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Variable Pay: Undermining Collective Bargaining?

Jim Arrowsmith, Paul Marginson and Molly Gray

Two major trends characterise recent developments in pay setting in the UK: the continued retreat of collective bargaining in the private sector, and growing emphasis on variable pay systems (VPS). Yet little is known about the actual relationship between VPS and collective bargaining, where it remains in place – whether the former undermines, leaves in place or reconfigures the latter.

Findings from an ESRC-funded study undertaken by Jim Arrowsmith, Paul Marginson and Molly Gray indicate a complex relationship, which varies according to the type of VPS and features of firms and sectors.

The defining feature of VPS is an explicit attempt to shift from time or seniority to performance-related criteria. Three types of VPS are conventionally identified: bonuses, including payments-by results, where there is a direct relationship between pay and employees' output; merit or performance-related pay based on management appraisal; and profit-related pay, which entitles employees to share in business success. In each case, the proportion of employee earnings which is 'at risk' is increased. This is consistent with the central role which an HRM approach accords to reward management.

The research involved sector-level interviews and data and documentary analysis, together with six company case studies, in each of two sectors – banking and machinery and equipment. Respondents included employers' association and trade union officials, general and HR managers and employee representatives. Banking, and financial services more broadly, is notable for the high level of diffusion of performance-related pay and sales-related bonuses amongst employees. The engineering sector, of which machinery and equipment manufacture is a part, is significant because of its long-established tradition of workplace negotiation over older forms of VPS, such as piecework.

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Also in this issue

Employment practice in multinationals

Selected findings from a new large-scale, representative survey of the UK operations of multinational companies are highlighted in two features. First, multinationals' international HR structures are both shaped by the broader organisational features of companies and, in turn, influence their substantive employment policies and practice. Second, multinationals appear to be a source of significant recent innovation in arrangements for employee representation and consultation in the UK. This stimulus may have come from the 2004 information and consultation of employees legislation.

>> **See pages 4–7**

Ten years of the TUC's Organising Academy

2008 marks the 10th anniversary of the TUC's Organising Academy (OA) training programme. The Academy, established under the TUC's New Unionism initiative, explicitly aimed to transform union approaches to organising.

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In this Issue

This issue of IRRU Briefing carries features from three of our research projects. It also includes a research update on IRRU's activities, covering selected recent publications, our international links, and forthcoming events.

The rise of variable payments systems, including individual performance-related pay, team-based performance bonuses and profit-related pay, has been a prominent feature of the changing employment relations landscape. According to the authoritative 2004 Workplace Employment Relations Survey (WERS), the proportion of workplaces with individual or group-performance-related schemes rose from 20% in 1998 to 32% in 2004. At the same time the proportion covered by collective bargaining has continued to decline, in 2004 extending to only 27% of workplaces with 10 or more employees (accounting for 40% of employees). Yet despite these twin developments, important issues have remained unaddressed. First, specific types of new payment system tend to have been investigated in isolation from each other. Few studies have examined pay setting in the round. Second, there has been little exploration of the implications of new forms variable pay for collective bargaining. According to circumstances, the effect could be to undermine, leave in place, reconfigure or even strengthen collective pay bargaining. Our first feature reports

findings from an ESRC-funded project on the relationship between variable payments schemes and collective bargaining in two sectors which continue to have bargaining coverage above the private sector average, retail banking and machinery and equipment. Drawing on a set of company case studies, it finds considerable differences in the mix of variable pay schemes used in the two sectors, and in their quantitative significance for overall earnings. The implications for collective bargaining vary, and are shaped to important extent by type of scheme involved but also by the strength of union organisation.

Multinational companies (MNCs) employ a significant and growing proportion of Britain's workforce. Approaching one in five private sector workers are employed by an overseas-owned company, and estimates suggest that a further two in five are employed by British-owned firms which themselves have international operations. In a major ESRC-funded study IRRU researchers, in collaboration with colleagues at De Montfort University Leicester and Kings' College London, have undertaken the largest and most representative survey to date of employment practice in the UK operations of MNCs. The second feature reports on a key aspect of the management structure of these companies: the presence of

international HR structures and systems. Their incidence is found to vary according to structural features of companies. In turn, they exercise a distinct influence on employment practice in the UK operations. The third feature turns its attention to arrangements for employee representation and consultation, where MNCs have often been associated with diffusing practices associated with their 'home' country models into Britain. More striking than such differences is the evidence of significant recent innovation in practice.

The fourth feature draws on a study reviewing the experience and impact of graduates from the TUC's Organising Academy, as it reaches the tenth anniversary of its inauguration. Based on interviews with a substantial number of graduates it finds that the programme has been successful in training a cadre of officials with specialist organising skills. However, an unintended consequence has been to generate a divide between the organising and membership servicing functions within unions.

