant principles, an administrative officer, a higher executive officer, an executive officer and a clerical officer.

This steering or co-ordinating approach as the departmental level is echoed in a US Department of Labor (1996) study of partnership which found that a common mechanism to promote partnership was the presence of a top-level labour-management committee to guide the co-operative effort. These committees usually have equal representation of both labour and management, and often appoint specific teams to solve problems needing attention. The study found that these committees are more likely to be acceptable to employees if their representatives are not selected by management: “... labor-management co-operation towards service results is better achieved if workers select their own representatives.”

The steering or co-ordinating group/committee has a number of tasks in terms of the design of partnership mechanisms within departments (O'Dowd, 1997):

- Determining the objectives of the partnership system and the principles underlying it. In this case, a key task is teasing out the objectives to be achieved, as Aer Rianta did with the production of the Compact.
- Determining the range of subjects appropriate to the partnership system and how decisions will be made. In both the Department of Finance and the Department of Defence, human resource management issues were seen as particularly appropriate as issues to start with, being directly relevant to staff on a day-to-day basis. In Aer Rianta, a decision was taken that participation would not be limited to shop floor level issues, but would include participation at all levels including strategic decisions and policy making. With regard to decisions, in most cases the final decisions on actions taken rested with management, following consultation, with the aim being to generate as much consensus as possible before decisions are made.
- Determining the relationship between the partnership system and the collective bargaining system. Here, the movement of issues between fora must be determined. For example, if proposals discussed in partnership fora have staff numbers or grading implications, determining how and when such issues should be referred to collective bargaining fora must be determined.
- Determining the selection of employee representatives. Involving individual members of staff alongside union representatives is a delicate issue in partnership systems. In Aer Rianta, the Joint Union Company Group is tasked with determining membership of participative groups in the company at work group, departmental and business unit levels. These groups include management, trade union representatives and staff members.

Before leaving the issue of representative mechanisms, a brief word is needed on works councils, which internationally are a commonly used mechanism. Works councils are found in many European countries. They differ from JCCs in that they usually have statutory backing, are formal organisations with written constitutions, and are based on union participation. They come from the corporatist, participative culture which governs workplace activities in countries such as Germany. Works councils have not, to date, transferred effectively to US, UK or Irish practice. Early experience of the Irish Productivity Centre with establishing works councils in state bodies in the 1970's, for example, found no broad base for acceptance of the mechanism as a useful participation forum (Lyons, 1997). Works councils were found not to fit in with the industrial

relations culture existing in Ireland, and in particular the adversarial system of industrial relations (Labour Relations Commission, 1996).

Where works councils do operate, their main function is normally to act as a channel for information disclosure and consultation on non-bargaining issues. They are seen as fora for consultation before major initiatives are taken by management.

4.3 *Direct participation mechanisms*

Direct participation mechanisms usually involve structured communications activities, both downwards and upwards. They may also be focused on the individual employee or groups of employees. A range of mechanisms outlining these approaches are set out below.

4.3.1 Team based working. Here, the emphasis is placed on team work and group behaviour. Teams are given the supports needed to direct and implement change. They influence the pace and direction of change within a broad strategic framework. Such structures can meet with a wary response by employers and employees used to traditional industrial relations mechanisms. But they can reflect a move to two-way communications and less formalised approaches to involvement. Team based working has been explored in more detail for the Committee for Public Management Research in a recent discussion paper (Boyle, 1997), where specific examples and details of different types of team-working are explored.

Teams may be either temporary or permanent. Teams may also be used primarily for consultative purposes – feeding back information to management, who may or may not act on the recommendations – or for delegation, where rights and responsibilities are granted to groups of employees without constant reference back to managers (Krieger and Sisson, 1997).

Teams are important to a partnership change process because they establish dialogue among groups that have formerly related through bureaucratic roles (Heckscher et al., 1994:147). They can create a parallel organisation of groups that cut across the hierarchy. Heckscher et al. (1994: 147-148) identify three major elements needed to facilitate dialogue in such groups:

1. The creation of a temporary or experimental space for dialogue. This includes: ensuring that all stakeholders are represented; initial meeting, usually off-site and confidential, with an atmosphere of encouragement of innovation; and the development of group-work principles such as respect, consensus etc.
2. The generation of new patterns of interaction among the participants. This includes: construction of a shared vision; development of shared goals; and the concrete planning of implementation steps.
3. The development of skills needed to support the new ways of working, such as listening, group problem solving and negotiation.

In the cases studied, the Departments of Defence and Finance provide good examples of temporary teams brought together for consultative purposes, with the creation of consultative workshops (see Box 4.1). In Aer Rianta, the intention is that the regular work groups, departmental and business unit groups will operate on a permanent basis and be involved in decision-making appropriate to their level of operation.

In an international setting, Wild et al. (1996) give an example of a team-based steering group and task force structure for getting employees to participate in organisational change in the case of the Educational Testing Service in the United States. A high level steering group of senior managers was formed to gather data and plan actions. They held focus group meetings with employees and open forums for all employees. They then set up two task forces, which they named re-engineering teams, to advance the change initiative: a redesign team and a change management team. These teams made plans of action and held employee forums to outline progress, get staff inputs, highlight project milestones and answer questions. People were given a chance to experiment with the new ways of working proposed, and give feedback. Finally, an implementation team was established to co-ordinate the actions arising from the re-engineering teams. Employee surveys were used to chart the readiness for change, identify blockages and change priorities.

This example illustrates that involvement mechanisms can be combined to facilitate change. In this case, the steering group and task forces are the main partnership mechanism used, but employee forums and surveys (outlined below) are also an important part of the process.

Box 4.1 Using consultative workshop teams in the Departments of Defence and Finance

Department of Defence

Three working groups were set up to consider and report on the issues of strategy, human resources, and image (including customer service). Consultative workshops were set up in the Department to provide information on each of these issues for the working groups.

The Centre for Management and Organisation Development (CMOD) section of the Department of Finance were engaged to provide facilitators for the workshops. The facilitators worked with management services branch to produce a structure and format for the workshop sessions, to ensure that discussions were focused on the themes of the three working groups. Every member of staff from principal to services officer was invited to attend the workshops. the vast majority of staff did so. Staff were assigned to workshops according to grade: principal; assistant principal; higher executive officer; executive officer/staff officer; clerical officer/clerical assistant/paper keeper; services officer; and telephonist. About thirty workshops were held in all, with average attendance being around fifteen at each workshop.

Department of Finance

A draft paper on human resource policy was prepared in the corporate services division. In order to encourage and focus feedback on the policy, an assistant principal officer in the corporate services division was tasked with organising a series of workshops for staff. These workshops were structured around the draft discussion paper, and were facilitated by the Centre for Management and Organisation Development (CMOD) in the department, who had previously facilitated similar workshops in the Department of Defence. However, unlike the Department of Defence, where workshops were organised on a grade basis, workshops in Finance were organised on the basis of areas of responsibility. Thus workshops were held for each assistant secretaries' area of responsibility, so that all staff for each area were invited to attend. Some concerns were expressed that this approach might inhibit the input of more junior members of staff, who might defer to their line managers. But in practice, the facilitators were pleased with the level of participation and the openness of participants to put forward and listen to other points of view. Nineteen workshops were held, each of a half-day duration. Numbers attending ranged from twelve to twenty-four. Approximately seventy per cent of all staff of the department attended, with representation being good across all grades. Four 'all-comers' workshops were held as an opportunity for staff who missed out the first time round to give their views.

4.3.2 Employee Forums. Here, the focus is on information dissemination with regard to the implementation of a change programme. An example is provided by IBM Ireland, where employee forums have played a central role in ensuring the implementation of both the VISION programme of change 1990-1995 and the Horizon 2000 change programme. All employees are expected to attend at least one forum every year. Groups of about fifty to sixty are drawn cross-functionally from round the company, and

go off-site to a hotel for a day. Dress code is casual. Round tables are used, with eight to ten at each table (people are allocated places, with the aim being to deliberately mix staff from different work areas), with a senior manager at each table. A typical format for the day would be:

- Introductory session by management team members updating everyone on progress with their part of the business.
- Introduction on issues/topics for the day.
- Discussion at tables on issues/topics (sometimes using outside facilitators/subject experts).
- Minimum of 1½ hours open dialogue with the managing director (Cards are available on the table and people can anonymously write questions during the day or raise questions during the session. All questions are addressed and answers or promises given to get back with an answer).
- Evaluation forms filled in by participants.

Early on in the lifetime of the forums, a decision was made to share budgeting and costing information with employees. No boundaries were drawn as to what could be disclosed. This was regarded as a brave decision by the management team as this information is commercially sensitive. But it was crucial in creating an atmosphere of trust, particularly given the adversarial culture that had previously existed. A further key principle is to ensure that no one is victimised for making a point at the forum. A lot of anger and frustration can be expressed, particularly when discussing retrenchment. It is difficult, but crucial, for management not to respond in kind.

These employee forums have been found to be an effective involvement tool. But they take a significant amount of management time. All the management team attend each forum. In a typical year, the managing director will spend around twelve to fourteen full days off-site with employees (but at times of peak change this was over twenty full days in a given year). This is, however, felt to be time well spent. The management of IBM Ireland feel that it would have been impossible to achieve what has been achieved without the employee support engendered by the employee forums.

A less structured example of employee forums is given by the use of quarterly all-staff meetings of Canada Deposit Insurance Corporation. Here, all employees gather in Ottawa in the main boardroom (with a phone link-up to the office in Toronto) and participate in an all-staff meeting. The topic for the meeting can vary, but would be on

issues like the corporate plan or the annual report (Treasury Board of Canada Secretariat, 1996).

