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Research Paper

Workplace conflict management: awareness and use of the Acas Code of Practice and workplace mediation – A poll of business

Ref: 08/11

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EXECUTIVE SUMMARY

Acas commissioned BDRC Continental to undertake telephone interviews in January and February 2011 with 1,001 managers in private sector organisations with a turnover of £50,000 or more. Respondents were asked about grievance and disciplinary handling in their organisation, and asked to consider the impact of the new Acas Code of Practice and guidance on arrangements. They were also asked about their awareness and use of mediation as a tool for resolving workplace disputes.

Formal procedures and the Acas Code of Practice

Just over half of all organisations surveyed had a formal grievance procedure, and a similar proportion had a formal discipline procedure. The proportion of organisations with procedures is lower than that found in WERS 2004, where 81 per cent of all private sector workplaces with five or more employees had a grievance procedure, and 84 per cent had a disciplinary procedure. However, when looking at the BDRC survey at organisations with ten or more employees, the results are broadly similar between the two surveys.

Grievance and discipline procedures were generally linked, in that if an organisation had one formal procedure, they were highly likely to have the other. Thus half of all organisations surveyed had both types of procedure, while four out of ten had neither procedure, and under one in ten had one but not the other. Larger organisations, those with a recognised union, and those in the manufacturing, transport and communication, and other services sector were most likely to have formal procedures.

43 per cent of respondents had heard of the Acas Code of Practice before the interview, while 32 per cent had heard of the non-statutory guidance. Organisations that had heard of one were likely to have heard of the other.
Organisations with formal grievance and discipline procedures were more likely than those without formal procedures to have heard of the Acas Code and guidance.
Around one in ten organisations with a grievance procedure had introduced it since the new Acas Code was published in April 2009, while a third had amended their existing grievance procedure since then. There were similar responses with regard to disciplinary procedures.

The majority of organisations (82 per cent) that had introduced or amended their procedures since April 2009, and that were aware of the Acas Code of Practice prior to the interview, had done so as a result of the new Acas Code. These represented just under 30 per cent of all organisations with formal procedures.

14 per cent of organisations refer to the Acas Code or guidance when handling grievance or disciplinary issues, while a third refer to a document written specifically for their organisation or sector without referring to Acas documentation, and just over half refer to neither type of documentation.

Awareness and use of mediation

Overall, five per cent of respondents had used mediation in the past, 60 per cent had heard of mediation but not used it, and 36 per cent had not heard of mediation before the interview.

The proportion of SMEs that had used mediation was below the proportion found in the earlier Acas survey – four per cent compared to seven per cent previously – although awareness levels were similar between the two surveys.

Use of mediation increases with the size of the organisation, and organisations with formal grievance and disciplinary procedures were much more likely to have used mediation than those without formal procedures.

Of those organisations that had used mediation:

- Three quarters had first used it before April 2009;
- 43 per cent had used a mediator from an external organisation, 34 per cent had used a mediator from within their organisation, and seven per cent had used both external and internal mediators; 16 per cent were not sure how mediation was provided;
- Mediation was most commonly used to solve relationship breakdowns - including between employees, and between employees and their line managers;
- Around half had not used mediation within the last year.

The most common reason for not using mediation by those organisations that had heard of it was that they felt they did not have any problems that would suit mediation.

Views about mediation

All respondents were asked to give their views on a number of statements about mediation. There some positive messages:

- Three quarters of respondents agreed that mediation is a good tool for resolving disputes;
- Nearly six out of ten respondents agreed that mediation can improve line managers' ability to manage conflict, and that mediation can reduce the volume of claims to Employment Tribunals; and
- Half of respondents agreed that mediation produces "win-win" solutions that leave both parties satisfied.

However, there were also some less positive messages:

- Six out of ten respondents agreed that mediation is a last resort when there is no other way to resolve a dispute; and
- More respondents agreed than disagreed that mediation is an expensive way to resolve disputes, and that it is only suited to large organisations.

On the other hand, when comparing the responses from SMEs with those from the previous survey, agreement with the positive statements was higher than it was in 2008, and agreement with the negative statement was lower.

Organisations that had experience of using mediation were more positive than those who had not used mediation across all of the statements, and many of the differences were statistically significant.

1.   BACKGROUND AND METHODOLOGY

1.1   Background

In April 2009, the latest incarnation of the Acas Code of Practice on Discipline and Grievance was introduced, taking account of the recommendations on workplace dispute resolution arising out of the review conducted by Michael Gibbons in 2007 (Gibbons, 2007).

The first Code was introduced in 1977 covering discipline only, and was partnered with a Handbook providing detailed guidance on all aspects of discipline in the workplace in the 1980s. However, in 2000 the government introduced a statutory right for individuals to be accompanied at disciplinary and grievance meetings – something recommended by the Code – and the Code was expanded to provide guidance on dealing with grievances as well. Further changes were made in 2004 to deal with the new statutory dispute resolution procedures, which resulted in a much longer Code document.

At the time of its introduction, the Government made a commitment to undertake a review of the 2004 statutory procedures. Michael Gibbons undertook the review which included a more general appraisal of dispute resolution arrangements in GB. The report, *A review of employment dispute resolution in Great Britain*, recommended revoking the statutory regulations, known as the "three-step procedure", on the basis that they had overly-formalised disputes making informal conflict resolution inside the workplace less likely. This recommendation was accepted by the Government. A new Code was issued by Acas which focused on the principles of good practice, with an accompanying detailed guidance document. Thus the new Code provides employers and employees with general guidance that they can apply to their own unique situation, and that Employment Tribunals can use as a general benchmark against which to judge relevant cases that come before them. The non-statutory guide provides more detailed advice.

The Gibbons Review also emphasised the merits of early dispute resolution, and in particular mediation, a form of dispute resolution in which a neutral third party, from inside or outside the workplace, helps people reach a mutually acceptable agreement. It was envisaged that mediation would bring potential savings including reduced management time dealing with workplace problems, lower productivity loss from absence, turnover, and stress/health problems, as well as reductions in the costs to employers, individuals and the government associated with Employment Tribunal claims.

Mediation and the Code of Practice are both important aspects of workplace dispute resolution strategies and as such are the subject of ongoing research undertaken by Acas. This research report adds to this wider programme. The research on mediation builds on two earlier surveys: firstly a telephone survey of 500 Small and Medium Enterprises (SMEs) conducted in February 2008 (Johnston, 2008); and second an online survey of CIPD members. Other mediation research is reported in Acas research paper series (see for instance, Latreille et al, 2010 a), Latreille, 2010 b), Acas/CIPD, 2007, Sargeant 2005. More detailed, qualitative research on use of the Code is provided in a recent study commissioned by Acas (Rahim et al, 2011).

Early findings of this current study were used in the Acas response to the Government's Resolving Workplace Disputes consultation document (see http://www.acas.org.uk/consultations for full copy of the Acas response).

1.2   Methodology

The analysis is based on responses to a telephone survey of businesses in Great Britain and was carried out as part of BDRC Continental's two regular monthly polls, one of which is of small businesses while the other covers medium and large companies.

BDRC completed 1,000 telephone interviews with owners, finance directors and other senior financial decision makers across small, and medium/large businesses. Fieldwork was conducted between 10 January and 18 February 2011. Weighting was then applied to the data by turnover, region and industry sector, to make the sample representative of the 1,726,000 companies in Great Britain with a turnover of over £50,000, as estimated by the Department for Business, Innovation and Skills (BIS).

Questions were asked around three main areas, and the report is structured around these themes:

- Grievance and discipline and the new Acas Code of Practice: whether organisations had formal grievance and disciplinary procedures; whether they were aware of the new Acas Code of Practice and non-statutory guidance; whether the new Code and guidance has had an impact on organisations procedures; and whether organisations refer to the Code and guidance when dealing with grievance or disciplinary issues.
- Mediation – whether organisations had heard of mediation, and if so whether they had used it.
- Views about mediation – whether organisations agree or disagree with a number of statements about mediation and its potential effects.

Comparisons were made with the findings of the earlier survey of SMEs conducted on behalf of Acas in 2008, as well as the results of the 2004 Workplace Employment Relations Survey.

Appendix A presents tables showing the characteristics of respondents. It should be noted that there are notable differences between the industrial sectors in terms of the size profile of the sample, with high proportions of micro organisations with fewer than 10 employees in the agriculture, construction, and retail sectors, and low proportions of micro organisations in the manufacturing, finance, and hotels and catering sectors. These patterns should be borne in mind when considering variation by sector, as these may be due to the different size profiles of the sectors rather than differences in behaviour between similar sized organisations in different sectors.

Differences described in the text are statistically significant at the 5% level unless otherwise stated[1].

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[1] The weights supplied by BDRC were scaled down to the unweighted sample size of 1,001 for the calculation of statistical significances in the analyses.

2. GRIEVANCE AND DISCIPLINARY PROCEDURES AND THE IMPACT OF THE ACAS CODE

This chapter explores the responses to a number of questions about organisations' formal procedures for dealing with grievance and disciplinary issues, awareness of the new Acas Code of Practice and non-statutory guidance, impact of the Code and guidance on procedures, and how organisations handle grievance and disciplinary issues.

Comparisons were made with the findings from the most recent Workplace and Employment Relations Survey, from 2004, although it should be noted that WERS was based on workplaces with 5 or more employees whereas the current survey was based on organisations with a turnover of at least £50,000 regardless of employment size.

2.1 Formal grievance and disciplinary procedures

Respondents were asked whether there were formal procedures for dealing with individual grievances raised by an employee, and for dealing with discipline and dismissals, other than redundancy.

Overall, just over half of all organisations had a formal procedure for either situation, with a slighter higher proportion having a procedure for dealing with discipline and dismissal than having a procedure for dealing with grievances (Table 2.1).

Table 2.1: Proportion of organisations with formal grievance or discipline procedures

	With grievance procedure	With discipline/ dismissal procedure
	%	%
Yes	55	56
No	45	43
Don't know	1	1

Base: All organisations (unweighted N=1,001)

The likelihood of an organisation having formal procedures increases significantly with the size of the organisation, measured by both financial turnover and number of employees, as Figure 2.1 shows.

The proportion of organisations with procedures was lower than that found in WERS 2004, where 81 per cent of all private sector workplaces with five or more employees had a grievance procedure, and 84 per cent had a disciplinary procedure. However, in the BDRC survey, the proportion of organisations, with fewer than 10 employees represents 78% of all organisations in the respondent sample. If these organisations are excluded from the analysis the results are broadly similar between the two surveys. It should be noted that the unit of analysis in the two surveys is different: the WERS samples 'workplaces' with 5 plus employees, whilst the BDRC survey is a sample of 'organisations' with one plus employees.

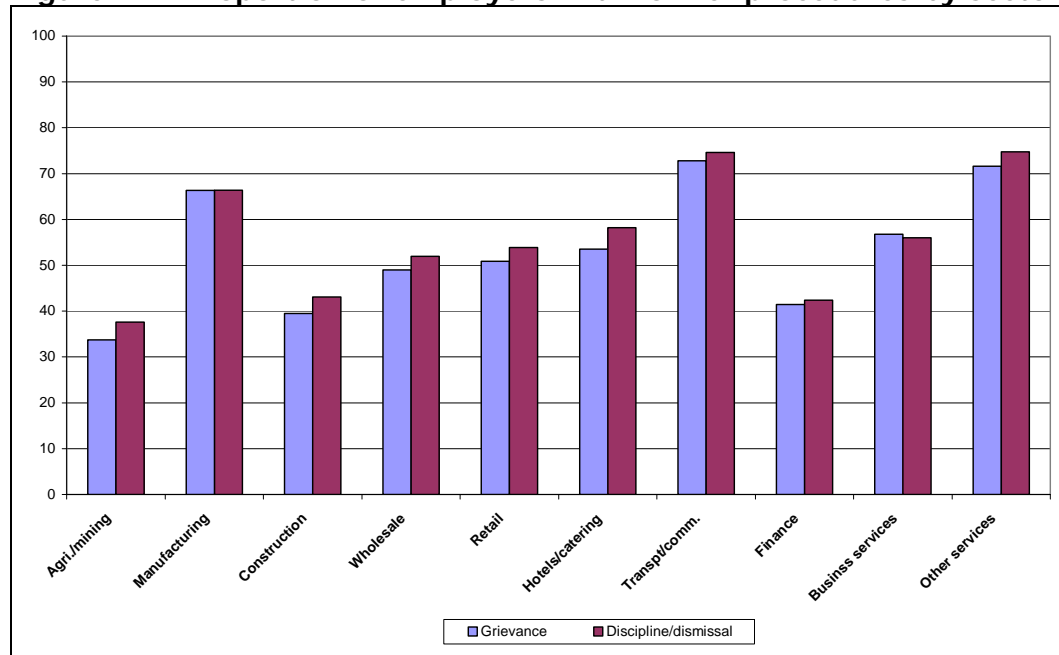**Figure 2.1 Proportion of employers with formal procedures by size (%)**
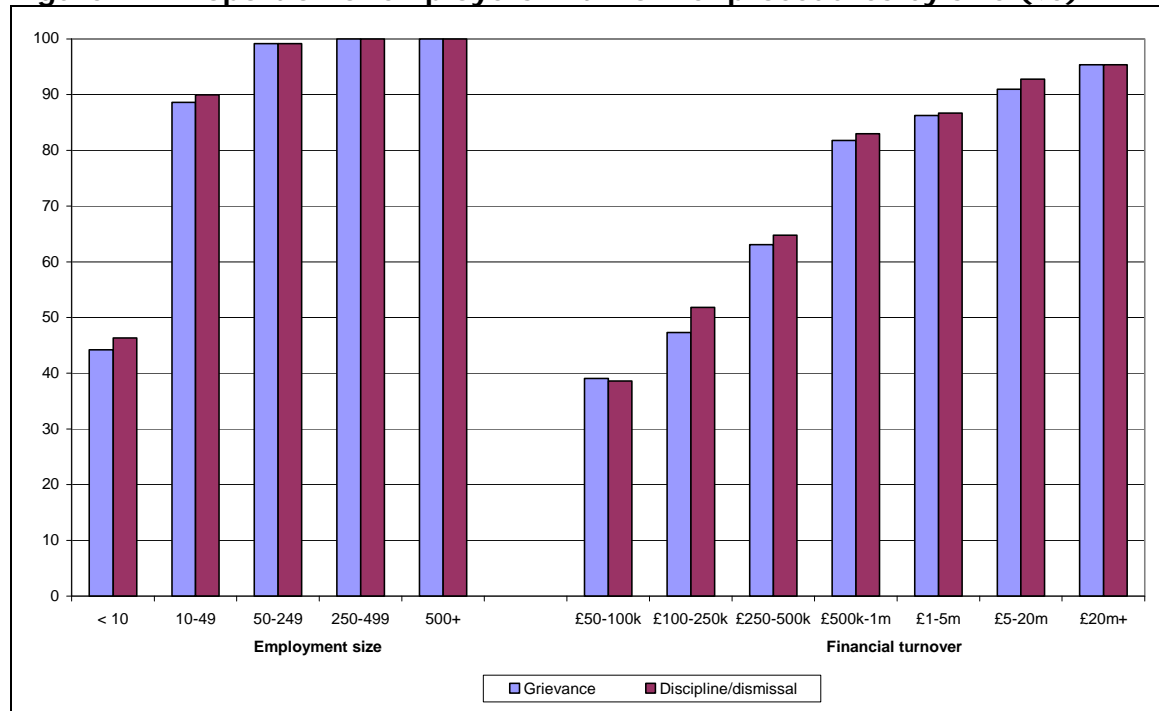
Base: All orgs excluding DKs (unweighted N=989 grievance, N=987 disciplinary)

