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## CHAIRMAN'S STATEMENT

It is over five years since the Labour Relations Commission published its last strategic review, *"Improving Industrial Relations"*. Since then economic and social conditions have altered considerably, bringing with them new forces for change that have impacted on the industrial relations environment in Ireland. As a public service provider dedicated to underpinning the well being of the Irish economy, the Commission is concerned to ensure that its services adapt to changing conditions, meet the demands of its customers and add value to their efforts to build and maintain best industrial relations and human resource practices.

To this end, the Commission embarked on a comprehensive review of its strategy and direction for the period 2002- 2004. Its work as a central player in the Irish industrial relations scene involves the Commission working closely with a wide range of Government Departments and employer and trade union organisations who have specific and valuable insights into the evolving industrial relations situation and, in particular, views on the future role of the LRC within it. To include these groups in the review and to take advantage of their expertise, the Commission engaged in a comprehensive consultation process involving the wide circulation of a detailed discussion document on the present situation and the major issues arising. Written reactions were received from a wide range of interested parties and meetings were held with key groups representing Government, employers, trade unions and with the Labour Court. The substantive comments were analysed and formed a valuable input to the development of this strategy.

The Irish economy continues to evolve and to present new challenges to those involved in industrial relations. Major initiatives in areas such as public sector benchmarking and the future of national negotiations may be expected to continue the trend towards complexity that has been evident in recent years. Even during the last few months, while this review was in progress, we have received stark reminders of our dependence on the global economy and of the impact that events beyond our shores can have on Irish employment.

The Labour Relations Commission has a proud record of achievement in assisting the bringing about of the successful economic and industrial relations environment that we have today. The Commission is determined to continue to play a key and constructive role in the future development of the country. We are greatly heartened by the positive endorsement and encouragement of the role of the Commission received through the consultation process.

This document sets out our analysis of the present situation in Irish industrial relations, reviews the role and challenges facing the Commission and outlines a programme of strategic actions geared to ensuring its optimum effective contribution to future economic success.

This is a decision focused document setting its horizon for each topic at the limit which can be reasonably projected at this stage and towards which specific action programmes can be put in place in the immediate future.

The costs associated with these action programmes are substantially personnel costs and the momentum achieved in delivery of the strategy will be determined largely by the ability to recruit, retain and support the frontline conciliators, advisors and adjudicators who deliver the Commission's services in the industrial relations market place.

**Caitriona Murphy**

**Chairman**

**January 2002**

## 1. INTRODUCTION AND BACKGROUND

The Irish economy, society and the workplace have all witnessed significant change since the publication of the Commission's last strategy document in 1996. For some time now the Commission has been operating in one of the most dynamic economies in the European Union/OECD. These changes in the external environment present significant challenges for the management of industrial relations and human resources. As the body charged with promoting the improvement of industrial relations, the Commission considered it crucial to reassess the continued appropriateness of the content and mode of its service delivery to client groups and to re-appraise the impact of these developments on the role and mission of the Commission and on its institutional arrangements.

Consequently, the Labour Relations Commission has embarked on a new strategic policy review, at the heart of which has been an inclusive and comprehensive consultative process with relevant interest groups. The objective of this process was to assess the views of Government, employers and trade unions as a first step towards the development of a strategic policy relevant to the conditions of one of the fastest growing economies in the world.

A comprehensive Discussion Document was issued and served as the basis for the consultative process which involved high-level meetings with the social partners, relevant Government Departments and the Labour Court, together with written submissions from these and other interested parties. High-quality contributions were received during this process and they formed an important input to the formulation of this strategy document. The discussion document was circulated to all trade unions and included in the Commission's website.

The responses to the consultation process indicated strong support from all parties for the role of the Commission in the past and future of Irish industrial relations. There was also strong encouragement from all for the development of a new strategy statement to address the issues facing employment and industrial relations and the Commission's role in the coming years.

This document considers the Labour Relations Commission's role and surveys the present situation and emerging trends in the Irish industrial relations environment. It identifies the key challenges facing the Commission and the factors necessary for future success. Based on this analysis, it proposes a set of strategic actions to ensure the optimum contribution of the Commission to the future success of the evolving Irish economy. Implementation of this set of actions will form the basis of the Commission's specific business and operational plans in the coming years.



## 2. ROLE OF THE LABOUR RELATIONS COMMISSION

The Labour Relations Commission was established in 1991, under the provisions of the Industrial Relations Act, 1990. The Act provided that: *"The Commission would have general responsibility for promoting the improvement of industrial relations"*.

Over the last ten years the Commission has ensured the provision of a quality level of service to its customers and has undertaken several initiatives to improve approaches to dispute resolution and human resource management.

Shortly after the current Board took office in April 2000, it embarked on a process of review. This process has actively involved both Board members and management in evaluating how well the services of the Commission are helping it to fulfil its statutory functions and to achieve its primary mission of *"promoting the development and improvement of Irish industrial relations policies, procedures and practices through the provision of appropriate, timely and effective services to employers, trades unions and employees"*.

At present the Commission operates with a total complement of 34 staff and 6 Rights Commissioners (5 operational). The work undertaken by the services of the Commission and their contribution to the Irish economy represent exceptional value for the level of public expenditure incurred by it. The annual budget for 2002 is estimated at approximately €2,756,000, which under the provisions of the Act of 1990 is provided from public funds – currently the Vote of the Department of Enterprise, Trade and Employment. The LRC comprises three services – Advisory Development and Research, Conciliation and the Rights Commissioners.