4.3.3 Team Briefings. Here, the emphasis is put on cascading information down the line. The aim is to inform employees of the change programme and of the organisation's strategic decisions, with an emphasis on their effect at the local level. Employees can be involved in determining impacts at the local level within the broad strategic direction. For example, in the Department of Defence, the report by the participation working groups recommends that, in order to ensure continuing participation/partnership in the planning process, principals or assistant principal officers should bring their staff together every two months, in an informal manner, to review progress with the business plan and identify any necessary corrective action. Line managers are thus given a greater role in day-to-day employee relations. This point is further illustrated by Revenue Canada where each field and headquarters office formed a committee from a cross-section of employees to report communication best practices, barriers and recommendations. Most practices identified face-to-face contact between management and staff to create opportunities to ask questions, comment, and share and develop ideas. Most stressed the leader's role in initiating and sustaining communications (Treasury Board of Canada Secretariat, 1996).

Best practice for team briefings suggests that teams should be composed of four to fifteen employees and a 'leader', usually the manager/supervisor; briefings to be held about once a month; they should last for no more than about thirty minutes; there should be no more than four levels in the cascade flow. For example, in Peugeot Talbot an executive management team met monthly to decide on a core brief. This brief provided an overview of the main company indicators. It was disseminated down through briefing groups to the workforce over a two to three day period, picking up local information on the way (Hyman and Mason, 1995: 79-80).

4.3.4 Newsletters/In-house journals (printed and electronic). Newsletters are found in many organisations. However, as a means of involvement their role is limited. To achieve their informational aim, management must be clear about the aims of such written forms of communication. Increasingly, e-mail and electronic bulletin boards are being used to enhance communications with staff. In the Department of Defence, reports from the consultative working groups were made available to all staff on the e-mail general information bulletin board. This ensured that all staff were offered an opportunity to be involved, whether or not they could attend the workshops, and be involved in subsequent deliberations.

4.3.5 Suggestion schemes. Suggestion schemes are one of the oldest forms of employee involvement. Initially started as a cost-saving mechanism, in many instances they have moved to encourage employee involvement and commitment to change.

4.3.6 Attitude surveys. Hyman and Mason (1995:82) note two key principles that should underpin attitude surveys if they are to have more than superficial impact. One, the organisation must be willing to use this method to hear employees views on a wide range of activities and policies, no matter how negative the initial views may appear. Two, the organisation must respond positively to the data collated, rather than just presenting the information then filing it away.

Attitude surveys have been used in Aer Rianta. Surveys of staff were conducted in 1988 and in 1995 to identify attitudes and opinions toward participation. These surveys are seen by the company as having a useful role in mapping out the current situation, setting a benchmark against which to measure future progress.

If used wisely, attitude surveys can help gauge the effectiveness of the change process. Are messages about the importance and direction of change getting through to management? Are effective communications channels being used? Are employees 'buying-in' to the strategic direction of the organisation? These and other questions can be 'benchmarked' through attitude surveys, with subsequent repeated surveys gauging progress with the change initiative. Another example is provided by the Canadian International Development Agency which in 1994 held an employee survey to provide upward feedback on agency management practices, work climate and work environment. After this survey, branches developed action plans based on the survey results. Focus groups were held in 1995 to check on progress. A second full survey was conducted in 1996 (Treasury Board of Canada Secretariat, 1996).

4.3.7 Performance appraisal and development. Appraisal and development schemes can be tailored to aim to make employees active participants and agents of change in the organisation. A partnership approach to appraisal and development recognises the development aspect of appraisal and the opportunity to engage the employee in the change process in a meaningful way. 360 degree appraisal, whereby employees have an opportunity to appraise the performance of their manager, and peer review is built into the process, is an increasing feature of appraisal schemes.

A 1997 survey on performance management issues in the Irish civil service, conducted for the Department of Finance by Hay Management Consultancy, indicated a high degree of support for performance appraisal and development (92 per cent believe that

their performance review should take into account how they have done their job as well as what they achieved; 71 per cent believe regular performance review is important to them). However, there is some concern as to how performance is currently assessed and the practical difficulties involved in assessment (73 per cent disagree with a statement that performance standards are consistent across their department/office; 69 per cent agree that it is difficult to measure performance in the civil service for the purpose of pay).

4.4 Summary

In this chapter, a wide range of mechanisms for promoting partnership at the organisation level have been identified. But it is important that these are not seen as elements of a 'pick and mix' approach to partnership. In Chapter 3, the use of inappropriate off-the-shelf systems for promoting partnership by employees was identified as one of the common problems associated with employee involvement initiatives. Whatever means of promoting partnership are chosen for use, thought must be given to the context within which partnership is to be applied. In particular, the training and development supports needed and the broad framework for change need to be established. These issues are covered in the next two chapters.

CHAPTER 5

Training and development supports for partnership

5.1 Introduction

Partnership involves the development of new roles for managers, employees and their representatives in organisational decision-making. As the US Department of Labor (1996) study on partnership indicates: “This means that employees participate on a daily basis in decisions about services in areas traditionally reserved only for supervisors and managers. In exchange, the workers and their representatives are committed to responsible improvement of public services”.

In order to fulfil these new roles, managers, employees and their representatives need training and development support. In Ireland, this point has been recognised in the creation of the National Centre for Partnership, one of whose key roles is the promotion and development of training supports for partnership. This training must be provided in the context of specific partnership initiatives. Experience indicates that providing training without fully grounding it in the partnership process can lead to ineffective training interventions (Lyons, 1997). In this chapter, the kinds of training and development supports that are seen as useful and relevant are outlined.

5.2 Contextual training supports

Background briefing and information sessions provide a means of informing staff of partnership developments and public service change generally, and of exchanging information in an informal and supportive atmosphere. In the Department of Defence, many staff in the consultative workshops indicated that they felt there should be presentations on the work of the department generally, and visits to the department’s offices and military installations. This, it was felt, would help improve communications.

In response to similar feelings the Department of Finance launched a series of lunchtime discussions, where someone from a section is asked to give an overview of their area of work for other interested staff. These discussions have been well attended, and are seen as having contributed to developing a supportive atmosphere for the running of the departmental workshops. They are seen as a useful informal means of enhancing discussion and communication across units and sections which previously did not have much communication between them.

5.3 Partnership based training

Joint training of management and employees is important for the development of partnership within organisations. The participation working groups in the Department of Defence note that, given that managers and staff will be interacting in a new way, it is important that both sides be given training and other supports to help ensure that the process is open and constructive. They recommend that such training should involve managers and staff being brought together, preferably off-site.

This emphasis on joint training is echoed in the US Department of Labor (1996) study:

The use of joint training – jointly sponsored and jointly attended by labor and management – in conflict resolution and group problem-solving skills typically is used to help parties break with past habits. Almost all successful new relationships observed by the Task Force contained some such training at the outset. In addition, in the more sophisticated or longer-lasting experiments and innovations, joint training for labor and management was conducted in process analysis to teach techniques of identifying service problems and in using organisational systems, such as budgeting, procurement and so forth.

It is also important that training be undertaken in a structured rather than an ad-hoc manner. Aer Rianta provide an example of a well structural approach to training supports (see Box 5.1). B.C. Hydro in Canada provides another example of a systematic training approach. Here, as Kernaghan (1992, 203) states, B.C. Hydro's approach includes:

Providing senior managers with a framework for understanding the concept and practice of empowered workteams; providing regional or functional management teams with a shared vision and action plans to develop, lead, and support workteams; providing managers of potential workteams with a 'prep session' to ensure that they understand the commitment required; and providing leaders and members of potential workteams with a workshop to expose them to the concepts involved and to enable them to make informed decisions. All this is followed, as appropriate, by a more intensive development of skills for the team as a whole and for individual members to help them in understanding and managing change, improving interpersonal communications and enabling group problem-solving and decision-making and team-based performance management.

In all, there is a recognition in organisations committed to partnership that training and development support is an integral part of the process.

5.4 Specific training initiatives

Within the broad commitment to training, the cases studied and the international literature indicate that specific groups and topics need particular training initiatives devoted to them.

Box 5.1 A structured approach to training for partnership in Aer Rianta

Aer Rianta regard training and development as a crucial support for constructive participation. The Joint Union Company Group received facilitative support, undertook a number of site visits to organisations engaged in participation internationally, and built up a body of literature on the topic.

Training supports have also been identified for each group engaged in constructive participation activities:

- Regular work groups will be given training dealing with the participation process (group organisation, problem solving, decision making, conflict resolution), making presentations, personal development and other relevant items.
- Departmental groups in addition to the above will be given training in trade union policies and procedures, and in the company's organisational systems, budgeting, departmental strategy and other appropriate subjects.
- Business unit groups will in addition require some introduction to airport economics, pricing policies, aviation standards and recommended practices.
- The Corporate group will, in addition, need training on the question of physical and strategic planning, policy formulation and corporate finances.

Seven distance learning modules have been researched and produced by an external facilitator in collaboration with the JUCG, covering such issues as making sense of change, determining priorities, and making sense of other people. Each member of staff gets a copy of this material following their attendance at the introductory sessions for the formation of regular work groups.

Information and resource centres have also been set up at both Dublin and Shannon airports and one is planned for Cork Airport. Books and papers on participation are available from the centres. Newsletters are issued to staff on a regular basis by the JUCG secretariat informing them of progress to date with constructive participation.

Middle managers are one group with particular needs. As indicated in Chapter 3, middle managers face a new role in partnership arrangements, becoming more facilitative than directive. In the Department of Defence, the management services branch have identified a particular training need for higher executive officers regarding the 'softer' staff management skills such as communications and staff motivation. They are working with the Centre for Management and Organisation Development (CMOD) in the Department of Finance in developing an appropriate training support package to meet this need. In IBM Ireland, forums are held one a quarter for first line managers, in recognition of their particular needs and role in the change process.

Front line staff also have particular needs, as the US Department of Labor (1996) study indicates:

To ensure successful cooperative relationships that work over the long run, workers will need to acquire training to become better able to make judgements about ways to streamline work practices, improve customer services and enhance job performance. It is clear that the most effective training comes when workers and their unions play a partnership role in identifying the necessary skills and help plan for the development of these skills. Where done in partnership, the results have normally been gratifying and the more practical and effective the partnership.

