

Research insight

Voice and engagement: how does collective consultation contribute?

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Executive summary

The MacLeod review for the Department for Business, Innovation and Skills (BIS) concludes that voice is one of the four main enablers of employee engagement. Previous research suggests that it is the combination of *direct and indirect* forms of voice – in the sense of representation or joint consultation – that has the most positive impact on employee attitudes.

But few employers appear to see a significant role for indirect or collective forms of voice when implementing strategies to increase employee engagement, focusing their attention largely on the exchange of information directly between *managers and employees*.

Evidence from this study suggests a number of ways in which collective forms of employee voice can potentially support employee engagement, for example by making management messages more credible and demonstrating that management ‘cares’.

A number of employers interviewed were positive about the impact of trade unions and linked it directly to employee engagement. Other employers have set up bodies for collective consultation on which trade unions have no formal representation, believing that non-union representation gives the process greater legitimacy.

Organisations with ‘partnership’ agreements believe joint consultation can be a lever for shifting organisational culture in a way that supports employee engagement. Partnership in the public sector is also credited with making a significant contribution to reducing costs and achieving greater efficiency.

The influence of joint consultation on employee attitudes in the public sector can be powerful and direct. But many employees in the public sector identify more readily with their profession than with their employer.

There is some evidence that collectivism may be on the increase, particularly through the use of consultation between employers and trade unions about alternatives to redundancies, and the establishment of new employee forums involving non-union representatives. Such developments are likely to have had a positive impact on employee engagement.

There is some evidence that collective relationships between employers and trade unions have been reinforced in the recession through the use of consultation about alternatives to redundancy. Other employers are using non-union forums, which may be more representative and have greater legitimacy, to support employee engagement.

If joint consultation is to have a positive longer-term impact on employee engagement, however, it needs to influence organisational culture. Employers have a range of options available to them for changing organisation culture, including organisation development. Employers need to pay attention to the *quality* of voice across their organisation, not just the *process* of consultation.

The main message for employers is that, in developing their engagement strategies, they should not ignore the collective dimension of the employment relationship, which can either undermine or support engagement strategies. Collective consultation is often seen to be particularly appropriate for handling organisational change but it cannot be seen in isolation from the job of protecting and developing long-term relationships with employees.

Voice and engagement: how does collective consultation contribute?

When the concept of 'employee voice' emerged, it was seen as the opportunity for employees to influence management through membership of trade unions, the process of collective bargaining and the operation of grievance procedures (Freeman and Medoff 1984). This usage was illustrated in the recent BA dispute by a UNITE official, who said that in balloting its members on strike action the union 'had to honour our commitment to give our members the voice they were denied by the courts' (*Daily Mail*, 19 January 2010).

Nowadays, however, the term is more widely used by employers to mean a process of two-way communications, the exchange of information between managers and employees, and enabling employees to 'have a say' about what goes on in their organisation. This change in usage reflects the decline of trade union membership and a parallel shift in the focus of the employment relationship from the collective to the individual.

But this shift in usage raises a question about how the relationship between management and trade unions, or the process of collective representation more generally, influences business outcomes. Research by Manchester Business School for the CIPD suggests that voice has a positive impact on performance, whether this is exercised through 'direct' means such as project teams or employee surveys, or through collective means such as negotiation or joint consultation (Marchington and Wilkinson 2001).

Direct communication drives engagement

Survey evidence suggests that an effective process of two-way communication is a key driver of employee engagement. A study for the CIPD by Kingston Business School in 2006 (Truss et al), for example, found that 'allowing people the opportunity to feed their views and opinions upwards is the single most important driver of engagement' and that 'keeping employees informed about what is going on in the organisation is critical'. Progressive employers have developed a wide range of mechanisms for this purpose:

Similarly, the MacLeod review for the Department for Business, Innovation and Skills (BIS) concluded that voice is one of the four main enablers of employee engagement, quoting the *Sunday Times* 'Top 100 Companies to Work for' finding that 'feeling listened to was the most important factor in determining how much respondents valued their organisation. Being heard reinforces a sense of belonging within an organisation and a belief that one's actions can have an impact' (MacLeod and Clarke 2009).