A summary in numerical terms of the activities of the Commission for the years 1996 to 2001 is set out below:

### **REFERRALS**

<b>YEAR:</b>	<b>CONCILIATION</b>	<b>RIGHTS COMMISSIONERS</b>
<b>1996</b>	<b>1,487</b>	<b>1,807</b>
<b>1997</b>	<b>1,588</b>	<b>1,894</b>
<b>1998</b>	<b>1,563</b>	<b>2,260</b>
<b>1999</b>	<b>1,923</b>	<b>2,996</b>
<b>2000</b>	<b>1,899</b>	<b>3,206</b>
<b>2001</b>	<b>1,815</b>	<b>3,755</b>

**ADRS Activities - 1996-2001****COMPLETED PROJECTS/REFERRALS**

<b>Company/Sector Reviews</b>	<b>84</b>
<b>Frequent Users Reviews</b>	<b>130</b>
<b>Codes of Practice</b>	<b>6</b>
<b>Joint Working Parties</b>	<b>29</b>
<b>Facilitation/Preventive Mediation</b>	<b>41</b>
<b>Consultations</b>	<b>15</b>
<b>Code of Practice on Voluntary Dispute Resolution (SI 145/2000)</b>	<b>31</b>

Over the last few years the success rate of LRC conciliation, in terms of strike avoidance exceeds 90% with an average settlement rate over the decade of 85%. In addition, the Advisory, Development and Research Service of the Commission has prepared and promulgated six Codes of Practice of wide application in the Irish employment sector.

## 3. THE EXTERNAL ENVIRONMENT

### **Introduction**

The services of the Labour Relations Commission play a key role in maintaining industrial peace and promoting best industrial relations practice within the Irish economy. During the last decade, the economy has undergone a major transformation. The Commission has operated in an environment marked by significant changes in the structure of industry and the public services, increased employment levels, changes in the composition of the workforce, new employment laws and practices as well as trade union reorganisation and rationalisation. It is important, therefore, that the Commission monitor and respond effectively to the changing conditions in this external environment.

### **Economic and Social Developments**

The Commission has operated since its establishment in 1991, in a context of national consensus on economic and social policies. Over that time strike incidence has reached a historically low level - though the numbers of disputes referred to the Commission and resources deployed to deal with them, have remained consistently high. In the last three years strikes in the public sector have accounted for the majority of days lost.

Successive national programmes of social partnership have been a significant factor in achieving a positive investment climate, near full employment, relatively low inflation, high growth levels and major reductions in the national debt. The pay terms of these programmes, allied with progressive reductions in taxation, and the introduction of the national minimum wage have resulted in substantial increases in take-home pay for workers. To date these pay levels have been achieved without any significant damage to Ireland's overall competitiveness, although there have been some sectoral difficulties.

In manufacturing as a whole, for example, the unit cost of labour has fallen over the period. Labour costs in Ireland in 2000 were estimated to be 11% lower than the EU average. Productivity levels in the economy have increased dramatically in a very short period of time and per capita GNP increased by 150% between 1990 and 2000. In the period 1996 to August 2001 employment increased by 458,000.

In recent times the successes of the 'Celtic Tiger' economy have given rise to new pressures. Capacity constraints such as infrastructural deficiencies are hampering growth. Almost full employment is resulting in labour market bottlenecks. In certain sectors, wage inflation is now a reality as employers adjust remuneration packages to cope with skill shortages.

Moreover, several responses to the consultation process suggested that the era of national consensus agreements may be approaching an end and that changes may be expected in the negotiations due to take place within the next year. They also noted a significant trend towards decentralisation of industrial relations negotiations. Both of these factors are likely to increase the demand for the Commission's services

The small, open Irish economy depends on the US and UK for a significant proportion of its trade and is vulnerable to external shocks such as economic difficulties in either country and/or currency fluctuations. Recent serious downturns in the global economy and especially in the technology and telecommunications sectors in the US are having significant adverse consequences for employment in

Ireland. Although overall growth is expected to continue over the coming years, albeit at a slower rate than in recent years, the immediate outlook is very uncertain. In recent months there have been serious levels of redundancies in the economy; in aviation, telecoms, broadcasting, newspapers and the high technology sector to add to the notified redundancies during 2000 in traditional sectors such as clothing, household electrical goods, autocomponents and textiles. In addition many major indigenous enterprises are undergoing severe rationalisation and restructuring programmes.

### **Workplace Change**

Relationships and structures in the workplace are changing with more and more atypical employment, individual fixed-term contracts and the growth in part-time employment. Recent OECD statistics, for example, indicate a significant growth in part-time working in Ireland. Cultural changes are also informing attitudes and behaviour. Workers are now more inclined to assert their rights and entitlements on a personal basis. Well-educated and confident school-leavers and graduates, as well as returned emigrants, are entering the workforce at a time when a premium is attached to individual accomplishment and success. Combined, these factors have yielded greater variation in employee relations across sectors and enterprises. Among these is a trend towards the individualisation of the employment relationship.

The process of European economic integration has led to the reregulation of industries long subject to high levels of government regulation. Aviation, transportation, energy, telecommunications and utilities, have been opened to competition. EU economic policies favouring trade liberalisation within the Union have made it more difficult for governments to subsidise uncompetitive public sector enterprises. Ongoing revisions of established industrial relations and work practices occupy a major place in the responses of semi-state companies to the new competitive environment.

