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Employment Relations Matters appears every quarter and is distributed free of charge by email and print. Copies can also be downloaded from www.acas.org.uk

Employment Relations Matters is intended to provide accessible articles, focusing in particular on Acas' experience working with and helping managers, employees and their representatives in the world of work.

Features are normally written by members of the Acas strategy unit and there are regular contributions from colleagues in the research and evaluation section. From time to time articles may be commissioned or submitted externally.

We welcome your comments and opinions. These should be addressed to the Editor, John Purcell – jpurcell@acas.org.uk

The views expressed in Employment Relations Matters are those of the Editor and not the Acas Council.

Line managers: making the connection between behaviour and performance

The Chartered Institute of Personnel and Development (CIPD) has recently published a management competency framework¹ aimed at line managers. This framework describes the kind of personal qualities line managers need to manage stress in others. The CIPD are not alone in looking more closely at the influential role of line managers, but what has brought them under the spotlight and what are we learning about the impact they have on employee behaviour and performance within the workplace?

The role of line managers

The main job of a line manager has traditionally been to 'tell and direct' – in other words, tell people what to do and make sure they are doing it properly. There is still an element of this for many line managers but new technology, changing working practices and an increasing focus on the individual has created a more complex picture.

Line managers are no longer just supervisors. They are responsible for an increasingly wide range of duties – including counselling, managing discipline and attendance and communication. As well as offering strong leadership – to anything between five and 30 employees – they need to be able to manage the 'soft' human issues and to encourage initiative.

In the late 1970s, when Acas first came into operation, the key to effective employment relations was fairly straightforward: make sure employers work well with their recognised trade unions and employee representatives. Working together in this way is still something Acas strongly advocates but the emphasis has changed: individuals and teams are now also seen as

critical to both good employment relations and improved productivity.

The individualisation of employment relations has inevitably placed more pressure on line managers to deliver improved performance but there is still a lack of awareness of the many problems they encounter.

Challenges faced by line managers

Bringing policies to life², published by the CIPD, shows that one of the biggest challenges facing line managers is often the managers themselves. In other words, if managers do not have the right level of interpersonal skills they will often fail to motivate and engage their staff.

The range of problems confronting line managers on a daily basis is almost bewildering. For example, a typical team leader in a large department store or a ward manager in a hospital might be asked to:

- arrange cover for an absent employee
- sort out a disagreement between two teams
- write briefing notes for senior management

- deal with an irate patient/customer
- organise staff rotas
- take part in recruitment and selection of new staff
- write staff reports.

All of this and they are expected to know everyone's job inside out and help out on the front line from time to time. What kind of person does it take to manage all of these pressures and often conflicting demands?

Using competences

The CIPD competency framework for managing stress gives an insight into some of the personal qualities needed to be an effective line manager. For example, the competence for being 'respectful and responsible' requires a manager to:

- act as a role model
- show respect
- manage emotions.

Anyone with any management experience will know that managing emotions is easier said than done. The CIPD framework gives some clues as to how this might be done in practice – and describes a manager who 'acts calmly in pressurised situations' and does not 'take suggestions for improvement as a personal criticism'.

Many of the competences listed by the CIPD for managing stress, such as 'empathetic engagement', 'use of organisational resources' and 'managing conflict' are equally applicable to effective management more generally. The value of using competency frameworks is that they allow employers to spell out in more detail precisely the kind of behaviour they are looking for. It also allows the candidate to demonstrate how they match the competences. For example how they 'encourage employee input in discussions' or 'make an effort to find out what motivates employees at work'.

Engaging employees

Employee engagement is central to why so much focus is being placed on line managers. The CIPD research, *Bringing policies to life*, argues that by engaging with employees line managers can influence how well they choose to do their job. 'Positive discretionary behaviour' can be triggered by the right kind of management – for example, by being receptive to an employee's problems or concerns or giving positive feedback on work well done. The report also makes a strong link between this kind of positive behaviour and improved productivity.