The better educated and trained workers and their union leaders become, the more confident, willing and able they will be to participate in actions to modify or change in-work practices. This training extends into numerous areas, such as how to engage in interest-based negotiations, joint-problem-solving, process analysis, general skills improvement, learning a new job or learning about important organisational systems that assist their ability to participate in redesign or daily decisions. Sometimes, training in very basic skills in communication, calculations, analysis or similar issues is a necessity. In other instances, it may be necessary that workers be kept current on the latest technological or knowledge advancements that serve to increase productivity in their area of responsibility.

Team-based training is also important, given the role that teams play in partnership initiatives, highlighted in section 4.3.1 of this study and by the Aer Rianta experience. A recent study (Boyle, 1997, 20-21) indicated three categories of team skill requirements: technical or functional skills; interpersonal skills; and problem solving and decision-making skills. Team leaders in particular have specific developmental needs, especially in helping them manage the team's external boundary and facilitate the team process.

A specific topic area which the US Department of Labor (1996) study found to be of great relevance to training efforts is the issue of co-operative collective bargaining relationships. Training initiatives on this issue in the early stages of partnership relationships was commented on positively by several witnesses to the task force. For example:

The Oregon Employment Relations Board's State Conciliation Service, which provides conflict resolution and other services for collective bargaining relationships in public agencies, has developed an innovative program which the

Task Force found also employed ... by a handful of states. Known as collaborative bargaining using interest-based negotiations, it aims to change the parties historical way of relating, covering grievance procedures as well as collective bargaining negotiations. Oregon labor and management officials from more than 69 jurisdictions and state agencies have been trained in various techniques including interest-based negotiations, consensus decision-making and problem-solving. Participants testified that while the training can be time-consuming (2-3 days), the results are very gratifying and provide the ability to frame new, co-operative relationships.

5.5 Summary

The range of approaches to training and development outlined above, while not exhaustive, show that without appropriate training and development supports, employees and their representatives, and managers, are left with insufficient means to develop the new skills and competencies which partnership relationships require. But training and development support must be provided in a structured manner relevant to the specific and specified needs of the organisation. In particular, the evidence suggests that there should be:

- Context setting supports which provide information on the need for change and a partnership approach. In the case of the public service this would be exploring the SMI and Partnership 2000 agendas. Such initiatives can also begin to create a supportive climate for partnership.
- Joint training for managers and employees and their representatives.
- A structured approach to training provision, aimed at meeting the needs of particular groups in identified topic areas. Key groups include middle managers, front line staff, and work teams. Key topics include interest-based negotiation, joint problem solving, communications and inter-personal skills.

CHAPTER 6

Towards a framework for a partnership approach to change in the public service

6.1 Introduction

As noted in *Partnership 2000* (1996), an adversarial approach has shaped the conduct of industrial relations in Ireland, including the public service. In this adversarial system, unions and employers see their interests reflected through pressing their respective cases, though they are also understood to be interdependent. As the Labour Relations Commission (1996:6) states with regard to the general situation:

In the adversarial system, the practice of conducting day-to-day industrial relations on the basis of unions seeking out the 'sticking points' of managements on particular issues, or management's accommodating to union pressure, as far as seems necessary, is treated as a fact of industrial and commercial life. In the adversarial system, the principles of good industrial relations focus on regulating ongoing compromise between both sides. Joint decision-making, or the practice of solving problems or disputes by seeking consensus, finds little support in the postures or policies of the parties to industrial relations ... Attempts at joint decision-making by consensus have tended to be restricted to trivial issues, of no more than marginal significance to ongoing industrial relations. As a consequence, initiatives like voluntary works councils, or similar joint union-management fora designed to operate outside adversarial channels, have remained unusual in Irish industrial relations.

Adversarial principles and practices thus continue to exercise considerable influence over industrial relations practice in Ireland. This point is emphasised by Roche and Gunnigle (1995: 31-32) when discussing the challenges faced by unions:

Union officials and activists have been schooled, in the same way as Irish managers, in a tradition in which adversarial collective bargaining was viewed as the mainspring of industrial relations practice. Competing and meeting commercial challenges were viewed, first and foremost, as concerns of management. Co-operation with company efforts to increase employee commitment to business success is seen to hold risks of reduced commitment to the union. Though unions are being asked to assist with measures to enhance

business performance, they must also be capable of challenging managerial decisions and negotiating pay and conditions in collective bargaining.

But there are signs that this adversarial culture is beginning to change, and these changes set a new context for partnership development in the public service. In terms of legislation, the 1990 Industrial Relations Act requires the Labour Relations Commission (LRC) to promote good industrial relations. This is a significant departure from established practice. The LRC, in this context, is actively promoting mutual gains industrial relations (1996: 26). The LRC sees an emerging potential coalition in support of this mutual gains partnership approach to good industrial relations in Ireland. This view is based on the fact that on the management side, many organisations in Ireland are putting a new emphasis on 'people issues' or human resource management. Also, in recent years, the unions have started to tackle these new industrial relations issues. The ICTU reports *New Forms of Work Organisations* (1993) and *Managing Change* (1995) recognise and accept the need to move beyond the adversarial model, taking a more proactive approach to influencing management actions and plans.

Roche (1996) notes how from the early to mid 1980s a number of distinct employee relations models have developing in Ireland. He identifies four models guiding management, union and employee efforts to handle change and restructuring: the non-union human resource model; the partnership model; the deregulation model; and the adversarial model. With regard to the partnership model, he indicates that:

Union-management dialogue moves beyond collective bargaining alone to embrace business and product plans and strategies, the design or redesign of production systems and the resolution of what generally come to be seen as 'common' problems and challenges. Dialogue focused on such issues is conducted, as much as possible, on the basis of consensus. Collective bargaining still addresses pay and conditions; the form or content of collective agreements may however change. Agreements may enshrine a commitment to ongoing flexibility in work processes and attempt to avoid the ongoing entrenched negotiations about job demarcations, staffing levels, work pace and related matters, which are such a prominent feature of the traditional adversarial model.

Partnership 2000 (1996), as mentioned in Chapter 1, is also driving the agenda for change. Action through partnership for competitive enterprises is a key element of the programme. A national framework is proposed to develop partnership at enterprise level. A vital supporting role in this framework is to be provided by the National Centre

for Partnership, which will promote the involvement of employees and unions in the partnership approach to workplace change, promote training and technical assistance, and disseminating best practice.

Partnership 2000 also identifies the need to develop partnership structures in the public service. These structures are currently the subject of discussions with the unions. They aim to provide a range of mechanisms to facilitate and encourage consultation and participation in the change process in public service organisations, involving management, union representatives and employees directly in the change process.

6.2 Organisational framework for partnership

There is thus in place a broad framework of support for the development of partnership approaches to change at the organisation level. But it must be recognised that this framework is very much at an introductory stage. There is a complementary need to develop a framework for change at the level of the organisation. Whilst a broad framework is needed to guide the change process at the national level across the public service, this by its nature can and should only set the general direction for change. It is up to each organisation to determine the most appropriate partnership structures for it within this broad direction.

The consensus from the literature on enterprise partnership appears to be that there can be no single model of partnership that is applicable in all situations (NESC, 1996; Hyman, 1997). In their evaluation of practice for the Department of Employment in Britain, Marchington, Wilkinson and Ackers (1993) note that most organisations used a mix of mechanisms to promote employee involvement, with larger organisations tending to use a wider range than smaller organisations. A survey of ten European countries indicates that multiple mechanisms are more effective than single, isolated measures of organisational change (Krieger and Sisson, 1997).

However, Marchington et al. (1993: 47) caution against simply selecting a range of mechanisms without thinking through how they will work together: "In some of our case-study organisations multiple techniques led to potentially conflicting pressures and confusion or communications overload for the staff subject to these arrangements. Much depends upon the context in which employee involvement is practised, how it is introduced, and the degree to which different schemes are integrated with the strategic objectives of the organisation as a whole." What is needed is a broad framework within which a coherent set of initiatives to promote the partnership approach can be developed.

A number of authors have attempted to outline principles and features which should guide the development of enterprise partnership and provide the framework for development. Two such approaches are outlined here, promoted by Kochan and Osterman (1996) based on US experience and Hyman (1997) based on British experience.

Kochan and Osterman (1994: 46-58) summarise the generic principles that characterise what they term the mutual gains enterprise: where the multiple stakeholders in an organisation all support agreed objectives for mutual gain. These principles are outlined in Table 6.1. The principles are not put forward as a set of best practices, and it is recognised that they will be applied differently in different settings. The authors indicate that the principles should be applied at three levels of economic activity: the workplace, personnel policy making, and the strategic level.

Table 6.1: Principles guiding the mutual gains enterprise

<p><i>Strategic Level</i></p> <ul style="list-style-type: none">• Supportive business strategies• Top management commitment• Effective voice for human resources in strategy making and governance <p><i>Functional (human resource policy) Level</i></p> <ul style="list-style-type: none">• Staffing based on employment stabilisation• Investment in training and development• Contingent compensation that reinforces co-operation, participation and contribution <p><i>Workplace Level</i></p> <ul style="list-style-type: none">• High standards of employee selection• Broad task design and teamwork• Employee involvement in problem solving• Climate of co-operation and trust
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(Taken from Kochan and Osterman, 1994, 46)

Hyman (1997) identifies a number of features to be considered as elements of a core partnership strategy:

1. Evidence of formal senior management involvement and public commitment to partnership principles.
2. Stable and consistent procedures, policies and practices (written declaration of objectives agreed by organisational partners and communicated to all employees. Should include formal integration with other policies e.g. equal opportunities along with statement of partnership training policies and detail of procedures to be adopted for changes in policies etc.).
3. Clear demonstration of ways in which partnership integrates with human resource and business strategies.
4. Joint determination of ways in which partnerships integrates with human resource and business strategies.
5. Details of extent and depth of employee influence and input to the management process.
6. Monitoring, measuring, evaluation and reporting procedures.

These frameworks suggest that action needs to be taken at a number of different levels in the organisation – strategic, section/unit and the workplace level – in order to promote partnership and facilitate change.