Direct voice arrangements at Cambridgeshire County Council include:

- *bi-annual employee surveys*
- *corporate induction sessions for all employees, including a direct address by the CEO*
- *CEO blog (8,000 hits a week) and comments on his blog*
- *online question and answer forum for employees with the CEO*
- *online discussion forums for various groups*
- *three support networks for minority groups within the council's workforce*
- *bi-monthly employee magazine*
- *directorate newsletters*
- *big and small engagement meetings.*

But what about collective voice mechanisms?

But case study and anecdotal evidence suggests that few employers see a significant role for collective forms of voice when implementing strategies to increase employee engagement. Evidence from *Workplace Employee Relations Surveys* (WERS) confirms that employers are making increased use of direct voice mechanisms of all kinds. But over a number of years the same surveys have shown a steady retreat from joint consultation and works councils, in parallel with the decline of trade union influence in the workplace.

This raises the question of precisely how voice is supposed to contribute to engaging employees. Engagement is generally regarded as an attribute of the individual employee. Lists of engagement drivers, such as Gallup's Q12, make no mention of collective representation and appear to minimise the need for trade union input.

However, the psychological contract framework, which focuses on the 'deal' between employer and employee, suggests there is also likely to be a collective dimension. This suggests that the shift in employer focus from the collective to the individual may risk throwing out the baby with the bathwater. **Is direct voice enough or should employers that are looking to build an engaged workforce be giving more attention to the collective dimension?**

And if they should, what is the route from collective representation to employee engagement?

In contrast with mainstream employer practice, much academic research has concluded that it is the combination of direct and indirect forms of voice – in the sense of representation or joint consultation – that has the most positive impact on employee attitudes. Drawing on 1998 Workplace Employee Relations Survey (WERS) data, Professors Phil Beaumont and Laurie Hunter (2003) concluded that workplaces with

a joint consultative committee, in addition to direct arrangements for information and consultation, tend to have more employee involvement and better organisational performance.

Research by Warwick University into the impact of the employee information and consultation regulations on larger organisations (Employment Market Analysis and Research 2009) found that 'none of the organisations had undertaken any evaluation of the impact of information and consultation on business results or process, or even on the quality of employment relations and employee engagement'. This suggests that the precise nature of the contribution of collective voice – whether through works councils, employee forums, trade union or non-union representation – remains an open question.

Despite the research findings quoted above, there are a number of reasons for believing that a degree of scepticism about the impact of collective voice on employee engagement might be in order:

- Analysis of the 1998 WERS data by Professor David Guest found no relationship between joint consultation and employee attitudes or workplace performance in private sector organisations (Guest and Michie 2000).
- Employees generally don't believe that formal consultation processes can influence outcomes. The study by Professors Phil Beaumont and Laurie Hunter (2003) found that two-thirds of employees, asked how they preferred to be consulted, favoured direct interaction between themselves and management, rather than through a trade union or works council.
- There are regular anecdotal reports casting doubt on the effectiveness of employee representatives. Research by Warwick University into the impact of the employee information and consultation

regulations found that the feedback loop between representatives and employees is often poor (Employment Market Analysis and Research 2009).

- Trade unions' primary purpose is to act as a defence against bad management – their default mode of operation is often seen to be that of conflict rather than co-operation. Their historic concerns have been about defensive issues such as security, pay and conditions, while employee engagement is concerned with motivation rather than with Herzberg's 'hygiene factors'. Union members typically record more negative workplace attitudes than non-members.

In order to address this conundrum, and seek to reconcile the apparent contradictions, the CIPD talked to HR professionals about the way in which employee 'voice' is seen to impact on engagement, and how the collective dimension in the form of joint consultation or 'partnership' fits in.

How can collective voice promote positive employee attitudes?