We hope that you find IRRU Briefing No. 16 informative and accessible, and would be interested to receive any feedback.

Paul Marginson, IRRU Director

IRRU Briefing is published periodically by the Industrial Relations Research Unit. It contains summaries of key findings from recent and current research projects, information on new projects and publications and analysis of significant industrial relations developments.

The reports aim to inform and contribute to the thinking of practitioners in industrial relations and human resource management. IRRU's research ranges much wider than the topics covered in this Briefing. Many of our recent papers can be found on IRRU's web site.

Please go to: www2.warwick.ac.uk/fac/soc/wbs/research/irru

For further information on our work, please contact IRRU's Research Coordinator at the address on the final page.

Variable Pay: Undermining Collective Bargaining?

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The findings revealed similarities as well as evident differences between the two sectors:

Profile of VPS. Variable pay looms larger, and operates at more levels, in the payments systems of banks than of the machinery and equipment companies. The three main types of VPS are widespread amongst banks, most of which operate multiple schemes. Machinery and equipment companies mostly operate a single scheme, with collective forms of profit-related pay being most widespread. In contrast to the banks, individual performance-related pay (IPRP) is largely absent in machinery and equipment.

Quantitative significance. Comparing the proportion of earnings accounted for by variable pay, a greater proportion of pay is 'at risk' in banks than in machinery and equipment companies, where the amounts involved are modest.

Managerial objectives. Managerial objectives are similar in the two sectors though sometimes realised through different forms of VPS. Incentive goals are most apparent for localised productivity bonuses. Cost-control objectives are identified for IPRP in banks, and profit-related pay in both sectors. Employee development goals are evident for IPRP, but are increasingly overlaid by the 'harder' goals associated with performance management. Profit-related pay is utilised to communicate business and corporate objectives to employees. Stakeholder reward is also a prominent rationale for profit-related pay. Union exclusion goals are not immediately apparent.

Union responses. Unions in both sectors are uncomfortable with the principles and premises of IPRP. The crucial difference is that the banking unions have had to accommodate to their introduction and operation, and have been able to gain some influence (see below). In machinery and equipment companies this antagonism reflects a marked union preference for VPS based on 'objective' rather than 'subjective' criteria. Yet trade unions are not necessarily opposed to VPS, insofar as schemes offer additional earnings opportunities for

members, provide the opportunity to engage more closely with members, or hold the promise of improving site viability and employment security.

Consultation and negotiation. A shared priority for union negotiators is to maximise increases in basic pay. Under IPRP, this translates into pressure to ensure that the ratings accorded to the great majority of staff who are deemed to be average performers or above are translated into pay increases which at least match the cost of living.

Union involvement in regulating VPS varies markedly according to type of VPS. Key dimensions of banks' IPRP schemes, including size of the overall pay pot and its distribution between rating bands, are the focus of negotiation. Negotiation over bonus schemes is rare, and both negotiation and consultation are largely confined to those which are more local in character. Consultation over supra-site profit-related pay, relating to group and divisional performance, is conspicuous by its absence. The effect is to establish a management-determined element of pay beyond the scope of collective bargaining.

The findings signal that although unions can on occasion block management proposals to introduce VPS, their more general impact is in moderating schemes through negotiation and consultation. In terms of the implications of VPS for collective bargaining, the findings demonstrate a range of outcomes. Variously:

- collective bargaining can embrace VPS alongside established conventions for negotiating increases in basic pay;
- collective bargaining can be reconfigured in the face of the challenges posed by particular forms of VPS for trade unions and their members; and
- management can successfully place some forms of VPS beyond the scope of collective bargaining, thereby loosening its purchase on overall earnings.

Variable implications. These 'variable implications' are shaped by the type of VPS scheme and the organisational level at which schemes operate; and product market, technological and labour market characteristics of the two sectors.

The differences between the two sectors, particularly the significance of variable pay for earnings and the nature and multiplicity of the schemes adopted, can be explained in various ways. Firms in machinery and equipment operate in more international markets, which contribute to lower margins and profits than in the banks. This means that efforts to meet employee concerns over basic pay leaves less to play with over variable forms such as bonuses.

In contrast, banks have been better placed to use bonuses and profit-related schemes to drive culture-change initiatives and to incentivise and reward staff without adding to fixed costs. The growth of these forms of VPS has also helped contain the overall pay budget, which remains linked to inflation rather than ability to pay. This leaves less scope for dispersion in the merit pay schemes that distribute it. In turn, this enables employers to accommodate trade union concerns over individualisation whilst maintaining the performance-management systems underpinning appraisal-based schemes intact.

There are relevant differences at workplace level, too. Bank branches, for example, are customer-facing service operations where individual employees can influence levels of sales. In machinery and equipment work is more highly integrated and collective, meaning there is less rationale for individualised incentive schemes.