6.3 Distilling the lessons learnt – developing a partnership approach to organisational change in the Irish public service.

Before setting out the main lessons which seem to arise from this review of partnership arrangements, it is useful to emphasise that the move to partnership is very much a process. It is important not to oversell the process in the early stages. The desired goals are unlikely to be achieved quickly, and an incremental approach to change is likely. Kernaghan (1992: 198) usefully describes the ultimate aims of this multi-stage progression to effective partnership as set out in Box 6.1.

It is also worth repeating that the broad goal of partnership in the Irish public service is the development and implementation of the Strategic Management Initiative (SMI). The partnership approach will be futile and ultimately non-productive if it fails to be integrated with the process of achieving departmental and divisional objectives arising from the SMI process.

Box 6.1 Moving to a partnership arrangement in organisations

Near the beginning of the process, the organisation has the following characteristics: most managers operate by command and control, but at least some managers support employee involvement and teamwork; a small percentage of employees participate in team activities; there are general non-specific plans to expand employee involvement. Subsequent stages of the process show gradual movement towards an empowered organisation. Near the end of this process, the organisation has a new set of characteristics:

- Management uses innovative, effective approaches to increase employee involvement and teamwork.
- Cross-functional team co-operation occurs across the organisation to meet customer needs more effectively.
- Trends towards team participation and other forms of employee participation include more employee suggestions being made and accepted.
- Employees have a strong feeling of empowerment and union and management co-operate to achieve quality improvement.
- Power, rewards, information and knowledge are moved to the lowest feasible levels: employee empowerment leads to a substantial flattening of the organisation.
- Improvements resulting from employee participation are clearly evident in systems, processes, products and services.
- A regular, formal survey process determines levels of employee satisfaction, follow-up actions are taken to improve human resource practices, and future plans address how to sustain momentum.

Adapted from Kernaghan (1992: 198-199)

Given these conditions, what lessons can be learnt from the review process carried out in this study for managers and staff involved in developing partnership arrangements in Government departments and offices? A number of key points emerge:

1. There is a need for a clear structure which sets the boundaries for partnership arrangements. In particular, the ground rules under which partnership operates and the limits of decision-making allowed to individuals and groups should be spelt out. As Kanter (1993: 248) states: “Without structure, groups often flounder

unproductively, and the members conclude they are merely wasting their time". A departmental steering committee composed of management, union representatives and employees could set such an enabling structure in place. A formal joint statement developed by and coming from such a committee is a useful means of establishing the desired direction of change and the processes to be used to achieve change. Such a committee should also determine issues such as the range of subjects appropriate to be dealt with by partnership structures, the structure and composition of departmental mechanisms used to promote partnership, and the relationship between the partnership structures and the collective bargaining system.

2. Incremental change focused at the local level is more likely to be effective at the start of the process. Tackling issues which relate to the day-to-day working environment of staff (substantive issues rather than trivial issues) is likely to guarantee a supportive climate for further change. Taking on issues which seem abstract or at a remove from staff concerns in the first instance may result in little progress.
3. A focus on local issues at first should not be confused with small scale application of the partnership approach. To be successful, partnership arrangements must impact on the whole of the organisations, management and unions, with a critical mass of the staff being actively involved in the process. Either as individuals or groups, at any one time a significant number of staff should be involved in partnership initiatives relating to decision-making processes in a department/office.
4. The precise mix of initiatives to be used (consultative workshops, task forces, surveys, joint committees, suggestions and so on) can not be determined by anyone other than the department/office. Nor will "off the shelf" packages applied successfully elsewhere automatically work. Initiatives must be customised to fit the particular working environment and culture of the department/office. Some organisations may lend themselves to applying a wide range of initiatives at one time. In other organisations, the introduction of one or two initiatives may be considered a dramatic step.
5. As with most major change initiatives, top management commitment and support is needed if the partnership approach is to be taken seriously by unions and by staff. Senior managers must believe and actively promote the principle that partnership offers assistance in implementing the SMI. In particular, top management have an important role to play in legitimising the time input needed of managers and staff

involved in partnership activities and in providing the resources necessary for training and development support.

6. Union commitment to the partnership process is also crucial. Union representatives must, as the Labour Relations Commission (1996: 18) indicates, accept the need to move beyond the adversarial model, provided there is adequate safeguards from employers regarding union security and the pay and conditions of members. Union representatives have a vital role to play in encouraging their members to participate in partnership structures to promote new ways of working.
7. Many studies have shown that getting middle managers to buy into the partnership process is a key element in its success. Middle managers may feel under threat of being bypassed, or in need of support to fulfil their new role. As team leaders, key link people in the briefing process and so on, middle managers need to monitor and support the process, acting as coach, facilitator and reviewer where necessary. Particular training supports will be needed to help middle managers in these activities.
8. Training and development supports should be provided to managers, employees and their representatives engaged in the partnership process. These supports should be rooted in participation practice in the organisation, and focus on joint training in key issues such as problem solving, negotiation skills and consensus building. Particular training for specified groups, such as middle managers, front line staff, and work teams, may be needed.
9. Attitude surveys and other fact-finding mechanisms such as focus groups should be used to determine the concerns of employees. Assumptions are often made about what are the key areas of concern of employees but these need to be checked against reality. Repeat surveys can also serve a useful purpose in benchmarking progress in relation to developing a partnership approach to the implementation of the SMI. The usefulness and benefits of initiatives undertaken can be monitored and assessed.
10. Where team-based working is used, teams should be given a specific action mandate and clear reporting and accountability arrangements. Staff are more likely to buy into the process if they can see results from their involvement in teams, rather than using teams simply as consultative mechanisms that feed information up the line without further involvement. The more teams themselves can develop and initiate action, the more likely they are to be involved in the process. Also, teams need to be held to account, as a sign that managers are taking the process seriously.
11. As an aid to institutionalising partnership arrangements, the need to develop participation skills and actions should be included in job descriptions and

performance appraisal processes. In this way, partnership will become an accepted and mandated part of each departments culture.

12. Practice indicates that using a facilitator with participatory/partnership skills can help managers, unions and staff new to the process work through the issues involved. A facilitator can act as a guide when establishing partnership structures and processes.
13. The life cycle of partnership initiatives should be monitored and checked regularly. Long-standing mechanisms, such as steering committees and permanent teams, are likely to need refreshment by the introduction of new members or new procedures from time to time. Other initiatives should have specific time limits set for them, so that they do not end up taking on a life of their own and becoming redundant. As Kanter (1993: 271) states: “organisations often do not think of how they will ensure the continuity of generations when they launch participation. But planning for the birth and death of teams is important for the organisation’s ability to reap the full benefits of participation.”

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APPENDIX 1

Participation/Partnership in the Department of Defence

1. Background

The strategic management process in the Department of Defence pre-dates the launch of the Strategic Management Initiative (SMI) in 1994. Since 1991, the Efficiency Audit Group, with the support of the Department and defence forces, has steered a process of significant organisational change. Since 1996, strategic management and change in the department has been overseen by the Defence Forces Strategic Management Committee. This committee is chaired by the Secretary General of the Department, and comprises the Chief of Staff, the Adjutant-General and the Quartermaster-General and the two assistant secretaries of the Department. The committee defines and oversees the approach taken to the SMI.

A partnership approach to change is being promoted in the department. The departmental strategy statement (1996) states: "... a strong emphasis has been placed on staff communication, consultation and participation to ensure that the SMI process has value for the people in the organisation also." At briefings following the launch of *Delivering Better Government* (DBG) (1996), top management committed themselves to the SMI – DBG programme and emphasised the importance of participation by staff in planning and implementing SMI – DBG in the department.

After these briefings, the department took a number of initiatives to maintain progress and ensure participation. Three working groups were established, focused on strategy, human resources development and image. A series of workshops were held for all staff, to feed into the working groups. These working group reports fed into the process by which the strategy statement was arrived at. In presentations on the strategy statement by top management to staff, a key theme was the need to ensure continuing participation and the creation of a partnership between managers and staff in the continuing strategic management process, particularly branch business planning. Two participation working groups were formed in 1997 with the aim of ensuring full participation in the business planning process.

This study looks at the role of the consultative workshops in facilitating the three working groups and at the current developments in participation/partnership as

examples of developing a partnership approach to change. The focus is on the civilian side of the Department of Defence.

2. The Working Group reports and Consultative Workshops

The brief for the working groups was to consider all aspects of their respective areas of scrutiny in the department (strategy; human resources; and image, including customer service), and to put together reports examining and proposing policies on key issues arising. The strategy and human resources groups were each chaired by an assistant secretary and were comprised of principal officers from the department. The image/customer service group was chaired by a principal and was comprised of a large number of staff drawn from different levels in the department.

Management services branch, who were represented on each of groups and who provided the secretariat, were tasked with designing the process of producing the reports and ensuring staff participation. They set out to design a process which would be as participative as possible. They wanted to provide a safe, anonymous environment in which people could make their views known on major issues. Consultative workshops were determined as a means of providing this environment.

The Centre for Management and Organisation Development (CMOD) section of the Department of Finance were engaged to provide facilitators for the workshops. The facilitators worked with management services branch to produce a structure and format for the workshop sessions, to ensure that discussions were focused on the themes of the three working groups. Every member of staff from principal to services officer was invited to attend the workshops. The vast majority of staff did so. Staff were assigned to workshops according to grade: principal; assistant principal; higher executive officer; executive officer/staff officer; clerical officer/clerical assistant/paperkeeper; services officer; and telephonist. About thirty workshops were held in all, with average attendance being around fifteen at each workshop.

The CMOD facilitator prepared a report from each workshop, and checked this out with a liaison person from the workshop, who had been agreed by the group at the start of the workshops. CMOD then prepared a composite report for each grade band. These reports were presented to the department's management committee by the CMOD team in a formal presentation. The reports were also made available to all staff on the e-mail general information bulletin board.

