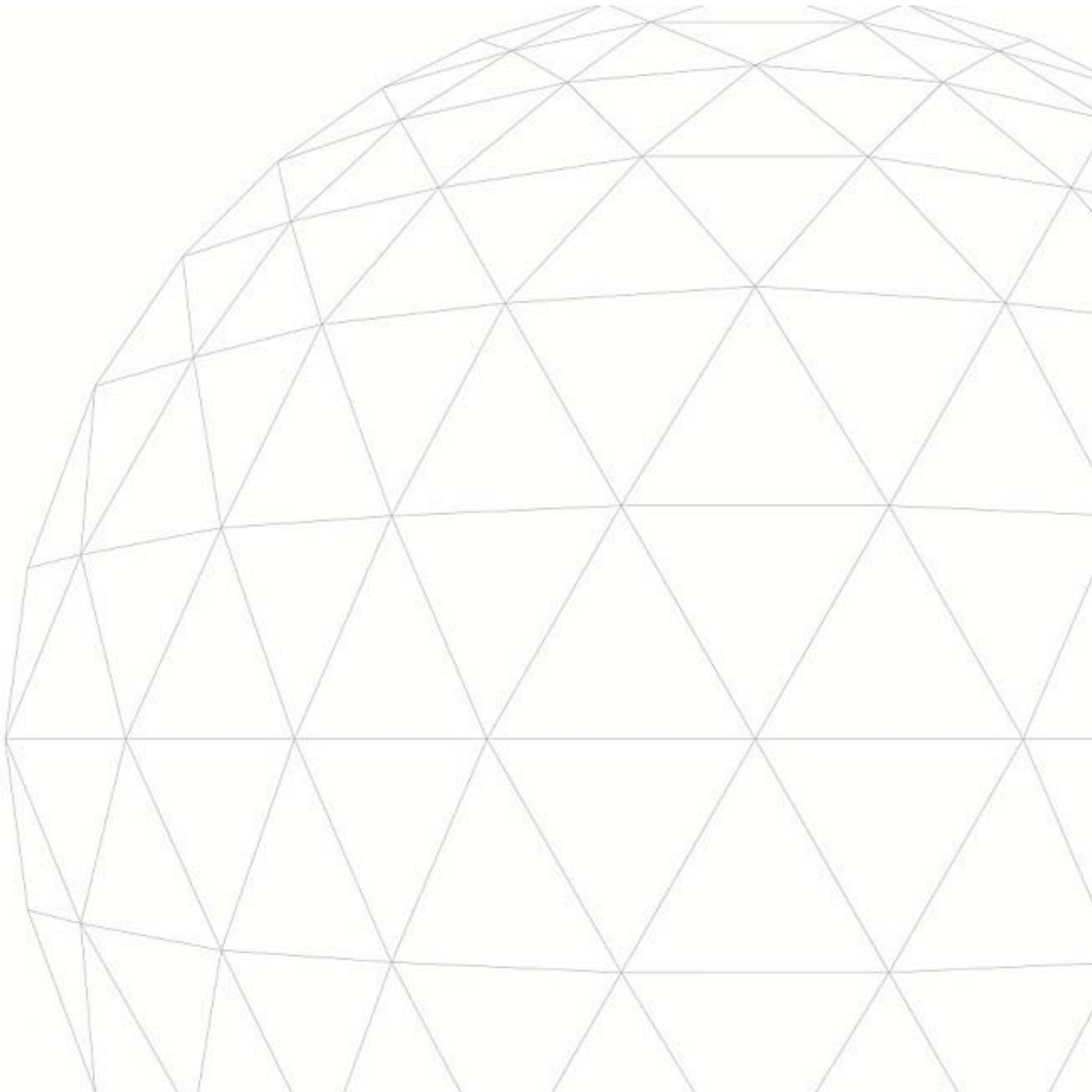




Collective Conciliation Evaluation

Final Report



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Executive Summary

Study background and objectives

Ecorys was commissioned by the Labour Relations Agency (LRA) in March 2012 to undertake an evaluation of the Collective Conciliation Service it funds. Collective conciliation is one of the primary services offered by the LRA to help resolve collective employment disputes between employers, trade unions and other representative bodies. The aims of the research were to:

- Measure case outcomes and employee and management representatives' satisfaction with those outcomes;
- Establish an up-to-date picture of the benefits of conciliation as perceived by its customers;
- Elicit customers' views about the various impacts of the LRA collective conciliation (particularly economic impacts);
- Explore among customers how the LRA might promote greater awareness and understanding (and hence use) of collective conciliation;
- Help inform any future professional development of its conciliators by the LRA.

Methodology

This study is based on survey of 40 customers of the Collective Conciliation Service receiving support between 2009 and 2011. The survey was implemented using Computer Aided Telephone Interviewing (CATI) techniques, with the main body of the fieldwork delivered between April and May 2012. The survey drew on a sampling frame of 61 disputes (including the survey pilot) and 90 unique contacts for the employer and trade union representatives involved. Overall, a response rate of 44 percent was secured through the survey.

Context

The LRA has been offering free collective conciliation services in collective employment disputes since 1976. The aim of collective conciliation is to help disputing parties re-engage in negotiations where normal bargaining processes have reached an impasse, and in 2010/11, the LRA helped cleared some 27 collective employment disputes.

The majority of users of the Collective Conciliation Service are in the private sector (accounting for almost 75 percent of the LRA's customers), with disputes most commonly occurring in the manufacturing sector. Users are typically large organisations with 1000 or more employees, although the disputes themselves tend to centre on a smaller proportion of the workforce. Organisations using the Collective Conciliation Service tend to be experienced in dealing with collective conflict, although survey results suggested that employer representatives tended to be less experienced in the resolution of collective disputes than trade union representatives.

Background to disputes

The primary causes of disputes amongst those handled through the Collective Conciliation service in 2010/11 were issues relating to pay and other employment conditions, with trade union recognition and redundancy also figuring strongly. Disputes tended to be centred on a single workplace, and negotiations had typically been on-going for up to 6 months before the LRA became involved.

Users of the Collective Conciliation service reported that a mixture of strategies had been employed to resolve the dispute before the LRA became involved, including normal bargaining processes and escalation of issues to higher ranked personnel. The threat of industrial action was present in around 50 percent of disputes (largely strikes or stoppages). A mixture of responses was given with respect to the quality of relationships between workers and management at the beginning of conciliation, with employers consistently indicating that working relationships were of a higher quality than trade union officials.

In general, users of the Collective Conciliation service engaged the LRA at the point where several attempts had been made to reach an agreement, or where communication between the parties had ceased. Users were typically willing to move at least a little from their initial position, but often felt that the opposing side had adopted a less conciliatory position.

Conciliation process

Conciliators employed a range of techniques and skills in the conciliation process. A consistent service was received by users in terms of the conciliator's approach to explaining how the process worked, setting ground rules for conciliation, and allowing both parties to explain their position and their reasoning. However, the style of conciliators varied: in most cases, users reported that the conciliator actively supported them to consider the scope for movement in their position, although more pro-active approaches were less widely reported. The survey also suggested that conciliators tended not to focus on issues outside of the focus of the dispute. A small share of respondents reported that the conciliator brought in wider issues relating to employment relations or experiences from other similar disputes.

Satisfaction

The evidence suggests that on the whole, customers display high levels of satisfaction with the Collective Conciliation service. Overall satisfaction rates were high, with 40 percent of respondents giving maximum ratings for the overall conciliation service they received. Additionally, users of the service gave high satisfaction rates across all aspects of conciliator skills and behaviour.

Outcomes

The survey results suggested that Collective Conciliation resulted in a successful outcome in 78 percent of cases, and in 55 percent of cases respondents reported that all issues in the dispute were settled following conciliation. Where issues remained unresolved following conciliation, respondents tended to suggest that this was caused either by the other side refusing to move position, or that despite some movement the gap between the two parties remained too great: there was no suggestion that the conciliator could have done more to broker a solution to dispute in the majority of cases. In all cases recorded by the survey, agreed settlements were implemented in full following conciliation, and customer satisfaction with agreed settlements was high.

The survey also suggested that the disputes resulted in a wide range of longer term outcomes, most widespread of which were improved organisational ability to deal with disputes, improved employee morale and motivation and improved communication within the organisation. While these effects may in the long term result in improvements in staff absence, retention and productivity, smaller shares of employers reported that the conciliation had a tangible impact on business performance. (For example, only 11% of employers reported that conciliation had an impact of profitability.)

Impacts

Overall, the survey evidence suggested that the Collective Conciliation service has in many cases played an important role in bringing collective employment disputes to a resolution. High proportions of respondents suggested that they would have been unlikely to reach a similar settlement through normal bargaining procedures and that conciliation helped bring disputes to a settlement more quickly than they would have otherwise been. By helping to speed up the resolution of disputes, it is estimated that the Collective Conciliation service helped save 184 hours of management and employee time per dispute (24 days across all those involved), with a value in GVA¹ terms of close to £1,500 (based on GVA per working day of around £60).

Respondents also suggested that the Collective Conciliation service had a meaningful effect in terms of averting industrial action. Overall, it was estimated that conciliation helped avoid strikes or stoppages action in around 43 percent disputes, avoiding the loss of 378 working days per dispute, with a potential value (in GVA terms) of £40,000. On the basis that the 27 collective conciliation cases cleared by the LRA in 2011 is a typical annual caseload, the annual economic impacts of Collective Conciliation were estimated at £670,000.