The overall picture is mixed. In both sectors, the introduction of variable pay has not undermined collective bargaining in the sense of its core focus on delivering inflation-based increases to basic pay. Yet the proportion of employee earnings that is determined without collective bargaining has grown.

Read more: 'Undermining or reframing collective bargaining? Variable pay in two sectors' presented at the 4th Pay and Rewards Conference, is available at: www2.warwick.ac.uk/fac/soc/wbs/research/irru/publications/recentconf/

International HR structures: shaping policy approaches in MNCs

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Findings on the nature and role of international HR structures in multinational companies (MNCs), from a new large-scale, representative survey of their UK operations, show that these structures are both an outcome of the broader organisational features of companies and an influence on substantive employment policies and practice. The survey, which was funded by ESRC, is the most comprehensive of MNCs to be undertaken.

It involved a collaboration between researchers based at Leicester Business School, Kings College London (including two IRRU Associate Fellows) and IRRU at Warwick.

The survey asked about five dimensions of the international HR architecture within the 302 multinationals surveyed:

- UK respondents in 52% of multinationals reported that the worldwide company had an international HR information system 'such as PeopleSoft or SAP HR, which holds data in relation to the firm's international workforce'.
- UK operations were covered by international shared HR service activities in 31% of MNCs, some global and others regional in their reach.
- There is extensive monitoring of HR performance data relating to the UK operation by international corporate, regional or business management in overseas-owned multinationals: 29% of firms monitored at least seven of nine items specified, 53% between three and six items, and just 18% two or fewer.
- Fifty-three per cent of UK operations reported that there is a worldwide company committee of senior managers, or similar high-level body, which develops HR policies that apply across countries.
- International networking of HR managers within multinationals is widespread: 63% of companies bring HR managers from the different country operations together on a systematic

basis. This includes 50% where managers are brought together regularly on a global basis, and 34% regularly on a regional basis. The mechanisms for such international networking include meetings at least quarterly, annual conferences, ad hoc task forces and virtual networks.

In addition, for a majority of MNCs the evidence indicates that international levels of management are influential in shaping their overall approach to managing employees. Asked about the company's philosophy concerning its management style towards employees, 61% of respondents agreed, or strongly agreed, that the MNC had a worldwide philosophy which informed its HR policies. Further, asked whether there was (also) a common philosophy at the level of the global region or the international business, 43% and 34% of respondents agreed, or strongly agreed, respectively. In contrast, just under half of respondents identified national operating companies as having a strong influence on management style (45% agreeing or strongly agreeing).

Ownership and structure. There are clear differences in the incidence of international HR structures according to the country of origin of the MNC. US-based multinationals stand out for the high incidence of all five aspects above. In contrast, the diffusion of international HR information systems and worldwide HR policy committees, and monitoring of a wide range of HR performance data, is low amongst Japanese-based companies. Amongst European-based MNCs, French multinationals look most like their American counterparts, and German-

owned companies least. UK-owned multinationals are positioned in between these two poles. MNCs based in the Nordic countries have relatively high incidences of worldwide HR policy committees and international networking of HR managers, but low incidences of shared services and information systems.

The structure of MNCs is also influential. Companies with matrix structures, for example combining regional and international business lines of organisation, are more likely to have a formalised international HR architecture embracing the five aspects identified. Larger MNCs, in terms of their worldwide employment size, are also more likely to have international HR structures than smaller companies.

“ for a majority of MNCs, the evidence indicates that international levels of management are influential in shaping their overall approach to managing employees ”

Impact of HR structures. In turn, international HR structures have an important influence over different areas of employment practice. The impact is especially felt in pay and performance and in organisational learning. More broadly, it is associated with greater degrees of control over UK operations by higher organisational levels, and with

the likelihood of reverse diffusion. It is much less associated with employee representation practices. Three elements of international HR structure stand out for their influence on a range of areas: collection of HR data, international HR committees, and the bringing together of HR managers from different countries. The impact of HR information systems and international shared services is focused on

“ international HR structures have an important influence over different areas of employment practice. The impact is especially felt in pay and performance and in organisational learning ”

specific areas of practice. Both are widely associated with lower discretion. They are also linked with some substantive practices, such as the use of forced distribution, upward appraisal, variable pay, and share schemes, and to an HR role for overseas operations and HR managers.

The findings indicate that the role and impact of international HR structures, which have not yet been the focus of much enquiry, deserve considerably greater attention.

Further reading: the overview report of the survey ‘Employment practices of MNCs in organisational context’ is available at www2.warwick.ac.uk/fac/soc/wbs/projects/mncemployment/conference_papers/full_report_july.pdf

The MNCs’ employment practices survey

The survey of employment practice in the UK operations of MNCs was undertaken in 2006, and involved a personal interview with a senior HR executive in each of a representative sample of 302 multinationals. The achieved sample is larger than that in most other surveys of aspects of employment practice amongst multinationals, and allows comparison of the practice of MNCs from different countries of origin, including those based in the major European economies, within the same host environment. The survey covered MNCs with at least 500 employees worldwide: in the case of overseas-owned companies, inclusion in the survey required that they also had at least 100 employees in their UK operation; for UK-owned multinationals the additional criterion was that they should have an operation employing at least 100 in at least one other country.