Following on from comments received from these fora, the working groups produced draft reports. To give an example of the outputs, the human resource development (HRD) working group covered the following issues: changing the existing personnel function; performance management; appraisal; recognition of performance; promotion; recruitment and probation; mobility; equality of opportunity and treatment; welfare; communication; consultation and participation; and training and development. Recommendations were made under each heading, drawing on the information obtained from the workshops. These draft reports from the working groups were subject to further consultation, both formally with the unions and through general distribution to all staff asking for comments.

CMOD staff and departmental management reported that staff welcomed the workshops and took a positive and constructive approach to participation. However, there were concerns raised by some staff about the make-up of the working groups. These were composed largely of senior managers and some staff would have liked more representation on the working groups. The general view of management is that the participation process enabled all views to be heard and that staff would have further opportunities for participation in finalising the human resources development strategy for the department and through participation in the branch business planning process.

The outputs from the working groups reports fed into the departmental strategy statement. Also, outputs from the HRD working group report have informed a HR strategy for the department, which is to be produced in the latter part of 1997.

3. Current developments in participation/partnership

Following on from the consultative workshops exercise and the launch of the departmental strategy statement, there was a desire expressed by both senior management and staff to ensure continuing participation and the creation of a partnership between managers and staff in the continuing strategic management process, particularly branch business planning.

At departmental level, the management committee and the strategic management committee oversee the implementation of SMI – DBG. A re-vitalised Departmental Council meeting several times a year has the SMI – DBG as a standing agenda item. The Council has an independent chair, and representatives from the management and the relevant unions.

Also, in line with suggestions made by staff and following discussions with staff interests, the management services branch established two participation working groups, one in Dublin and the other in Galway. These groups were made up of nominees from the CPSU and the PSEU, plus staff who responded to a general invitation from the Secretary General, subsequently repeated by the management services branch. The brief for the groups was to report on how best business planning might be conducted to better ensure a fully participative and partnership approach to the management of the business of the department. The groups produced a composite report in July 1997 where they set out a proposed partnership approach to business planning:

“The Principal will bring together all staff from AP to CA and would invite them to help put a draft plan together under various broad headings e.g. quality service, work organisation, and such human resource measures as mobility, training and development etc. At that stage the Principal would discuss with his/her staff how the draft plan might be put together in the Section/Branch and look for ideas on the best way of getting their input. It might be expected in some cases that staff themselves might want to make their input by making suggestions for inclusion in the plan directly to the Principal, either orally or in writing. To help staff to do this, assistance might be provided in the form of allowing them to make their input through an agreed local spokesperson or by appointing a facilitator – possibly CMOD or some independent person. In other cases, staff would want to make their input directly through their EO or HEO, who would prepare items for inclusion in the draft plan. Alternatively, staff might want to try a combination of direct and indirect input.”

A key point that the groups make in their report is that whatever approach is taken, it should be up to each branch and section to determine their own specific arrangements of participation within this broad framework.

The report also recommends that, in order to ensure continuing participation/partnership in the planning process, principals or assistant principal officers should bring their staff together every two months, in an informal manner, to review progress with the business plan and identify any necessary corrective action. The possibility of using consultative workshops again at departmental level is also raised, as if the reconvening from time to time of the participation working groups.

The participation working groups report and the HRD working group report both stress the importance of providing training and development supports for staff engaged in partnership activities. The participation working groups recommend joint training for

managers and staff, preferably off-site. Also, the management services branch have identified a particular training need for HEOs at middle management level, regarding the “softer” staff management skills such as communications and staff motivation. They are working with CMOD in developing an appropriate training support package to meet this need.

4. Lessons learnt and implications for partnership in the public service

The participation/partnership approach being developed by the Department of Defence is a structured approach to involving staff in the implementation of *Delivering Better Government* and the Strategic Management Initiative. In terms of the model of staff participation used in this study (Figure 2.1), it aims at points 6 and 7 on the scale, consulting as broadly as possible on management initiated changes and jointly developing an approach to business planning participation.

It is too early yet to say what the outcomes of this participation/partnership approach will be. To date, most emphasis has been put on getting the process right, with a view that the content will emerge if this is done correctly. But there are already signs of a change in culture and approach to tackling issues in the department. Significant issues have been addressed in the consultative workshops and there is a commitment on behalf of top management to take action to address these issues. In this context, there are certain lessons learnt that would seem appropriate for other public sector organisations embarking on a partnership approach:

- Partnership and participation are being focused on specific issues that have strategic significance and directly affect staff: strategy-making, human resource development, image (including customer service), and business planning. Thus partnership is grounded around real issues, and is not an activity embarked upon for its own sake.
- The consultative workshops, held on a grade band basis, worked well as a means of involving and informing staff. The workshops were well attended and well received. The structuring of the workshop process by management services branch and CMOD, and the use of CMOD facilitators, was central to their success, as was the fact that they fed directly into management committee deliberations.
- The use of e-mail bulletin boards and the dissemination of draft reports to all staff usefully supplemented the workshops and ensured that all staff were offered an opportunity to be involved, whether or not they could attend the workshops, and be involved in subsequent deliberations.

- The establishment of departmental-level structures to facilitate partnership seems to be working well. The Departmental Council provides a formal opportunity for union/management consideration of DBG – SMI issues and of participation/partnership approaches. The participation working groups allowed union representatives and selected staff to help determine the direction of future participation approaches at branch/section level.
- At branch/section level, a key message emerging is the need to allow each branch/section the freedom to determine partnership arrangements most appropriate to their own section, within the broad framework outlined by the reports of the participation working groups and the HRD working group.
- Management services branch has played a pivotal role in the whole process, helping provide the overall framework and steering the process. Such a central resource, supported by top management backing, would appear to be crucial in ensuring that there is both sufficient momentum in the process to keep it going, and sufficient structure to ensure satisfactory outcomes.

A key role has been identified for training and development supports. Joint training for management and staff is proposed. A particular need to support middle managers in people management skills has been identified.

APPENDIX 2

Participation in Change Management in The Department Of Finance

1. Background

In 1995, the Department of Finance commissioned Price Waterhouse to conduct a review of organisational structure, staffing and skill needs of the department. This review was commissioned as part of the implementation of the Strategic Management Initiative (SMI) within the department. The report found the department to have a strong public service ethos and commitment to high quality and timely work. However, it was critical of weaknesses in the department such as its people management and communications capabilities.

As part of the response to the review, the department established a Change Management Working Group to oversee the implementation of the recommendations of the review. A decision was made to include all levels of staff on the Group. The Group is chaired by the Secretary General for Public Service Management and Development and includes three assistant secretaries, two principal officers, three assistant principals (including one from corporate services division who has responsibility for supporting the work of the Group), an administrative officer, a higher executive officer, an executive officer and a clerical officer. The more junior members of staff were selected to give a balance of staff across the department.

An early issue that the Change Management Working Group decided to look at was human resource management, including such topics as mobility, training and development, promotion and appraisal. It is this issue and how it was addressed by involving staff through a series of workshops that is the focus of this paper. It should be noted that the approach adopted to participation in the department –mixing management and more junior grades on the Change Management Working Group and involving all staff through workshops – is a new approach to change within the department. Previously, it would have tended to have a traditional and hierarchical approach to internal change management issues.

2. Promoting a participative approach to human resource management policy development

At the start of 1997, the corporate services division (established in 1996 to give a more strategic focus to human resource management within the department and to promote and support the process of strategic management) drafted a HR policy document that embraced the various strands of HR policy as it existed in the department and indicated possible ways forward on key issues. This paper went to the Change Management Working Group and to the departmental management committee (Secretary General, Secretary General for Public Service Management and Development, and three Second Secretaries), who made various modifications to the paper. It was then issued to all staff in June 1997, as a draft discussion paper for comment. A commitment was made by top management that the paper would not become agreed policy until staff had been given a say and the document took on board the broad views of staff. Staff were asked for written observations, though very few comments came from this mechanism.

Also, in order to encourage and focus feedback, an assistant principal officer in the corporate services division was tasked with organising a series of workshops for staff. These workshops were structured around the draft discussion paper, and were facilitated by the Centre for Management and Organisation Development (CMOD) in the department, who had previously facilitated similar workshops in the Department of Defence. However, unlike the Department of Defence, where workshops were organised on a grade basis, workshops in Finance were organised on the basis of areas of responsibility. Thus workshops were held for each assistant secretaries' area of responsibility, so that all staff for each area were invited to attend. Some concerns were expressed that this approach might inhibit the input of more junior members of staff, who might defer to their line managers. But in practice, the facilitators were pleased with the level of participation and the openness of participants to put forward and listen to other points of view. Nineteen workshops were held, each of a half-day duration. Numbers attending ranged from twelve to twenty-four. Approximately seventy per cent of all staff of the department attended, with representation being good across all grades. Four 'all-comers' workshops were held as an opportunity for staff who had missed out the first time round to give their views.

The CMOD facilitator for each workshop produced a note of the outcome of the workshop, and this was circulated to all who attended for their comments. These comments were taken on board, and the revised note passed on to the assistant principal in corporate services division co-ordinating the workshops, who took the comments

from the various workshops and produced a draft report outlining the main points and issues arising, and possible responses.

The workshop facilitators then met with the assistant principal in corporate services division, as well as the principal of the HR function, in a workshop setting to review the draft report of the workshop outcomes. This was used to verify the findings, ensuring that emphases were on the right issues and priority items identified. A detailed account of the output from the staff workshops was then sent to the four main union branches in the department for their views. The responses received were examined by the change management working group and a revised document prepared reflecting the views of both the group and the unions. This document will shortly be submitted to the departmental management committee.

The unions were formally involved in the process from June when, at the launch of the exercise, management representatives met with the four main unions and went over the draft report and the process to be followed in arriving at a final report. The unions were invited to make formal comments. They were also told that they would be involved in formal consultation after the workshops, analysis and production of the final draft report.