A further significant development in workplace organisation has been the development of enterprise level partnership. This has been achieved through the collective efforts of IBEC, ICTU, employers, trade unions, the LRC's Advisory Service and the National Centre for Partnership. The social partners at national level have been particularly successful in achieving national consensus. There is evidence also of an increased incidence of union, employee and employer partnership at enterprise level. Thus the persistence of collective bargaining can be seen as an important factor in counterbalancing pressures towards individualisation of the employment relationship.

Nonetheless, the difficulties caused by an increasing trend by various parties to fail to fully implement agreements and procedures are seen as testing the partnership approach and are considered to increase the complexity of the industrial relations environment.

The Commission has to date published six Codes of Practice of wide application in Irish employment. Responses to these codes in the consultation were rather ambivalent. While welcomed in principle, their effectiveness and relevance were questioned as well as their implementability. A particular issue of concern to several respondents was the lack of effective implementation of the code on essential services as required under the terms of the current Programme for Prosperity and Fairness (Framework I, Annex II) and which obliges the social partners to agree voluntary codes of practice to address, in particular, the maintenance of essential services.

### **Trade Union Organisation**

Trade unions are an integral part of the fabric of Irish industrial relations and membership numbers among Irish workers have traditionally been high. For example, during the 1990s the level of unionisation in Ireland was seventh highest of the 23 OECD member states. Today some 544,000 workers are members of 48 trade unions affiliated to the Irish Congress of Trade Unions.

Figures produced by Congress show relatively high levels of membership in traditional manufacturing and public sector employments. The Commission does not collect data on trade union density but other sources show that, while overall union membership has increased, union density has been declining. Recent research has found that density levels are highest in the public sector and among indigenous companies in traditional sectors and lowest in the sectors that have contributed most to our income creation and recent employment growth. These include high-technology industries such as computer hardware and software manufacturing, as well as in the pharmaceutical and financial services sectors, in which there is a strong presence of foreign-owned multinational companies.

### **Developments in Labour & Employment Law**

Employment and social law continues to develop and is significantly influenced by the European Union. The most obvious impact has been in the area of individual rights. Since 1991 for example, the number of statutes under which Rights Commissioners have responsibility has expanded from 3 to 13 and further legislation is due for implementation in 2002, including a new piece of employment legislation relating to the rights of part-time workers.

In recent years case law developments have also contributed to the legislative environment in which the Commission operates. Overall, these legislative and other statutory developments add further to the complexity of the cases coming before all of the services of the Commission.

### **Changes in the Institutional Framework of Irish Labour Relations**

Prior to the establishment of the Commission in 1991 the primary third party institutions in the industrial relations arena were the Labour Court, the Employer Labour Conference and the Employment Appeals Tribunal. In responses, several bodies expressed concern at the fact that the Labour Court is no longer considered to be "the court of last resort". This is perceived by some to be a threat to industrial relations stability.

Since 1991 many new approaches have been initiated to improve and underpin our social partnership policy;

- The Office of the Director of Equality Investigations was established under the Equality Act 1998 to investigate, mediate and make determinations in disputes in relation to equality issues. It incorporates the former Equality Service of the Commission.
- The National Centre for Partnership established under Partnership 2000 to assist in the development of enterprise level partnership has been succeeded by the National Centre for Partnership and Performance, which was established under the Programme for Prosperity and Fairness (PPF).

- The Public Service Benchmarking Body was established in July 2000 under the PPF to examine Public Service employment groups and their pay levels, taking account of comparisons across the economy. The Body is due to report by the end of June 2002.
- The National Implementation Body was set up in late 2000 following a review of the PPF. Its function is to ensure the delivery of the industrial peace and stabilisation clauses of the Programme.

The advent of these new organisations has brought an interlocking web of connections. Several responses to the consultation process noted the new complexity this brings to the existing industrial relations and human resource environment and identified it as an area needing some co-ordination.

## 4. IMPLICATIONS FOR THE SERVICES OF THE LABOUR RELATIONS COMMISSION

The various external factors, which influence the environment within which the Commission operates, have been outlined above. It is now appropriate to consider how each of these factors have impacted, or are likely to on the Commission's services.

### **1. Economic and social developments and trends in workplace and trade union organisation:**

It is the view of the respondents, that the above developments and trends are likely to lead to an increase in the number and varied nature of the cases and issues facing the Commission. One particular area of growth is expected to be from public sector employments arising from the broadening of the Commission's remit to include particular groups in the public sector that previously did not have access to its services and from structural changes in large public sector organisations e.g Health Boards, Local Authorities, Postal and Telecommunications Services, Education, State Agencies & Enterprises.

The number of one-person or small group disputes is expected to increase and there is an expectation of an increasing demand for mediation as the changing complexity of employment and negotiating relationships change. Further evolution of social partnership may also lead to possible changes in the volume and nature of referrals to LRC services.

The impact of economic slowdown is leading to serious job losses/rationalisations which may well require greater involvement by LRC services. In addition, public sector reregulation and the continuing opening up of markets, coupled with ongoing change management programmes in private sector enterprises, are likely to generate further requests for assistance from the Commission.

There is also evidence that increasing union competition and selective adherence to procedures and deadlines are adding to the difficulty of providing and conducting industrial relations services.

The impact on the LRC of the completion of the public service benchmarking process is unclear at this time. Some respondents warned of the potential of spin- off claims from groups not directly involved in the process.

### **2. Labour law developments:**

Changes and increases in labour law provisions have led to a major increase in the volume of referrals to the Rights Commissioners service (over 3,500 per annum, at current referral levels).

Changes in relation to the voluntary resolution of disputes are resulting in increased workloads for the Advisory Development and Research Service (ADRS) as a result of the procedures provided in the Code of Practice on Voluntary Dispute Resolution.