Evidence from interviews, not only with organisations whose values support collectivism but with HR professionals from both public and private sectors, suggests that there are a number of ways in which collective forms of employee voice can support employee engagement:

Gives confidence to employees

'It gives staff confidence to know that the hygiene stuff (eg fairness on pay, proper discipline and grievance procedure) is being looked after, so front-line engagement can progress, without people worrying.' (Involvement and Participation Association)

Demonstrates that management 'cares'

'The consultation process means that line managers can see their CEO believes consultation is important.' (Acas)

'People know it's a good employer: staff need to feel they're in a safe pair of hands.' (IPA)

Management messages are more credible

'Trade union/staff side communication is really important to staff; it provides legitimacy to management communications. Employers' newsletters can often be seen as management propaganda and staff are sceptical. Where unions behave responsibly and say "We have some concerns about what you are proposing, but...", this makes a huge difference.' (NHS Employers)

Employees can become involved in discussion of strategic issues

'You get buy-in [from joint consultation]. Trade union representatives have strength and the ability to influence senior management. They have to communicate well themselves. Trade unions structure it so people have the opportunity to participate. There is a skill in talking about business-sensitive discussions.' (United Welsh Housing Association)

Employee opinions can be reconciled

'Collective consultation is different from the CEO standing up in front of the workforce. You need to reconcile conflicting staff views – a CEO meeting can't do that. You need a comparative check plus validation. Representatives go back to staff and say, "it's fine."' (IPA)

How do trade unions contribute to employee engagement?

The MacLeod review reported that ‘During the course of our review, we received evidence from employers and trade unions of the value of engaging with a collective voice in the workplace, as an integral part of engagement approaches. Many companies with trade union or collective representation pointed to the importance of aligning their industrial relations with engagement strategies. As one said: *“You don’t want to find yourself in the position where the union tells staff not to fill in the survey.”*’

This comment suggests that many employers see their relationship with the trade unions primarily as one of damage limitation. This reflects the generally pragmatic approach adopted by many UK employers, which seems to be based largely on a recognition that it makes sense to have unions on side when change is needed.

However, several interviewees were considerably more enthusiastic about the impact of unions and linked it directly to employee engagement.

At G4S, trade unions are seen as stakeholders in the cash business. Consultations take place on a wide range of issues and a good deal of energy goes into the process. Employees feel they have a chance to input on issues affecting them and that they are being dealt with fairly. The company uses direct communication processes with employees to get out messages about what has been agreed through joint consultation. The impact of consultation has been highly visible through steps that have subsequently been taken to implement safer methods of delivering cash to customers. The company would have set up a consultative forum even in the absence of a trade union, since it believes that business needs to take its employees with it if it is to last in the long term.

It seems that joint consultation can be a lever for shifting organisational culture in a way that supports

employee engagement strategies. The Director of Finance and Corporate Services at United Welsh certainly sees joint consultation in this light.

‘We were looking for a way to modernise the trade union relationship. We already had a recognition agreement with Unison but it was not working well. I saw it as a Trojan horse for culture change. The CEO would have been frustrated with the speed of change if we’d simply had machinery reflecting the pre-existing culture. We use an option-based consultation model: management identifies a business issue and has a preferred option, but asks the trade union what they think, or if they have an alternative option. It works well. Trade unions take it seriously: it’s a real opportunity for them to share in business decisions.’
(United Welsh Housing Association)

The Warwick research also found that, in some companies that had established employee information and consultation bodies, ‘Management style was evolving towards a more participative and consultative mode. This was attributed to senior management support for the information and consultation bodies and the process of consultation.’

However, where relationships between employer and unions are characterised by conflict, employers are unlikely to see the unions as offering a vehicle for promoting employee engagement.

‘How far does the union affect its members’ views and how far are they following a national agenda? The unions initially oppose many aspects of management policy, but generally will try and find consensus unless it is anything to do with a restructure. Overall the union’s view tends to reflect, rather than influence, attitudes amongst local membership. We also listen to views submitted direct by employees through local team meetings and gatherings. We’re feeling the

draught of a national agenda quite strongly at the moment. ' (Identity and Passport Service)

The ultimate guarantor of employee engagement lies not in the adoption of specific practices but in an open and transparent organisational culture. Guest and Michie (2000) found that: 'Although specific communications practices have no direct association with employee attitudes, the informal climate of involvement and consultation appears to be more strongly associated than the formal system with employee satisfaction and commitment.'

Impact of the recession

Evidence from the 2004 WERS survey suggests that relationships between managers and non-union representatives are more trusting than those with union representatives. However, in hard times such as recession, unions may appear as the best line of defence for employees, and trust by employees in their union may increase. The IPA believes that, in the current economic climate, trade unions are more committed to business performance. This reinforces the hypothesis that few things are more effective in driving co-operation between employers and unions than a 'burning platform'.