Assuming an annual cost of providing the service of £100,000, these economic impacts imply an overall return on investment of £6.70 per £1 spent, suggestive of strong value for money and a strong rationale for investing in the service. The economic returns associated with the service are estimated to exceed its costs under the most conservative assumptions associated with the recovery of lost output.

¹ Gross value added (GVA) is a measure of the value of goods and services produced by a business and is equal to total turnover minus expenditure on materials and supplies

1.0 Introduction

1.1 Study background

Ecorys was commissioned by the Labour Relations Agency in March 2012 to undertake an evaluation of the Collective Conciliation Service they provide. Collective conciliation is one of the primary services offered by the Labour Relations Agency to help resolve collective employment disputes between employers, trade unions and other representative bodies.

1.2 Evaluation aims and objectives

The principal aim of this evaluation is to provide a reliable picture of the views of both managers and employee representatives towards Labour Relations Agency collective conciliation in 2011/12. Within that the research seeks to:

- Measure case outcomes and employee and management representatives' satisfaction with those outcomes;
- Establish an up-to-date picture of the benefits of conciliation as perceived by its customers;
- Elicit customers' views about the various impacts of Labour Relations Agency collective conciliation (particularly economic impacts);
- Explore among customers how the Labour Relations Agency might promote greater awareness and understanding (and hence use) of collective conciliation;
- Help inform any future professional development of its conciliators by the Labour Relations Agency.

1.3 Methodology

This study is based on a survey of 40 customers of the Collective Conciliation Service receiving support between 2009 and 2011. The survey was implemented using Computer Aided Telephone Interviewing (CATI) techniques, with the main body of the fieldwork delivered between April and May 2012.

The survey drew on a sampling frame of 61 disputes (including the survey pilot) and 90 unique contacts for the employer and trade union representatives involved. Overall, a response rate of 44 percent¹ was secured through the survey. A number of contacts provided were involved in multiple disputes over the period of interest. In these cases, the survey focused on disputes where the other party involved had already been surveyed (to maximise the extent to which the survey covered both sides of a dispute). If no interview had been secured with an opposing party, the survey focused on the most recent dispute in which the LRA provided Collective Conciliation services.

Table 1.1 Survey Response Rates by Type of Customer

Customer Group	Interviews	Contacts	Response Rate (%)
Employer	51	21	47
Trade Union	39	13	41
Total	90	40	44

¹ With a 95 percent confidence interval of +/- 5.8 percentage points.

1.4 Outline of report

The remainder of this report is structured as follows:

- Section 2 provides background and context on industrial disputes in Northern Ireland and the LRA Collective Conciliation Service, including an overview of the volume and nature of disputes that have been referred to the service over the evaluation period.
- Section 3 presents an analysis from survey results of the background of disputes handled by the Collective Conciliation Service.
- Section 4 explores the conciliation process, including the techniques employed by conciliators and customer views on the quality of the conciliation.
- Section 5 presents an analysis of the outcomes of conciliation, the influence of the LRA in helping to bring about these outcomes, and the wider impacts on workplace performance.
- Section 6 presents an assessment of the impacts of the Collective Conciliation service.
- Section 7 provides our conclusions.

2.0 Context

This section provides a brief context for the evaluation, providing an outline of the nature of collective employment disputes in the UK and the LRA Collective Conciliation Service, and a brief overview of the activity of the service between 2009 and 2011.

2.1 Collective employment disputes

Collective bargaining is the process by which employees organise themselves as a collective unit (typically through a trade union) to negotiate with their employer on changes to working conditions (such as wage settlements, health and safety procedures, or redundancy). Where the parties cannot reach an agreement through normal bargaining procedures, alternative strategies can be employed to reach a resolution. If negotiations remain at an impasse, employee representatives may utilise industrial action (in the form of stoppages at work) to attempt to force the employer to shift their position.

There has been a steady decline in the number of industrial disputes in the UK since the 1970s, stabilising at historically low levels in the 2000s. There were 127 stoppages of work in the UK as a whole due to labour disputes in 2010 compared to over 4,000 in 1970. Although the scale of collective disputes has been declining, stoppages still result in large numbers of working days lost due to industrial action, totalling 365,000 during 2010 across the UK as a whole and involving 132,000 workers. Industrial action in Northern Ireland accounted for a relatively small share of the overall number of working days lost to strike action over the period (2,700 days lost in 2010, involving 1,000 workers)¹.

2.2 The LRA Collective Conciliation Service

The LRA was created as an independent body in 1976 with responsibility for promoting improved employment relations in Northern Ireland. One of the core responsibilities of the LRA is to help bring a resolution to individual and collective employment disputes through the provision of a range of alternative dispute resolution strategies. Services are typically provided on a voluntary basis; with the emphasis on supporting disputing parties reach mutually acceptable solutions to their disagreements.

Conciliation is an alternative dispute resolution mechanism that involves a Labour Relations Agency conciliator entering a dispute to offer a new perspective and encourage parties to re-engage in negotiations. The conciliator's role is to listen to the viewpoints of each side and to communicate with the opposing side in a neutral fashion, taking an impartial perspective without judging the strengths of the positions taken by disputing parties or recommending a solution. Conciliators may offer their professional judgement of the pros and cons of positions taken by parties and their experience of the application of employment law in similar situations. They may also offer options for potential solutions although different conciliators may have different 'styles' in terms of the pro-activity of their approach. Through building trust with both parties, conciliators may develop knowledge of where each party is willing to make concessions and guide discussions towards a realistic and mutually acceptable settlement.

¹ Labour Disputes – Annual Article 2010, Office for National Statistics, 2012

2.3 Characteristics of users of the Collective Conciliation service

As indicated in the 2010/11 LRA Annual Report, the LRA cleared some 27 Collective Conciliation cases over the period. This was broadly in line with past experience, with the Agency clearing 28 cases in 2009/10 and 33 in 2008/09. This section looks in more detail at the characteristics of disputes handled by the LRA Collective Conciliation service.

2.3.1 Industrial sector

Analysis of LRA monitoring data indicates the majority of disputes handled between 2009 and 2011 occurred in the private sector (74 percent), with disputes in the public sector accounting for around a quarter of the Agency's caseload. At an industry level, the manufacturing sector accounted for a high proportion of disputes (36 percent), with the remainder of disputes spread across a wide range of different industries.

2.3.2 Size of organisations and workplaces covered by disputes

Employers responding to the survey were asked to report both the size of the organisation as a whole and the size of workplaces involved in disputes. The survey indicated that organisations using Collective Conciliation services between 2009 and 2011 were primarily large organisations, with around 53 percent¹ employing 1000 workers or more. However, some disputes involved smaller numbers of employees, with 50 percent² of disputes centring on workplaces with fewer than 250 employees.

2.3.3 Collective bargaining procedures

A high proportion of LRA Collective Conciliation customers reported that the presence of formal procedures in the workplace for handling collective employment disputes (85 percent). Where formal procedures for the resolution of collective disputes were in place, more than half (59 percent) reported these procedures included provision to refer issues to the Labour Relations Agency.

2.3.4 Past experience of industrial disputes

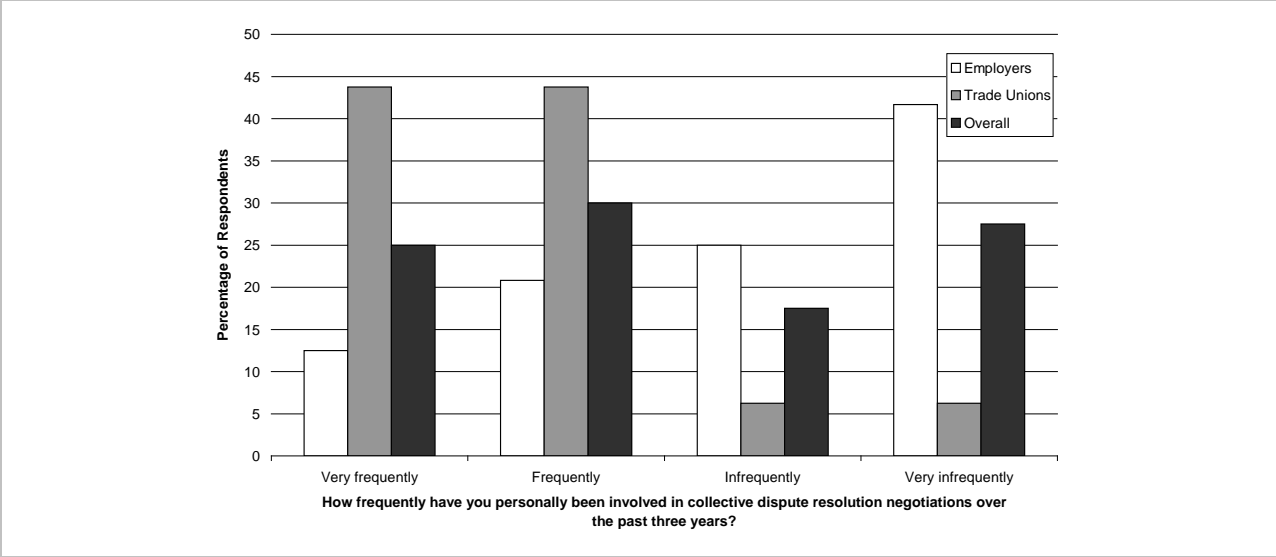
The survey of Collective Conciliation customers asked respondents to report how many collective disputes the organisation had been involved in over the past three years. Only 8 percent of respondents reported that the organisation had no collective disputes over the past three years, 38 percent had been involved in a single collective dispute and 45 percent reported they had been involved in between two and five disputes over the period.