In addition, the increasing complexity of industrial relations issues as a result of legislative developments is imposing new requirements on services.

All respondents who commented on this area agreed that it was important that the LRC should be involved at an early stage in the Government's development of legislative or regulatory instruments for the industrial relations sector.

### **3. New institutional arrangements:**

Recent additions to the institutional framework also have implications for the Commission. They increase the range of services in the industrial relations environment, raise the likelihood of overlaps and increase the potential for “deal shopping” during dispute resolution processes.

The former National Centre for Partnership and the LRC shared experience and expertise to the benefit of both organisations and their clients. It is anticipated that a similar co-operative relationship will develop with the new National Centre for Partnership and Performance.

While the implications for the LRC of the deliberations of the Public Service Benchmarking Body are as yet unclear its findings, if disputed, and their application, could potentially have a significant impact on the Commission's workload towards the end of 2002.

The establishment of the National Implementation Body represents a formalising of pre-existing ad hoc arrangements and as such is not considered likely to have any significant implications for the Commission beyond the need to formalise a liaison arrangement between the two organisations.

### **Conclusion**

The external environment in which the Commission operates is continuously evolving and changing. In the view of the Commission and of the respondents to the recent consultation process the future will be more complex and more demanding. The Commission is committed to monitoring and evaluating these changes and developing, in consultation with its key client groups, appropriate strategic responses to ensure the delivery of an effective service in the coming years.

## 5. CHALLENGES FOR THE FUTURE

The industrial relations environment in Ireland has changed considerably over the last ten years. There is every reason to believe that this process will continue as the country at large and the social partners adapt to developing economic circumstances and to the evolving aspirations and goals of both employers and employees.

This continuing process of change poses significant challenges to the Labour Relations Commission's role as a central player in the development and improvement of industrial relations in Ireland. The Commission's strategy must recognise these challenges, identify the key factors for future success and specify the main actions which will be implemented to ensure its optimum contribution to future national growth through its assistance in maintaining a positive industrial relations environment.

### **Major strategic challenges identified for the Commission include:**

**Continue to deliver effective service:** An immediate priority is to continue to provide quality service in the area of dispute resolution where agendas are always urgent but the fulfilment of its remit to improve and develop the sector is equally important for the Commission and its clients in the long term.

**Maintain client confidence:** The effective performance of the Commission is built largely on the very high level of confidence the social partners place in its staff and services, based on their independence, availability of service and quality. Maintaining this confidence at a high level is essential for the Commission's future.

**Need to anticipate and adapt to change:** As has been outlined earlier in this strategy document, significant continuing change is expected to be a major feature of the Irish industrial relations sector in the coming years. The ability of the Commission to anticipate, plan for and adapt rapidly to new circumstances and requirements would contribute greatly to its relevance in the future.

**Correct positioning in the industrial relations sector:** In recent years the organisational and legislative structure of industrial relations in Ireland has become more complex with the establishment of new bodies and the passing of new laws, particularly in the area of individual rights. These changes challenge the Commission to clearly define its role and to offer a range of services appropriate to the evolving needs of the Irish economy and society.

**Maintain an effective and committed workforce:** The success of the Commission depends primarily on the expertise and dedication of its staff who are frequently obliged to work under great pressure in dispute situations. Maintaining the necessary levels of skill and commitment to ensure the effectiveness of its services is a serious challenge for the Commission.

**Maintain support from principals:** Through its Board, the Commission reports to the Government under the auspices of the Department of Enterprise, Trade and Employment. It depends on them for funding and human resources. Ongoing active support from Government and the other social partners is essential for the continued effective operation of the Commission. It is vital therefore, that they collectively ensure that the Commission is appropriately resourced and supported in its operations.

## 6. FACTORS FOR FUTURE SUCCESS

This section briefly outlines the key responses needed to meet the challenges outlined above in order to ensure a continued effective role for the Commission in the coming years.

A clear, focused goal and mission is a basic requirement for success in any organisation. The Industrial Relations Act 1990 provides that: *"The Commission would have general responsibility for promoting the improvement of industrial relations"*. Within this broad remit the Commission has defined its primary mission as *"promoting the development and improvement of Irish industrial relations policies, procedures and practices through the provision of appropriate, timely and effective services to employers, trades unions and employees"*.

The Commission considers that these statements continue to provide an appropriate and clear objective within which its activities can be organised in order to optimise its contribution to the future development of Irish industrial relations.

**Fast, effective dispute resolution:** The Commission's Conciliation Service is a core element of its contribution to promoting the improvement of industrial relations in Ireland. Its record to date in a voluntary dispute resolution environment is truly impressive and the continuation and further development of the service to meet the changing circumstances of coming years is a basic requirement for future success. In addition, the Rights Commissioners service plays a major role in the resolution of a wide range of individual or small group disputes. This role is likely to expand in the future into other areas of employment rights.

The centrality of the Commission's dispute resolution function is confirmed by the wide range of positive responses from all the social partners during the consultation process completed earlier this year.

**Focused, relevant, timely inputs to develop and improve Irish Industrial Relations:** In addition to immediate dispute resolution actions, the Commission's remit to develop and improve Irish industrial relations requires the provision of services in the areas of dispute avoidance and the improvement of policies, procedures and practices in the sector. These services, provided by the Advisory, Development and Research Service of the Commission, complement the Conciliation Service and supply an essential input with significant impact on the long-term development of Irish industrial relations within economic/social sectors and in individual enterprises.