The personal interaction between managers and their employees is particularly important in performance management – especially if linked to pay and reward. How this issue is managed will strongly influence the way an employee feels about their place of work. Other issues, such as flexible working, training and development, communication and involvement and conflict management are also very important.

If this engagement is so important why aren't all line managers making it their top priority? What do they need to help them make this vital connection with their employees? The CIPD research suggests that, as well as good interpersonal skills, they also need:

- training and development
- a managed workload
- coaching
- peer group support.

Training and development

No matter how good a candidate's interpersonal skills – and how well they match the required competences – they are bound to be tested by some difficult employee problems. Line managers have so much responsibility for individual employment issues – such as discipline and grievances – that ongoing training and development is

essential. It is hardly surprising that one of Acas' most popular training events is on 'Handling difficult conversations'.

The training involves extensive roleplay and allows managers to test out their responses to awkward and sensitive situations in a supportive environment. It also aims to equip delegates with some essential skills such as active listening, developing empathy and the use of body language.

Workload

One of the main problems facing line managers is the lack of time to deal with all the problems they face. Unfortunately, it is precisely the jobs that help them engage with employees that often get left at the bottom of the pile. Ring fencing time allocated to certain key tasks, such as writing staff reports, can send out a clear message about the importance an employer places on performance management and personal development.

Management support

With the increasing focus on individual rights it can be easy to forget that line managers are also individuals. They too will make a decision about how well they do their jobs. Research has shown that if an employee is given support and encouragement they are more likely to manage their own staff in the same way.

Support and encouragement can mean anything from recognising work-life balance needs to mentoring or coaching. Coaching is a particularly effective way for a manager to offer practical support: showing how policies and procedures should be used whilst endorsing the organisation's core values.

Equally important is the support and encouragement of peers and other colleagues. On a very basic level having the opportunity to say 'I did it like this, how did you do it?' can be immensely supportive for line managers.

Conclusion

The Acas Model Workplace states that 'the way that you do something is just as important as what you do'. This does not mean that Acas is arguing for a victory of style over substance: the policies and procedures are clearly vital but so is the personal dimension that helps bring these policies to life.

The CIPD competency framework on stress is a helpful reminder of the impact a manager's behaviour can have on an employee's health and wellbeing. Wider research on the way that policies and procedures are used in workplaces reveals that line managers are the ones most likely to make the vital connection between behaviour, performance and productivity.

1. CIPD *Managing stress at work: A refined framework for line managers* www.cipd.co.uk
2. CIPD *Bringing policies to life: the vital role of front line managers in people management*, Sue Hutchinson and John Purcell

Mediation – a new Acas/CIPD guide

Acas and the CIPD have published a joint guide to mediation in the workplace. *Mediation: An employers guide*¹, uses detailed interviews with organisations that have used mediation, in addition to feedback from online and telephone surveys to illustrate the practical issues involved in introducing this method of dispute resolution into the workplace. Below we look at some of the key messages from the guide.

Mediation moves up the policy agenda

Policy makers and organisations are increasingly recognising that mediation, and other forms of alternative dispute resolution, have a particular resonance in the workplace. People are key to organisational success and productivity, and negative conflict between individuals or groups of individuals can severely hamper an organisation's drive for competitive advantage and damage employee wellbeing.

The 2007 review of employment dispute resolution in this country by Michael Gibbons² recommended that a free early dispute resolution service, including mediation, be made available to workplaces. The overall aim of the review's recommendations was to bring about effective resolution of disputes at the earliest stage possible.

Benefits

Mediation is especially effective when used at the initial phase of any disagreement, before conflict escalates in the workplace. An early intervention can prevent both sides from becoming entrenched and the difference turning into a full-blown dispute.

Mediation

Mediation is where an impartial third party, the mediator, helps two or more people in dispute to attempt to reach an agreement. Any agreement comes from those in dispute, not from the mediator.

The mediator is in charge of the process of seeking to resolve the problem but not the outcome.