The survey was based on the most comprehensive listing of the population that has been compiled, and involved two stages. First, a short screening questionnaire was administered to companies provisionally identified as multinationals in the population listing. Of the 1419 companies where calls were successfully completed one in three turned out not to meet the above size criteria. Non-response complicates the calculation of the response rate, but for the first stage it was an estimated 54 per cent.

The second stage involved a wide-ranging, face-to-face structured interview with a senior HR manager in the UK operations. These were sought from the 903 MNCs which were confirmed as conforming with the survey’s size criteria at the first stage. Interviews of approximately 70 minutes duration were successfully completed in 302 companies, representing just over one-third of the 903. The interviews elicited information on the business strategy, structure and management organisation of companies, the structure and role of the HR function, and focused on four areas of employment practice: pay and employee performance management; training, development and organisational learning; employee involvement and communication; and employee representation and consultation.

A full account of the design and realisation of the survey, and the challenges posed, is provided in Warwick Papers in Industrial Relations No. 86, available at: www2.warwick.ac.uk/fac/soc/wbs/research/irru/wpir/

Employee representation and voice in multinational companies

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MNCs from different countries of origin are widely held to have distinct preferences over the presence of employee representative structures and the form that employee 'voice' over management decisions may take. Such preferences are said to derive from the national models which prevail in the different countries of origin in which MNCs are based. For example, US-based multinationals are associated with a distinct tendency to be non-union, whereas German-based MNCs are more likely to have representative-based forms of employee voice than their American counterparts. Findings from the large-scale survey of MNCs (see box on p5) allow this issue to be addressed.

Legislative intervention also shapes practice. In particular, there has been considerable interest in the potential impact on employee voice arrangements of the UK's 2004 Information and Consultation of Employees (ICE) Regulations. Conducted about a year after the Regulations came into effect for larger undertakings in the UK, the survey is well placed to throw light on ways in which MNCs are responding to the new requirements.

Patterns of representation

Unions representing the largest occupational group (LOG) are recognised at one or more sites in 47% of MNCs with operations in the UK, including 16% across all sites, 23% at some or most sites and 8% at a MNC's single UK site.

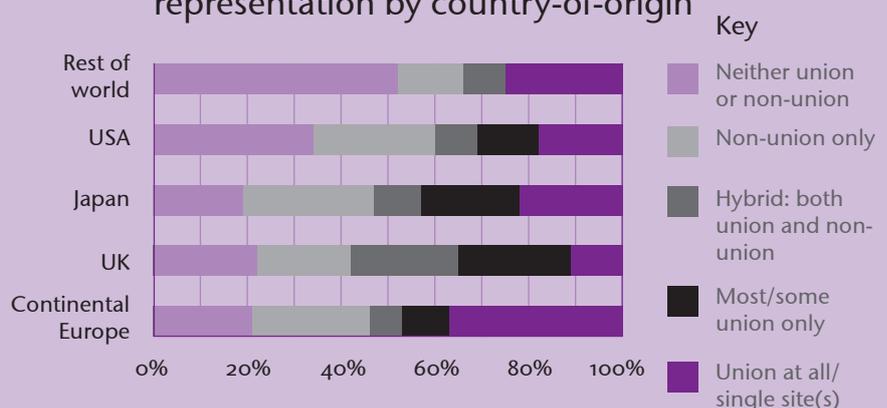
Non-union representative arrangements for the LOG exist in approaching one-half of those MNCs not recognising unions at any site, with the majority (4 out of every 5) having arrangements covering all sites or a MNC's single UK site. In addition, approaching one-half of companies with union recognition at some or most sites also have non-union representative arrangements at other sites where there is no union recognition. Taken together, these firms account for one-third (34%) of the overall total.

Chart 1 summarises the pattern of employee representative arrangements

(union and non-union) by country-of-origin. US – and Rest-of-the World (RoW)-based MNCs are the least likely to have any form of representative structure. Japanese-based MNCs are the most likely to have non-union arrangements only. A mixed pattern, with both union and non-union arrangements, is most common amongst UK-based multinationals. MNCs based in continental Europe are the most likely to recognise unions at all sites. Employee representative arrangements (both union and non-union) are more

widespread amongst manufacturing than service sector companies: nearly one-half of service MNCs have no representative arrangements, compared with just 12% of manufacturing MNCs. There was also variation according to length of time operating in the UK: surprisingly MNCs with operations in the UK for less than 5 years are the most likely to have representative arrangements, probably accounted for by the prevalence of acquisition as a means of entry into the UK in recent years.

