

# Case study



## Acas and The Pensions Trust: Developing consultation

*A case study of how Acas helped a financial sector organisation to set up a new consultative forum, which led to more effective management-employee communication and consultation<sup>1</sup>.*

### Background

The Pensions Trust is a mutual organisation which has provided pensions in the charitable, voluntary and not-for-profit sectors since 1946. It has around 200 employees based in Leeds, Edinburgh and London, with most involved in processing pensions.



Managers and employee representatives at the Trust described it as having 'a friendly atmosphere', where employees were able to approach managers to openly discuss matters. Despite this, management had not necessarily encouraged staff to participate in decision making processes, in part because there was no formal mechanism for consulting employees about issues that arose. The emphasis had been on top-down communication from management to employees, rather than consultation. While new communication methods had been introduced, such as team briefings and a company intranet, these measures fell short of active consultation, because employees had little chance to affect business decisions or changes within the organisation. Managers acknowledged that whilst employees got to hear about things on the 'grapevine', there was little in the way of upward mechanisms or opportunities for employees to provide feedback. For employees, this led to messages from the top of the organisation becoming confused 'further down the line', and some employees missed out on information.

### Getting Acas involved

It was in this context that Acas was called in to help. Over a six-month period, Acas assisted managers and employees to establish a forum for management-employee consultation. Managers had two main reasons for wanting to establish a forum. They realised that the organisation would need to put a consultation mechanism in place to comply with the implementation of the European Directive on Information and Consultation of Employees in 2005. However, they described the 'over-riding' reason as relating to a 'bottom line business need', as rapid changes within the industry



required changes within the organisation. The delivery of these changes called for an effective consultative mechanism. As one manager noted:

*'So, it was partly because we were going to have to do it eventually, but it was partly because of the sort of changes we were going through, we really needed some buy-in from the workforce that wasn't going to involve me and managers going round to every single employee and sit and talk to them about things, which would have taken an age. It just seemed a sensible way of progressing with something that was missing from the toolbox.'*

All stages of the Acas-facilitated project involved management and employee representatives working together jointly. The project began with an introductory meeting for members of a steering group composed of management and employee representatives. The discussions at this meeting gave group members a chance to get to know each other, and the Acas adviser, and resulted in the group making a recommendation to senior managers that a consultation forum be established, which managers agreed to.

Three further steering group meetings were facilitated by the Acas adviser, who provided a template constitution or framework for how the consultative forum might operate. The group used this framework as a basis for discussion of how their forum might operate. At each meeting participants took responsibility for developing different areas of the framework, including the subjects that were to be discussed (and not discussed) by the forum, membership of the forum, how employees' views would be represented, and the role of employee representatives.

From the project's beginning there was a consensus amongst both management and employee representatives that the biggest obstacle to its success – and the success of any forum which might emerge from the project – was workforce cynicism. This was because similar past initiatives had been unsuccessful, causing doubt amongst the workforce about whether the project would actually deliver concrete benefits. As a result, one of the steering group's key goals was to engage the workforce from the project's outset. They did so by addressing all issues from the perspective of a 'cynical employee', and by constantly communicating progress to the workforce throughout the process.

Management and employee representatives valued the way in which the adviser's style of facilitation – using the template framework as a basis – provided a 'structure' to discussion, and enabled him to 'mediate' discussions, ensuring that participants stayed focused. This allowed the group to remain 'in control' of the process, and to manage its time effectively, set targets, and plan ahead. They also valued the adviser's ability to both offer 'constructive feedback' on ideas that were put forward,



and provide examples from other organisations he had assisted, as a means of illustrating what might or might not work.

## *Outcomes and Impact*

A new forum was successfully established, with a framework agreement setting out its terms of reference. Forum members include: ten employee representatives elected from different organisational levels, departments and locations; two senior management representatives; the HR manager; and a secretary providing administrative support. It operates as a consultative forum, as opposed to a body for negotiating over terms and conditions or resolving individual grievances or disputes.

Both management and employees felt that the forum had resulted in improved communication with the workforce and greater employee involvement in decision making. Management felt that it had given employees a 'voice' whilst providing 'frontline feedback' to the senior management group. Employees saw the forum as acting as a 'mediator' between management and the workforce. They valued the way in which it provided a structured approach to dealing with issues and concerns raised by employees, 'so that people are being held accountable and responsible for things'. Importantly, the forum has achieved a high level of credibility among employees: both management and employee representatives recounted how, when a vacancy had recently arisen on the forum, four employees volunteered for election to the position. This indicated that employees are keen to play a role in a body that they perceive to be effective and influential.

The forum has had a positive impact on organisational effectiveness in a number of ways. First, employees – via representatives – have put forward 'high quality' ideas and suggestions relating to a variety of issues. Managers have taken these suggestions on board, and as a consequence, the forum has delivered 'results': – for example, improvements to paternity leave provisions and changes to the flexitime rules. Managers spoke positively about the substantial number of issues now referred to the forum, and the engaged response of the workforce when consulted about issues. They felt that these outcomes indicated that the forum had 'brought management and the workforce closer together in many ways' and described how it was 'providing help to the bottom line of the business' – while also recognising the difficulty of assessing the 'actual bottom-line impact on the business'.

According to management and employee representatives, had the Trust attempted to set up a forum without Acas' help, it would have taken 'a lot more work and a lot more time on our part'. They described how Acas' involvement had ensured that fewer mistakes were made. Those involved also valued the role of the Acas adviser in both 'guiding' the organisation through the process from beginning to end ('steering the



group in the right direction'), and building their understanding by 'pitching things at the right level'. The adviser's advice was 'respected from day one', which had helped overcome the initial scepticism of some participants. As one employee representative commented:

*'(The Acas adviser) was just amazing, he was very, very helpful, without interfering. It was very clever how he mediated certain discussions when we were going off on a tangent. (He) just asked specific questions to make us stop and look about things, you know. Very good at his job.'*

**For further details please contact Acas Research and Evaluation at [research@acas.org.uk](mailto:research@acas.org.uk)**

## **Footnote**

1. This case study is based on interviews carried out with Acas advisers, and management and employee representatives at The Pensions Trust as part of Acas' evaluation programme. We are grateful for their assistance and reflections on the Acas project.