There were some significant differences by industrial sector in the current survey as shown in Figure 2.2. Employers in the manufacturing, transport and other services were more likely than average to have formal procedures for grievance and discipline, while those in the agriculture and mining, construction, and finance sectors were least likely to have formal procedures. These differences may in part be driven by the different size profiles of the sectors, as the agriculture and construction sectors had above average proportions of small employers, and the manufacturing sector has a high proportion of large employers. However, the finance sector has a high proportion of large employers but a relatively low proportion of organisations with formal procedures.

Figure 2.3 shows the variation by region in the proportions of organisations with formal procedures for handling grievance and disciplinary issues. Employers in Scotland, the North, and East Anglia were more likely than average to have formal procedures, while those in the East Midlands, Yorkshire and Humber, the North West and London were less likely to have formal procedures. The variations in disciplinary procedures are statistically significant at the 5% level, while the variations in grievance procedures are significant at the 10% level.

Figure 2.2: Proportion of employers with formal procedures by sector (%)

Base: All orgs excluding DKs (unweighted N=989 grievance, N=987 disciplinary)

Figure 2.3: Proportion of employers with formal procedures by region (%)
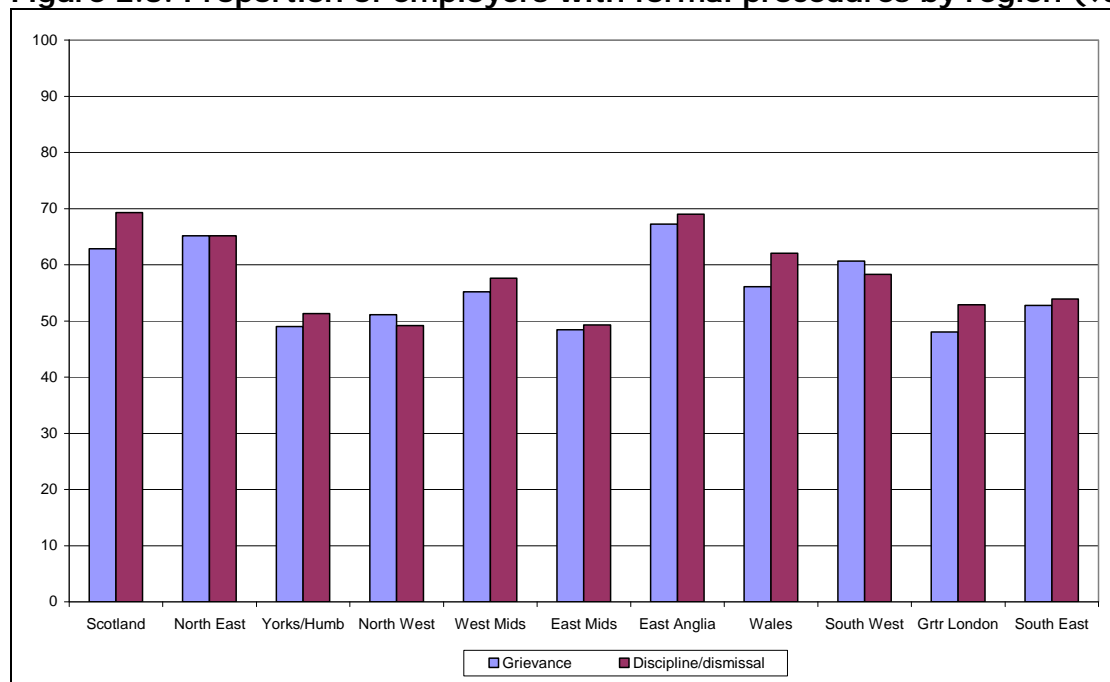
Base: All orgs excluding DKs (unweighted N=989 grievance, N=987 disciplinary)

Companies formed 25 years ago or more were more likely than more recent start-ups to have formal procedures for grievance and discipline, but there was no consistent variation across the different company age groups although any differences were statistically significant.

Employers with a recognised trade union were significantly more likely to have formal procedures than those without a union – 78 per cent of unionised employers had a grievance procedure, and the same proportion had a disciplinary procedure, while 53 per cent of non-unionised employers had a grievance procedure and 55 per cent had a disciplinary procedure.

There was a strong correlation between having a grievance procedure and having a disciplinary procedure:

- 95% of those with a grievance procedure also have a disciplinary procedure, and
- 91% of those who do not have a grievance procedure do not have a disciplinary procedure.

Table 2.2 shows that just over half of all respondents had both formal grievance and discipline procedures, while 41 per cent had neither, and only a small minority had one but not the other. However, when looking at businesses with fewer than 10 employees, just over half had neither procedure, and 42 per cent had both types of procedure.

Table 2.2: Overlap between disciplinary and grievance procedures

	All businesses %	Businesses of fewer than 10 employees %
Both grievance and disciplinary procedures	52	42
Grievance procedure but not disciplinary	3	3
Disciplinary procedure but not grievance	4	4
Neither grievance nor disciplinary procedure	41	51

Base: All organisations excluding DKs (unweighted N=989)

2.2 Acas Code and guidance

In April 2009, Acas issued a new statutory Code of Practice on Disciplinary and Grievance. This new Code sets out the principles for handling disciplinary and grievance situations in the workplace. At the same time, Acas also published new non-statutory guidance on discipline and grievances at work to complement the Code. The guidance provides more detailed advice to employers and employees on grievance and disciplinary handling.

Respondents were asked whether they had heard of the new Acas Code of Practice and non-statutory guidance before the interview. A higher proportion of respondents were aware of the Code than the guidance – 43 per cent compared to 32 per cent.

**Table 2.3: Proportion of organisations aware of Acas Code and guidance prior to interview**

	Aware of Code	Aware of Guidance
	%	%
Yes	43	32
No	56	67
Don't know	1	1

Base: All organisations (unweighted N=1,001)

There is a relationship between size of organisation and prior awareness of the new Acas Code and guidance, with larger organisations generally more likely than smaller organisations to have heard of the Code and guidance. Of those with workforces of fewer than 10 employees, 41 per cent were aware of the Code as compared to 50 per cent of all other businesses. The equivalent figures for the guidance were 28 per cent and 43 per cent. However, respondents in organisations with 500 or more employees were less likely than medium businesses to have heard of the Code and guidance (see Figure 2.4). This may be due to the survey being targeted at senior financial decision makers in large organisations rather than HR or employee relations personnel. The differences in awareness of the Acas Code by turnover, and the differences in awareness of the non-statutory guidance by employment size, were statistically significant at the 5% level.

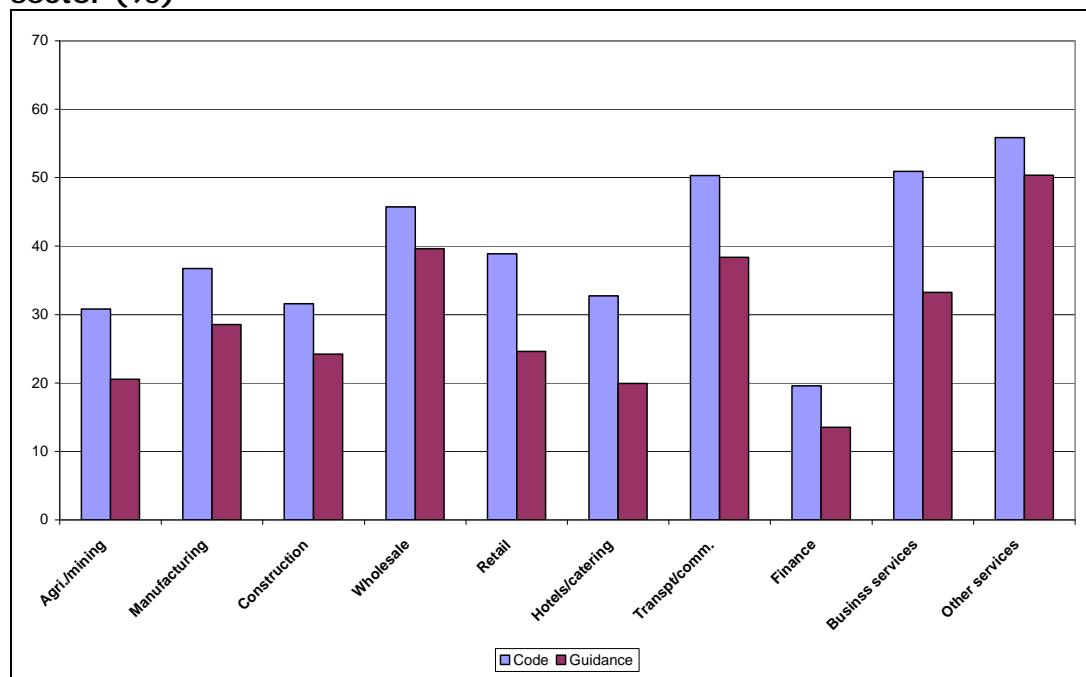**Figure 2.4: Proportion of employers aware of Acas Code/ guidance by size (%)**
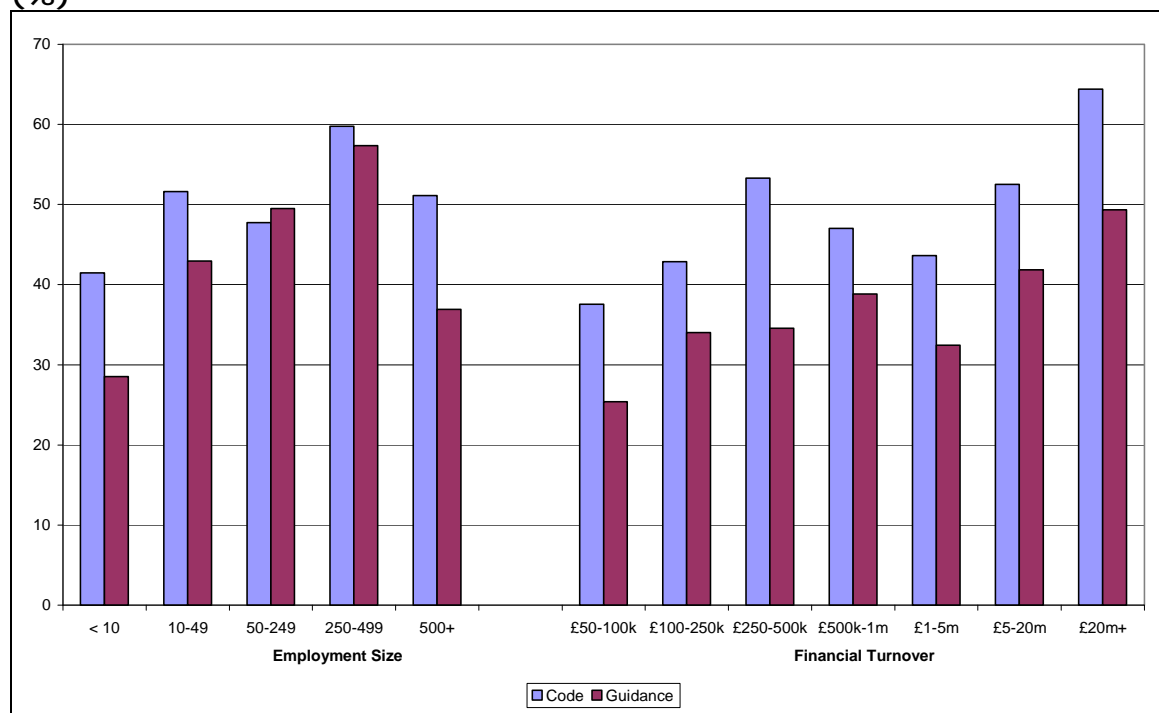
Base: All orgs excluding DKs (unweighted N=981 for grievance and disciplinary)

Again there were some major, and statistically significant, differences by industrial sector in terms of awareness of the Code and guidance. The differences showed a similar pattern to that above for formal procedures, with organisations in the agriculture and mining, construction, finance and hotels and catering sectors being less aware of the Code and guidance; and those in the other services sector having the higher level of awareness, although there were also high levels of awareness of the Code and guidance among employers in the wholesale, transport, and business services sectors (Figure 2.5).

There was also considerable and significant variation in awareness between employers in different regions, as Figure 2.6 shows. More than half of employers in the West Midlands, East Anglia and the South West were aware of the new Acas Code before the interview, compared to less than 30 per cent of employers in the North East and Wales, and the pattern was similar when looking at awareness of the non-statutory guidance.