Respondents were also asked to describe their personal experience of being involved in industrial disputes. The majority (88 percent) of trade union representatives had been involved either 'very frequently' or 'frequently' in collective dispute resolution negotiations over the past three years. Conversely, 67 percent of employer representatives had been personally involved either 'very infrequently' or 'infrequently'.

¹ Excludes customers responding "don't know"

² Excludes customers responding "don't know"

Figure 2.1 Experience of collective disputes over the last three years



Source: Survey of Collective Conciliation customers. Base - All respondents (40)

2.4 Summary

- The LRA has been offering free collective conciliation services in collective employment disputes since 1976. The aim of collective conciliation is to help disputing parties re-engage in negotiations where normal bargaining processes have reached an impasse. Conciliation involves taking a neutral perspective on the viewpoints of each side and facilitating communication with the aim of helping the parties reach settlement that they both take ownership of (rather than recommending a solution or judging the strength of either party's position). In 2010/11, the LRA helped cleared some 27 collective employment disputes.
- The majority of users of the Collective Conciliation Services are in the private sector (accounting for almost 75 percent of the LRA's customers), with disputes most commonly occurring in the manufacturing sector. Users are typically large organisations with 1000 or more employees, although the disputes themselves tend to centre on a smaller proportion of the workforce.
- Organisations using the Collective Conciliation Service were experienced in dealing with collective conflict, with the majority reporting that they had dealt with at least one collective dispute over the past three years. However, there was wide variation in the personal experience of the relevant employer and trade union representatives surveyed, with survey results suggesting that employer representative were substantially less experienced in the resolution of collective disputes than trade union representatives.

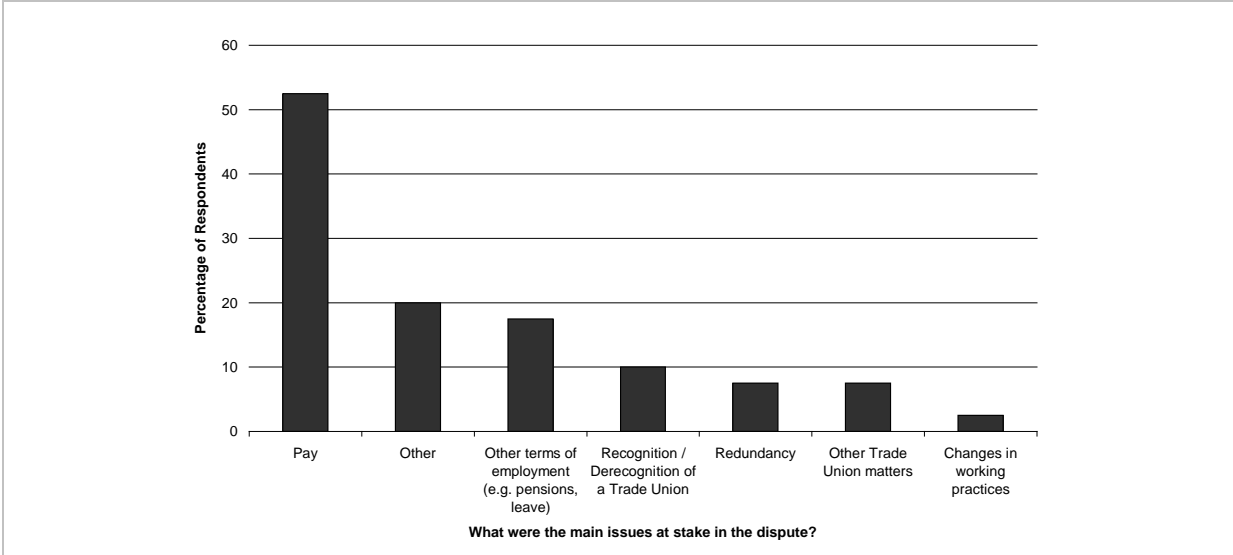
3.0 Background to Disputes

This section provides an analysis of the background to the disputes in which the LRA provided conciliation services, based on results of the survey. This section focuses on the causes of disputes, the duration and scope of disputes at the point at which the LRA got involved, strategies employed by both parties to resolve disputes, and reasons for involving the Labour Relations Agency in Collective Conciliation.

3.1 Causes of dispute

Respondents to the survey were asked to report the main causes of disputes. Over half of respondents (53 percent) reported issues around pay, while 18 percent reported issues related to other terms of employment, such as pensions and leave. Other issues (covering a wide variety of issues ranging from contractual disputes to application of probation policy) were reported by 20 percent respondents. Recognition of a trade union was also a common cause of disputes, reported by 10 percent of respondents¹.

Figure 3.1 Causes of disputes handled by the Collective Conciliation Service



Source: Survey of Collective Conciliation customers, 2010/11

3.2 Duration and scope of dispute

Respondents to the survey were asked to report how long the negotiations relating to the dispute had been on-going prior to the LRA becoming involved. The survey evidence suggested that the LRA tended to become involved in disputes within six months of the start of negotiations (reported by 68 percent of respondents). In a small number of cases, negotiations had been on-going for one to two years (5 percent of respondents). The survey also suggested disputes tended to be confined to a single workplace (reported by 82 percent of respondents) while 18 percent of respondents suggesting disputes related to more than one workplace within the organisation.

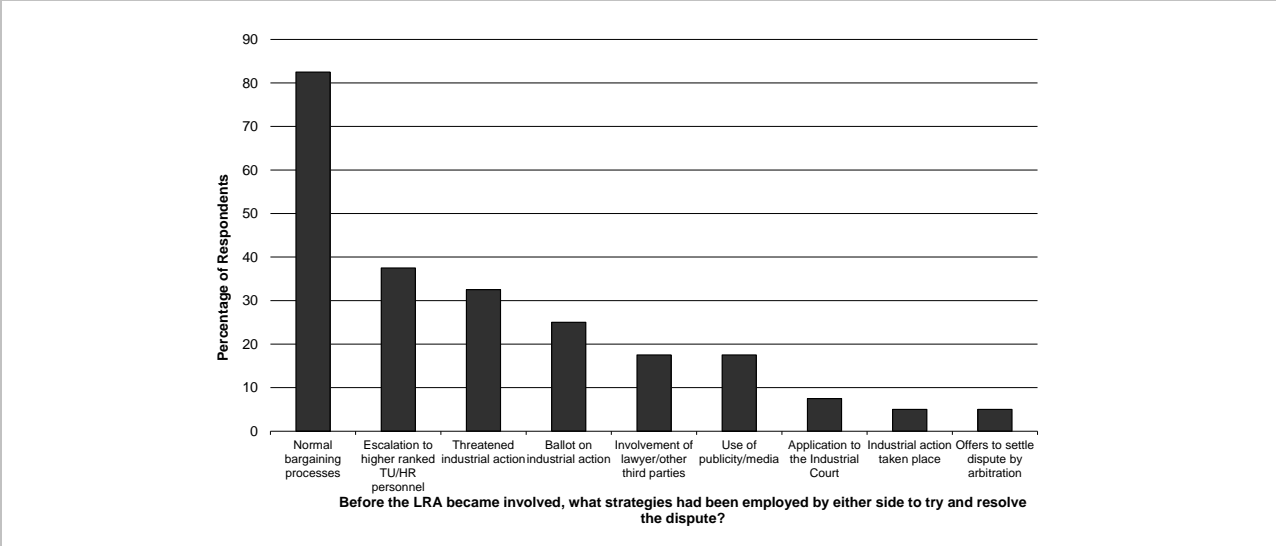
¹ In figure 3.1, other trade union matters relates to disputes revolving around employers procedures for working with the trade union outside of recognition or de-recognition issues (such as time allowances for trade union officers).

3.3 Strategies employed to resolve disputes

Respondents to the survey were asked to report the strategies had been employed by either party to resolve disputes at the point the LRA became involved. The majority (83 percent) of respondents reported that they had used normal bargaining processes, suggesting that a small share of users had moved to conciliation before testing how far disputes could be resolved through internal processes. Escalation of the issue to higher ranked personnel was also a frequently used strategy, reported by 38 percent of respondents. Other types of dispute resolution strategy (such as involving other third parties, or using publicity or media) were less frequently reported by respondents.

Threats of industrial action were reported by one third (33 percent) of respondents with an industrial action ballot taking place in 25 percent of cases. 5 percent of respondents reported industrial action (strike or stoppage actions) had already taken place at the time the LRA became involved (and in all cases, the action lasted for less than five days).