The tough economic climate has produced more flexible relationships between employers, employees and trade unions. In contrast with decades of improving pay and conditions, many employees have suffered pay freezes and reduced hours. The concept of 'fairness' has become negotiable and delivery on the psychological contract is at risk from events. Despite this, CIPD surveys suggest that the recession has had only a limited impact on engagement and trade unions have clearly made some contribution to this.

'Not only are employers more willing to consider imaginative/innovative alternatives to simply cutting jobs, but employees and unions also seem to be more responsive to these options. Managers are now talking more frequently about companies' performance to employees and their representatives, not just during pay negotiations; and there is a better understanding of companies' economic position by employees and their representatives.' (EEF)

'Organisations that recognise trade unions have adopted unions as partners in change post-financial crisis. The unions have played a very positive role – how would employers have done it otherwise? Employees and trade unions want to move partnership to a place where it supports the business. The fact that non-union firms have been able to achieve similar levels of flexibility does not detract from the positive role that unions have played in blunting the impact of the financial crisis.' (IPA)

Non-union voice

Some employers who recognise trade unions for collective bargaining purposes have set up bodies for collective consultation on which trade unions have no formal representation. Although such bodies may lack 'independence', one interviewee commented that the calibre of representatives is key, and that they could be given a budget to access independent advice, for example on employment law, health and safety or pensions.

The IPA report on partnership drew a clear distinction between companies having a formal system of representative consultation, and recognising trade unions. Despite the strong endorsement of joint consultation, the report found 'a very equivocal response to the union role, implying uncertainty on the part of both managers and union representatives about how unions best fit in to the partnership process'. Where trade union objectives are not aligned with those of management, employers who wish to change the culture may prefer to do so through non-union forums.

The MacLeod review found evidence of a continued appetite among British employers for a collective voice at work. Where employers set up non-union machinery, it may sometimes be because of fears about 'separate agendas'. However, many employers clearly see the value of being able to tap into employee opinions and believe that non-union representation gives the process greater legitimacy and authority.

Even organisations that are sceptical about the value of recognising unions subscribe to the value of a collective, three-way relationship between employer, employee and representative.

'Employers see non-union process as employee engagement, not just a statutory requirement. But it's a contributory not primary contribution – the primary contribution is through the line manager.'
(The Burke Group)

At the Identity and Passport Service, there is no staff forum but there are fluid ad hoc groupings of managers and other staff to give feedback on policies. This illustrates how management is seeking to use non-union representative arrangements to build effective employee engagement.

At the Natural History Museum, the People Group is contributing directly to the process of taking action on the findings of employee surveys.

'We have a People Group comprising 20 people of all grades and attended by the museum director. Members are volunteers, not union representatives. The group was set up because we were poor at following up the findings of our employee survey – no one owned it. We have just got the results of our latest employee attitude survey, showing areas of both strength and weakness. We will take the results to our People Group and ask what they can do to help us address areas where some kind of response is needed. We want to make the museum a better place to work and we ask them, "what do you suggest?" One issue the group has addressed is how to make directors more visible; other issues include access and team briefings.' (Natural History Museum)

Other organisations are using non-union consultation in a similar way, and see it as giving employees wider choices.

'We want to understand what is important to our people, so they feel listened to and involved. We have national and local people forums covering all geographical locations in the UK, plus technology, homeworker and retail forums. All discussions are two-way: the company tables what it wants to discuss and the forum members put on the agenda what they want to talk about. For anything that requires feedback within tight timescales there is a rapid response team within each forum for a quick turn-round. For example, introducing new flexible benefits, the company would ask 'Are these what matter to you most? And are we rewarding you in a way that suits your lifestyle?' (O2)

Partnership: a special case?

Joint consultation on strategic issues can be seen as the defining characteristic of partnership companies. The IPA report on The Partnership Company (Guest and Peccei 1998) found that 'the practice that scored consistently high among companies at different stages in their progress towards partnership working was a formal system of consultation with employee representatives over policy and strategic matters.' However, the report also identified a range of management practices, including many associated with employee engagement, such as a high degree of discretion for employees in how they organised their work, as being characteristic of partnership.