Figure 2.5: Proportion of employers aware of Acas Code/ guidance by sector (%)

Base: All orgs excluding DKs (unweighted N=981 for grievance and disciplinary)

Figure 2.6: Proportion of employers aware of Acas Code/guidance by region (%)
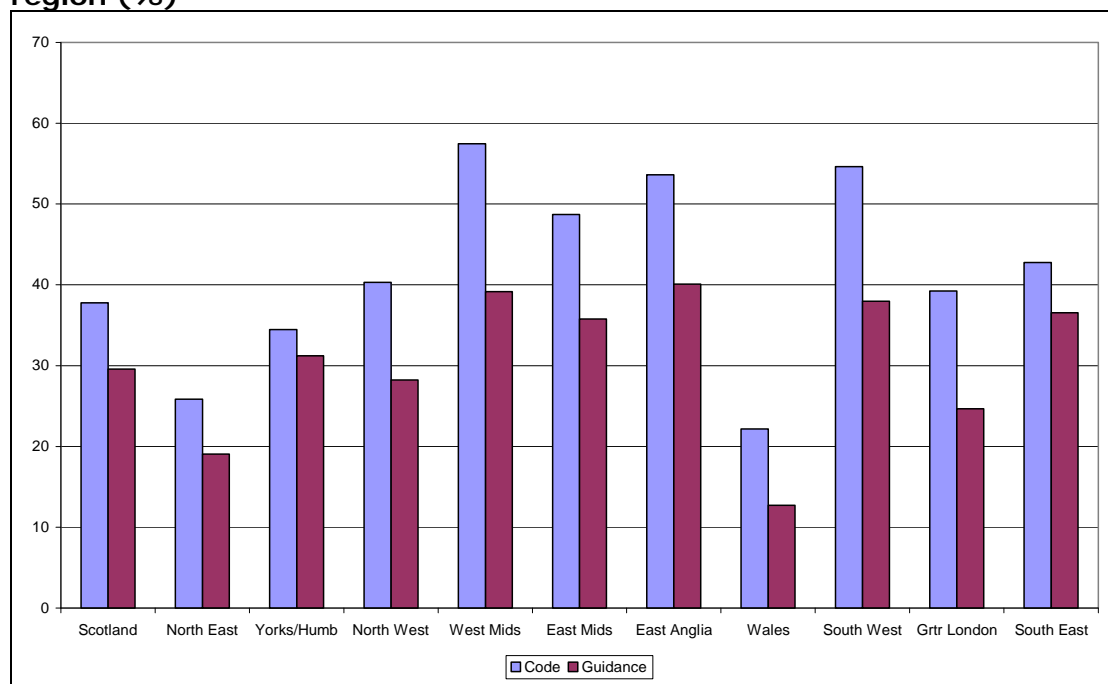
Base: All orgs excluding DKs (unweighted N=981 for grievance and disciplinary)

There was no consistent pattern in awareness of the Acas Code and guidance by the age of the organisation. Unionised organisations were less likely to be aware of the Code and guidance than were non-unionised organisations. This difference was statistically significant regarding the Acas Code, although the nature of the respondent could be a factor here as unionised employers tend to be larger, and

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the respondents were typically financial directors in larger organisations who do not usually have responsibility for human resource management issues.

Again there was a strong correlation between those who had heard of Acas Code and those who had heard of Acas guidance:

- 70% of firms who had heard of Acas Code had also heard of Acas guidance,
- 97% of those who had not heard of the Code had also not heard of the guidance.

Table 2.4 shows that of all organisations surveyed, 31 per cent had heard of both the Acas Code and the non-statutory guidance, while 55 per cent had heard of neither; 13 per cent had heard of the Code but not the guidance; and one per cent had heard of the guidance but not the Code. Businesses with fewer than 10 employees were slightly less likely to have heard of both documents, and slightly more likely to have heard of neither, then were larger businesses.

Table 2.4: Awareness of Acas Code and guidance prior to interview

	All businesses %	Businesses of fewer than 10 employees %
Heard of both Code and guidance before interview	31	27
Heard of Code but not heard of guidance	13	14
Heard of guidance but not heard of Code	1	1
Heard of neither Code nor guidance	55	57

Base: All organisations excluding DKs (unweighted N=979)

Employers with formal procedures for grievance or disciplinary issues were significantly more likely to have heard of the Acas Code and guidance than those without procedures. Table 2.5 shows that 54 per cent of organisations with grievance or disciplinary procedures had heard of the Acas Code, compared to 31 per cent of those without procedures, while around 42 per cent of those with procedures had heard of the non-statutory guidance, compared to around 19 per cent of those without.

Table 2.5: Awareness of Acas Code and guidance by whether organisation has a formal grievance or discipline procedure

		Presence of Grievance procedure (Col %)		Presence of Discipline procedure (Col %)	
		Yes	No	Yes	No
Awareness of Code	Yes	54	31	54	31
	No	46	69	46	69
Awareness of Guidance	Yes	43	19	42	20
	No	57	81	58	80

Base: All organisations excluding DKs (unweighted N=979)

One area of interest is whether organisations responded to the new Code or guidance introduced in April 2009 by either amending existing procedures or by introducing new ones. The following sections address this issue.

Amending Grievance Procedures

Organisations that had a formal grievance procedure were asked whether their procedure for dealing with employee grievances been introduced or amended since April 2009. Just under one in ten organisations had introduced their grievance procedure since April 2009, while one in three had amended their existing procedure (Table 2.6). Just under half had not introduced or amended their procedure since April 2009, and around one in ten respondents did not know if their procedure had been introduced or amended in the last couple of years. The proportion of "Don't Know" responses was relatively high. Excluding the respondents who did not know, nine per cent had introduced their grievance procedure since April 2009, and 38 per cent had amended their existing procedure.

Table 2.6: Whether organisations had introduced or amended grievance procedure since April 2009

|	All businesses %	Businesses of fewer than 10 employees %
Yes - introduced	8	6
Yes - amended	33	29
No - not introduced or amended	47	56
Don't know	11	9

Base: Organisations with a grievance procedure (unweighted N=676)

The larger the organisation, the more likely they were to have changed their grievance procedure since April 2009, as Figure 2.7 shows. Four out of five organisations with 500 or more staff had introduced or amended their grievance procedure in the last two years, compared to two of five organisations with fewer than 10 employees, and there is a similar clear pattern when looking at financial turnover. Both of these patterns were statistically significant. Turning to the variation by sector and region:

Figure 2.8 shows the statistically significant differences in the proportions of organisations in the different industrial sectors that had changed their grievance procedure in the last two years. Only one in ten agriculture and mining organisations had changed their grievance procedure, compared to over half of organisations in the wholesale, business services and other services sectors.

Figure 2.9 shows the regional variation in the proportion of organisations who had changed their grievance procedure, and shows that organisations in the South West, the West Midlands, and Scotland were most likely to have changed their procedure in the last two years, while those in the East Midlands and the North West were least likely to have changed their procedure. These differences were significant at the 10% level.

Figure 2.7: Proportion of employers changing grievance procedure by size (%)
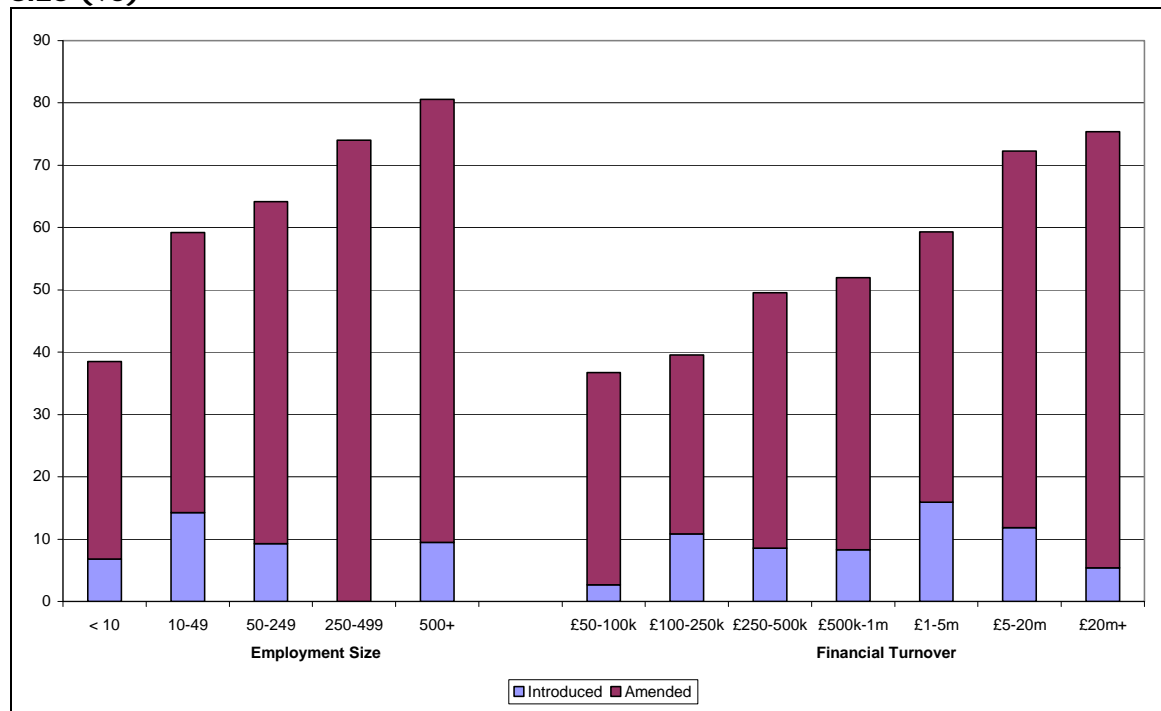
Base: Organisations with grievance procedure, excl DKs (unweighted N=584)

Figure 2.8: Proportion of employers changing grievance procedure by sector (%)
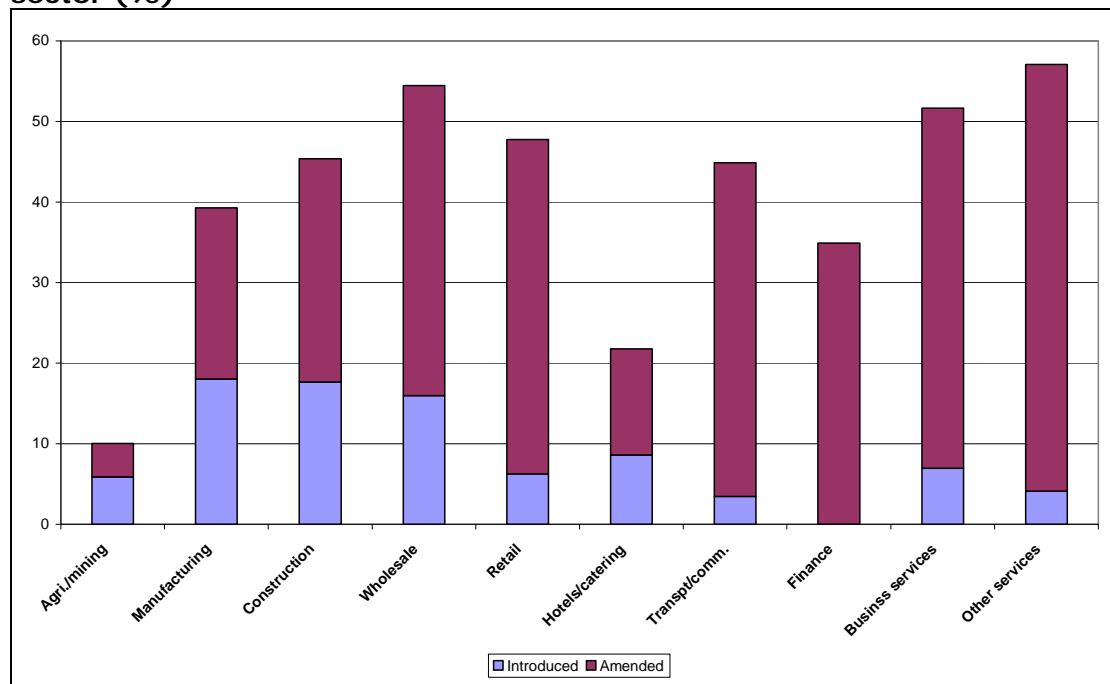
Base: Organisations with grievance procedure, excl DKs (unweighted N=584)

Figure 2.9: Proportion of employers changing grievance procedure by region(%)

Base: Organisations with grievance procedure, excl DKs (unweighted N=584)

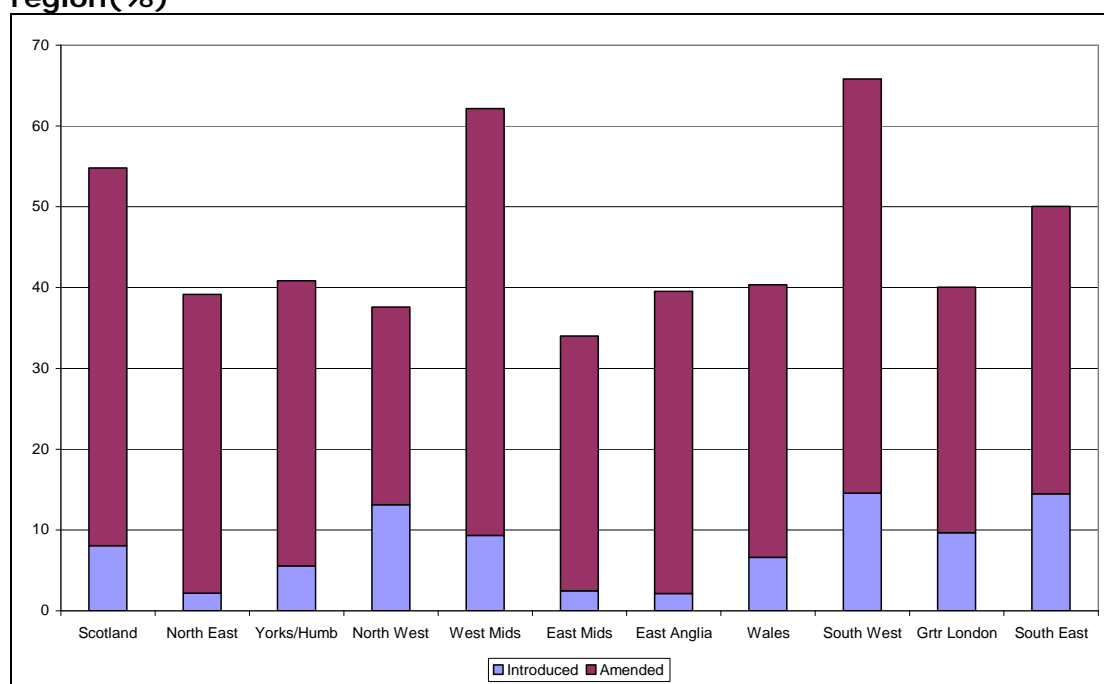Organisations that had introduced or amended their grievance procedure since April 2009 and that were aware of the new Acas Code prior to the interview, were asked whether this introduction or amendment was as a result of the new Acas Code. Table 2.7 shows that 83 per cent of organisations said it was as a result of the new Acas Code, 13 per cent said that the change was not due to the Acas Code, while five per cent did not know. Excluding these "don't knows", 87 per cent of respondents reported that the change was made as a result of the new Acas Code.