**Focus on client needs and service levels:** Increasingly, responsiveness to the real needs of clients and the provision of high quality services are considered essential for the future success of the Commission. In the coming years specific emphasis will be placed on better understanding clients' requirements and on developing services and quality levels which meet them.

**Adapting to change:** Earlier discussion in this strategy document has noted the ongoing trends in the industrial relations environment and the expectation of continuous evolution and change over the next few years. It is essential that the Commission adapts to this change and takes practical steps to address the relationship issues arising from recently enacted legislation and the establishment of several new bodies in the industrial relations sector.



In the face of changing patterns in employment organisation and employee representation in some sectors, it is also vital that the Commission ensures that the range of services it offers continues to be relevant in new conditions. Good anticipatory planning and operational flexibility will be key elements for future success.

**Communications and education:** The Commission has accumulated a wide range of experience and expertise in the practical application of dispute avoidance and resolution processes in both indigenous and multinational enterprises. This experience continues to grow and evolve in line with current developments. Effective dissemination of this expertise to all the parties involved in human resource management in the sector will be an important function of the Commission in future years.

**Management, Resources and Organisation:** In the coming years the Commission will continue to face a heavy and urgent workload with limited specialist resources. Achievement of optimum effectiveness as demands become heavier and cases more complex will require increasing emphasis on the overall management and planning of the Commission's work.

Successful planning and implementation of the Commission's important remit can only be based on a highly experienced, skilled and committed management and staff, sized to meet clients' demands for services. These staff must be organised to optimise their effectiveness in contributing to the overall benefit of the Irish economy. Achievement of this goal is a key success factor for the Board and senior management of the Commission.

The future success of the Commission requires focus on the major factors outlined above. It also requires the full support of the Board, Government and other social partners. This essential support must continue to be earned by the actions of the Commission and be provided in a sufficient and timely way by the various principals who significantly affect the Commission's capability to deliver the level of service required.

The following section outlines the Commission's strategic action programme to address the identified success factors and to ensure its continued effective and central role in the industrial relations practices of the Irish economy.

## 7. STRATEGIC ACTION PROGRAMME

### Overall Goal/Mission

The Commission confirms its goal and mission statement as outlined in section 6. The Commission will fulfil this remit effectively by implementing the following strategic action plan designed to ensure a structured approach in a changing environment. Reflecting its expertise and role the Commission will take a pro-active stance in seeking to encourage positive handling of the complex issues arising in industrial relations.

#### **Mission of the Labour Relations Commission**

“To promote the development and improvement of Irish industrial relations policies, procedures and practices through the provision of appropriate, timely and effective services to employers, trades unions and employees”.

### Dispute Resolution – Conciliation Service

Provision of a fast, effective and efficient dispute resolution service in Irish industrial relations is a core function of the LRC. The Commission will continue to provide this service and will develop and improve it to meet changing requirements. In particular, the Commission will formally undertake to make available a conciliation hearing within a specified number of days of joint referral of a dispute. (The specified notice days may vary between Dublin and elsewhere.)

A successful process to prioritise referrals is already in place, thus ensuring that disputes of major potential impact are handled most urgently. This process will be confirmed and developed and clients will be clearly advised of the optimum use of contact points within the Commission.

As a further step to optimise the Conciliation Service, a programme will be initiated to encourage the use of Rights Commissioners for individual and small group disputes which do not raise broader policy issues. This would make a significant contribution to improving operational efficiency by ensuring the availability of experienced Commission experts for the resolution of larger and more significant disputes.

The Commission operates in close co-operation with the Labour Court which is intended to be the “court of last resort” in the Irish industrial relations system. In practice, however, a small minority of recommendations are not accepted by the parties and these cases are the subject of further interventions. To reflect this reality the Commission intends to review its existing operational protocol with the Labour Court to evaluate how best the LRC can contribute to the final resolution of such unusual but important cases. The proposed protocol revision will be discussed with the Labour Court and the social partners.

In response to perceived client and sector demand, the Commission will also investigate the possibility and appropriateness of offering mediation on request in suitable cases and of developing an arbitration service. These investigations will be the subject of submissions to the Board for approval before implementation.

#### **Provide a Fast, Effective, Efficient Dispute Resolution Service**

- Continue to provide and upgrade Conciliation Service
- Publish deadlines for making hearings available
- Clarify prioritisation policy and contact points
- Encourage appropriate use of Rights Commissioners
- Review and revise policy on post-Labour Court involvement
- Investigate provision of mediation and arbitration services

#### **Dispute Resolution – Rights Commissioners**

The Rights Commissioner Service was established initially under the Industrial Relations Act 1969, and subsequently became a service of the Labour Relations Commission on its establishment in 1991. Between 1991 and 2001, the number of Acts under which the Rights Commissioners have jurisdiction has increased from 3 to 13, with a further two draft Bills expected to pass into law in early 2002. The number of Rights Commissioners has now increased to six (five operational at this date).

The Service is seen by the social partners as a cost effective and efficient system by which disputes involving an individual or small “body of workers” regarding alleged breaches of employment rights or non grade-wide grievances on pay or employment matters can be resolved on a user friendly access basis.

As noted in section 3, use of the Service by a broad range of clients has increased significantly in recent years. However, Government Departments and State organisations display a reluctance to use the service to resolve minor disputes. As a consequence, such cases, which could appropriately be handled by Commissioners, are frequently referred to the Conciliation Service of the Commission.

The increase in the number and complexity of referrals, including the increasing legal procedures and disciplines which must now be attached to the hearings and recommendations, requires an increased management and co-ordination of the Rights Commissioner Service similar to that which applies in the Labour Court and the Employment Appeals Tribunal.