The MacLeod review commented that: 'There are synergies between engagement approaches and partnership working between unions and employers, where trust, co-operation and information sharing are key; many organisations with partnership agreements emphasised to us that it complemented and enhanced their engagement strategies.'

The review also suggested that there are broadly two levels at which engagement can operate, and that the second level 'sees employees as an integral part of developing and delivering the overall business strategy. This strategy will cover the values and behaviours that are required from everyone in order to deliver the company's position in the market place, its territorial focus and so on. Employees are at the heart of strategy development and delivery.'

This raises a question whether partnership and engagement are really two sides of the same coin. Several of our interviewees saw them in this light.

'A partnership agreement brings the unions together with HR colleagues and runs very well. A monthly liaison meeting is chaired by HR and discusses broader employment issues, plus initiatives on, for example,

organisation development (OD) and learning. We see the trade unions as useful partners: the partnership agreement is a win/win.' (Cambridgeshire County Council)

The council does not make an explicit link between direct and indirect forms of consultation but it recognises that its partnership with the trade unions makes a positive contribution to the employment relationship.

The impact of social partnership in the NHS appears to be pervasive and management has no doubts about its impact on employee attitudes.

'Most NHS employees are probably unaware of the national Social Partnership Forum. But I would hope it has some effect. Trade unions have sent down their lines "we are committed to this" and that message has been very important. The NHS is highly organised, with high levels of union membership: unions are the "reality of life". Partnership has been actively revived, with encouragement from the Government and because it has real value. It is not about terms and conditions or about a negotiating agenda, but about policy issues, directions and initiatives that could affect staff and need staff engagement if they are to operate at all.' (NHS Employers)

Management in the NHS believe that engagement is not the same as partnership working but in the NHS setting the two have to go hand in hand – 'if you don't do one you won't get the other'. The NHS is a highly organised sector and most people have strong links to professional and trade union bodies: there is no non-union representation.

Where joint consultation helps to build such a climate, it will clearly help towards increasing employee engagement. But employers also have a range of other options available to them for changing the culture, as the experience of Cambridgeshire County Council demonstrates.

“Making Cambridgeshire Count” (MCC) is Cambridgeshire’s version of the national policy initiative known as “Total Place”. MCC is an ambitious and challenging programme that, in bringing together elements of local public agencies with central and regional government within a place, aims to create service transformation that can improve the experience of local residents and deliver better value. This is grounded alongside the “culture” process that looks at “the way we do things round here”.

‘Cambridgeshire County Council and its partners have received £300,000 funding to underwrite this local version of “Total Place”, focusing on how best to adopt the right cultures, behaviours and relationships. This has produced political and managerial buy-in at the highest levels from across public agencies within Cambridgeshire. By ensuring the OD approach delivers the necessary culture, 20% savings and efficiencies across elements of the initiative are expected to be realised. Importantly, we’ve looked at issues through the other end of the telescope, on a cross-organisation and culture basis first, rather than just process and systems.’ (Cambridgeshire County Council)

Partnership in the same organisation is credited with making a significant contribution to reducing costs and achieving greater efficiency.

‘On the best information available, a real-term reduction in spending power of 35% will occur in Cambridgeshire over the next five years. Our engagement approach is therefore critical: councillors and senior managers don’t have all the answers. The trade unions will help but equally can’t find all the answers to a challenge of this scale. When we launched our “bright ideas” campaign looking for greater efficiency and value for money, in late 2009, we got 200 individual ideas back before the end of the first week.’ (Cambridgeshire County Council)

Although this example comes from local government, impressive stories about the way in which employees are contributing ideas within a framework of partnership are also emerging from the NHS.

For example, in 2006 the Blackpool, Fylde and Wyre NHS Foundation Trust was facing a projected budget deficit of nearly £21 million. The trust had to improve costs within two years, while maintaining activity levels and minimising the need for expensive compulsory redundancies. The HR team put together a consultation process and communications strategy with the trade unions before any changes took place. The trust established a turnaround team and the operational divisions identified potential service reconfigurations that would deliver the required efficiency savings. The HR team then had high-level consultations with the trade unions, both individually and at the Joint Negotiation and Consultative Committee. These talks resulted in an agreed way forward on how to make the required savings. The project was a success and the trust met its cost improvement target in one year rather than the planned two.