Figure 3.2 Strategies employed to resolve disputes before the LRA became involved



Source: Survey of Collective Conciliation customers, 2010/11. Base - all respondents (40)

Respondents were also asked to report whether there was a threat of industrial action at the point at which the LRA got involved (or further action if industrial action had already taken place). As shown in Table 3.1 below, respondents reported there was a threat of industrial action in around half of all disputes, and in a third of cases a ballot had taken place.

Table 3.1 At the time the LRA became involved was there any risk of (further) industrial action? (Percentage of responses)

Issue	Percentage of responses
Yes - but no ballot had taken place	15
Yes - and a ballot had taken place	33
No threat of industrial action	50
Dont know / Refused	3
Total	100

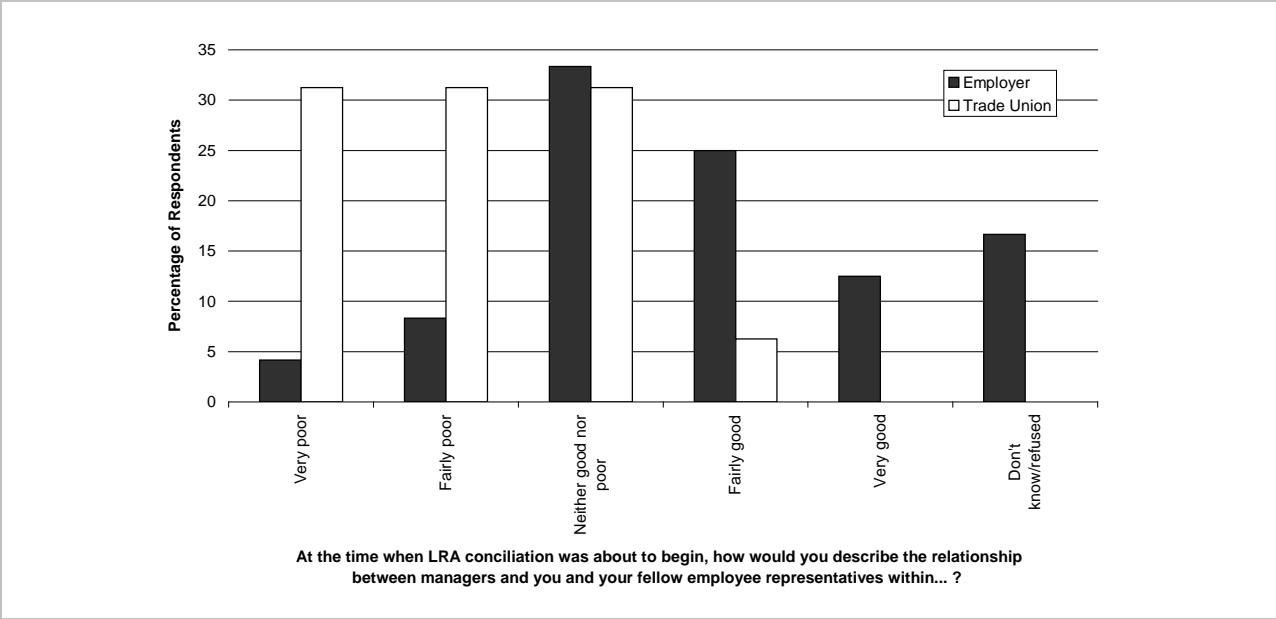
Source: Survey of Collective Conciliation Customers – Base: All respondents (40) – note figures may not sum due to rounding

Where respondents reported that industrial action was at being considered, they were also asked to report what type of action under consideration. 68 percent reported a strike or stoppage, 37 percent an overtime ban, and 37 percent a work-to-rule action. There was some uncertainty over the duration of potential strike or stoppage action, with 36 percent reporting that they did not know how long they expected action to endure. 36 percent of respondents indicating industrial action was being considered reported that 1 to 5 days of strikes or stoppages were expected, while over half (57 percent) expected the strike or stoppage action to involve no more than 50 employees.

3.4 Relationships between management and workers

Overall, respondents provided mixed responses on the quality of the relationships between management and workers as conciliation began. A quarter (25 percent) of respondents reported that relationships between workers and management were 'very good' or 'fairly good,' while 33 percent reported that relationships were 'fairly poor' or 'very poor.' As shown in Figure 3.3, employers were significantly more likely than trade unions to report that the relationship between managers and employee representatives were good at the time when conciliation was about to begin.

Figure 3.3 Relationships between management and workers at the point conciliation began



Source: Survey of Collective Conciliation customers, 2010/11. Base - all respondents (40)

3.5 State of negotiations as conciliation began

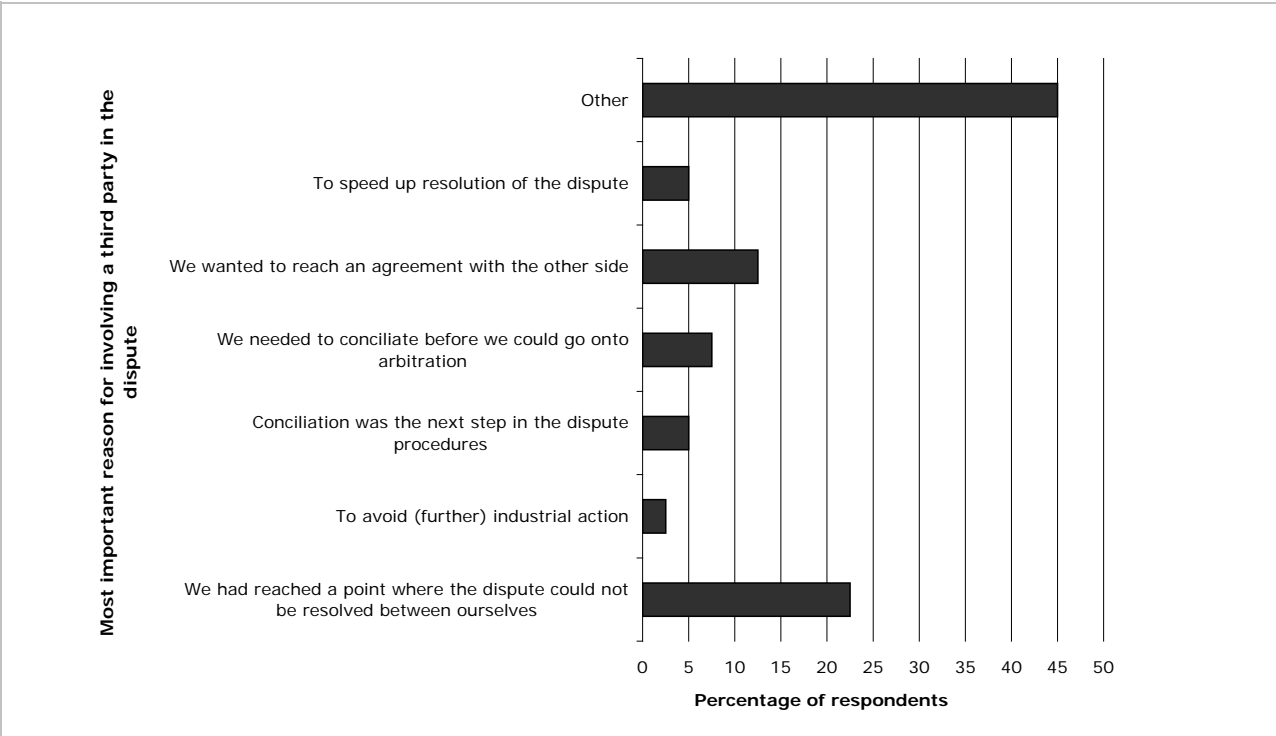
Respondents to the survey were asked to comment on the state of negotiations as conciliation began. The survey suggested that the LRA primarily became involved in disputes after several attempts to reach an agreement had been made (35 percent of respondents), or where communication between parties had ceased (30 percent). A further 20 percent reported that the LRA became involved at crisis point (e.g. industrial action was imminent), while just 5 percent reported that the LRA became involved when a failure to agree was first registered.

The survey also explored the positions of parties as conciliation began, and their perception of the position of the other side. About a fifth (18 percent) of respondents reported that they were prepared to make significant movement from their initial position in order to reach an agreement while a further 48 percent said they were prepared to move a little. A further 23 percent were interested in conciliation if new options to resolve the dispute were offered but no respondents reported they were not interested in a conciliated agreement at all.

3.6 Reasons for involving a third party

Respondents were asked to report why they had chosen to involve in third party in the dispute. The most commonly given reason was for ‘other’ reasons (around 45 percent of respondents) – this included a diverse range of motivations including wanting to avoid an application to the Industrial Court, a desire for a fresh perspective on the issues involved, and recommendation by solicitors. The next most frequently given reason was that they reached a point where the dispute could not be resolved between the parties (given by 33 percent of respondents, and the most important reason by 23 percent). Wanting to reach an agreement with the other side was the third most common reason given, reported by 15 percent of respondents (with 13 percent giving it as their most important reason).