Mediation is:

- Informal
- Flexible
- Confidential
- Voluntary
- Morally binding but has no legal status
- (generally unrepresented)

West Midlands Police has had a formal scheme in place since 2004. According to the scheme coordinator, the use of mediation at an early stage has led to the resolution of conflicts where situations may once have not only escalated but perhaps not have been resolved at all. Since the introduction of the scheme there has been a reduction not only in the number of formal grievances but also the number of employment tribunal claims which have dropped from 25

in the 2006/07 financial year to 13 in 2007/08.

There are convincing reasons to promote the wider use of mediation in individual employment disputes. The confidentiality of the process can offer a breathing space that allows more open and honest discussion. The advantage of a less rule bound approach means there is greater flexibility in how it is used to suit specific circumstances.

It is a cheaper alternative to employment tribunal claims that carry immediate financial costs to the organisation and the individual claimant as well as non-financial burdens. Moreover, employment tribunals do not resolve systemic problems at work that may underlie an individual dispute. Mediation is more likely to enable the employer to get beneath the problem and make changes that can benefit employees and the organisation more generally in the long term.

Acas commissioned GfK NOP³ to carry out a telephone interview survey of managers in 500 SMEs to assess their experience of mediation; of those that had used mediation, 99 per cent agreed that it was a good tool for resolving workplace disputes.



When is mediation appropriate?

Mediation is not a panacea for every dispute or disagreement in the workplace. Nor are there any hard and fast rules governing when and how it should be used.

Who? It can be used for conflict involving colleagues of a similar job or grade, or between a line manager and a member of staff, or groups of staff.

When? It can be used at any stage in the conflict including after a formal dispute has been resolved to rebuild relationships, although it works best when used in the early stages of a dispute.

What? It can be used to address a range of issues including relationship breakdown, personality clashes, communication problems, bullying and harassment. It is not generally considered appropriate for matters of discipline.

It is relationship breakdown, 'when people don't communicate and the gap gets wider and wider', that emerges as the issue most frequently cited by employers as suitable for mediation. But conflict arising from bullying and harassment is also seen as particularly suited to mediation in certain circumstances.

There are other situations where it may not be appropriate to use mediation including where an individual complaining of discrimination or harassment wants their claim investigated; a manager is seeking to avoid their managerial responsibilities; a decision about right and wrong is needed for example where there is a possible criminal activity; or someone has learning difficulties or mental health problems.

Introducing mediation into your organisation

Mediation is not introduced into an organisational vacuum and the chosen approach should suit the organisation. The majority of organisations currently making use of mediation use external providers when needed possibly as part of a call on/call off arrangement where a contract is agreed with a provider as and when is necessary. However some, particularly larger organisations are setting up their own internal schemes and training in-house mediators.

The way in which mediation arrangements are introduced and embedded within an organisation is crucial to ensuring their effectiveness in resolving internal conflict. This requires a range of factors, including senior and line manager commitment, gaining trade union support where unions are recognised and having in place the appropriate resources to manage the scheme on an ongoing basis. It also means getting the buy-in of staff for mediation.

Mediation needs to be promoted to employees as an informal alternative to settling workplace disputes, and its potential advantages emphasised. The support of trade unions and employee representatives can be particularly useful in giving the use of mediation credibility and promoting trust in the process. Ultimately, it is the effectiveness with which mediation is perceived that will encourage its take up by increasing numbers of employees who are locked in conflict.

Evaluation

Evaluating a mediation scheme can be more sensitive than the evaluation of other company policies because of the confidential nature of the process. Asking for feedback from participants too soon can prove unfruitful because individuals may not feel like filling in forms directly after what can be

a highly charged and emotional experience. Revisiting cases a few months or even a year later can be useful although care still has to be taken when contacting parties in case it opens up old wounds.

Although the need to preserve confidentiality means no records are kept of the detail of the mediation, an evaluation is necessary to assess:

- satisfaction of participants on their experience of the process
- quality of the scheme
- independence and professionalism of the mediators
- the effect that mediation has on any reduction in formal discipline and grievance procedures
- costs and benefits of using mediation.

Conclusion

Mediation is not a remedy for every situation where there is conflict between individuals in the workplace. In some cases there will be no choice but to use a formal procedure. In other disputes, one or both of the parties may not want to take part in mediation.