The conclusion has to be that, where management makes a deliberate effort to involve employees in the search for solutions, this can be highly productive. The examples quoted show that this can be so, whether consultation takes place through trade union representatives or directly with employees. But where partnership arrangements are in place, they can clearly provide a robust framework for engaging employees in the process.

Is the public sector different?

The examples in the previous section show how partnership in the public sector can be used to engage employees and enable them to contribute to the process of service reform.

However, employees' sense of engagement is not always focused on the employer. Professional and other employees may feel solidarity with others in the same profession or occupation and this can clearly influence workplace attitudes. In the NHS, professional bodies such as the BMA and RCN also act in effect as trade unions, so professional loyalty may have a bigger influence on employees' behaviour than loyalty to the organisation. In such circumstances it makes good sense for employers to engage with the professional bodies in order to support engaging with staff.

'Policing is a vocation, in which police officers take huge pride, involving heritage, language, culture and memories. There are parallels with medicine and the army. The primary engagement link is with the job, whether or not officers love their line manager. We don't use the term "engagement": we talk about pride, and the ability to serve. When police are on

leave they can get grumpy. As a police officer, you see things happen, it's magical. People love what they're doing – they watch interactions on the street, they can be in situations of great danger and in "flow" for two or three hours. Some of their responses are automatic – so much comes from the heart.' (National Policing Improvement Agency)

Public sector employment adds a further dimension to the discussion of collective voice. Joint consultation will often be about issues that have a high public profile and as well as being critical to employees' well-being. An example from the NHS would be the 'Agenda for Change'. Debate about these issues will generally take place in public and through the media, so that there is no difficulty for individual employees in picking up on what is being said in their name. In these circumstances, the influence of joint consultation on employee attitudes is likely to be both direct and strong.

Should employers and unions be doing more to build bridges between joint consultation and engagement?

A survey of nearly 500 EEF members in 2009 found that over half of large companies (employing more than 250) have formal information and consultation committees, while nearly a third have some kind of informal arrangement. However, one in five have neither formal nor informal consultation arrangements. The IPA suggested in its evidence to the MacLeod review that, although there were examples of good practice, 'Management and employee representatives have not yet fully developed a role for collective representation in improving workplace effectiveness.'

The Warwick research noted that not all joint consultation bodies are the same. Of those studied by them one had collapsed because management didn't support it. In five cases, employee forums were used not to have strategic discussions, more to take the temperature; there were no pre-meetings and discussion of matters arising. In these cases, the company has not created an effective representative body and there is unlikely to be any positive impact on employee attitudes. Major constraints on voice are a lack of skills and enthusiasm on the part of managers and employees.

We cannot say from this limited study how big is the collective 'voice' effect on engagement, compared with the impact of other factors including direct communications with individual employees, well-being, line management and culture. Every study of employee engagement points to the importance of effective line management. Several of our case studies also reinforce a belief that the *personal relationship between employees and the CEO* is very important in building employee engagement, and the MacLeod review underlined the significance of leaders who engage with others.

Clearly representation is unlikely to be the best vehicle for building personal relationships. On the other hand there are some issues (for example restructuring) on which it will generally be more profitable for the employer to have a discussion with employees collectively than on an individual basis. Several contributors commented on the need for transparency and independence, whether consultation is with union or non-union representatives.

The MacLeod review commented: 'In the past, trade unions have expressed wariness about employee engagement, regarding it as a potential alternative to the traditional model where employers communicated with their workforce through the union machinery. They have also expressed concern about the term "discretionary effort". As a report for the Wales Public Service Workforce Forum put it, trade unionists felt, "*the inferences were too close to a case for effort over and above the agreed, contracted job, and so tantamount to unpaid overtime*".

Where such attitudes exist, employers affected need to look for ways of engaging union support for their initiatives to lift employee engagement. This should be achievable given the benefits for both employees and organisation, but the means must be a matter for judgement in the light of individual circumstances.

What makes collective relationships work?

'I believe in promoting the collective dimension, whether through employee forums, works councils, or union recognition. Collective representation helps to shape opinion. I believe a "triangular" representational model – manager, employee and (elected) representative – with regular dialogue and "meaty" topics promotes mutual interests.' (The Burke Group)

The best practice in our case study organisations demonstrates what can be achieved where employers and employee representatives share a common purpose. It is clear, however, that there are many employers who practise joint consultation but fail to achieve the level of partnership that can be expected to produce positive benefits in terms of either engagement or performance. The effectiveness of consultation processes depends on reinforcement by informal relationships and can be significantly improved by training.