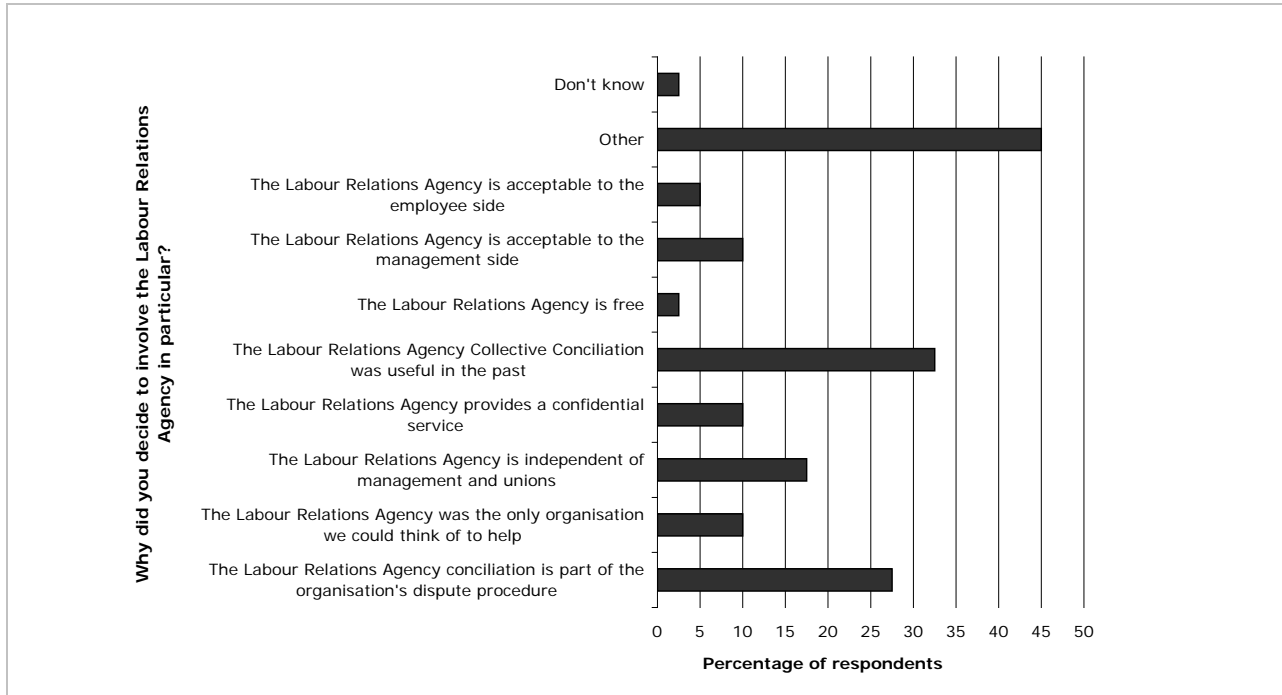
Figure 3.4 Most important reasons for involving a third party in the dispute



Source: Survey of Collective Conciliation customers, 2010/11. Base - all respondents (40)

Respondents were also asked why they decided to use LRA conciliation in particular. Again, respondents tended to give ‘other’ reasons for using the LRA, focusing primarily on the quality of service provided and the LRA’s recognised role in providing such services. A third (33 percent) of respondents reported that the LRA Collective Conciliation had been useful in the past (with 15 percent reporting that this was their most important reason for engaging the Labour Relations Agency). A similar proportion (28 percent) reported that the LRA conciliation was part of the organisation's dispute procedure and 18 percent cited the LRA's independence of management and unions as a reason for using the service.

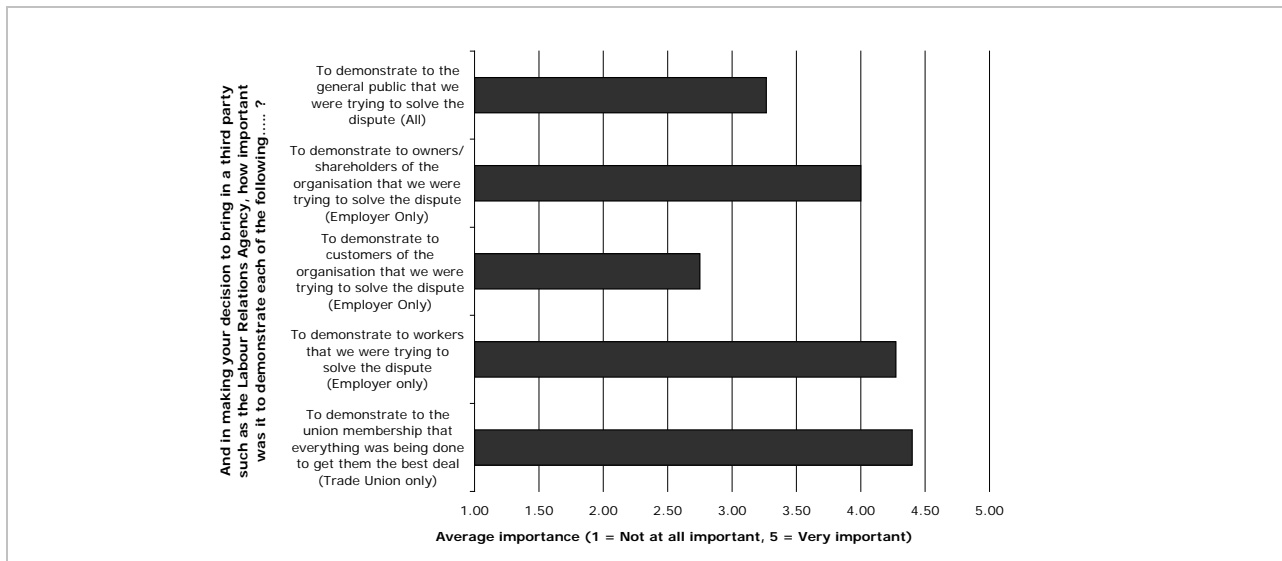
Figure 3.5 Reasons for involving the Labour Relations Agency in the dispute



Source: Survey of Collective Conciliation customers, 2010/11. Base - all respondents (40)

Respondents were also asked to rate how important different factors were in their decision to bring in a third party such as the Labour Relations Agency on a scale of one to five. For trade unions, the most important factor was to demonstrate to the union membership that everything was being done to secure the best deal (average rating of 4.40 out of 5), while for employers, it was more important to demonstrate to the workers (4.27) and the shareholders (4.00) that they were trying to solve the dispute than demonstrating to customers (2.75) their intention to solve the dispute. Showing the public they were trying to resolve the dispute was of relatively little importance for either party.

Figure 3.6 Priorities for decisions to involve a third party such as the Labour Relations Agency



Source: Survey of Collective Conciliation customers, 2010/11. Base - all respondents (40)

3.7 Summary

- The primary causes of disputes amongst those handled through the Collective Conciliation service in 2010/11 were issues relating to pay and other employment conditions, with trade union recognition and redundancy also figuring strongly. Disputes tended to be centred on a single workplace, and negotiations had typically been on-going for up to 6 months before the LRA became involved.
- Users of the Collective Conciliation service typically reported that they had employed a mixture of strategies to resolve the dispute before the LRA became involved. The most frequently reported strategies included attempts to resolve the dispute through normal bargaining processes, and escalation of issues to higher ranked personnel. The threat of industrial action was present in around 50 percent of disputes, largely a likelihood of strikes or stoppages. Such actions were typically expected to endure for between 1 and 5 days, and involve between up to 50 employees.
- A mixture of responses was given with respect to relationships between workers and management at the beginning of conciliation. Employers consistently felt that working relationships were of a higher quality than trade union officials.
- In general, users of the Collective Conciliation service engaged the LRA at the point where several attempts had been made to reach an agreement, or where communication between the parties had ceased. Users were typically willing to move at least a little from their initial position, but often felt that the opposing side had adopted a less conciliatory position.
- Some of the most frequently reported reasons for involving a third party in the dispute was that the two parties had reached a point where the dispute could not be resolved by themselves. Users tended to report a preference for the LRA due to positive experiences in the past, and that the LRA was written into the organisation's dispute resolution procedures. The key priorities for engaging a third party were to demonstrate to union membership that everything was being done to secure the best deal for their members (for trade unions), and to demonstrate to workers and shareholders that they were trying everything to resolve the dispute (for employers).

4.0 Conciliation Process

This section explores the techniques employed by the LRA conciliators before and during the conciliation process, and customer satisfaction with the conciliation and the approach taken by the conciliator.

4.1 Techniques employed by conciliators

The survey explored the techniques employed by conciliators in terms of explaining how the conciliation process worked (and associated ground rules), and allowing both sides to articulate their positions. As shown in Table 4.1, the majority of respondents reported that the conciliator had taken the time to explain how the process worked, any legal implications, the ground rules and rules regarding confidentiality, as well allowing both sides to explain their positions.