Organisations that had amended their grievance procedure as a result of the Acas Code accounted for 29 per cent of all organisations with a grievance procedure and 16% of all businesses.

Table 2.7: Whether organisations had changed grievance procedure as a result of the new Acas Code of Practice

	Organisations with grievance procedure that had amended it, due to the Acas Code
Yes	83
No	13
Don't know	5

Base: Organisations with a grievance procedure that had introduced or amended it since April 2009 and that were aware of Acas Code prior to interview (unweighted N=327)

Amending disciplinary procedures

As was the case with organisations with grievance policies, organisations that had a formal disciplinary procedure were asked whether their procedure for dealing with employee discipline and dismissal had been introduced or amended since April 2009.

The overall results were very similar to those for grievance procedures in that just under one in ten organisations had introduced their disciplinary procedure since April 2009, while one in three had amended their existing procedure, just under half had not made any changes, and around one in ten did not know if any changes had been made (Table 2.8).

Table 2.8: Whether organisations had introduced or amended disciplinary procedure since April 2009

	All businesses %	Businesses of fewer than 10 employees %
Yes - introduced	9	8
Yes - amended	32	26
No - not introduced or amended	47	56
Don't know	12	11

Base: Organisations with a disciplinary procedure (unweighted N=695)

The patterns by size, sector and region were also very similar to those observed when looking at grievance procedures, and all differences were statistically significant:

- The likelihood of the organisation having made changes to its disciplinary procedure increases with the size of the organisation (Figure 2.10);
- Organisations in the agriculture and mining, and hotels and catering sectors were least likely to have made changes to their disciplinary procedures, while those in the wholesale, business services and other services sectors were most likely to have made changes (Figure 2.11); and
- Organisations in the South West and West Midlands were most likely to have made changes, while those in Wales, and Yorkshire and Humber, were least likely to have made changes to their disciplinary procedures.

Figure 2.10: Proportion of employers changing disciplinary procedure by size (%)
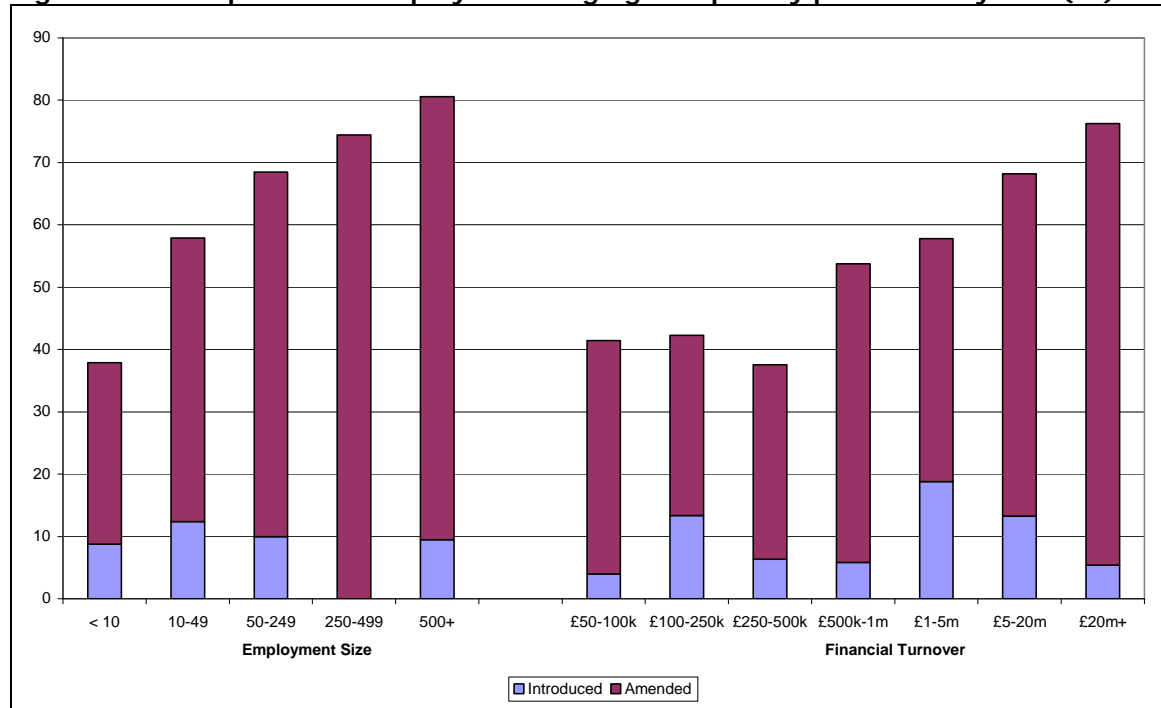
Base: Organisations with disciplinary procedure, excl DKs (unweighted N=594)

Figure 2.11: Proportion of employers changing disciplinary procedure by sector (%)

Base: Organisations with disciplinary procedure, excl DKs (unweighted N=594)

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Figure 2.12: Proportion of employers changing disciplinary procedure by region (%)

Base: Organisations with disciplinary procedure, excl DKs (unweighted N=594)

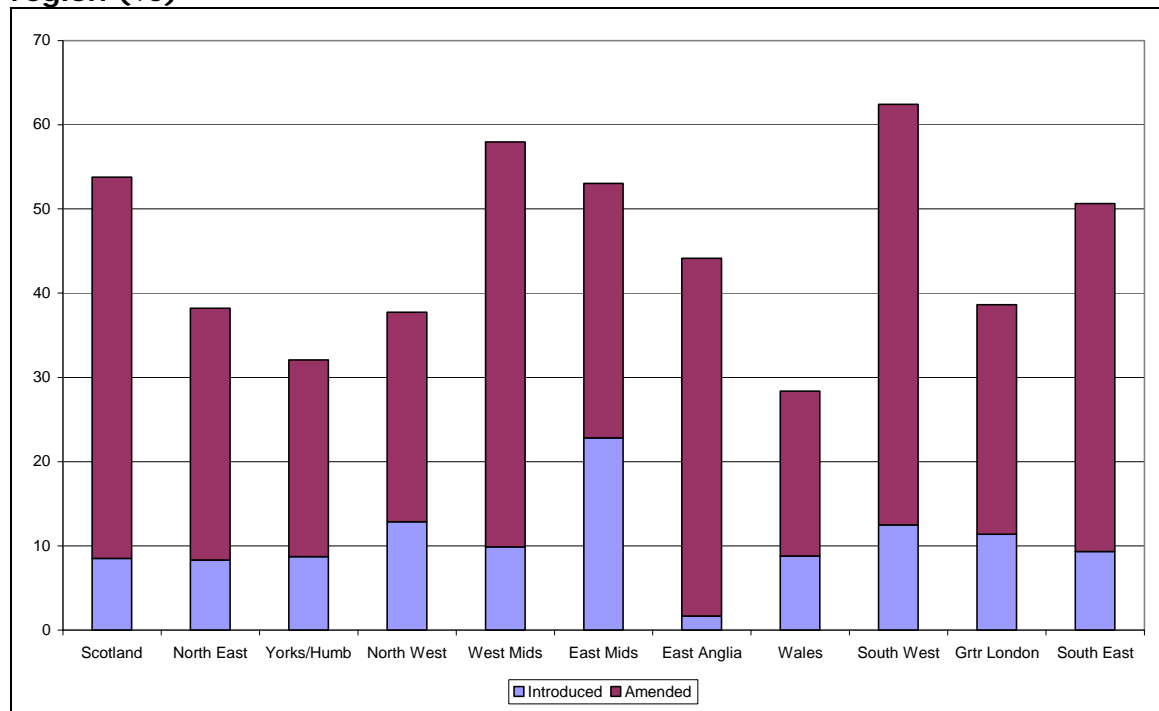Organisations that had introduced or amended their disciplinary procedure since April 2009, and that were aware of the new Acas Code prior to the interview, were asked whether this introduction or amendment was as a result of the new Acas Code. Table 2.9 shows that 82 per cent organisations said it was as a result of the new Acas Code, 13 per cent said that the change was not due to the Acas Code, while five per cent did not know. Excluding these "don't knows", 86 per cent of respondents reported that the change was made as a result of the new Acas Code. Organisations that had amended their disciplinary procedure as a result of the Acas Code accounted for 29 per cent of all organisations with a disciplinary procedure and 16% of all businesses.

Table 2.9: Whether organisations had changed disciplinary procedure as a result of the new Acas Code of Practice

	Organisations with disciplinary procedure that had amended it, due to Acas Code
	%
Yes	82
No	13
Don't know	5

Base: Organisations with disciplinary procedure that had introduced or amended it since April 2009 and that were aware of the Acas Code prior to interview (unweighted N=327)

Types of amendments

Organisations that had amended their grievance or disciplinary procedures since April 2009 were asked to describe the changes that had been made to their procedure(s), in terms of:

- Minor amendments to the written procedure(s)
- Major amendments to the written procedure(s)
- Changes to the ways that discipline or grievance cases were handled in practice.

(This question in the survey made no distinction between disciplinary and grievance procedures)

Table 2.10 shows that just under two thirds of organisations had made minor amendments only to their procedure(s), while nine per cent had made changes in practice only, eight per cent had made both minor amendments and changes in practice, four per cent had made major amendments only, and three per cent had made major amendments and changes in practice; one in eight organisations did not know what changes had been made. Thus eight per cent of organisations had made major amendments, and one in five had made changes in practice, and as a proportion of all organisations with procedures these represent three per cent and seven per cent respectively. It should be noted that the proportion of "Don't Know" responses is relatively high.

Table 2.10: Type of amendment made to grievance or disciplinary procedure

	Businesses citing kind of amendment %
Minor amendments only	63
Major amendments only	4
Changes in practice only	9
Minor amendments and changes	8
Major amendments and changes	3
Major amendments	8
Changes in practice	20
Don't know	13

Base: Organisations that had amended their grievance or disciplinary procedure since April 2009 (unweighted N=287)

There was very little difference between the types of amendments made to grievance procedures and the types of amendments made to disciplinary procedures. Smaller organisations were generally more likely to have made changes to their practices either on their own or in combination with amendments to their procedure, and larger ones were more likely to have made minor changes only, although these differences were not statistically significant.

2.3   Handling grievance and disciplinary issues

Lastly in this section of the questionnaire organisations were asked whether their organisation, when handling employee grievance or discipline issues, referred to:

- a written document designed specifically for their organisation or industry
- the published Acas Code of Practice and/or Guidance, or
- neither of these types of document.

Table 2.11 shows the overall results.

- Just over half of respondents referred to neither type of documentation when handling either grievance or disciplinary/dismissal situations. Given that 59% of these had indicated (Table 2.2) that they had a formal procedure to deal with disciplinary and/or grievance issues, it would appear that for some employers at least, formality is not synonymous with a written document.
- Documents designed specifically for the organisation or industry were more widely referred to than the published Acas Code of Practice or guidance.

Table 2.11: Organisations' use of documentation when handling grievance and disciplinary issues

	All businesses		All businesses with a formal procedure for discipline or grievance issues	
	grievance	disciplinary	grievance	disciplinary
	%	%	%	%
Refers to organisation or sector-specific document only	32	33	45	47
Refers to Acas documents only	10	10	16	16
Refers to both	5	5	8	7
Refers to neither	54	53	31	31

Base: All organisations (unweighted N=1,001; grievance procedure N=676, disciplinary procedure N=695)

Other key findings which were statistically significant include:
- Older organisations were more likely than those established more recently to refer to some type of documentation when handing grievance or disciplinary issues.
- Organisations that were aware of the new Acas Code and guidance before the interview are more likely than those who were not aware to refer to both types of documentation when handling grievance or disciplinary issues.
- Organisations with a recognised trade union were more likely than those without a union to refer to an organisation- or industry-specific document, but were less likely to refer to the Acas Code or guidance.

The evidence suggests that use of the Acas code is higher amongst those with formal procedures than those without: seven per cent of those without a formal disciplinary procedure referred to the Acas code when addressing disciplinary issues as compared to 21 per cent of those with such a procedure and the equivalent figures in respect of grievances were very similar (6 per cent; 21 percent).

Grievance issues

Looking in more detail at the responses, firstly when handling grievance issues, the likelihood of an organisation referring to documentation increases with the size of the organisation.

Firstly considering employment size, Table 2.12 shows that 61 per cent of the smallest organisations, with fewer than 10 employees, did not refer to any documentation when handling grievance issues, and this proportion decreases to just six per cent among the largest organisations, with 500 or more employees. Turning to financial turnover, 63 per cent of organisations with a turnover of between £50,000 and £100,000 did not refer to any documentation, compared to 12 per cent of organisations with a turnover of £20million or above (Table 2.13).