The Rights Commissioner Service has now become, in effect, a full time core activity and service of the Commission. This has implications for the way in which the Service is resourced and managed and its future organisation requires more detailed discussion with the Minister and the Department of Enterprise, Trade and Employment, Social Partners and the existing Rights Commissioners. In addition, the expanding remit of the Commissioners brings with it an added need for clarity and transparency in the Service's operational structures.

- Review the future organisation, resourcing and management of the Rights Commissioner Service
- Encourage use for individual and small group disputes not involving wider policy issues
- Encourage Government as employer to use the Rights Commissioner Service
- Need to structure guidelines, standards, procedures, accountability

## **Development and Improvement of Industrial Relations**

In addition to its role in dispute resolution the Commission plays an important part in dispute avoidance and in promoting best practice in industrial relations. It has a good record of achievement in these areas and the recent client consultation process indicated widespread support for the continuation and focused development of this aspect of the Commission's work, carried out by the Advisory, Development and Research Service.

As an initial stage in this strategy, the Commission will review the scope and value to clients of the services provided and will prioritise its service programme in light of the results. Client responses have already indicated demand for certain services and these constitute a central part of this strategic action programme.

The existing frequent user programme will be upgraded and implemented on a continuous basis. This will include reports on industrial relations practices in the frequent users, with programmes to feedback the experience gained and the lessons learned. Recent sector reviews have been well received and are considered highly useful by those concerned. Further sector reviews of selected public service areas will be carried out and published, with specific sectors chosen after consultation with the key principals.

Actions will be taken to confirm the effectiveness of the Commission's diagnostic audits on the status of industrial relations practice in key employments and a programme to improve their efficiency will be drawn up and implemented. A similar approach will be adopted to the industrial relations working parties in various enterprises involving the Commission.

The Commission's programme of industrial relations research will be focused, specific and geared to practical application. A clearly defined priority list will be prepared and submitted annually to the Board for approval. Every opportunity for joint research will be explored with third-level institutions and other relevant bodies.

Recent times have demonstrated an increased tendency towards non-compliance with established norms of procedure and practice. The wider impact of such behaviour and possible responses will be reviewed.

Existing codes of practice and their value and extent of application were the subject of mixed responses in the consultation process. In implementing this strategy the Commission will review the effectiveness of existing codes and will make policy proposals to the Board on the future focus and extent of codes of practice.

This is a particularly sensitive area covering a range of different questions in several critical sectors of the economy. In the PPF the social partners committed themselves to agreeing voluntary codes of practice for the maintenance of essential services and adopted procedures for the completion of such agreement. These procedures envisaged access to the LRC/Conciliation and Arbitration Facilitator and, if necessary, the Labour Court/Arbitration Board. The Commission notes that progress to date in this voluntary process has been particularly slow. From the LRC viewpoint the approach being adopted in the Commission's recent initiatives in the health sector, which includes several elements of essential services, may provide a model for a sector by sector approach to this key issue.

Particular attention will be given to reviewing means to increase the effectiveness of the code on essential services including commitments to industrial peace.

Where invited, the Commission will continue to provide preventive mediation and facilitation services. This facility has a proven record of value in anticipating and avoiding disputes and improving the industrial relations practices of many enterprises and trade unions.

A formal process of evaluating the operations of the Commission and assessing the impact of its work will be developed and will be the subject of regular reports to the Board. Client evaluation surveys will be a key element of this evaluation.

#### **Develop and Improve Industrial Relations**

- Review scope and value of services and modify if needed
- Upgrade frequent user initiative and feedback results
- Execute further sector reviews in selected areas
- Carry out focused research to agreed annual programme
- Confirm effectiveness and upgrade efficiency of diagnostic audits
- Evaluate codes of practice and propose future policy
- Consider means to increase effectiveness of code on essential services
- Review impact and response to non-compliance with established procedures
- Evaluate operational effectiveness using client surveys

#### **Client Needs and Service Levels**

Responsiveness to client needs and the provision of appropriate service levels is recognised as a key responsibility of the Commission. This also involves an understanding by clients of the degree of service which they can reasonably expect to receive.

To improve this focus the Commission will implement a structured feedback system, not only on the operational effectiveness of its services as outlined above but also on clients' experiences in their dealings with the Commission services, including the Rights Commissioners.

A service charter for clients will be developed, publicised and adhered to by the Commission in its dealings. It will incorporate guidelines for interactions between clients and the Commission.

A programme of yearly high-level meetings with major users will be established, based on the mutual commitment of all parties to optimising the processes and practices in Irish industrial relations. In addition, focused workshops will be organised with clients to review specific issues of interest.

The Commission will further develop its user education programme including input to post- primary and third- level, employer groups and trade union training courses.

Co-operation with employer and trade union organisations on websites and databases is already established but will be extended to improve their value to clients.

**Client Needs and Service Levels**

- Implement feedback system on client experience with LRC
- Develop and publish client service charter
- Programme annual meetings with major users
- Organise focused workshops on specific issues
- Further develop education programme
- Extend website and database co-operation

**Relationships in the Industrial Relations Sector**

In adapting to ongoing change it is important that the Commission maintains good and effective working relationships with the other agencies concerned with industrial relations in Ireland.

Relations with the primary agencies and client groups are considered to be good at present and this is confirmed by the outputs from the consultation process. The Commission will seek to maintain this position and to build on it, winning active support of these major bodies for a strengthened future role for the Commission with the necessary administrative support.