Chart 1 Patterns of employee representation by country-of-origin



Base: All companies, valid N = 300 cases

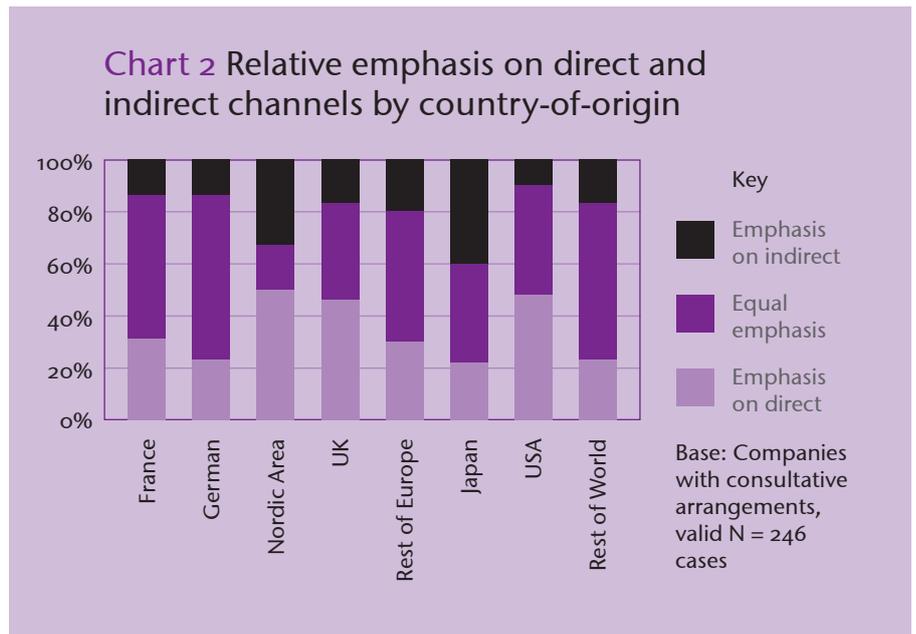
The survey found considerable evidence of recent change. There was a clear trend away from union recognition at new sites by MNCs which recognise unions at some or most of their existing ones, but little change in recognition status following the acquisition of sites from other companies. Most strikingly, non-union representative arrangements are becoming more widespread. One-half of the MNCs with such arrangements reported that they had been established within the previous 3 years. The impact of the UK's ICE regulations is apparent; two out of every three of these cases also reported establishing new arrangements for employee consultation over the past three years.

Employee consultation arrangements

Almost three quarters of MNCs (73%) reported that there are regular information and consultation meetings between management and employee representatives at the level of the UK operation. Taking account also of the regular meetings below the level of the UK operation, covering individual or groups of sites, reported in many companies, in total, 82% of MNCs have consultative arrangements at either or both levels. Few marked differences according to country of origin were apparent. Consultative arrangements were, however, significantly more widespread in manufacturing than services.

“ Most strikingly, non-union representative arrangements are becoming more widespread ”

Implementation of the UK's ICE Regulations has prompted substantial recent change in these representative-based consultation arrangements. Forty two per cent of the multinationals with consultative arrangements reported



changes over the previous 3 years. In nine out of every ten cases, such change involved the establishment of new arrangements at all (three-quarters of the relevant total) or some (one-quarter) sites; in seven out of ten cases it (also) involved modifications to existing arrangements.

Direct or indirect forms of voice?

Managers in the 82% of MNCs with representative-based consultative arrangements were asked about the respective emphasis management placed on direct forms of employee communication and consultation, such as team briefings and problem-solving groups (which were utilised in virtually all the companies surveyed), and indirect or representative arrangements. The clear balance was towards an emphasis on direct forms: 41% emphasise direct mechanisms, and 17% indirect mechanisms, whilst 42% place equivalent emphasis on both.

Differences according to country-of-origin are apparent from Chart 2. US - and UK-based MNCs display a strong tendency to emphasise direct channels, whilst Japanese-based MNCs are the most likely

to emphasise indirect channels. MNCs based in the Nordic area tend to emphasise either the direct or the indirect channel, but are the least likely to place equivalent emphasis on both. German-based MNCs are the most likely to place equivalent emphasis on both. As between sectors, MNCs in manufacturing are more likely to emphasise indirect, and less likely to emphasise direct, channels than those in services.

Overall, the survey confirms marked differences in some, but not all, aspects of employee representation and consultation practice according to the MNCs' country of origin. It also signals that MNCs have been a source of significant recent innovation in two linked respects. The first is the spread of non-union representative structures. The second is the extent of recent change to representative-based arrangements for employee consultation. For both, impact from the ICE legislation is discernible. Taken together, these developments may signal the emergence of consultation-based forms of employee representation as an alternative to traditional union-based arrangements focused on negotiation amongst a key group of employers - MNCs.