3. Lessons learnt and implications for partnership in the public service

The participation approach to the development of human resource policy in the Department of Finance is a new initiative for the department. The Price Waterhouse review had identified a hierarchical and cell like approach to management, and emphasised the need for more team-based working approaches. The workshops were an attempt to introduce a more participative and flexible approach to change. In terms of the model of staff participation used in this study (Figure 2.1) they aimed at point six on the scale, consulting with staff on a possible course of action.

It is too early yet to say what the outcomes from the process will be. Several staff at the workshops indicated that they would 'reserve judgement' on the process until seeing the response of management to the workshop findings. But there is general consensus that the workshops were well received in the department and that significant issues have been addressed. Senior management have made a commitment to address these issues. A number of the lessons learnt in the running of this exercise would seem to be of relevance and interest to other public sector organisations embarking on a partnership approach to change:

- Human resource management and policy is a crucial issue for the public service, and one which engages staff attention as it directly impacts on them. As such, it provided a good 'hook' for an initial attempt to introduce a participatory approach to change. Participation was based around a real issue affecting the day-to-day working of staff in the department.
- The Change Management Working Group, composed of staff from all levels in the department provides a departmental level forum for involving staff in the change process, driven by the Strategic Management Initiative. This group provides a steering role for the change process in the department, and aims to ensure that staff are involved in driving the change and that staff views are fed through to senior management. Senior management are expected to respond to the issues raised.
- The unions have been formally involved in the change process. They were notified at the beginning of the process, prior to the workshops, and given an opportunity to comment on the approach adopted. They will also be given a copy of the workshop findings as well as a copy of the final draft report for comment.
- The corporate services division played a key role in the process. Firstly, the existence of such a division, under the direction of an assistant secretary, gave personnel and HR issues more coherence and a direct input to top management, something which had been absent prior to the creation of the division. Secondly, the division facilitated the participation process and ensured that meetings took place, reports were produced etc. Such central support ensures that participation happens in a structured manner.
- Facilitation of the workshops by staff skilled in this task ensured that the workshops remained focused on their task and involved all staff present. The facilitators themselves had a meeting prior to the workshops to agree a common structure and format for the workshops, to aid coherence and an actionable outcome. Prior experience of the facilitators in the Department of Defence was also an advantage. Independent facilitation thus seems to have an important role in ensuring the success of participative activities such as workshops.
- The workshops themselves were well received by staff, and proved a useful mechanism for obtaining views and involving staff in the change process. Holding mixed grade workshops based on sections of the department worked well, and did not result in more junior staff keeping quiet on issues as far as the facilitators could judge. The workshops proved a much better means of involving staff and obtaining views than did the invitation to staff to produce written observations on the draft report.

APPENDIX 3

Constructive Participation in Aer Rianta

1. Background

The origins of the current programme for worker participation in Aer Rianta can be traced back to 1984 when a study group was set up to examine the legislation with regard to worker participation. An Industrial Democracy Council (IDC) was formed by the unions to discuss with Aer Rianta management the question of below board structures and included representatives from all Aer Rianta unions. The IDC proposed indirect representational structures of participation. However, following discussions with management and a consultant a Joint Working Group of union and management representatives was established in 1986 to examine other possibilities for below board structures.

The Joint Working Group undertook a number of activities:

- They produced a Statement of Participation, approved by both management and unions, which set out the principles for participation.
- They jointly designed a detailed questionnaire and commissioned the Economic and Social Research Institute to ensure the validity of the process which was jointly managed and executed. The union representatives played a major role in ensuring full participation by employees.
- They investigated how participation was practised in other countries, conducting study visits to companies in the United States and Scandinavia.
- The principal objective of the Joint Working Group was to produce a proposal for sub-board structures which would be recommended to the management and trade unions. The management and trade unions would be free to accept, reject or amend the proposal.

This work continued until 1989, when the Joint Working Group set out to finalise its work and to recommend on the type and number of future participative arrangements and structures. However, the group could not come to a consensus on proposals for participative arrangements. In particular, the impasse centred on the question of

including a recommendation that personal direct participation would be available to every employee:

The distinction for some hinged on an interpretation of what is understood by participation rather than representation. The issues of personal direct participation, or combination of nomination and election, or election alone for employees to formal structures could not be resolved and the question of the degree of control of the participation process was the most sensitive matter. (Worker Participation in Aer Rianta, 1993, P3)

This impasse was not a union/management divide, with unions taking one position and management another. Members of the group, regardless of their background, were divided on whether or not an employee should represent his/her own personal views directly to management, union representatives, and other employees as a part of the future sub-board structures. The impasse continued for approximately one year. Finally, the shop stewards who made up the IDC referred the matter to the union officials in the Aer Rianta Group of Unions. The officials discussed the cause of the impasse and possible alternative initiatives for progress with the company. The outcome of these deliberations was the development of a Joint Union/Company Group (JUCG) on participation which was established in late 1991.

Over a number of years, this group undertook study visits internationally, built up a body of literature on the topic and shared views on theory and practice. Also, the survey of staff conducted in 1988 was replicated in 1995 to identify any notable changes in attitudes or opinions. On the theory side, the group were particularly interested in Personal Construct Psychology, a comprehensive psychological theory produced by George Kelly which is focused in general on interpersonal relations and in particular on adjustment to stress. The philosophies and theories of many other innovative authors, theorists and philosophers were also shared and examined for their usefulness with regard to social, psychological, economic and commercial questions. A library containing useful educational material was built and is now administered by a professional librarian.

Arising from this process came the current initiative relating to constructive participation at Aer Rianta.

2. Constructive Participation at Aer Rianta

The joint union/company group (JUCG) describes its proposals for constructive participation through three key documents: *The Compact*, *Requisite Arrangements* and *Operational Programmes*. The activities promoted in these documents are supported by dedicated resources.

The members of the JUCG (four union officials, two shop stewards, five managers and the secretary) realised at an early stage that it could not re-frame the age old adversarial issues or create constructive alternatives unless they could (a) abandon the constraints of their representational roles, (b) acquire independent financial resources and (c) share their accumulated education, experience and expertise. The achievement of these three pre-requisites was made possible by the intervention of the Department of Public Enterprise (then the Department of Transport, Energy & Communications). Officials of the Department succeeded in building a strong element of trust and understanding with the JUCG which was and continues to be vital for the continuation of the whole participation initiative.

The JUCG has as its function “to initiate and jointly manage the implementation of the terms of the compact and to develop, promulgate and monitor the process of constructive participation in Aer Rianta” (*Requisite Arrangements*, 1995, 18). To help it in these tasks, the JUCG appointed an executive group to facilitate the implementation of participation programmes. Personnel currently working on the programmes include six staff on full time secondment, four on part time secondment, and one on contract. These staff are drawn from both union and management positions in the company.

The Compact

This document sets out: (a) the joint mission/principles behind the joint efforts of unions and company towards achieving constructive participation; (b) the joint objectives to achieve the mission; and (c) the strategy aimed at delivering the joint objectives. The joint mission/ principles are set out in Annex One.

The Compact, published in 1994, is seen as the embodiment of the principles and ethos of the framework for change and for constructive participation. At the same time, it is not set in stone, and is intended to ensure a flexible approach to participation. In particular, the document and the thinking behind it helped ensure a number of things that were important organisationally within the company:

- the decision that participation would be available to every employee, would not be limited to shop floor level but would include participation at all levels including strategic decisions and policy making;
- the emphasis on retaining/improving employment opportunities rather than focusing on cuts. Acceptance of the use of new technology and flexibility as significant tools underpinning change;
- the recognition of the role of training and development as a support for change.

In particular, the decision that there would be no participation at ground floor levels unless there was participation in strategy and policy making sent an important signal throughout both the company and the unions. Some managers were reluctant to grant unions and workers rights as strategy makers and some union personnel were reluctant to assume responsibility in policy making areas.

These various strands in the participation approach are summarised by the acronym BICEPS adopted by the JUCG:

B usiness	Participation must be grounded in the development of the B usiness
I ndividual	Participation must also be grounded in I ndividual personal development
C ompact	The principles and objectives of participation must be clearly stated in an agreed C ompact
E thos	The E thos within which relationships and roles will be developed will be clarified and elaborated through research and consensus building and creating a safe environment.
P & S	The P articipation S trategy will be designed to support the above elements.

Requisite Arrangements

The *Requisite Arrangements* document, produced in 1995, outlines the framework for the working of constructive participation arrangements in Aer Rianta. These arrangements, as the document spells out, include:

- a) The framework organisation of participation functions.
- b) The alternative available roles of groups and individuals.

- c) An outline of the range of activities and the subject matter which might be included or excluded.
- d) The possible extent of autonomy and empowerment afforded to groups and individuals.
- e) The extent of the accountability of groups and individuals.

Participative arrangements are proposed at four levels in the organisation, paralleling the business process operated in the company: at regular work group level; at department level; at business unit level; and at the corporate level. This arrangement is set out in Figure A3.1, and is described in more detail below.

Regular Work Group Participation. The aim here is to identify the basic work units or groups within which most workers immediately interact, such as stores staff, maintenance, cleaning services etc. These groups will deal with issues of importance to them in their day-to-day work, for example, equipment, training, resources, health and safety, workload and work scheduling.

The training for group participants includes the following:

- 1) Understanding the Compact for constructive participation.
- 2) Change and me (a bespoke distance learning programme of seven modules).
- 3) My department's business (produced and presented by the department manager).
- 4) Group dynamics.
- 5) Mapping the range and depth of our group's participation.

Membership of these groups is to be determined by the JUCG, after consultation with those involved. A meeting procedure has been identified to help ensure that meetings are short and to the point and that action points are pursued speedily. Recommendations from the work groups that need approval will be referred to the appropriate level in the organisation for response. If the work groups run into problems which need additional expertise, higher levels of authority, or the collaboration of outside agencies a Joint Facilitation Group is set up to help with such problems.