The success of mediation lies, partly, in the fact that it is voluntary and the parties enter the process as willing participants with a common goal of wanting to sort out their differences.

The joint Acas/CIPD Guide aims to provide practical help for employers, trade unions and employees, and their representatives, in deciding whether, and in what circumstances, mediation may be suitable. The guide is not intended as a step-by-step 'how to' guide for mediators. It is to help organisations to decide if mediation could work in their organisation and the factors and processes to be considered in its implementation.

1. *Mediation. An employer's guide.* Acas/CIPD (2008). Available from www.acas.org.uk.
2. Gibbons, M (2007) *Better dispute resolution: a review of employment dispute resolution in Great Britain.* The Department for Business and Regulatory Reform. www.berr.gov.uk/files/file38516.pdf
3. Johnston T. (2008) *Knowledge and use of mediation in SMEs* [online]. Research paper, Ref 02/08. Acas. Available at www.acas.org.uk/index.aspx?articleid=2056.

Settling strikes: the key role of Acas collective conciliation

Acas has over 30 years' experience in helping organisations of all sizes to resolve their collective disputes at work. These disputes nearly always involve trade unions and employers concerning all or a part of the workforce. Collective conciliation is a specific term used to refer to talks between representative groups (often trade unions) and employers, facilitated by an independent third party. Acas is often brought in to provide conciliation services for this type of situation, and has been involved behind the scenes in many high-profile disputes over the past three decades.

Acas has recently published an evaluation of its conciliation service, designed and managed by the Acas Research and Evaluation unit¹. It draws on research conducted by Ipsos Mori who were commissioned to do an independent evaluation of collective conciliation for the 2006/07 period. The result is a wide-ranging overview of the nature and outcomes of Acas work in this area.

Research focus

The evaluation investigated the views of the parties involved in specific cases and linked this data to information provided by the conciliators themselves on each case. This brought together information on the characteristics of those involved, the dispute, the conciliation itself, the outcome and the impact of the conciliation on the organisation. The key question addressed here was:

What conciliator behaviour and techniques led to successful conciliation outcomes and to customer satisfaction?

The research tapped into the extensive experience of conciliation staff to look at what they do to resolve disputes. The evaluation then went on to take a wider view, looking at the

impact of the service on organisations and on the national economy.

What is collective conciliation?

Under the terms of the Trade Union and Labour Relations Consolidation Act 1992, in situations where 'a trade dispute exists or is apprehended Acas may, at the request of one or more parties offer its assistance with a view to bringing about a settlement.' This service is undertaken by the Acas collective conciliation service. Most collective conciliation is undertaken where there is threat of industrial action rather than during a strike. In either case the situation can be quite tense.

Acas collective conciliators have no powers to enforce a settlement. They are not there to decide who is right and who is wrong, what is fair and what is not. Instead, the emphasis is on the parties reaching an agreement themselves, with the conciliator using listening skills to understand the views of the parties and then to explore avenues to find common ground in order to get the parties to consider options and rethink their positions. As one conciliator put it: '*[The parties] must keep ownership of the problem and the solution....we just facilitate problem solving.*'

The evaluation notes that, in Acas collective conciliation, conciliators come into the dispute with the agreement of both sides and bring a fresh perspective to the situation. They have no vested interest in the terms of any settlement and they talk to parties separately and together to help them to find the best way forward for the organisation.

The role of a conciliator

Led by a Chief Conciliator, Acas collective conciliators are based in offices across England, Wales and Scotland, and conciliate in both local disputes and those with a national perspective. In 2006/07 – the period to which the research refers – 77 Acas staff worked on 913 collective conciliation cases across GB.

Collective conciliators tend to be experienced staff, with an average of eight years' experience of conducting collective conciliation. At March 2007, almost a third (30%) of conciliators had more than 10 years' experience of collective conciliation work, with just 5% (three individuals) being newer to conciliation work, having less than one year's experience.