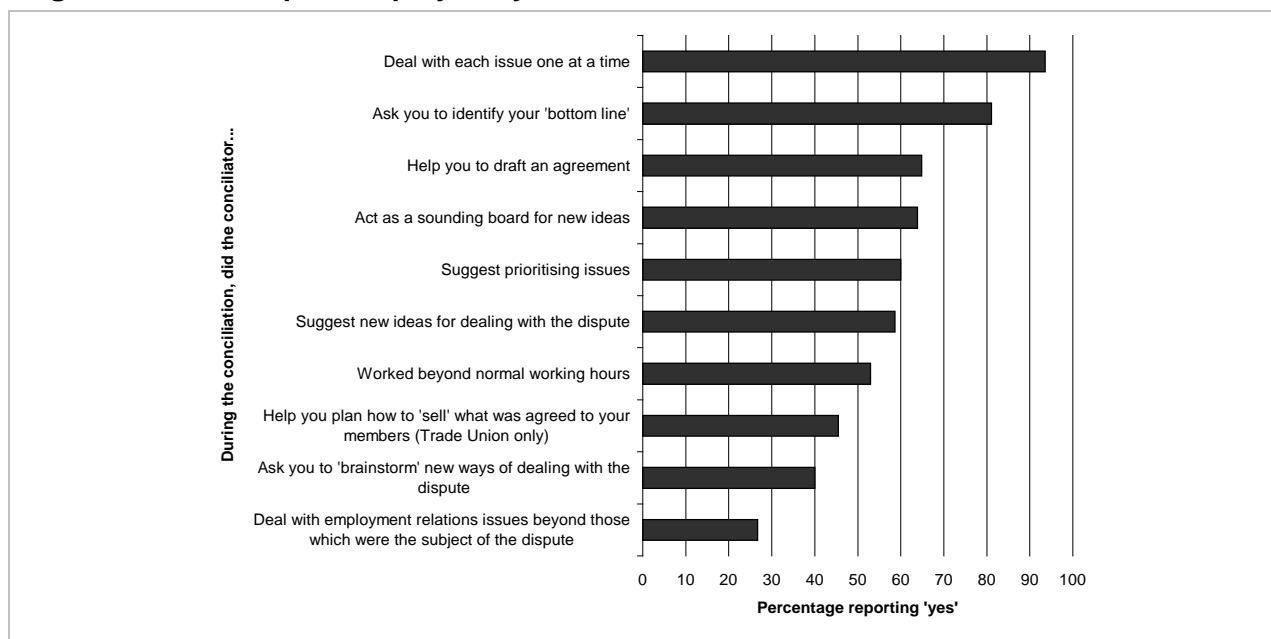
Table 4.1 Before or during the conciliation did the conciliator do any of the following? (Percentage reporting 'Yes')

Technique	Percentage of respondents
Explain how conciliation worked	100
Explain that there are no legal implications to the conciliation	91
Set ground rules for the conciliation	95
Explain rules regarding confidentiality	97
Allow your side to explain how they saw the situation	95
Allow the other side to explain how they saw the situation	95

Source: Survey of Collective Conciliation Customers. Note excludes those reporting 'Don't know' or 'Can't remember'

A range of techniques are available to conciliators to help bring parties closer together. Respondents most commonly suggested that conciliators helped to adopt a systematic approach to dealing with the issues involved in the dispute: dealing with one issue at a time and asking them to identify their 'bottom line'. Smaller proportions of respondents (around two thirds) suggested conciliators took a more pro-active approach, such as suggesting new ideas for resolving the dispute or helping the parties draft an agreement. Few respondents reported that conciliators undertook any activities beyond the direct issues involved in the dispute (such as helping trade unions plan how to sell agreements to their members, or introduce wider employment relations issues beyond those covered in the dispute).

Figure 4.1 Techniques employed by conciliators



Source: Survey of Collective Conciliation customers, 2010/11. Base - all respondents (40)

Table 4.2 shows other techniques conciliators may have used. Close to 90 percent of respondents reported that conciliators asked parties to explain the reasons behind their arguments. Other commonly used strategies included pointing out the consequences of not making progress or reaching an agreement. Additionally, around 70 percent of respondents reported that the conciliator asked them to consider counterfactual scenarios to help identify areas of potential agreement and responses to different moves made by the opposing side. Less frequently reported were efforts to tell disputing parties about organisations that faced similar issues or to make the opposing side's position sound more acceptable.

Table 4.2 During the conciliation, did the conciliator ... (% reporting 'Yes')

Technique	Percentage of respondents
Ask you to explain the reasons behind your argument	89
Point out that conciliation would have to cease if no progress made	79
Point out the consequences of not reaching an agreement	75
Use 'what if' scenarios to seek areas of potential agreement	72
Use 'if-then' questions to make you consider what you would do or could offer if the other side made different moves	69
Give an idea of issues where the other side might move from their position	65
Give an assessment of the strength of your argument	62
Discuss the situation informally with you and a member of the other side away from the other people involved	45
Make the other side's point of view sound more acceptable	35
Tell you about organisations which faced similar issues	21

Source: Survey of Collective Conciliation Customers - excludes 'Don't know' or 'Not applicable'

4.2 Customer satisfaction

Respondents were asked to rate their overall satisfaction with the Collective Conciliation service on a scale of one to seven. Customer satisfaction levels were high: 40 percent of respondents giving the highest rating of 7 and 85 percent gave a score of 5 or more. On average, customers rated the conciliation service at 5.90 out of 7.

Respondents were also asked to rate the quality of conciliator skills on a scale of 1 to 5 (where 1 was very poor, and 5 was very good). Users tended to give high ratings across all conciliator skills, with 'listening to you' and 'establishing rapport with you' given the highest satisfaction rate of 4.67 out of 5.

Table 4.3 Average ratings of conciliator skills (1 = Very poor and 5 = Very good)

Conciliator qualities	Total
Establishing a rapport with you	4.67
Listening to you	4.67
Remaining impartial	4.62
Presenting issues in neutral language	4.54
Calming the situation	4.37
Understanding your point of view	4.34
Helping you to understand the management's point of view (employee side only)	4.33
Time management	4.32
Helping you to identify areas of agreement/disagreement	4.29
Explaining relevant employment law	4.17
Helping you to understand the employee representatives' point of view (management side only)	4.09

Source: Survey of Collective Conciliation Customers – Base: All respondents (40)

Respondents were also asked to report how far they agreed with various statements about the conciliator's behaviour (again on a scale of 1 to 5, where 1 was strongly disagree and 5 was strongly agree). Users of collective conciliation most strongly agreed that their conciliator was trustworthy, and that they followed through on anything they promised to do. There was slightly less strong agreement that conciliators took a pro-active approach to seeking agreement and were available when needed outside the conciliation meetings. Respondents did not tend to agree or disagree that conciliators were on their side, suggestive of an impartial approach to the conciliation.

Table 4.4 Average ratings – conciliator behaviours (1 = Strongly Disagree, 5 = Strongly Agree)

Conciliator qualities	Total
Was trustworthy	4.83
Followed through on anything they promised to do	4.77
Was pro-active in seeking an agreement	4.54
Was available when needed outside the conciliation meetings	4.51
Was on your side	2.59

Source: Survey of Collective Conciliation Customers – Base: All respondents (40)

The majority of customers reported that they would be likely to use the service again, or recommend it to others, in the event of another employment dispute. Overall, two thirds (65 percent) of respondents reported they would be 'very likely' to use or recommend the LRA Collective Conciliation if they were

involved in another employment dispute with a further 30 percent stating that they would be 'likely' to do so.

4.3 Summary

- Conciliators employed a range of techniques and skills in the conciliation process. A consistent service was received by users in terms of the conciliator's approach to explaining how the process worked, setting ground rules for conciliation, and allowing both parties to explain their position and their reasoning. Additionally, high proportions of users reported that the conciliator adopted a systematic approach, dealing with one issue at a time.
- The service received varied more in terms of the styles of conciliators. In most cases, users reported that the conciliator actively supported them to consider scope for movement in their position, including encouraging disputing parties to think through different negotiating scenarios and the limits of their position, and acting as a sounding board for new ideas. More pro-active approaches were less widely reported, with 40 percent of respondents reporting that the conciliator encouraged brainstorming of new ideas for dealing with the dispute although around 60 percent reported that the conciliator suggested new ways of dealing with the dispute.
- The survey also suggested that conciliators tended not to focus on issues outside of the focus of the dispute. Only a small share of respondents reported that the conciliator brought in wider issues relating to employment relations or experiences from other similar disputes.
- The evidence suggests that, in general, customers display high satisfaction with the Collective Conciliation service. Overall satisfaction rates were high, with 40 percent of respondents giving maximum ratings for the overall conciliation service they received. Additionally, users of the service gave high satisfaction rates across all aspects of conciliator skills and behaviour.

5.0 Outcomes

This section explores the outcomes of the LRA Collective Conciliation service in terms of helping parties to reach a resolution, and the effects of settlements agreed on workplace performance.

5.1 Outcomes of the dispute resolution process

The primary objective of Collective Conciliation is to help disputing parties reach an agreement that settles the key issues involved in the dispute. The customer survey asked respondents to report their views on the outcome of the dispute. In just over half of disputes (55 percent), conciliation ended with all or most of the key issues being settled. In a further 15 percent of cases some progress was made, while 8 percent went on to arbitration.

Table 5.1 As you left the conciliation, which of the following best describes the outcome? (Percentage of responses)

Outcome	Percentage
All/most of the key issues in this dispute were settled	55
Some progress was made	15
Went on to arbitration	8
Successful outcomes	78
No agreement reached and no progress or referral made	23
Total	100
Base:	40

Source: Survey of Collective Conciliation Customers, base: all respondents (40) note figures may sum due to rounding

5.2 Unresolved disputes

The most commonly given reasons for not reaching a settlement related to how far parties were prepared to move position. The survey revealed that 71 percent of trade unions and 55 percent of employers reported that failure to reach a settlement was due to the other side not shifting position. In a further 28 percent of disputes, respondents reported that despite some movements in position the gap between the two parties remained too great. There was also some indication of desire for a third party to make a judgement on the situation amongst trade unions, with 14 percent reporting that conciliation was only a step to arbitration.