'Joint training of management and union representatives is needed – sharing experiences, role-playing. Like customers, you have to build constructive working relationships. You need to get beneath the structures: does process matter if you get relationships right? It's relationships that deliver the results.' (EEF)

Unless employee relations processes impinge on organisational culture, they are unlikely to have any influence on employee engagement: that is what distinguishes joint consultation from genuine 'partnership'.

When employers are looking to increase employee engagement, the collective dimension of the employment relationship certainly requires attention. But this does not have to involve representation. Joint consultation committees and employee forums are particularly suited to conducting a dialogue between management and employees on issues affecting them collectively, such as changes to working conditions. But many employers feel that there are more reliable ways of changing the culture, and are increasingly looking to OD specialists to develop internal communications.

One employer commented specifically on the quality of the collective voice process.

'Trade unions do have the opportunity to comment on our communications and we have open consultation. Trade unions are helpful in managing change, if you have a compelling story. We talk trade unions through the story so they have chance to challenge our thinking, comment and contribute. We have a respectful relationship with the unions. But the unions cannot contribute to the debate about employee engagement at the level we've reached – it's at a very mature level and sponsored at the highest level by the CEO.' (O2)

Another employer drew a comparison between the respective influence of organisation development (OD) and employee relations.

'OD is a much bigger agenda than employee relations processes. We revamped our L and D department and we now have 20 internal coaches. We still have management development programmes and training courses but we link OD interventions with talent management. OD is the biggest department in HR.' (Natural History Museum)

Conclusions

Consultation processes are part of organisations' wider approach to people management and their independent effect may therefore be hard to measure (as evidenced by employers' failure to attempt to do so). Voice can be defined in different ways, for example opportunities for employees to feed in views, feeling listened to, involvement/loyalty/buy-in and influence over decisions/outcomes, all of which can have a positive impact. So the net impact on employee engagement, and organisational performance, must be partly a matter for judgement.

The language of employee engagement also needs to be translated for particular cases. Terms that have been used to describe the relationship that employers want with their employees include partnership, participation, involvement, co-production and collaboration. Moreover, measuring forms of communication and consultation may fail to get at the reality of what is heard and understood by employees. The credibility of the source, and frequency of repetition or reinforcement, may be critical to messages getting across. The degree of confidence, assertiveness and knowledge on the part of employees will also influence the impact.

Two-way dialogue is critical to employee engagement...

However, some valuable messages have been reinforced by this study. There is no doubt that employee voice, in the form of two-way dialogue between management and employees, is critical to employee engagement and effective two-way communications are an essential element of any employee engagement strategy. Employers have in recent years significantly expanded their repertoire of techniques for getting messages across, and listening intelligently to what employees are saying. Direct communication between employee and

line manager, within a positive workplace culture set by top management, is generally seen as the main engagement driver. However, strengthening the individual links between employees and top management – in the form of the CEO or directors – is increasingly high on the agenda in many organisations.

...and collective consultation can reinforce trust

Collective consultation can have a positive effect on employee attitudes, reassuring employees that their interests are not being ignored when key decisions are taken. A critical component of emotional engagement is trust. Collective consultation can enhance employee trust in management and in the credibility of management messages. It can also show respect and reinforce a belief in management's intention to behave fairly.

But the existence in an organisation of machinery for collective consultation is no guarantee that it will have positive effects. In many instances such bodies clearly make little or no contribution to engaging employees and have become simply a formality. It is only where collective consultation is part of a wider management agenda such as partnership that it can be expected to influence employees' hearts and minds.

Collectivism may be on the increase...

Statistics show that trade union density and membership continue to decline; some commentators have suggested that collective bargaining in many companies is a shell, in effect a genuflection before the gods of custom and practice.

Does this mean collectivism is dead? Not on the strength of this research. We have found:

- infrequent but valuable instances of 'partnership' in both public and private sectors

- consultation between employers and trade unions that has been effective in securing workforce acceptance of alternatives to redundancies
- new employee forums involving elected non-union representatives.