However, the likelihood of an organisation referring to Acas documentation did not vary significantly or consistently with organisation size. The documentation used by large organisations was predominantly designed specifically for the organisation or industry.

Table 2.12: Use of documentation in grievance issues by size of organisation

	< 10	10-49	50-249	250-499	500+
	%	%	%	%	%
Refers to organisation or sector-specific document only	25	53	65	80	79
Refers to Acas documents only	10	10	3	1	8
Refers to both	4	6	10	1	7
Refers to neither	61	31	22	18	6

Base: All organisations (unweighted N=1,001)

Table 2.13: Use of documentation in grievance issues by financial turnover

	£50-100k	£100-250k	£250-500k	£500k-1m	£1-5m	£5-20m	£20m+
	%	%	%	%	%	%	%
Refers to organisation or sector-specific document only	24	30	30	44	51	57	71
Refers to Acas documents only	7	12	11	9	9	12	7
Refers to both	5	2	5	10	3	6	11
Refers to neither	63	56	54	38	37	24	12

Base: All organisations (unweighted N=1,001)

Disciplinary issues

Turning to how organisations handle disciplinary or dismissal issues, the pattern was very similar to that for grievances, with the use of organisation or industry specific documentation increasing with organisation size, but with no consistent pattern in respect of the use of Acas Code or guidance (Table 2.14 and 2.15)

Table 2.14: Use of documentation in disciplinary issues by size of organisation

	< 10	10-49	50-249	250-499	500+
	%	%	%	%	%
Refers to organisation or sector-specific document only	25	55	65	80	76
Refers to Acas documents only	10	10	7	1	8
Refers to both	4	8	7	1	7
Refers to neither	61	27	22	18	9

Base: All organisations (unweighted N=1,001)

Table 2.15: Use of documentation in disciplinary issues by financial turnover

	£50-100k	£100-250k	£250-500k	£500k-1m	£1-5m	£5-20m	£20m+
	%	%	%	%	%	%	%
Refers to organisation or sector-specific document only	25	29	31	45	53	60	70
Refers to Acas documents only	7	13	10	8	10.	12	4
Refers to both	4	2	7	11	4	6	11
Refers to neither	63	56	52	37	33	21	16

Base: All organisations (unweighted N=1,001)

3.   MEDIATION

In his review of workplace dispute resolution Michael Gibbons emphasised the merits of strategies which aim to bring about early resolution of workplace issues. In particular Gibbons highlighted the value of mediation, a form of dispute resolution in which a neutral third party, from inside or outside the workplace, helps people reach a mutually acceptable agreement. This chapter investigates the awareness and use of mediation among the survey organisations, including the reasons mediation is used and how frequently it is used, and also the reasons for not using mediation among organisations that were aware of it.

In this chapter we make comparisons with the earlier Acas survey of Small and Medium Enterprises (SMEs) conducted in February 2008.

Differences described in the text are statistically significant at the 5% level unless otherwise stated.

3.1   Knowledge and use of mediation: overall results

The overall findings, set out in Table 3.1, show the proportion of all respondents that had heard of, or had used mediation, by size of employer. The results show that just under two thirds (64 per cent) of all respondents had heard of mediation, although only one in twenty respondents (five per cent) had used mediation at any time in the past, while 60 per cent of respondents had heard of mediation but not used it.

The results varied significantly with the employment size of the organisation, with 43 per cent of the largest organisations, with 500 or more employees, having used mediation, compared to only three per cent of the smallest organisations, with fewer than ten employees.

Table 3.1: Proportion of all organisations that had used or heard of mediation (%)

			Number of employees			
	All	**< 10**	**10-49**	**50-249**	**250-499**	**500+**
Heard of mediation Of which:	64	62	75	70	71	88
Used mediation	*5*	*3*	*9*	*14*	*28*	*43*
Heard of but not used mediation	*60*	*59*	*66*	*57*	*44*	*46*
Not heard of mediation	36	38	25	30	29	12

Base: All organisations (unweighted N=1,001)

Table 3.2 shows the results for SMEs only, in comparison with the results from the February 2008 Acas survey on the use of mediation. Overall, four per cent of respondents in SMEs said that they had used mediation before, below the proportion in 2008 of seven per cent, although the proportion of SME respondents who had not heard of mediation was the same in both surveys, at 36 per cent.

This pattern of lower use of mediation in the current survey, compared with 2008, was apparent across the different sizes of SMEs, and there was a much lower level of awareness of mediation amongst medium-sized organisations in the current survey compared with 2008.

**Table 3.2 Proportion of SMEs that had used or heard of mediation (%)**

	All SMEs		Micro (< 10)		Small (10-49)		Medium (50-249)	
	2011	*2008*	*2011*	*2008*	*2011*	*2008*	*2011*	*2008*
Heard of mediation Of which:	65	64	62	62	75	71	70	82
Used mediation	*4*	*7*	*3*	*5*	*9*	*16*	*14*	*36*
Heard of but not used mediation	*60*	*56*	*59*	*57*	*66*	*55*	*57*	*48*
Not heard of mediation	36	36	38	38	25	29	30	18

Base: All SMES ie fewer than 250 employees (unweighted N=929)

Having looked at the overall results, on the next section considers the variation by respondent characteristics, looking firstly at the proportions of all respondents that had heard of mediation. Section 3.2 considers the results for those that had used mediation and 3.3 looks in more detail at patterns of use. The final section looks at those who have not used mediation.

There was a general trend of awareness increasing with organisation size, but this trend was not consistent although it was statistically significant at the 5% level. Looking first at employment size, Figure 3.1 shows that just over 60 per cent of the smallest firms with fewer than 10 employees had heard of mediation, compared to nearly 90 per cent of the largest firms with 500 or more employees, but awareness was greater among firms with between 10 and 49 employees than it was among firms with 50 to 499 employees. Turning to financial turnover, the pattern was more consistent, with organisations with a turnover of £500 thousand to £5 million having a higher level of awareness of mediation than organisations with a turnover below £500 thousand, while organisations with a turnover above £5 million had the highest level of awareness.

Figure 3.1: Proportion of employers who had heard of mediation by size (%)
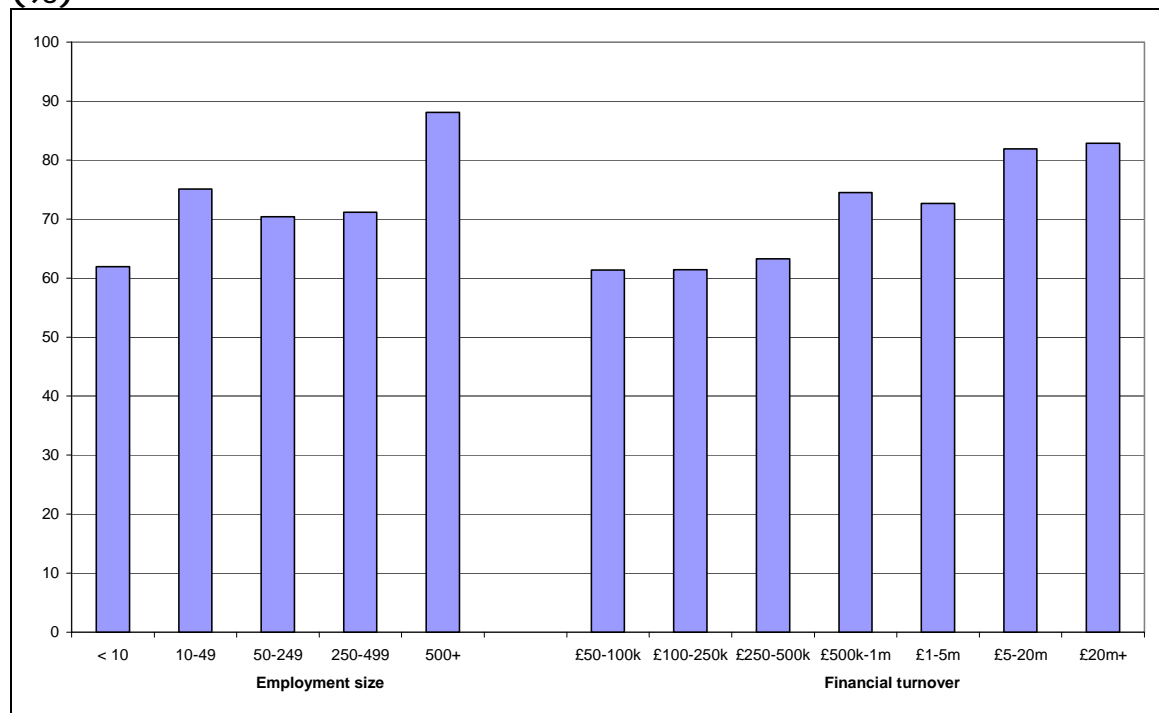
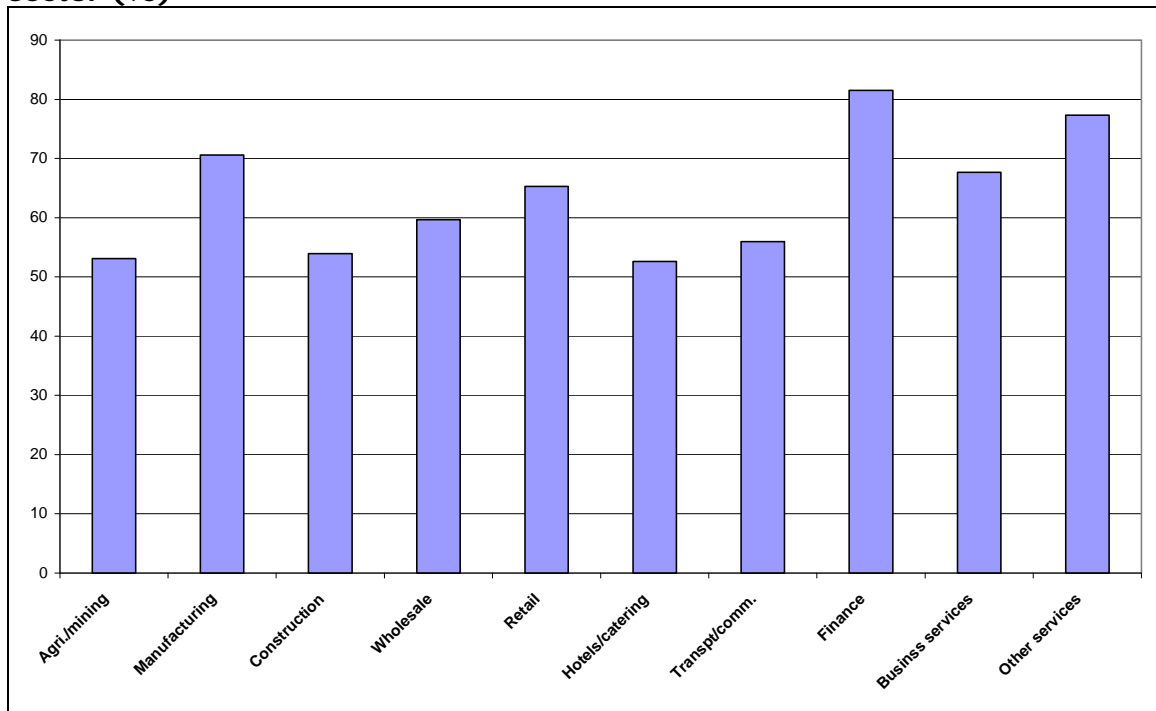
Base: All organisations (unweighted N=1,001)

Figure 3.2 shows the proportion of employers who had heard of mediation by industrial sector. Across all sectors more than half of employers were aware of mediation, and in the finance and other services sectors over three quarters of employers had heard of mediation.

Figure 3.3 shows the regional variation in awareness of mediation, and shows that organisations in the North East, Yorkshire and Humber and East Anglia had the highest levels of awareness of mediation, with over 70 per cent of organisations having heard or it, while only 43 per cent of organisations in Wales, and 55 per cent of those in the North West, had heard of mediation.

Organisations with formal procedures for grievance or discipline, and those who were aware of the Acas Code and guidance before the interview, were significantly more likely to have heard of mediation than those without procedures, and those without prior awareness of the Code and guidance. Nearly three quarters of organisations with both grievance and disciplinary procedures had heard of mediation, compared to 55 per cent of organisations with neither. 82 per cent of organisations that had heard of both the Acas Code and guidance had heard of mediation compared to 51 per cent of organisations that had heard of neither type of Acas documentation.
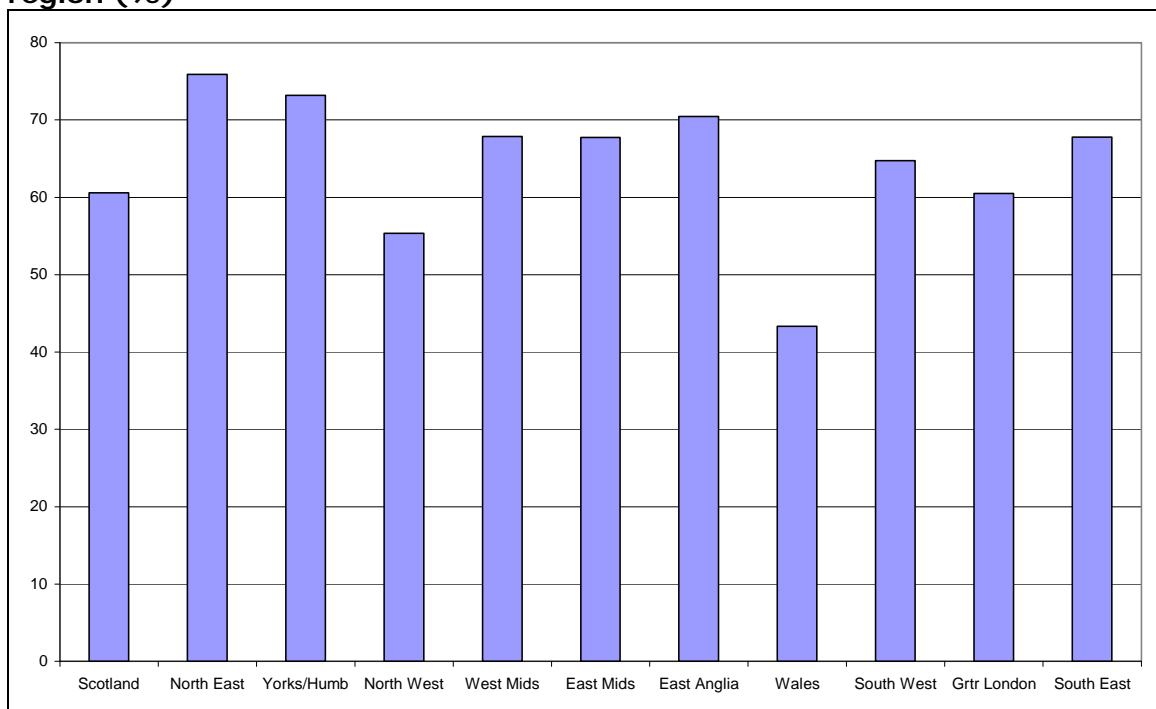
Of those organisations that had both grievance and disciplinary procedures in place, and had heard of the Acas Code, five out of six (83 per cent) were aware of mediation. If organisations with fewer than 10 employees are excluded, the proportion rises to 88 per cent.