Figure A3.1: Graphical representation of proposed arrangements

		LEVELS
J O I N T	Regular Work Groups (Joint Facilitation Groups)	1
U N I O N	Departmental Groups (Joint Facilitation Groups)	2
C O M P A N Y	Business Unit Groups (Joint Facilitation Groups)	3
G R O U P	Corporate Level Group	4
	Aer Rianta Board	
	Owner	

Taken from Requisite Arrangements, 1995, 16

Departmental Group Participation. At departmental level, it is envisaged that the group should meet around four to six times per annum and focus on issues such as:

- a) review the work of the regular work groups;
- b) review of departmental financial and operational performance;
- c) discussion of difficulties, problems or threats to the department;
- d) discussion of departmental objectives;
- e) discussion of financial and operational plans for meeting objectives;
- f) discussion of relationship with clients or other departments.

Appropriate training is provided for participants and this includes creative problem solving, breakthrough thinking and envisioning.

Groups will be made up of management, trade union representatives and staff members. As with the regular work groups, the JUCG will agree on membership, ensuring a balanced selection of people from the different units and levels within each department.

Business Unit Group Participation. Business Unit Groups are expected to meet about three times a year, around the time of the company's annual general meeting and also at strategic and budget planning time, to give a focus to the meetings. It is expected that these groups will have a strong input into the annual strategic and financial plans for each airport. Membership is to include managers, executives, supervisors and general staff, with the JUCG tasked with ensuring a fair spread of membership and that both the management and union positions are safeguarded.

Corporate Group Participation. This will involve nominees of the JUCG as well as the most senior executives in the company and membership from various levels and activities throughout the organisation. This group will consider the company's mission, overall performance and future strategy, and also overview the implementation of the Compact for Constructive Participation.

Operational Programmes

The Operational Programmes document sets out six operational programmes which aim at ensuring the implementation of Constructive Participation.

Programme 1 identifies the various tasks that are required for the promulgation phase of constructive participation. The main focus here to date has been on the delivery of an introductory 2 day seminar for all staff, introducing them to the 'what', 'why', and 'how' of constructive participation. Nearly all staff have now attended these seminars, held for groups of 50-150.

Programme 2 operationalises the general plan to specific sites. They have started with regular work groups being established in areas that volunteered: the maintenance and finance departments at Dublin, Cork and Shannon airports. These groups are receiving training support and facilitation in group process work at present.

Programme 3 is concerned with examining 'significant issues' identified in the *Compact* and *Requisite Arrangements*. This includes strategic issues such as employee shareholding, industrial relations issues such as changing union and management structures and change issues such as competency development.

The first significant issue group was set up in February 1997 to examine the company's change of status. The second significant issue group comprising shop stewards, union officials, personnel specialists and others are currently examining remuneration systems, IR procedures, personnel policies etc.

Programme 4 sets out the steps required to identify the special needs of particular groups or individuals and to provide assistance where required. So far, research has been commissioned to identify the needs of the executive group, senior management, shop stewards, middle management and supervisors. This research aims to identify the supports needed for each of these groups to confront the challenges posed by constructive participation. A special research and re-training initiative is underway for shop stewards and a similar scheme for middle management is at the final design stage.

Programme 5 is the resources plan (see further details below).

Programme 6 is aimed at ensuring that the transition activities undertaken do not lead to unintended consequences.

Steering Groups

In order to meet staff's expectations, to provide a presence on the ground and to shorten the timescale of the process, it was found necessary to set up a number of steering groups in the other main areas at the airports. The groups act jointly and do not have a formal negotiating or representative function. Training in the necessary skills is provided by the JUCG. The steering groups are comprised of local management and trade union representatives along with other staff members who are interested in assisting the work. The purpose of the steering groups is to conduct the initial preparatory work necessary for the development of constructive participation. The steering groups are broken down into two stages. Tasks for the steering groups (stage one) include:

- Communicating information on developments in the JUCG's programme and on the work of the significant issues groups and strategy groups to all staff in the areas. Getting views and opinions on these developments and communicating these to the JUCG, significant issues groups and strategy groups.
- Identification of regular work groups.
- Preparation by managers of training programmes concerning the business of the section or department.

- Undergoing training for facilitating significant issues and strategy groups.
- Undergoing training for assisting in research and facilitating of regular work groups.

At stage two steering groups, as well as carrying out the above tasks, are also engaged in the actual setting up of the regular work groups within their own areas.

Resourcing Constructive Participation

The strategy followed in pursuit of constructive participation is resource intensive. The JUCG and its executive group combines both full-time and part-time staffing commitments from the unions and management. Training and development supports need to be produced for the working groups, which also draw heavily on the use of facilitators who have been seconded to the process on a full-time basis. There is a significant time commitment needed of management, union and staff participating in the groups.

Whilst there is general support for the strategy within the company, unions and management initially indicated that they did not have the money needed to resource the initiative. Also, there was some resistance to this proposed approach from those on both the union and the management sides used to the traditional adversarial approach to industrial relations. The Department of Public Enterprise (then the Department of Transport, Energy & Communications) however, ensured that the necessary finances would be committed to the project and ring fenced. For the initial transition period envisaged by the JUCG for the development of constructive participation, some three to four years, the resources needed have been estimated at around £0.5 million per annum. (Approximately 50% of this cost is taken up by salaries of existing employees seconded to the programme. The real payroll cost is the replacement costs of the seconded personnel.)

The training supports needed by each group vary depending on the level. The following training requirements are identified in the *Requisite Arrangements* document.

- Regular work groups will be given training dealing with the participation process (group organisation, problem solving, decision making, conflict resolution), making presentations, personal development and other relevant items.
- Departmental groups in addition to the above will be given training in trade union policies and procedures, and in the company's organisational systems, budgeting, departmental strategy and other appropriate subjects.

- Business Unit groups will in addition require some introduction to airport economics, pricing policies, aviation standards and recommended practices.
- The Corporate group will, in addition, need training on the question of physical and strategic planning, policy formulation and corporate finances.

Seven distance learning modules have been researched and produced by an external facilitator in collaboration with the JUCG, covering such issues as making sense of change, determining priorities, and making sense of other people. Each staff member gets a copy of this material following their attendance at the introductory sessions for the formation of regular work groups.

Information and resource centres have also been set up, at both Dublin and Shannon airports and one is planned for Cork Airport. Books and papers on participation are available from the centres. Newsletters are issued to staff on a regular basis by the JUCG secretariat informing them of progress to date with constructive participation.

3. Lessons Learned and Implications for Partnership in the Public Service

Constructive Participation, in terms of the model of staff participation used in this study (Figure 2.1) aims at point 7 on the scale. This is where staff who have been questioned in the introductory 2 day seminars say that they want to be. They have also indicated that they see the company currently at or around points 1 to 4.

In many ways it is too early to say yet what the implications of constructive participation will be for Aer Rianta and if they will effectively operate at point 7 on the scale. The emphasis to date has focused on the process of securing effective participation rather than on outcomes arising from participation. The immediate aim has been to change attitudes towards the context for change and improve the capacity of all staff to understand and respond to the changing environment they face. The long time scale devoted to the process (4 to 5 years) is unlikely to be matched in the public service, where there is pressure for more immediate action arising from Partnership 2000. There is also a danger with a long time scale that the process can become procedurally driven. Also, the significant level of resourcing of constructive participation in Aer Rianta, which has certain commercial freedoms, is unlikely to be matched in public service departments and offices constrained by administrative budgets and spending targets. However, there are certain lessons learned from the Aer Rianta experience that would seem to be of relevance and use to public service agencies embarking on a partnership approach to change:

- The *Compact*, *Requisite Arrangements* and *Operational Programmes* are agreed documents, which set the framework for constructive participation. Such documents are useful in explicitly setting out the principles and practices to be followed in developing partnership. They provide a point of reference, communicated to all employees, and help ensure a consistency of approach. They also define what issues should be tackled at different levels and locations in the organisation. These documents were presented to management and unions. The JUCG subsequently obtained the approval of both to the programme for Constructive Participation.
- The Joint Union Company Group (JUCG) provides an interesting example of a top-level union-management steering group guiding the partnership process. This group sets the agenda for participation and oversees the process. They also agree the membership of the various working groups at the differing levels in the organisation. The existence of such a group serves to ensure a joint union-management approach and direction to partnership and encourages action further down the line.
- The regular work groups, departments, business and corporate groups encourage participation throughout the company, and ensure that a 'critical mass' of staff are involved in the process. Each group has clear terms of reference on the issues it can address and clear reporting arrangements. Tying in the work of the groups to the business cycle of the organisation aims to ensure that the groups' activities are relevant and timely.
- Great effort has been put into ensuring that there is training and facilitation support for the process. A structured training programme has been put in place, with differing training needs being identified for the different work levels. Groups have access to skilled facilitators, who can help them move the process along. Such training and facilitation supports seem to serve a useful role in bringing people along with the process and informing them of the potential for change.
- Piloting the constructive participation approach in work groups that volunteered for the process, within the agreed framework, would seem to hold out more hope for success than a full-scale attempt at company wide implementation. The approach can be phased in, learning from experience, and the concerns of those less willing to buy into the process addressed as the initiative proceeds.
- The staff surveys are seen by the company as having had a useful role in mapping out the current situation, setting a benchmark against which to measure future progress. Also the site visits undertaken to other organisations were seen to be

important developmentally for JUCG members, enhancing their understanding of the successes and failures in participative approaches. Such supports to partnership play an important role in setting the scene for partnership initiatives.

- Significant resources, both in time and money, have gone and are going into constructive participation. Partnership is a resource intensive approach to organisational change and development, and needs a significant investment by those involved if it is to take root. The planning, design, and implementation is carried out by company employees and a small group of managers and trade union representatives. Approximately 5% of the work is assigned to outside consultants according to the identified needs.

Annex 1:

Joint Mission/Principles for Constructive Participation

This agreement between the management and group of unions in Aer Rianta will require a new set of obligations and responsibilities which transcend and expand traditional collective bargaining relationships. More specifically our joint purpose is to formulate standards or 'rules of the game' with respect to certain fundamental aspects of the relationship.