Ten years of the TUC's Organising Academy

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2008 marks the 10th anniversary of the TUC's Organising Academy (OA) training programme. The Academy, established under the TUC's New Unionism initiative, explicitly aimed to transform union approaches to organising. Each year, a cohort of between 30 and 40 trainees has undertaken training based on a mix of classroom discussion and planning sessions, and 'hands on' involvement in union organising campaigns. A review of the experience and impact of OA graduates indicates that, despite promoting some very positive changes, the Academy has yet to deliver the broad-based union renewal that was hoped for at the outset.

Ten years ago, senior TUC officials intended that the Academy would target groups of workers that were under-represented within the trade union movement (including young workers, service sector workers, black and minority ethnic workers and, to a lesser extent, women workers). The aims were to encourage unions to invest more heavily in recruitment and organising activity, and to attract new people to work in the trade union movement as organisers, policy makers and officials. Further objectives were to encourage unions to expand into workplaces and sectors that were un-unionised, to adopt an approach to organising activity that emphasised member involvement and participation, and to develop a cadre of specialist organisers who could take a more strategic view of organising and renewal activity. If successful, this would facilitate a broader renewal of trade unionism across the UK – of particular urgency given the major decline in union membership in the previous two decades.

What is organising?

The term 'organising' is used to describe an approach to union membership and activity building that relies on facilitating local leadership at workplace level, so that workers are empowered to act for themselves. Its purpose is to foster self-reliance and collective identity, organising around issues in the workplace, which can then lead to increased recruitment

and sustained workplace union activity. Associated with this is a range of techniques that are designed to raise the profile of unions and encourage members to become active in union building rather than remain passive recipients of services. Usually, these include person-to-person recruitment (on the principle of like-recruits-like in campaigns), workplace mapping to identify potential union members, and identifying workplace grievances around which to collectivise.

Research carried out by IRRU and London Metropolitan University, and funded by the Nuffield Trust, reviewed the impact of 10 years of the Academy and involved surveying all 191 contactable graduates, conducting in-depth interviews with 32 graduates, interviewing a further 21 policy makers, and observing sessions of both TUC and union-specific training. The review focused on four main questions. How do OA graduates evaluate their experiences of the training? What are OA graduates doing now and to what extent do they use the training they received? How do they relate this to organising within their current union? Is there evidence of any wider impact of OA on the UK trade union movement? The study is the first concerted effort to gather the views of graduates on these issues

The training experience

In terms of the training experience, it is clear from the interviews that the OA

has delivered mixed outcomes. Academy graduates do come from a much more diverse background of skills, gender and age than their officer counterparts. The OA has also largely been successful in training a cadre of graduates in basic organising skills, a high proportion of whom have remained employed in the union movement. On other measures of success, however, the evidence is far more mixed. Training in some of the more strategic skills such as planning organising strategies and planning for the transition between the organising and representation phases of a campaign seem to have been less successful. Evidence from individual campaigns shows that where unions fail to manage these more strategic aspects, it is extremely difficult to sustain short-term organising gains.

What are they doing now?

The continued influence of graduates on the unions in which they work is clear, with around half employed as specialist organisers and half in more generalist positions. Among those who remain in organising roles, frustrations were expressed about the generally low status of organising and the relative lack of opportunity for promotion and career development. Indeed, it is precisely these pressures that have pushed many of those who have taken on a different role to do so. Despite this, a high proportion of both specialists and generalists report that they use their organising skills in their

current roles and this reflects a perception that people who have been trained as organisers continue to have an 'organising perspective'. In this regard, many of the OA graduates see a clear role for themselves in promoting an organising culture within their unions and beyond even though they may not be directly employed as specialist organisers themselves. They are overwhelmingly optimistic about the potential for union renewal despite the lack of clear evidence in this direction.

There is strong evidence of an exchange of ideas and practices between unions emerging through both formal and informal networks. These networks also lend support to people who frequently report feeling that they are in a minority and/or a junior position trying to promote cultural change within their unions. It should also be noted that the establishment of the TUC organising training programme for officers has directly encouraged individual unions to adapt and tailor specialist organiser training for their own needs.

Tensions between organising and servicing

As well as commenting on the Academy training specifically, the research examined the impact of the graduates on the wider union movement. Here, tensions arising from the organising focus of the training can be seen. Organisers frequently report fundamental tensions between the organising and servicing functions, and register disappointment at what many of them perceive to be a lack of broader cultural change within their unions. There is a widespread perception of a lack of progress in unions' efforts to renew themselves.