There was little indication that the Labour Relations Agency conciliator was responsible for failure to reach settlement, with 94 percent of respondents reporting that the conciliator could not have done anything more to bring about a settlement.

5.3 Outcome of settlements

Where a settlement had been achieved, the survey results suggest that in most cases, respondents felt they had moved at least a little distance from their initial position. Half (50 percent) of respondents felt that the settlement involved a little movement from their initial position, with 23 percent reporting a moderate

movement. Nearly two in five (18 percent) felt that they had made significant concessions while only 9 percent had not moved from their initial position.

Although users of the Collective Conciliation service felt that settlements involved some movement from their initial position, both employers and trade unions were generally satisfied with the settlement. Respondents were asked to rate their level of satisfaction on a scale of one to seven, with over a third (36 percent) of respondents giving the highest rating of seven. Average satisfaction with the outcome of settlements was 6.05 out of 7.

For all survey respondents reporting a settlement, the settlement was implemented in full when taken back to the organisation. Three quarters (77 percent) reported that the agreement resolved the dispute in the long term and 23 percent reported that the agreement resolved the dispute in the short term.

5.4 Longer term outcomes of conciliation

Respondents were asked to assess how far the LRA Collective Conciliation led to a range of possible improvements in workplace performance. As shown in Table 5.2, conciliation was most effective in improving industrial relations and the ability of organisations to resolve disputes internally. Two thirds (65 percent) of respondents reported that their organisation were now able to deal with disputes more effectively, 53 percent reported improved communication between management and workers, and 47 percent reported that organisations were now better able to identify potential disputes at an earlier stage.

These results suggest that conciliation may have an impact beyond resolving the immediate causes of disputes. Improved employee morale and motivation was cited as an outcome in over half (55 percent) of cases. The immediate affects may also potentially translate into more tangible impacts on business performance such as improved productivity and profitability at a later stage, but few employers felt that these types of effect had been realised at the time of the survey.

Table 5.2 As a result of the Labour Relations Agency Collective Conciliation were there any improvements in terms of...? (Percentage reporting 'Yes')

Reason	Total
The organisation's ability to deal with disputes more effectively	65
Employee morale and motivation	55
Communication between management and workers	53
The organisation's ability to identify potential disputes at an earlier stage	47
HR procedures and practices	45
The organisation's ability to deal with change	41
Trust between management and workers	39
Employment relations within the organisation	36
Productivity	17
Profitability	11
Staff retention	8
Staff absence	8

Source: Survey of Collective Conciliation Customers

5.5 Benefits of involving the LRA at an earlier stage

The survey also explored how far users of Collective Conciliation felt that there might be benefits associated with involving the LRA at an earlier stage. The majority of respondents (65 percent) felt that LRA involvement at an earlier stage would not have helped, 20 percent felt that earlier involvement would possibly have helped, and 15 percent felt that earlier involvement would definitely have helped.

When asked to state why they had not asked for LRA involvement at an earlier stage, more than two in five (43 percent) of all respondents reported that they had not exhausted their dispute resolution procedures or did not think that the dispute had progressed far enough. A further 13 percent reported that they felt that the other side did not want to deal with the LRA.

5.6 Summary

- The survey results suggested that Collective Conciliation resulted in a successful outcome in 78 percent of cases, and in 55 percent of cases respondents reported that all issues in the dispute were settled following conciliation.
- Where issues remained unresolved following conciliation, respondents tended to suggest this was caused either by the other side refusing to move position, or that despite some movement the gap between the two parties remained too great. There was no suggestion that the conciliator could have done more to broker a solution to dispute in the majority of cases.
- In all cases recorded by the survey, agreed settlements were implemented in full following conciliation. Customer satisfaction with agreed settlements was high.
- The survey suggests that the disputes resulted in a wide range of longer term outcomes, most widespread of which were improved organisational ability to deal with disputes, improved employee morale and motivation and improved communication within the organisation. While these effects may in the long term result in improvements in staff absence, retention and productivity, smaller shares of employers reported that the conciliation had a tangible impact on business performance.
- About 35 percent of respondents felt that it may have been beneficial to involve the LRA at an earlier stage. When asked to state why they had not asked for LRA involvement at an earlier stage, 43 percent reported they had not exhausted their dispute resolution procedures or did not think that the dispute had progressed far enough.

6.0 Impacts

This section focuses on the impacts of the LRA Collective Conciliation Service, including the impacts of conciliation on bringing disputes to a resolution more rapidly, helping avert industrial action, and in terms of facilitating the implementation of changes to working practices.

6.1 Impact of the LRA on the dispute resolution process

The survey results suggested that in general, LRA involvement was influential in the resolution of disputes. A high proportion of respondents reported that the LRA conciliation was 'very important' to the resolution of the dispute (55 percent), with a further 27 percent reporting that it was 'important' (where a successful resolution to the dispute was reached).

Additionally, the survey suggested one the key benefits of LRA conciliation was in terms of bringing the two sides closer together on the key issues involved in the dispute (with over 70 percent reporting that they agreed or strongly agreed with this statement). Benefits in terms of strengthening the relationships between the negotiating parties or between management and employees were less widely reported, as shown in the table below.

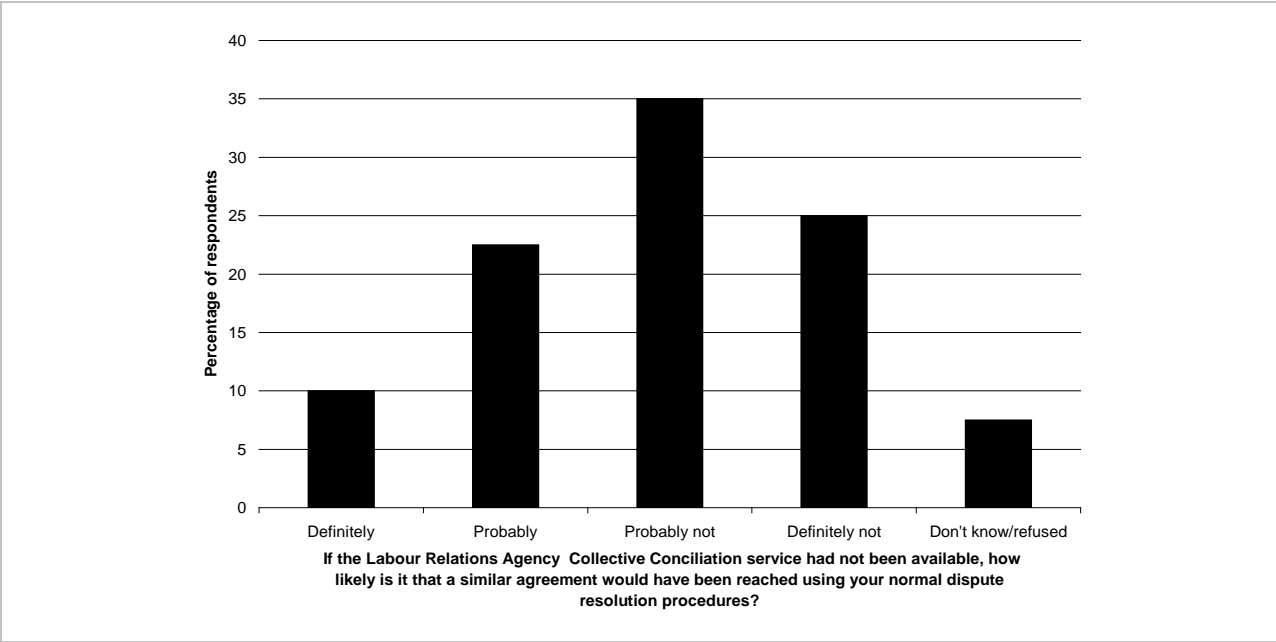
Table 6.1 How strongly do you agree/disagree with the following? The conciliator was ... (Percentage of Responses)

Effect	1 = Strongly Disagree, 5 = Strongly Agree				
	1	2	3	4	5
The Labour Relations Agency conciliation brought sides closer together on the key issues of this dispute	11	11	14	32	32
As a result of The Labour Relations Agency conciliation the relationship between the management and employee representatives involved got better	9	24	21	39	6
As a result of The Labour Relations Agency conciliation the relationship between the management and employees within ...got better	18	9	33	36	3

Source: Survey of Collective Conciliation Customers. Base: All respondents – excludes those reporting 'don't know'

In addition, 60 percent of respondents reported that they would 'definitely not' or 'probably not' have been able to reach a similar resolution to the dispute if the LRA Collective Conciliation service was not available. Overall, this evidence suggests that LRA conciliation has had a significant effect in helping disputing parties resolve their differences.