What we jointly envision requires the significant change, by each party, of views long held. It is accepted that this initiative cannot work unless both management and unions adhere to the spirit of the understandings which form this agreement.

1. Aer Rianta management and the group of unions accept that jointness is the fundamental principle of their future approach to maintaining and developing the company and managing its business and opportunities.
 - Both parties accept their joint responsibility to work together in order to improve the economic performance of each constituent part of the organisation.
 - Both parties will share their objectives and strategic plans in regard to Aer Rianta. Serious debate and negotiation will take place at least annually to ensure common purpose and understanding of both positions.
 - Both parties accept their obligation to work together to serve the interests of customers, staff and stakeholders.
 - Both parties will commit to mutual disclosure of information and will respect confidentiality where necessary.

2. For its part the Aer Rianta Group of Unions accepts that it has a responsibility to work with management to improve the economic performance of the company in ways that serve the interest of workers, customers, owners and society.
 - Both parties will share their perception of future developments, will ensure an awareness of market realities and will anticipate the implications for the enterprise and employment.

- Both parties will create resources, manpower, finance or assets which will be allocated to the joint objective.
3. For its part Aer Rianta management accepts that trade unions have a legitimate and central role in strategic decisions and policy making in addition to their role in day-to-day relationships between management and staff.
 4. For its part Aer Rianta management accepts employment security as a major policy objective that will figure as importantly in the strategic planning process as do finance, marketing, customer service, etc.
 - Both parties accept the right of employees to share in the financial success of the enterprise.
 - Both parties accept the principle of employee shareholding as a legitimate objective in certain circumstances.
 - Both parties reject competing on the basis of a low wage policy but will do all possible to improve company performance and living standards for employees through the conscientious application of best systems and practice at all times.
 5. Aer Rianta management and the group of unions accept that jointness in practice may require changes in the current union and management structures.
 - Aer Rianta will encourage its employees to support and engage actively in trade union affairs and will not discriminate against union members or representatives.
 - Both parties undertake to pursue jointly a policy of equal opportunities and the elimination of discriminatory practices and policies.

Taken from *The Compact* (1994: 3-4)

APPENDIX 4

Employee Involvement at IBM Ireland

1. Background

Employee forums are used as a means of facilitating organisational change in IBM Ireland. They have proved to be an effective means of involving staff in the change process. But they cannot be seen in isolation. They are part of a wider programme needed to transform the organisation, as driven by environmental and industry changes, if IBM Ireland is to survive and develop.

2. General context – the change programme

IBM Ireland is now in its third phase of transformation since the late 1980s:

- Late 1980s. Indicators were poor – morale, customer relations and business results were all indicating that there were problems. Management *reacted* to these developments. A recovery plan was put in place, the main driver of this plan being cost reduction. It created a very negative environment. This was a tactical, short-term (18 months) initiative, driven by the environment.
- In the early 1990s a more *proactive* stance was adopted, aimed at better anticipating what is going to happen rather than having to react to circumstances. They started to think about developing a vision for the company, but also recognised, as the managing director states, that “visions without actions are hallucinations”. The VISION programme emerged from this process, to take the company through to 1995. A business framework was developed to connect the vision to actions. There was still a heavy emphasis on cost reduction, but the general tone of the approach was more positive.
- Towards the end of the VISION programme, the need to develop a new change programme emerged. Again the aim was to be proactive and focus on vision. Horizon 2000 was developed, together with an appropriate business framework. The total focus is now on growth and best business practice (and within this, having

a competitive cost structure: cost reduction is still a goal, but not now the overarching one).

In the move from a reactive to a proactive approach to change, the involvement of management and employees in the whole process is seen as of paramount importance. The first key step in developing the VISION programme was to get the management team working together effectively. There had been an adversarial culture amongst team members before. But the managing director made very clear the behaviour he expected of the team, defining key elements of the “contract” of being part of the team: respect for others’ point of view; resolve differences between themselves and do not use managing director as a judge. This “contract” has been very powerful. It was important to start with the management team because other staff emulate the behaviour of the management team. (Note not everyone on the team was able to adapt to this approach, and some left the company).

It was the management team that, over a period of months, developed the VISION programme. A key session occurred early on in the process, when they went off-site for 2½ days, and used a facilitator, to help them figure out where they wanted to go with the company. They developed an early vision statement and the business framework, which with some variations is still used today to guide the translation of vision into actions. This framework, indicated in Figure A4.1, starts with the vision, which is the element needed to avoid working in react mode.

Figure A4.1: IBM Ireland business framework

The next step is the definition of key goals to ensure that the vision is realised. There are six to eight goals, which are specific and measurable (e.g. 95 in 95 for customer satisfaction, meaning that 95 per cent of customers would declare themselves satisfied or very satisfied with IBM Ireland services by 1995; become a 50:50 company, where no more than 50 per cent of revenue would, by 1995, come from traditional hardware sales), and which can translate into compensation for the management team.

Key strategies are developed to support these goals (e.g. identification of skills possessed and needed; re-engineering of processes involved in doing business with customers). Each of these strategies is assigned an “owner” from the management team, to ensure accountability. Annual quantifiable milestones are determined for these strategies.

The business system aims to ensure that the strategies are achieved, through the specification of current year objectives (e.g. x revenue growth, y profit for different businesses). The balanced scorecard is used to measure and monitor performance across the range of goals, strategies and annual objectives.

3. Involving employees in the change process

Having developed the vision, as translated into the VISION programme and now the Horizon 2000 programme, the challenge was to get the rest of the company to buy into the process.

Publications are used as a mechanism to inform staff of what is going on. Short but well presented and prepared statements of the programme are produced and distributed to all staff, as are annual updates on progress. But these publications, whilst useful, are no replacement for dialogue: the need to hear and debate.

The main means of promoting dialogue is employee forums. All employees are expected to attend at least one forum every year. Groups of about fifty to sixty are drawn cross-functionally from round the company, and go off-site to a hotel for a day. Dress code is casual. Round tables are used, with eight to ten at each table (people are allocated places, with the aim being to deliberately mix staff from different work areas), with a senior manager at each table. A typical format for the day would be:

- Introductory session by management team members updating everyone on progress with their part of the business.
- Introduction on issues/topics for the day.
- Discussion at tables on issues/topics (sometimes using outside facilitators/subject experts).
- Minimum of 1½ hours open dialogue with the managing director. (Cards are available on the table and people can anonymously write questions during the day or raise questions during the session. All questions are addressed and answered or promises given to get back with an answer).
- Evaluation forms filled in by participants.

Early on in the lifetime of the forums, a decision was made to share budgeting and costing information with employees. No boundaries were drawn as to what could be disclosed. This was regarded as a brave decision by the management team as this information is commercially sensitive. But it was crucial in creating an atmosphere of trust, particularly given the adversarial culture that had previously existed. A further key principle is to ensure that no one is victimised for making a point at the forum. A lot of anger and frustration can be expressed, particularly when discussing retrenchment. It is difficult, but crucial, for management not to respond in kind.

In the early stages of the VISION programme, employees were asked what priorities should be set when it came to spending money and what could be cut in order to improve effectiveness. The answers tended to mirror those of the management team. There were some remarks about “turkeys voting for Christmas” and there was not universal acceptance of the approach adopted, but most employees, having been given the full information, could see and agree that what was being done was needed.

Other forums are also used to promote employee involvement in IBM Ireland. Management forums are held once a quarter where first line managers are involved in the process; early experience with the change programme was more difficult for first line managers than had been anticipated. Also, a new initiative has recently started of holding mini-forums for particular groups of employees. For example, in the full forums it emerged that there were particular needs not being met for employees who have joined the company in the last three years and who had not been around during the major changes of the late 1980s. A specific forum is being held for them. These mini-

forums run on the same lines as the employee forums, but are for a half-day, starting with lunch.

These employee forums have been found to be an effective involvement tool. But they take an enormous amount of management time. All the management team attend each forum. In a typical year, the managing director will spend around twelve to fourteen full days off-site with employees (but at times of peak change this was over twenty full days in a given year). This is, however, felt to be time well spent. The management of IBM Ireland feel that it would have been impossible to achieve what has been achieved without the employee support engendered by the employee forums.

4. Lessons learnt and implications for partnership in the public service

The actions of IBM Ireland are not directly transferable to a public sector environment. For example, the option of letting go of people who cannot adapt to the changing circumstances is not as readily available in the public sector. IBM Ireland is non-unionised, so the process of dealing with staff takes place in a different environment. However, there are nevertheless a number of lessons that can be drawn from the IBM Ireland experience of employee involvement.

Employee forums seem to be a useful mechanism for informing staff of change and involving them in determining the direction of that change. In terms of the model of the degree of staff participation used in this research study (see Figure 2.1) employee forums as practised at IBM Ireland would be at or around points four or five on the scale. To make effective use of such a mechanism, the following points should be borne in mind:

- Employee forums work in the context of a broad change programme. They are not necessarily useful in and of themselves. Just as the forums in IBM Ireland are anchored in the VISION and subsequent Horizon 2000 change programmes, so employee forums in the public service are only likely to be effective if anchored in the Strategic Management Initiative (SMI). The SMI, which outlines the broad changes needed in the public service, would set the parameters for discussion within the employee forums, if used.
- Employee forums are only likely to be effective if the management team model the behaviour expected in the forums. Employees take their cue from the management team, and if they see behaviour there supportive of involvement, such as sharing of information and an absence of an adversarial approach, they are more likely to replicate this behaviour in the forums.

- As full a disclosure of information as possible by management will help develop trust amongst employees in the validity of the process. The sharing of information encourages open dialogue and facilitates the consideration of realistic options for change. Management should also be open to addressing questions raised by employees in the course of meetings.
- Those embarking on the use of employee forums should realise that they are very time consuming, and will take a considerable amount of management time and commitment if they are to be effective.
- A number of steps seem to be effective in enhancing the usefulness of employee forums: meeting off-site in a “casual” atmosphere; using round tables of cross-divisional groups to encourage interaction; a mix of formal presentations and discussion; question and answer session; and evaluation of the day.