Around one-tenth of the conciliator workforce work purely on collective conciliation cases but it is more

common for conciliators to have a varied role in Acas. For example, the evaluation notes, as well as their collective conciliation cases they may work with organisations to improve employment relations, train organisations or individuals on employment issues, manage staff or be involved in business development.

In most instances a collective conciliation is handled by a single conciliator.

Who uses Acas collective conciliation and why?

The evaluation report looks at the type of organisations that use Acas collective conciliation, and their reasons for doing so. For example, it finds that:

- almost a third of collective conciliation cases in 2006 occurred in SMEs, although 39% were in very large organisations with more than 1,000 members of staff
- both public and private sector organisations use Acas collective conciliation. Taking into account the number of disputes in each sector, Acas is more likely to be involved in private sector disputes rather than public sector ones; and
- in a large majority (68%) of cases, at least one side believed that there was a risk of industrial action if the dispute was not resolved, at the time Acas became involved.

The desire to reach an agreement was the main reason given by both sides for bringing a third party into their disputes. Parties chose to involve Acas either because of previous experience of collective conciliation or other services, because Acas is written into their dispute procedures, or because they saw Acas as independent and impartial.

Conciliator behaviours and techniques

A key focus of the study was to determine the conciliator behaviours and techniques that led to successful conciliation outcomes, as well as to customer satisfaction. Interestingly, conciliator behaviour, rather than the characteristics of the situation conciliators enter into, was far more likely to predict a successful outcome from the conciliation as opposed to the characteristics of the dispute. The research identified five behaviours or techniques being strongly associated with successful outcomes:

- the conciliator was proactive in seeking an agreement
- the conciliator was available when needed outside meetings
- the conciliator worked beyond normal working hours
- the conciliator established the rules and boundaries of the conciliation and
- the conciliator dealt with employment relations issues beyond those of the immediate dispute.

A proactive attitude towards achieving a settlement by the conciliator, as perceived by the parties involved, was the major driver of *both* customer satisfaction and successful conciliation outcomes. High levels of customer satisfaction with the service were the result of the rapport and trust conciliators built up with the parties, their availability outside of the conciliation meetings and customers perceiving them to be impartial/neutral.

Satisfied customers

Organisations that have called on the Acas collective conciliation service are pleased with it. In terms of future use, the vast majority (87%) of customers said that they would be likely to use or recommend the Acas collective conciliation service. Two-thirds (65%)

of customers said that they were 'very likely' to do this. Of the small minority who were not likely to recommend Acas, almost all said that it was because they would try and resolve it themselves or that it would depend on the circumstances. Furthermore, 89% of employee representatives and 82% of managers were satisfied, very satisfied or extremely satisfied with the collective conciliation service they received from Acas.

Assessing the impact

The all-important question is, what is the impact of Acas conciliation? Research into the economic impact of Acas identified that the collective conciliation service alone provides benefits worth £159 million a year to the national economy². It costs £1.6 million a year to run the service, meaning that for every £1 spent on Acas collective conciliation, it generates benefits to the UK economy worth £99.

The Acas evaluation report also explored customers' views about the effectiveness of Acas collective conciliation. According to the feedback received, Acas settled or made progress towards a settlement in 90% of cases during the period in question. Where there was no settlement, customers tended to attribute this to the situation rather than to Acas. There were three common immediate effects of conciliation in cases which resulted in a settlement:

- customers felt that it sped up the resolution of the dispute (88% of employee representatives 83% managers)
- it helped avoid strike action (80% of employee representatives and 59% of managers); and
- it brought the two sides together on the issues in dispute (82% of employee representatives and 75% of managers).

With much of the evidence drawn directly from those at the sharp end of workplace conflict, it would seem that the Acas collective conciliation is a highly valued service that has an impact far beyond the immediate dispute.

1. Dawe, A and Neathey, F, Acas Research and Evaluation section, www.acas.org.uk
2. Meadows, P. (2007) *A Review of the Economic Impact of Employment Relations Services Delivered by Acas*, NIESR: London, www.acas.org.uk/index.aspx?articleid=2056

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We inform

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