Figure 3.2: Proportion of employers who had heard of mediation by sector (%)

Base: All organisations (unweighted N=1,001)

Figure 3.3: Proportion of employers who had heard of mediation by region (%)

Base: All organisations (unweighted N=1,001)

Organisations that were aware of the Acas Code, had grievance and disciplinary procedures in place, and had heard of mediation prior to the interview accounted for 55 per cent of all organisations. When looking at organisations with 10 or more employees, this proportion rises to 83 per cent.

Organisations that had used mediation in the past, and who were aware of the Acas Code and had both grievance and disciplinary procedures in place, accounted for six per cent of all organisations. When looking at organisations with 10 or more employees, this proportion more than doubles to 15 per cent.

3.2   Organisations that had used mediation

Turning now to use of mediation, Table 3.4 shows that just over seven per cent of organisations that had heard of mediation had used it, and this proportion represents just under five per cent of all businesses (as stated in table 3.1). The proportion of SMEs that had used mediation was slightly below the proportion for all organisations, while use of mediation among SMEs was much lower than that found in the 2008 Acas survey, where 11 per cent of SMEs who reported that they had heard of mediation had used it, and these represented seven per cent of all SMEs.

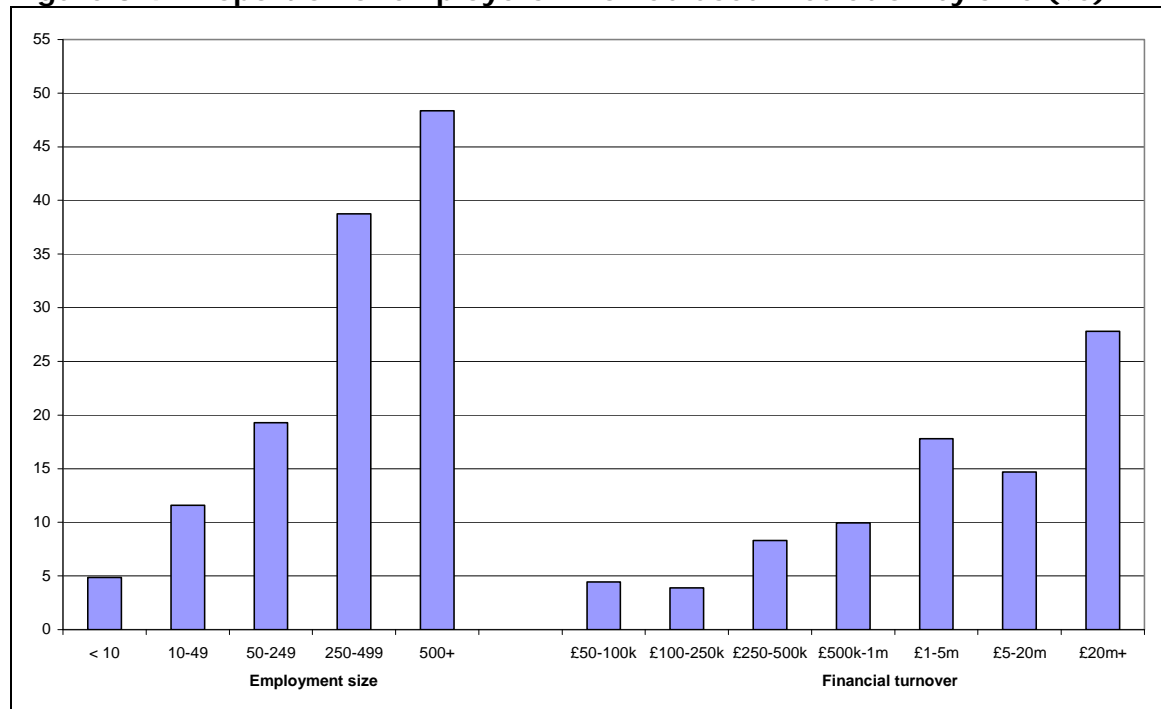**Table 3.4: Proportion of organisations that had used mediation to resolve a problem**

	Heard of mediation			**All organisations**		
	2011		*2008*	*2011*		*2008*
	All orgs	SMEs	SMEs	All orgs	SMEs	SMEs
	%	%	%	%	%	%
Yes	7	7	11	5	4	7
No	93	93	88	60	60	56

Base: Organisations that had heard of mediation (unweighted N=697); all organisations (unweighted N=1,001)

The proportion of organisations that had used mediation increases significantly with employment size, from five per cent of the smallest organisations to nearly 50 per cent of the largest organisations (Figure 3.4). There was also a trend of increasing use of mediation as financial turnover increases, although this trend was not as consistent as that for employment size.
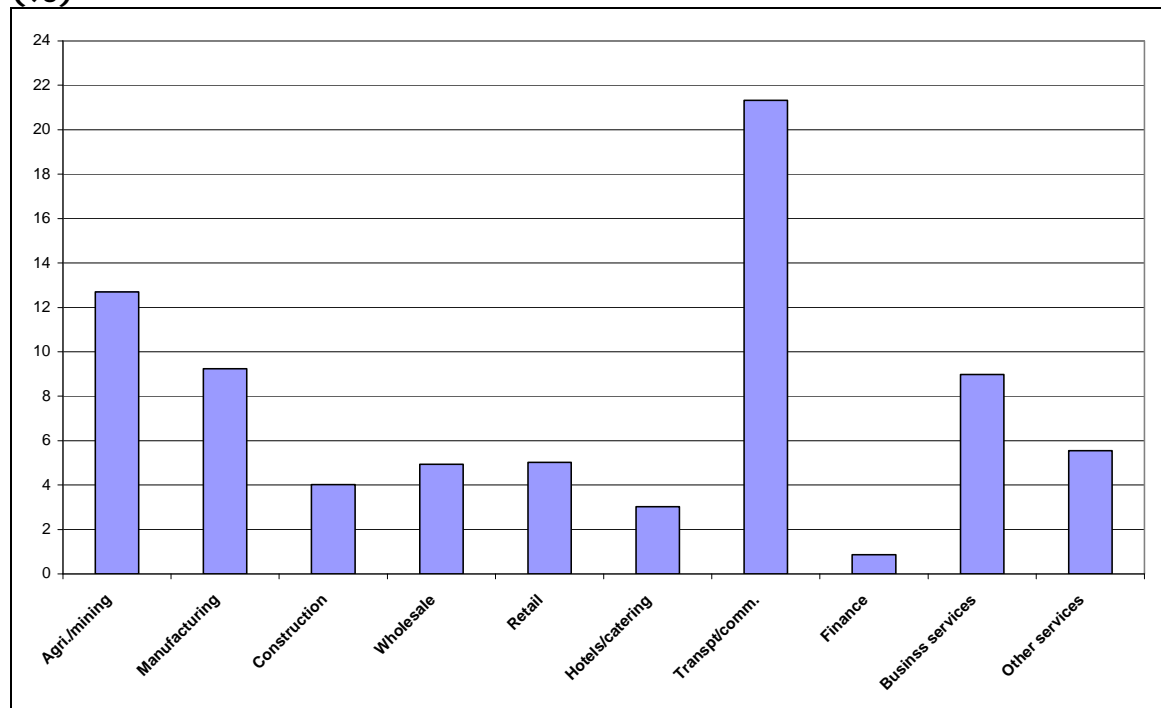
Figure 3.5 shows the variation in the use of mediation by industrial sector. Although employers in the finance sector had the highest level of awareness of mediation, very few had actually used mediation to resolve workplace disputes. More than 20 per cent of employers in the transport and communication sector who said that they had heard of mediation, reported having used it, and there were above average proportions of employers using mediation in the agriculture, manufacturing and business services sectors. These differences, while large, were not statistically significant.

Figure 3.4: Proportion of employers who had used mediation by size (%)
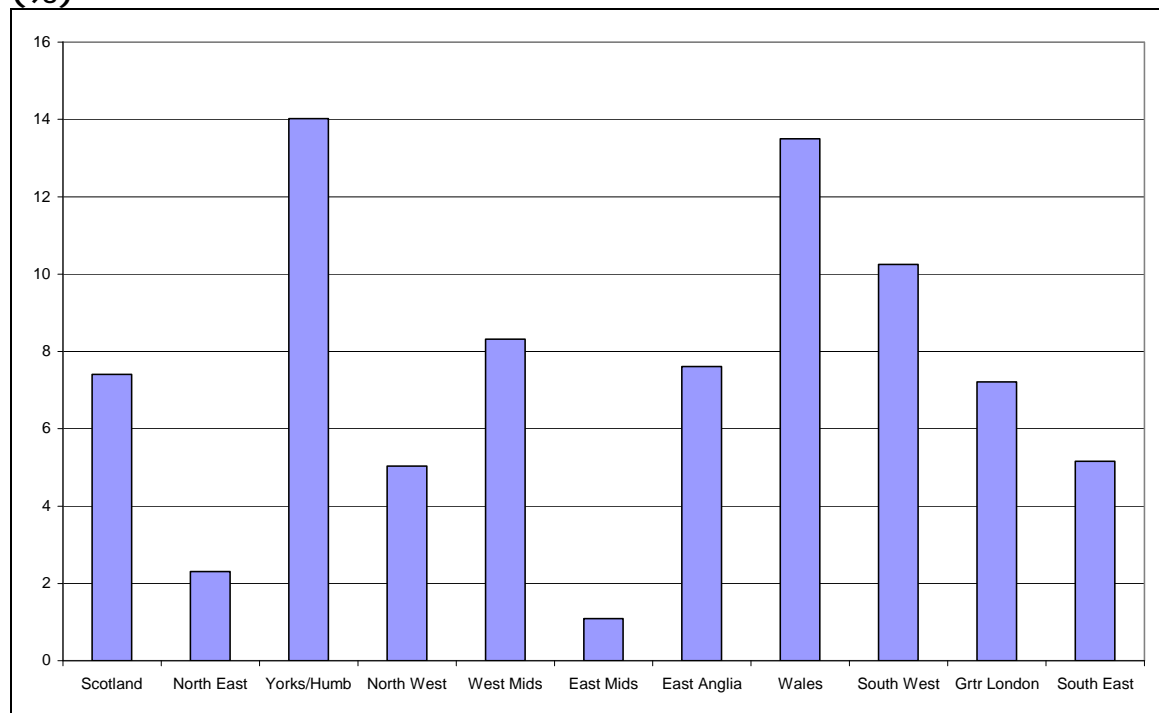

Base: Organisations that had heard of mediation (unweighted N=697)

Figure 3.5: Proportion of employers who had used mediation by sector (%)

Base: Organisations that had heard of mediation (unweighted N=697)

Figure 3.6: Proportion of employers who had used mediation by region (%)

Base: Organisations that had heard of mediation (unweighted N=697)

The regional variation in the use of mediation among organisations that had heard of it is shown in Figure 3.6. The highest proportions were found in Yorkshire and Humber and in Wales, although we saw above that Wales had the lowest proportion of organisations that had heard of mediation, and the lowest proportions were in the North East, which had the highest level of awareness of mediation, and the East Midlands. These differences were not statistically significant.

Organisations with formal grievance or disciplinary procedures were significantly more likely than those without procedures to have used mediation (nine per cent of those with procedures had used mediation, compared to four per cent of those without), although there was little difference in the use of mediation between organisations with prior awareness of the Acas Code and guidance and those without (nine per cent of those who had heard of the Acas code had used mediation, compared to six per cent of those who had not heard of it, and seven per cent of those who had heard of the guidance had used mediation, the same figure as those who had not heard of the guidance).

Of those organisations that had both grievance and disciplinary procedures in place, that had heard of the Acas Code prior to the interview, and were aware of mediation as a dispute resolution tool, 11 per cent had used mediation to resolve a workplace dispute. If organisations with fewer than 10 employees are excluded, this proportion rises to 18 per cent.

3.3   Patterns of use of mediation

Having looked at the proportions of organisations that were aware of, and had used mediation, the next section explores issues around their use of mediation. It should be noted that the sample of organisations that had used mediation to solve workplace problems was relatively small, only 89 unweighted cases, which limits the scope for detailed analyses of these issues.

When organisations had first used mediation

Respondents were asked when their organisation started using mediation, in terms of whether it was before or after April 2009. Three quarters of organisations (74 per cent) had first used mediation before April 2009.

Type of mediation used

Respondents were asked what forms of mediation had been used in their workplace, in terms of whether it was provided by external organisations or individuals that specialise in mediation, or provided through someone in their workplace or organisation who is trained or experienced in mediation of employment disputes.
Table 3.5 shows that mediation was more commonly provided by external organisations or individuals than it was through someone within the organisation, although one in six respondents did not know or could not remember who had provided mediation services.