In each case, collective consultation can be seen to have knock-on benefits in terms of employee engagement.

...not least through the establishment of non-union forums

Organisations are increasingly using non-union forums to reinforce the collective dimension of the employment relationship. It is here that employers appear to see the most direct links between collective voice and employee engagement, as forums are asked to share responsibility for following up the findings of employee surveys. However representation – whether involving trade unions or non-union representatives – is not a machine but an activity; making it work, and keeping it moving, requires continual inputs of effort and commitment.

In some cases no doubt the establishment of non-union forums might be seen as union-avoidance tactics. In others, however, the establishment of forums is welcomed by trade unions and their legitimacy is underlined by the fact that they represent the workforce as a whole. Taken with evidence that the numbers of non-union representatives now equal those of union representatives, it looks as if this form of collectivism is on the increase. Equally, with employers largely in charge of the workplace agenda, the former sharp distinction between collective and individual voice seems to be fraying at the edges.

Partnership can also reinforce engagement

Partnership is not a synonym for employee engagement, but partnership arrangements can usefully complement individual engagement strategies. Both employee engagement and partnership can be part of ‘the way we do things around here’.

Employers’ commitment to partnership need not simply be defensive. For example, in pursuit of their commitment to finding new ways of taking out waste, NHS trusts have sought ideas for cost savings by using the joint consultation machinery. Employee engagement is expressed in both an individual and team context: for example, nurses may use their professional body to input ideas on professional matters since such ideas would often need discussion within the team.

Partnership provides a backdrop or framework within which large issues can be raised and discussed, and made visible to the workforce, in a way that enables people to participate in the discussion. Partnership does not involve ‘power sharing’ in that management remains responsible for decisions. However, it involves willingness by management to take employee opinions into account so that employees feel a degree of ownership of decisions. The IPA report on partnership talked about ‘mutuality’, which implies mutual respect and willingness by management to allow employees to share in the decision-making process. Involvement and mutuality are critical to both partnership and engagement.

There is a blurred line between engagement and partnership, seen most strongly in the NHS where individual employees’ ideas and suggestions for saving money are routed through their teams and professional bodies, because that is the context in which their work is carried out. In the end, it’s not the machinery but the intent that influences outcomes.

Who do employees identify with?

It is clear that employees’ sense of identity, particularly in the public sector, can be closely tied to their occupation or profession rather than their employer. This identity can be reflected in, and reinforced by, membership of a trade union or professional association. Depending on the relationship between employer and trade union, this can limit the intensity and frequency of engagement focused on achieving the purposes of the organisation.

Engagement is about getting the right culture in the workplace

The collective dimension to the employment relationship cannot necessarily be equated with trade unions, or with representation. Collective voice does not have to refer to formal processes. The social dimension of the workplace – its organisational culture – is a product of behaviour and relationships. It is a response to the quality of leadership and the degree to which communications are open and authentic. It is also about ‘lateral’ communication between departments and teams, not simply ‘vertical’ communication between managers and workers.

The voice debate has moved on. In many organisations, it is not about trade unions but about changing the culture. Management development and coaching, and OD techniques, can have a bigger part to play in improving the effectiveness of communication between individuals and teams. Partnership can be used to effect culture change but many employers are tackling culture change directly, both by encouraging employees to be more assertive in putting forward ideas and by training line managers to listen more intelligently. Employers need to pay attention to the quality of voice within their organisation, not just the process.

Implications for employers

The main message for employers from this small-scale study is that, in developing their engagement strategies, they should not ignore the collective dimension of the employment relationship, which can either undermine or support engagement strategies. Collective consultation is often seen to be particularly appropriate for handling organisational change but it cannot be seen in isolation from the job of protecting and developing long-term relationships. Employer strategies need to be geared to their specific circumstances but this evidence suggests that partnership with trade unions - not least in the public sector – can help to anchor a culture of engagement. Equally, employers are using non-union forums, which may be more representative and have greater legitimacy, to support employee engagement. In either case, employers looking to improve output or service quality are focusing on developing organisational culture and using OD to improve the quality and effectiveness of voice across the organisation.

If you have any comments on this report, please email Mike Emmott at m.emmott@cipd.co.uk

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