Responses to the consultation process indicated a strong consensus that the Commission should be involved by Government at an early stage in the development of legislative and regulatory proposals relating to industrial relations. The Commission can also play a useful role in the preparatory process of Government inputs to relevant draft EU directives and legislation. Steps will be taken to ensure that meaningful involvement in both areas is achieved at an early date.

The recent establishment of a range of new agencies makes for a more complicated industrial relations environment and the Commission will actively seek to clear any outstanding lack of clarity on strategic issues with these agencies. To this end the Commission will propose an annual informal meeting of the range of specialist agencies to discuss matters of mutual concern. It is envisaged that in addition to the LRC, this will involve the Labour Court, National Implementation Body, National Centre for Partnership & Performance, Employment Appeals Tribunal, the Equality Authority and the Office of the Director of Equality Investigations.

In the coming months the Commission will finalise the autonomy agreement currently in discussion with the Department of Enterprise, Trade and Employment and will then implement and monitor its effectiveness.



### **Relationships in Sector**

- Maintain good relationships with primary agencies and client groups
- Win active support and backing for LRC 's future role
- Ensure early involvement in development of new legislation
- Participate in development of Irish inputs to EU Directives
- Organise annual meetings with specialist agencies
- Finalise and implement autonomy agreement with DETE

### **Range of Services**

The Commission's continued relevance in an evolving industrial environment depends on its ability to offer effectively a range of services adapted to changing customer needs.

This strategy strongly confirms the two core roles of the Commission – dispute resolution through the Conciliation and Rights Commissioner Services, and dispute avoidance, mainly through the Advisory, Development and Research Service. These Services will be strengthened and extended as appropriate to meet changing needs in the industrial relations environment.

Based on recent wide experience in dispute situations some areas are considered to merit specific strategic actions. In response to a clearly perceived need, the Commission will develop a voluntary mediation package for Board approval with an emphasis on small claims/disputes. Consideration will also be given to offering an arbitration service in selected appropriate cases. Following study, a report on this topic will be brought to the Board for consideration.

A major feature of the Irish economy in recent years has been the growth of multi-national companies in the new economy sector. Many of those involved in this growth area have not adopted traditional approaches to the handling of industrial relations issues. The Commission will study the sector to investigate whether it has a useful and significant role to play and to draw any lessons which can be learned from the sector which may have wider application in Irish industrial relations.

### **Range of Services**

- Confirm and strengthen the LRC's two core roles – dispute resolution and dispute avoidance
- Develop voluntary mediation package for small claims/disputes
- Consider offering selective arbitration service
- Investigate future role in and lessons from new growth economy

## **Communications and Education**

The work to date of the Labour Relations Commission is undoubtedly a major success story of significant importance to the development of the Irish economy in recent years. To ensure the continuation of this success and the wider dissemination of its experience and expertise among interested parties, the Commission believes that a more systematic approach to communications and client education is an essential element of this strategy and that it requires further development.

To inform and contribute to public debate on industrial relations issues the Commission plans to publish a quarterly bulletin for wide circulation among groups involved in industrial relations in Ireland. The bulletin would summarise Commission activities, research outputs and developments of interest. This publication will be the Commission's main communications contact with many key players. It will reflect the expertise and experience of LRC staff, together with their accumulated knowledge of relevant worldwide developments in the areas of industrial relations and dispute resolution.

Specific research studies with concise reportable outputs on topics identified as priority concerns will be executed and published alone or jointly with Department of Enterprise, Trade and Employment, the National Centre for Partnership & Performance, universities or similar bodies. Shorter pamphlets of practical workplace application will be published on particular issues.

The Commission plans regular meetings with the range of principals involved in its work and with clients and others actively concerned with industrial relations. Some responses to the consultation process felt that a high-level national forum where the main parties could discuss current and emerging issues on a non-confrontational basis would be of significant value. The Commission will discuss the establishment of such a forum with NESC and others to determine its value and the roles to be played by the various interests.

In electronic media, the Commission will continue to enhance its website and ensure good links to quality relevant sites and will consider the possible role of e-business in future service provision.

A comprehensive programme of educational activities designed to improve practices and thus benefit both the sector at large and the Commission's workload has already been outlined in this strategy. The programme will include extended user education material, focused workshops and promotion of codes of practice of demonstrated value. The Commission's website will be used to promulgate "dos and don'ts" of industrial relations. In addition, the present educational CD Rom will be updated and improved.

### **Communications and Education**

- Publish comprehensive quarterly bulletin
- Consider optimum image for effective communication
- Reportable focused research outputs, often jointly executed
- Regular meetings with key players
- Investigate joint organisation of national forum
- Enhance website and consider e-business role
- Implement comprehensive education programme

### **Management, Resources and Organisational Issues**

This strategy lays out a series of strategic actions to develop and upgrade the Commission's input to the future success of the Irish industrial relations process. Implementation of these actions will require a strong and planned commitment to workload management, optimum organisation and application of scarce resources using modern systems and a high degree of co-operative effort both within the Commission and with other players in the sector. Achievement of these goals is a top priority objective for the Board and senior management. The development of specific proposals in this regard will be reflected in operational business plans. The Commission is ready to embark on a review of its staffing in conjunction with a steering committee of the Department of Enterprise, Trade and Employment, the Department of Finance and the Commission.

In an increasingly complex and changing world maintaining quality service to its wide user base will require increased emphasis on the overall management of the Commission. In particular, the Chief Executive will devote additional attention to the high level organisational and external relations aspects of the Commission's remit as well as to its busy operational programmes, including selective involvement in key disputes.