Table 3.5: Type of mediation used

	Businesses citing %
Provided by external organisations or individuals only	44
Provided through someone in their organisation only	34
Both	7
Don't know/can't remember	16

Base: Organisations that had used mediation (unweighted N=89)

What mediation was used for

Respondents were also asked to provide information on the sort of problems their organisation used mediation to try to solve. Table 3.6 shows the range of different topics covered by mediation. The survey allowed respondents to select more than one option, and 41 per cent did so. The most common problems to be addressed were relationship breakdowns, either between employees, or between employees and their line managers or supervisors, followed by terms and conditions, performance management, and discipline.

Nearly one in five respondents selected the 'other' option. Descriptions of these other problems included dismissals including constructive and unfair dismissals, redundancies, theft, health and safety, punctuality, and communication issues between employees and management.

Table 3.6: Problems mediation was used to address

	Businesses citing %
Relationship breakdown between employees	39
Relationship breakdown between employees & line managers/supervisors	38
Terms and conditions, including pay	17
Performance Management	15
Discipline	14
Workload	10
Absence	9
Bullying and harassment	8
Promotion, job grading or career development	8
Other forms of discrimination	7
Discrimination on grounds of sex	1
Discrimination on grounds of race	-
Other	17
Don't know / Can't remember	7

Base: Organisations that had used mediation (unweighted N=89)

How often mediation used

Respondents were asked on approximately how many occasions their organisation had used mediation in the past 12 months. The results show that nearly half of respondents who had used mediation in the past had not used it in the previous 12 months, and the majority of those that had used it in the last year had used it only once prior to the interview (Table 3.7).

Table 3.7: Number of times mediation used

	Businesses citing %
We had used mediation but not in the last 12 months	46
1 time	35
2 times	3
3 times	6
4 or more times	6
Don't know	4

Base: Organisations that had used mediation (unweighted N=89)

3.4   Non-users of mediation

The survey asked those managers who knew about mediation but had not used it, why this was the case. Table 3.8 summarises responses to this question.

By far the most common reason for not using mediation, cited by more than nine out of ten respondents, was that the respondent felt their organisation had not had any problems that would suit mediation. There was little evidence of organisations being opposed to using mediation – two per cent said that there was a lack of interest among managers in using mediation, one per cent said there was a lack of interest among employees, and one per cent said they did not believe it was appropriate to involve third parties in disputes at work. A few respondents felt that their organisation was so small that mediation would not be appropriate.

Table 3.8: Why organisations had not used mediation

	Businesses citing %
We haven't had any problems that would suit mediation	93
No need	3
We are considering using mediation	3
It's only me/ one man band/ no employees	2
It's a very small company/ only 5 of us	2
There is a lack of interest by managers at my workplace	2
I don't know any mediators or any organisations that help with mediation	1
There is a lack of interest by employees at my workplace	1
I don't believe it's appropriate to involve third parties in disputes at work	1
I don't believe it would work	<1
Don't know	1

Base: Organisations that had heard of but not used mediation (unweighted N=697)

Table 3.9 presents the results for SMEs, alongside the results from the 2008 survey (the categories in the current survey had been adjusted to align with those from the 2008 surve[2]). The results were broadly similar in that the vast majority of organisations in both surveys felt that they had not had any problems that would suit mediation. However, in 2008 nearly one in ten respondents felt that they did not believe it was appropriate to involve third parties in work disputes, compared to under one per cent of respondents in the current survey, and a higher proportion of SMEs were considering using mediation in 2011 compared to in 2008.

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[2] The categories 'No need', 'It's only me/one man band/no employees' and 'It's a very small company/ only 5 of us' in the current survey have been combined into the 'Other' category in Table 3.11.

Table 3.9: Why organisations had not used mediation - SMEs

	Businesses citing %	Businesses citing %
	2011	*2008*
We haven't had any problems that would suit mediation	93	87
We are considering using mediation	3	1
I don't believe it would work	<1	2
I don't believe it's appropriate to involve third parties in disputes at work	1	9
There is a lack of interest by managers at my workplace	2	3
There is a lack of interest by employees at my workplace	1	3
I don't know any mediators or any organisations that help with mediation	1	5
Other (including business too small)	7	8
Don't know	1	2

Base: SMEs that had heard of but not used mediation (unweighted N=573)

4. GENERAL VIEWS ABOUT MEDIATION

In addition to the questions on awareness and use of mediation as a tool for settling workplace disputes, the survey also explored wider views on mediation. All respondents were asked the extent to which they agreed or disagreed with a number of statements about mediation. The statements were:

- Mediation is, or sounds like it would be, a good tool for resolving disputes in the workplace
- Mediation is, or sounds like it would be, a last resort when there is no other way to resolve a dispute at work
- Mediation is, or sounds like it would be, an expensive way to resolve disputes
- Mediation is, or sounds like it would be, only suited to large organisations
- Mediation improves line managers ability to manage conflict
- More widespread use of mediation will reduce the volume of claims to an employment tribunal
- Mediation produces "win-win" solutions that leave both parties satisfied.

4.1 Overall results and comparison with earlier survey

Table 4.11 shows the overall results from all respondents for each of the statements, while Table 4.22 shows the responses from SME respondents in comparison with the results from the Acas 2008 survey.

Looking first at the overall results, there was a high level of agreement with the statement that mediation is a good tool for resolving disputes, but there was also agreement that mediation is a last resort when there is no other way to resolve a dispute. However, respondents were fairly neutral about whether mediation is an expensive way of solving disputes, and whether it is only suited to large organisations. Finally, respondents generally agree with the last three statements – that mediation improves line managers' ability to manage conflict, it will reduce the volume of Employment Tribunal claims, and that it produces "win-win" solutions that leave both parties satisfied.

Table 4.1: Attitudes towards mediation (row percentages)

Mediation...	Strongly disagree	Slightly disagree	Neither agree nor disagree	Slightly agree	Strongly agree	Don't know
Is a good tool for resolving disputes	3	3	14	37	37	6
Is a last resort	9	11	14	33	27	7
Is an expensive way	12	19	17	19	19	14
Is only suited to large orgs	19	19	11	17	27	7
Improves line managers	4	8	19	36	21	13
Reduces ET claims	4	4	18	30	28	16
Produces "Win-Win" solutions	5	9	21	30	20	15

Base: All organisations (unweighted N=1,001)

Turning now to the results for SMEs, and how they compare with those from the earlier 2008 survey, Table 4.2 shows that:

- Agreement with the statement that mediation is a good tool for resolving disputes in the workplace has increased. In 2008, 24 per cent of respondents indicated strong agreement with the statement, compared to 37 per cent in the current survey, while 11 per cent of respondents disagreed with this statement in 2008, compared to six per cent in this survey.

- There was a lower level of agreement with the statement that mediation is a last resort than there was in 2008, with 27 per cent of respondents strongly agreeing with this statement compared to the 2008 figure of 36 per cent.

- There was also a lower level of agreement with the statement that mediation is an expensive way to resolve disputes. In 2008, 44 per cent of respondents agreed with the statement and 22 per cent disagreed, whereas in the current survey 38 per cent agreed and 31 per cent disagreed.

- Opinions on the statement that mediation is only suited to large organisations were polarised, as they were in 2008. Forty four per cent of respondents agreed with the statement (53 per cent in 2008), while 39 per cent of respondents disagreed (39 per cent in 2008).

- The responses to the last three statements show a similar trend from the earlier survey, with lower proportions of respondents disagreeing with the statements, and higher proportion neither agreeing nor disagreeing.

As an alternative way of comparing results for the two surveys Figure 4.1 shows the mean SME response scores for 2008 and 2011 on a scale where 1 is strongly disagree and 5 is strongly agree.

Table 4.2: Attitudes among SMEs towards mediation (row percentages)

Mediation…		Strongly disagree	Slightly disagree	Neither agree nor disagree	Slightly agree	Strongly agree	Don't know
Is a good tool for resolving disputes	2008	5	6	13	48	24	4
	2011	3	3	1	37	37	6
	2008	11	11	7	32	36	4
Is a last resort	2011	9	1	13	33	2	6
Is an expensive way	2008	9	13	16	23	21	18
	2011	1	19	1	19	1	1
Is only suited to large orgs	2008	18	21	5	25	28	4
	2011	19	19	11	17	2	7
Improves line managers	2008	10	11	14	32	23	11
	2011	3	8	1	3	21	13
Reduces ET claims	2008	3	11	12	36	27	11
	2011	4		1	30	28	15
Produces "Win-Win" solutions	2008	7	14	14	33	20	12
	2011		9	21	3	20	14

Base: All SMES i.e. less than 250 employees (unweighted N=929)

Figure 4.1: Mean attitude statement scores, 2008 and 2011
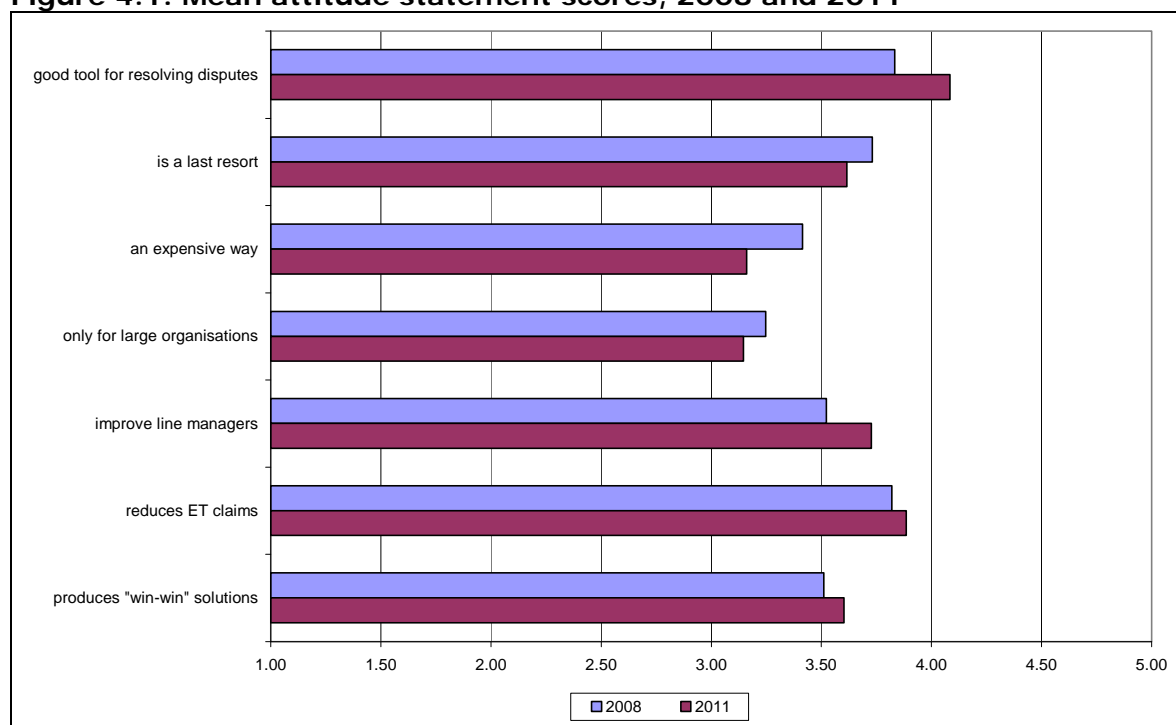
Base: All SMES i.e. less than 250 employees, excluding DK's (unweighted N=801-879)
Note: scale of 1 = strongly disagree, 5 = strongly agree

4.2   Variation by organisation characteristics

We now go on to explore differences in attitudes towards mediation between different types of organisation from the 2011 survey. To simplify the presentation of the data we again present the mean agreement scores on a scale where 1 equals strong disagreement and 5 equals strong agreement, and excluding "Don't Know" responses.

Awareness and use of mediation

Figure 4.2 shows the mean agreement scores for the seven attitude statements by whether the organisation had used mediation, had heard of mediation but not used it, or had not heard of it. There were a number of highly significant (1% level) differences in responses, namely:

- Organisations that had heard of mediation, regardless of whether they had used it or not, were significantly more likely to agree that it is a good tool for resolving disputes than organisations who had not heard of mediation.
- Organisations that had used mediation were significantly less likely than those who had not used it to agree that mediation is a last resort, is an expensive way to resolve disputes, or that it is only suitable for large organisations.
- Organisations that had used mediation were significantly more likely than those who had not used it to agree that it can reduce the volume of Employment Tribunal claims.

Table 4.3 shows the results for SME respondents by whether the organisation had experience of using mediation or not, in comparison with the results from the Acas 2008 survey, as described in Latreille et al. (2010a)). Some of the significantly significant differences observed in the 2008 results were also significant in the current survey. In particular:

- In both surveys, SMEs that had experience of using mediation were significantly less likely to view it as an expensive way to resolve disputes or suitable only for large organisations, than were SMEs that had not used mediation before.
- However, in 2008 SMEs that had used mediation were significantly more likely than those who had not, to agree that mediation is a good tool for resolving disputes and that it improves line managers' ability to manage conflict, but in the current survey the differences in opinion between those who had used mediation and those who had not had reduced.
- But in the current survey SMEs that had used mediation were significantly less likely to feel that mediation is a last resort, and significantly more likely to feel that it could reduce the volume of ET claims, than SMEs that had not used mediation, whereas in 2008 these differences were not significant.