A key conclusion, therefore, is that an unintended consequence of the decision to create specialist organisers is the institutional separation of organising and servicing roles. This causes perceived problems for organisers in integrating their activities and ideas within the wider culture of their employing unions. This has implications for broader questions about union renewal. First, the creation of specialist functions appears to have entrenched the divide between organising and servicing activity. As a result many specialist organisers perceive resistance

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from other officials to the cultural change they are trying to promote.

Second, the perception of organising being of a lower status limits the potential for career progression paths open to many Academy-trained organisers. There are relatively few senior organising roles available across the UK union movement. This means that organisers often have to move beyond their specialism in order to move up the career ladder. Whilst this is not inherently problematic, they are likely to lose an organising focus as they move into generalist roles. Given the long-term and intensive nature of greenfield organising work, if these specialists are unable to deploy their specialist skills as they become more senior, realisation of the vision of union renewal becomes harder to achieve.

Research Update

Recently published

IRRU staff produce a large number of reports, articles, chapters for edited books and papers. Details of these, and recent working and conference papers, are available from our website. Here we highlight three of our recent publications:

- *Implementing information and consultation: early experience under the ICE Regulations* by Mark Hall, Sue Hutchison [University of West of England], Jane Parker, John Purcell and Mike Terry. This report presents initial findings from case study research, commissioned by the Department for Business, Enterprise and Regulatory Reform (BERR), Acas and CIPD concerning the employee information and consultation (I&C) arrangements of a range of different organisations in the changed legal context established by the UK's Information and Consultation of Employees Regulations 2004. The research finds considerable variation in the nature and operation of the case study organisations' I&C bodies. The evidence suggests that senior managers are engaging seriously with the I&C bodies, and that some significant issues have been discussed. Reported instances of I&C bodies influencing management decisions or their implementation are sparse, and employee awareness of the existence and role of I&C bodies is low. However, there are indications that consultation practice is evolving. The report is published by BERR as No. 88 in its Employment Relations Research series, and is available at: www.berr.gov.uk/employment/research-evaluation/errs/page13419.html
- *'The road is long: thirty years of equality legislation'* by Linda Dickens was published in the British Journal of Industrial Relations in September 2007

(Volume 45, pp 463-94). The article critically reflects upon the development of British employment equality law, tracking a positive yet hesitant, uneven and incomplete trajectory from anti-discrimination towards equality, and from piecemeal and patchwork coverage towards inclusiveness and integration. It argues that the opportunities provided by the new Commission for Equality and Human Rights and the proposed Single Equality Act should be taken to address remaining weaknesses in the legislative equality package and the limitations in enforcement approaches which the article highlights. The British Journal of Industrial Relations is published by Blackwell.

- *Workplace employment relations in the West Midlands* by Duncan Adam and Paul Marginson provides a first-ever profile of employment relations at workplaces across the West Midlands region. Commissioned by the West Midlands Employment Relations Forum, it was compiled from the 2004 Workplace Employment Relations Survey. Differences are apparent in employment relations practice between the West Midlands and Britain as a whole on three dimensions. First, the characteristics of workplaces and the workforces they employ. Second, the presence of HR specialists and trade unions and employment relations institutions such as collective bargaining and joint consultation. Third, various aspects of employment practice, including training, teamworking, performance appraisal, payments systems, equal opportunities and flexible working. The report is available from IRRU's website.

International Links

University of Montréal, Laval University (Québec): IRRU's collaboration with Canadian colleagues leading the prestigious Inter-University Research Centre on Globalisation and Work (CRIMT) is being taken further. Already Paul Edwards, building on long-standing joint work with Jacques Bélanger (Laval, and IRRU Associate Fellow), was a participant in CRIMT's successful first funded research programme which commenced in 2003. Now both Edwards and Paul Marginson have participated in CRIMT's successful bid to Canada's Social Science and Humanities Research Council for a further 7 year period of funding for a programme of research on 'Building Institutions and Capabilities for Work and Employment in a Global Era'. One strand of the programme addresses the role of multinational companies. An immediate aim is to advance comparative analysis of the parallel surveys of employment practice in MNCs (see features in this issue) undertaken in both Canada (by the CRIMT team) and Britain. IRRU was therefore particularly pleased to welcome two CRIMT colleagues as visiting fellows at different times during 2007: Patrice Jalette and Mélanie Laroche.

Cornell-Warwick: links between IRRU and Cornell's School of Industrial and Labor Relations (ILR) have continued to develop. A highlight in 2007 was the first Cornell-Warwick doctoral research student workshop. Generously hosted by Cornell in May, three doctoral students travelled from Warwick to participate along with Ardha Danieli. The Warwick students, and three of their Cornell counterparts, presented papers and received valuable, critical comment from ILR faculty (and Danieli) as well as their peers. The workshop was facilitated in financial terms by the Brettschneider Fund.

Forthcoming events

Warwick-Acas Lowry lecture 2008: Tuesday April 15th. Linda Dickens, Professor of Industrial Relations at Warwick Business School and a Deputy Chair of the CAC, will give the seventh lecture in the series at the University of Warwick. Her theme will be 'Legal regulation, institutions and industrial relations'.