Good relationships with the principal external parties who largely determine the Commission's resourcing, budgeting and priorities is a key responsibility of the Chief Executive and requires constant management. Similarly, top-level planning and implementation of the best organisation structures and systems, resourcing, financing and the prioritisation and delivery of major action programmes is essential for the optimum future effectiveness of the Commission and this function cannot be successfully delegated.

Creating the opportunity for the Chief Executive to address these core activities will require effective delegation of overall management of day-to-day operations and performance. This strategy also places heavy emphasis on the need for the Commission to sharply improve its communications and education efforts the production of a quarterly bulletin and the upgrading of its other publications and educational materials and course inputs.

Effective provision of these two vital functions of upgraded information services and operational management will require the early recruitment of an additional senior officer by the Commission.

### **Support for Operational Officers**

At the operational level, the Commission's success to date and in the future depends completely on its team of expert, widely experienced and highly committed staff. The heavy and complex workload of recent years, which is likely to continue in the coming years, has placed a heavy strain both on the organisation and on individual staff. This is exacerbated by the lack of back-up for the operational officers at administrative levels, resulting in less-than-optimum use of scarce expert resources. A strengthening of the Commission's staffing at executive level is considered essential for continued top-class service from operational officers in the face of increasingly demanding workloads and in light of the strategic commitment to upgraded communications services. Provision of such back-up is essential for the implementation of this strategy and would represent a highly productive investment of resources in the Commission. A specific proposal on this will be brought forward in the immediate future. However, rapid turnover of staff and delays in filling vacancies are at present creating a threat to the Commission's skill base and service levels. Any major change in workload resulting from a significant shift in the current economic environment would require a review of the adequacy of the current staffing levels.

If these additional staffing resources were achieved and the staffing complement filled, the Commission believes this level of resource would support the strategy and programme outlined.

### **Recruitment**

Staff recruitment for the Commission is at present largely from within the staff of Department of Enterprise, Trade & Employment. This is causing difficulties both for the Commission and the Department. All responses to the consultation process strongly supported the widening of the recruitment base as indeed was the original intent when the Commission was established. The active support of the trade unions and the key Government Departments will be necessary to achieve this objective.

Recruitment from public and private sector resources would enhance the range of experience and expertise available to the Commission thus increasing its operational capability. Initially the Commission will prepare a proposal for the extension of recruitment to cover the whole public sector. This extension is a key objective for the Commission's future success.

Formal training and development programmes for staff, including back-up personnel, will be drawn up and means of reducing rapid staff turnover will be considered. Steps to further develop innovative staff resourcing for focused temporary assignments will be developed and implemented.

#### **Management, Resources and Organisational Issues**

- Upgrade top management focus on external relations, organisation, systems, resourcing and delivery of priority action programmes
- Create new senior position responsible for upgrading information services and day to day management
- Back up operational staff with improved executive support
- Maintain full current services staffing with experienced personnel
- Appoint senior information officer with back-up
- Broaden recruitment base to whole public sector
- Implement formal training and development programmes for staff
- Further develop innovative resourcing for specific tasks
- Complete the review of staffing levels/grades with the Department of Enterprise, Trade & Employment and the Department of Finance

## 8. CONCLUSIONS AND IMPLEMENTATION

### Summary

The Irish industrial relations scene is continuing to change and to increase its diversity and complexity. The low number of significant strikes in recent years disguises a high level of dispute situations and is more a tribute to the effectiveness of the dispute resolution services than a reflection of improved understanding of practices and procedures in the industrial relations world. As is clear from Chapter 4, trends in several areas are likely to lead to increases in the number of disputes and have the potential to significantly change the industrial relations environment in Ireland.

Facing these issues and ensuring that there is an effective and efficient machinery in place to anticipate developments and to avoid and resolve disputes is a major challenge for the Commission, the Government and the other social partners who empower the Commission to fulfil effectively its remit.

The Commission provides a unique high-quality service to the Social Partners and it is fully committed to its mission to promote and improve Irish industrial relations through providing independent and effective services to all of the groups active in the industrial relations environment. This strategy spells out the ways in which it will meet this commitment and the implementation of this strategy will be the core of the Commission's business planning in the coming years.

The strategic action programme is comprehensive and all of the actions outlined cannot be implemented simultaneously or immediately. The timing of implementation will be determined by the availability of human and budgetary resources and by the prioritisation determined by the Commission Board and management in consultation with the social partners and the Department of Enterprise, Trade & Employment.

An urgent start to the implementation of targets is recognised as essential and the following chart outlines a list of key strategic actions, which will be initiated immediately after finalisation of this strategy. Full implementation of these and of other commitments will be reflected in the LRC Annual Reports and its detailed business plans.





<p><b><u>Communication/Education</u></b></p> <p>Implement systematic approach to improving communications and education</p> <p>Maintain effective relationships with key sector players</p>	<ul style="list-style-type: none"> <li>• Publish quarterly bulletin</li> <li>• Review CD-Rom and other educational initiatives</li> <li>• Finalise autonomy agreement with Department of Enterprise, Trade &amp; Employment</li> <li>• Ensure early involvement in new legislative proposals</li> <li>• Develop structured contacts with relevant agencies and clients</li> </ul>
<p><b><u>Management, Resources, Organisation</u></b></p>	<ul style="list-style-type: none"> <li>• Urgently agree and implement the necessary levels of senior management, operational and support staff to achieve service goals/business plan</li> <li>• Broaden recruitment base to cover full public sector</li> <li>• Co-operate with other institutions to resource specific tasks</li> </ul>