Figure 4.2: Mean attitude statement scores by experience of mediation
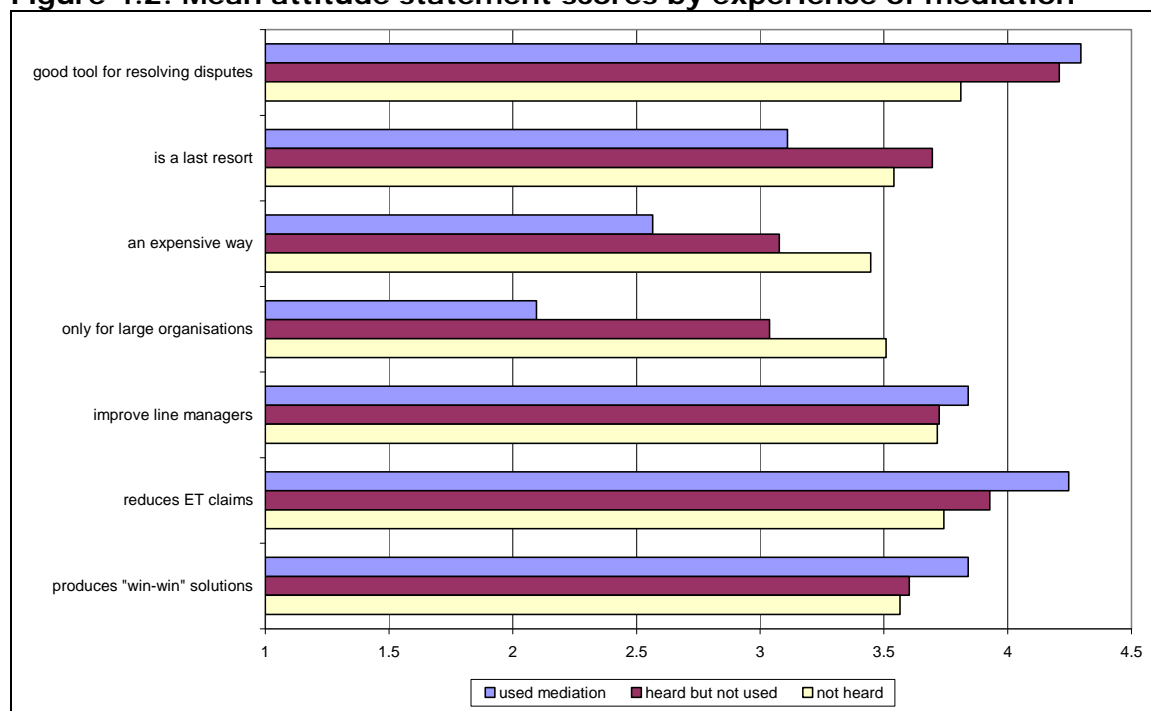
Base: All organisations excluding DK's (unweighted N=858-947)

Note: scale of 1 = strongly disagree, 5 = strongly agree

Table 4.3: Mean attitude statement scores by experience of mediation, 2008 and 2011

	Experienced mediation	Not experienced	Experienced mediation	Not experienced
	2008		*2011*	
Good tool for resolving disputes	4.4***	3.8	4.3	4.1
A last resort	3.5	3.8	3.1***	3.6
An expensive way	2.6***	3.5	2.6***	3.2
Only suited to large orgs	1.9***	3.3	2.1***	3.2
Improves line managers	3.9**	3.5	3.8	3.7
Reduces ET claims	3.9	3.8	4.2**	3.9
Produces "Win-Win" solutions	3.3	3.5	3.8*	3.6

Base: All SMES i.e. less than 250 employees, excluding DK's (unweighted N=801-879)
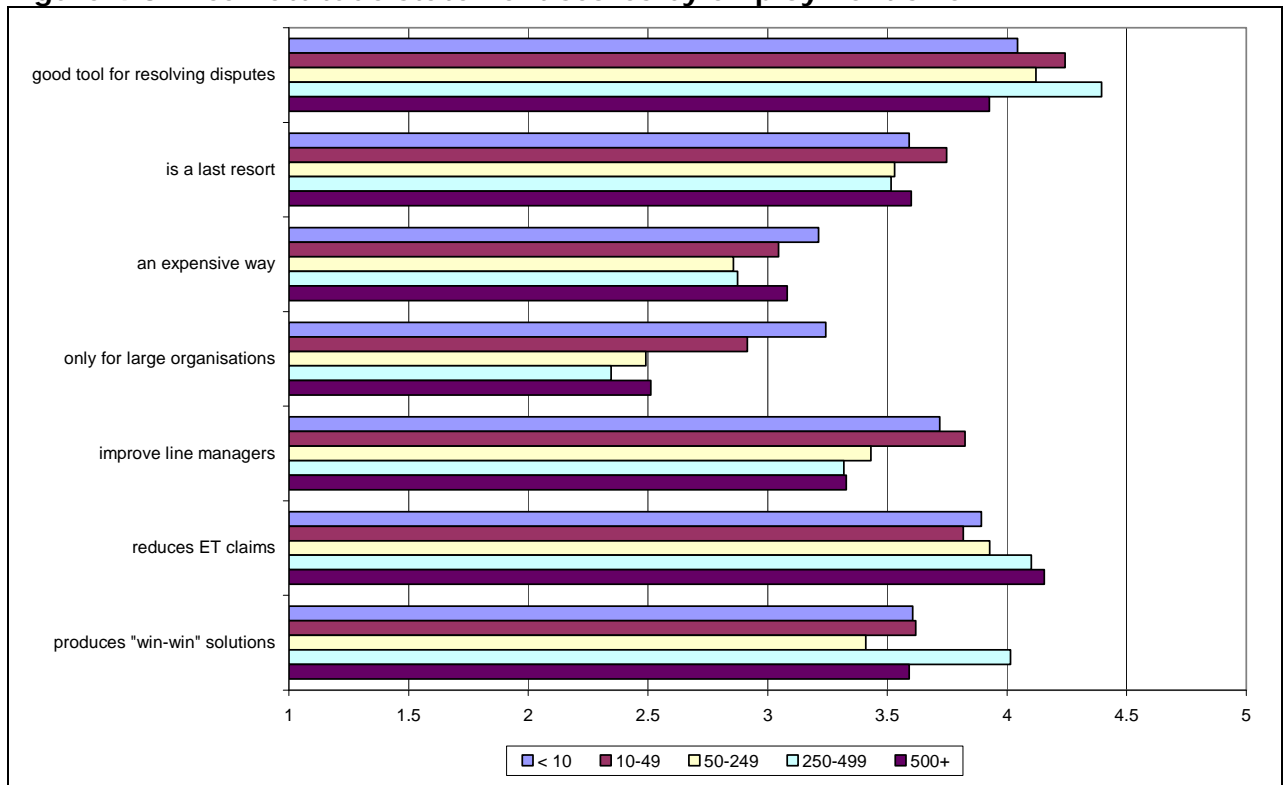
*Note: scale of 1 = strongly disagree, 5 = strongly agree; means exclude "Don't know" responses; ***, ** and * denote significant differences between those with experience of mediation and those without at the 1%, 5% and 10% levels respectively.*

Employment size

Figure 4.3 shows the mean agreement scores for the seven attitude statements by employment size. The only difference that is statistically significant when comparing all size bands relates to the statement that mediation is only suited to large organisations, with which the smallest organisations with fewer than 10 employees tend to agree, whilst all those in the largest three categories, with 50 or more employees tend to disagree, and this difference is significant at the 1% level.

However, if the employee size bands are combined into two categories – micro and small (i.e. under 50 employees), and medium and large employers – then the difference in views between the groups about mediation improving line managers' ability to manage conflict is significant at the 5% level.

Figure 4.3: Mean attitude statement scores by employment size

Base: All organisations excluding DK's (unweighted N=843-929)
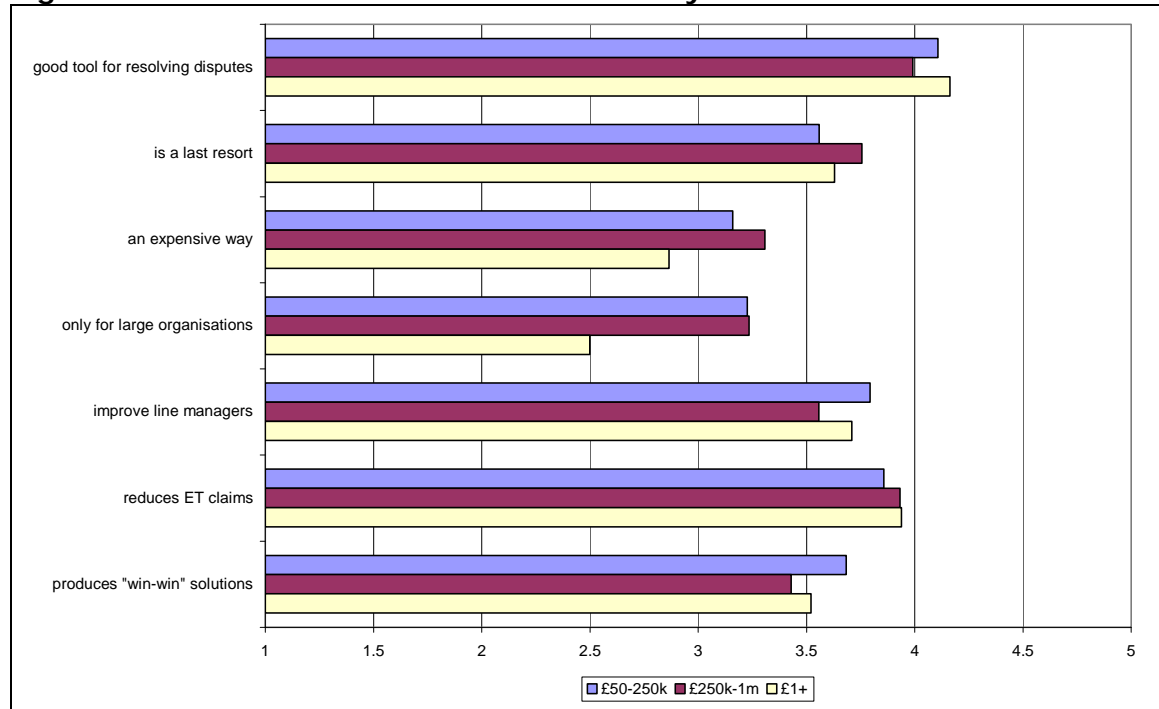*Note: scale of 1 = strongly disagree, 5 = strongly agree*

Financial turnover

Figure 4.4 shows the mean agreement scores for the seven attitude statements by financial turnover. The original size categories were combined into three to simplify the analysis and presentation. There were a number of statistically significant differences:

- Large organisations with a turnover of £1 million or more were significantly less likely than smaller organisations to feel that mediation is expensive, or is suitable only for large organisations. These differences were significant at the 5% and 1% levels respectively;

- The differences in levels of agreement with the statement that mediation improves line managers' ability to manage conflict were statistically significant at the 5% level, with agreement lowest among medium-sized organisations and highest among the smallest organisations;
- Small organisations were more likely to feel that mediation can produce "win-win" solutions, and this is significant at the 5% level.

Figure 4.4: Mean attitude statement scores by financial turnover

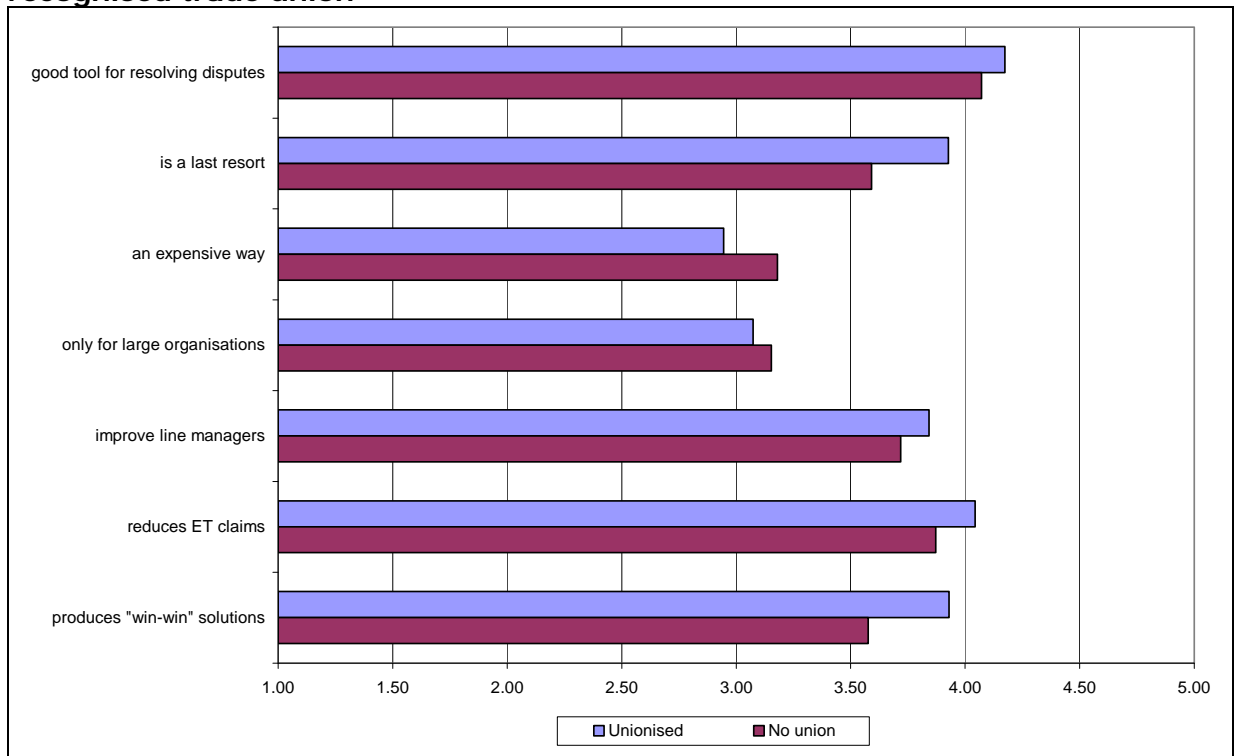*Base: All organisations excluding DK's (unweighted N=858-947)*
Note: scale of 1 = strongly disagree, 5 = strongly agree

Unionisation

Figure 4.5 shows the mean agreement scores for the seven attitude statements by whether the organisation has a recognised trade union. There were two statistically significant differences, both at the 5% level:

- Organisations with a union were more likely than those without a union to feel that mediation is a last resort when there were no other ways to resolve a dispute at work; and
- Organisations with a union were more likely to feel that mediation produces "win-win" situations that leave both parties satisfied than were non-unionised organisations.

Figure 4.5: Mean attitude statement scores by whether organisation has recognised trade union

Base: All organisations excluding DK's (unweighted N=833-916)

Note: scale of 1 = strongly disagree, 5 = strongly agree

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