West Midlands Employment Relations Forum 2008. The Forum, which was launched in 2004, is organised by Acas Midlands and IRRU together with the West Midlands CBI, the West Midlands EEF and the Midlands TUC. It aims to help foster good employment practice across the West Midlands and to raise the profile of employment relations amongst the region's policy-makers. The profile of workplace employment relations in the West Midlands, undertaken for by IRRU for the Forum and reported above, provided a valuable evidence base for the Forum's submission to last year's consultation as part of the process of revising the region's economic strategy.

The Forum held three events during 2007, which focused on: flexible working arrangements in the context of the Work and Families Act; the challenges of becoming an employer of choice; and equality and diversity practices. Three further events on current employment issues are planned for 2008.

Membership of the Forum is open to companies, public service organisations, trade unions and employment relations professionals in the West Midlands. Further information on Forum activities, and on membership, is available from Georgina Sutton, Acas Midlands, Warwick House, 6 Highfield Road, Birmingham, B15 3ED (Tel 0121 452 7925) or from IRRU's Research Coordinator.

IRRU Staff

In late 2007, IRRU welcomed Professor Gillian Morris as an Honorary Professor. A practising barrister and chair / deputy chair of two pay review bodies, her expertise will strengthen IRRU's existing capabilities in employment law and employment relations in the public services.

Academic and Research Staff

Jim Arrowsmith
Trevor Colling
Ardha Danieli
Deborah Dean
Linda Dickens
Paul Edwards
Anne-marie Greene
Mark Hall
Sonia Liff
Paul Marginson
Guglielmo Meardi
Gillian Morris**
Jane Parker
John Purcell
Melanie Simms
Keith Sisson*
Mike Terry

* Emeritus Professor
** Honorary Professor

Support Staff

Val Jephcott
(IRRU research coordinator)

IRRU Doctoral Students

Domenico Bevilacqua
Heather Connolly
Chris Edger
Michael Frize
Sophie Gamwell
Annette Hayden
Benjamin Hopkins
Aristea Koukiadaki
Christina Niforou
Thomas Prosser
Emma Stringfellow

IRRU Associate Fellows

Jacques Bélanger
Mark Carley
Tony Edwards
Anthony Ferner
Mark Gilman
Richard Hyman
Valeria Pulignano
Helen Rainbird
Monder Ram
Sylvia Rohlfer
Sukanya Sen Gupta
Chin-Ju Tsai
Judy Wajcman
David Winchester

About IRRU

IRRU embraces the research activities of the industrial relations community in Warwick University's Business School (WBS). There are currently 16 academic staff. Our work combines long-term fundamental research and short-term commissioned projects. In both instances, we maintain the independence and integrity of the work, which have been the hallmark of IRRU since its establishment in 1970. We aim thereby to improve the quality of data and analysis available to industrial relations policy-making by government, employers and trade unions. Funded research projects include: employment practice in multinational companies in organisational context; trade union organising activity; employee information and consultation practice; variable payments systems and collective bargaining; and the organisational roots of productivity in medium-sized enterprises.

IRRU publishes textbooks on industrial relations and human resource management. The most recent are Gill Kirton and Anne-marie Greene, eds. *The Dynamics of Managing Diversity: a Critical Approach* 2nd Edn (London, Butterworth Heinemann), published in 2004, and Paul Edwards, ed., *Industrial Relations: Theory*

and Practice 2nd Edn (Oxford, Blackwell), published in 2003. *Industrial Relations* provides a comprehensive treatment of the subject which blends description and analysis.

IRRU is the UK national centre for the European Foundation for the Improvement of Living and Working Conditions' Observatory Network. The Network encompasses the European Industrial Relations Observatory (EIRO) and the European Working Conditions Observatory (EWCO). The two Observatories collect, analyse and disseminate high-quality and up-to-date information on developments in industrial relations and working conditions across Europe. IRRU provides a range of inputs including regular *updates* which analyse current developments in policy and practice and contributions to *comparative studies* which provide a cross-country perspective of a particular topic. IRRU is also one of four European centres which undertakes *comparative analysis* on selected topics for the Observatories. EIRO's database is publicly accessible on-line at: www.eurofound.europa.eu/eiro/ EWCO's database can be accessed on-line at: www.eurofound.europa.eu/ewco/index.htm

Further Information

Information on our current research programme and projects, and on recent papers and publications, is available from IRRU's website: www2.warwick.ac.uk/fac/soc/wbs/research/irru/

Alternatively, please contact Val Jephcott, IRRU Research Coordinator, Warwick Business School, University of Warwick, Coventry, CV4 7AL; email val.jephcott@wbs.ac.uk; phone +44 (0)24 7652 4268