Figure 6.1 Extent to which disputes would have been resolved using normal bargaining processes



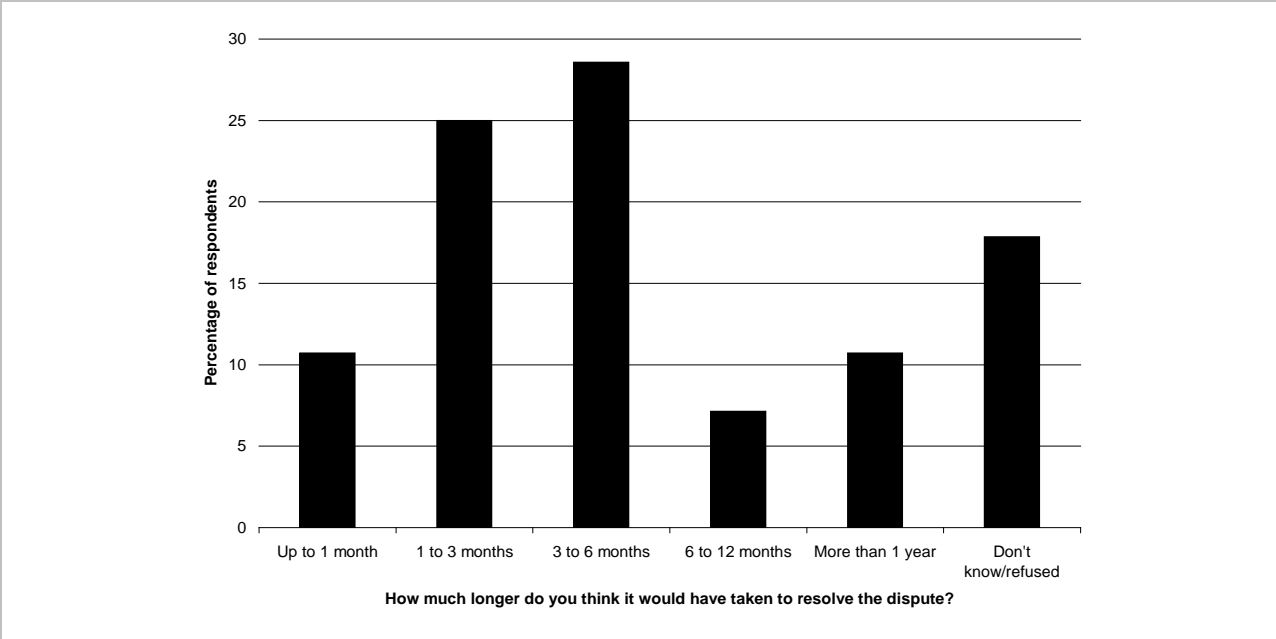
Source: Survey of Collective Conciliation customers, 2010/11. Base – all respondents (40)

6.2 Impact on time taken to resolve disputes

Respondents to the survey were asked to report whether the dispute would have been resolved in a shorter or longer period of time if the LRA were involved: 70 percent of both employer side and trade union respondents reported that the dispute would have otherwise been resolved in a longer period of time, suggesting that one of the key impacts of the Agency is in terms of bringing disputes to a resolution more rapidly.

Where respondents reported that disputes would have taken longer to resolve without The Labour Relations Agency conciliation, they were asked to report how much longer it would have otherwise taken to resolve. In general, respondents reported The Labour Relations Agency conciliation helped bring forward resolution by 1 to 3 months, or 3 to 6 months (an average of 5.4 months).

Figure 6.2 Impact of conciliation on the duration of dispute



Source: Survey of Collective Conciliation customers, 2010/11. Base – respondents reporting that disputes would have otherwise taken longer to resolve

Although the survey explored how much longer disputes would have taken to resolve, the questionnaire did not directly explore the levels of management time respondents felt they saved as a result. However, respondents were asked to report how much of their own time, and the time of other representatives had been absorbed by disputes up to the point the LRA became involved. On average, respondents reported that disputes had absorbed around 87 hours of their own time and 74 hours of the time of other representatives on their own side.

With disputes enduring for an average of 7.7 months by the point the LRA became involved, this equates to around 21 hours per month on each side or 42 hours (close to 6 working days) in total per dispute. Assuming that similar levels of management time would be absorbed in bringing disputes to a resolution, it is estimated that the LRA saved around 224 hours of management and employee representative time by helping disputing parties reach an agreement more rapidly than they would have otherwise done (as set out in the table below).

In order to estimate the net time saved as a result of LRA conciliation, respondents were also asked to report how much time the conciliation itself absorbed. On average, respondents reported that the conciliation absorbed around 21 hours of time through explaining their position and attending meetings with the conciliator in the workplace or on neutral territory (or 42 hours across both parties to a dispute). As set out in the table below, it is estimate that the LRA helped achieve a net working time saving per dispute of 182 hours (or 24 working days on the basis of a 7.5 hour working day).

Table 6.2 Management and employee representative time saved as a result of LRA conciliation per dispute

	Time saved
Average time absorbed by dispute negotiations per month (hours)	42
Number of additional months disputes would have taken to resolve in the absence of LRA conciliation	5.4
Gross time saved (hours)	224
Average time absorbed by conciliation per dispute (hours)	42
Net time saved (hours)	182

Source: Survey of Collective Conciliation Customers, Ecorys analysis

The management and employee time saved will have economic impacts through freeing up workers and management time that can be diverted towards otherwise productive pursuits. The value of this time can be expressed in GVA terms on the basis of an estimated £60 GVA per working day in Northern Ireland¹. This gives an overall estimated GVA impact through productivity gains per dispute of £1,500. Assuming that the LRA caseload of 27 cleared cases in 2011 is typical, this could equate to total GVA impacts per annum of **£40,000**.

This analysis makes the assumption that the time absorbed by the conciliation itself would not have also been diverted to negotiations in the absence of conciliation. This is a conservative approach – there may be fixed costs associated with finalising settlements that would be incurred regardless of whether the LRA was involved in the dispute (in which case, a share of the time incurred through conciliation may have been incurred anyway).

6.3 Impacts on the risk of industrial action

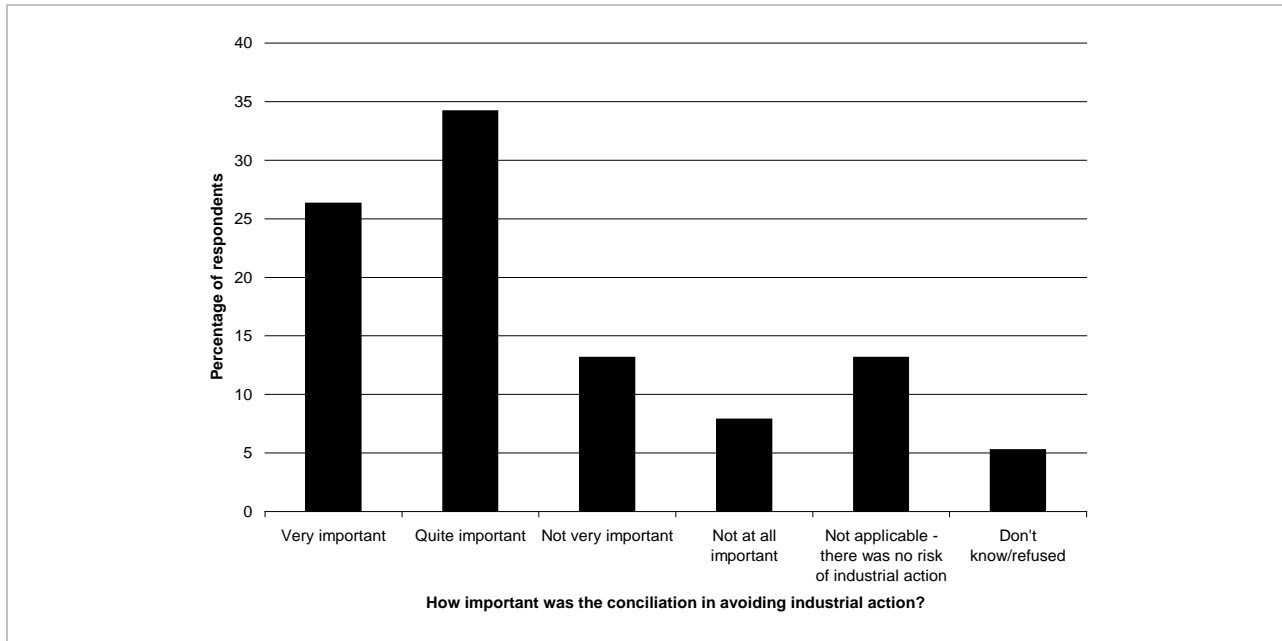
Respondents to the survey were asked to report the influence of the conciliation in helping to avoid industrial action. 13 percent of respondents reported that there was no risk of industrial action. Where there was a risk, respondents tended to suggest the conciliation process was an important factor in helping them to avoid industrial action – with 26 percent of respondents reporting that the conciliation was 'very important' in avoiding industrial action, and 34 percent of respondents reporting the conciliation was 'quite important'.

Responses to this question were assigned values reflecting the assumed probability that industrial action would have taken place in the absence of LRA conciliation². Using these results, it is estimated that in 43 percent of disputes, industrial action was avoided as a direct result of LRA conciliation.

¹ GVA per filled job per annum in Northern Ireland was approximately £15,800 in 2009 (see Regional Economic Performance Indicators, BIS, 2011) – and assuming 260 working days per year.

² Where respondents reported that there was no risk of industrial action, or where conciliation was 'not at all important' in avoiding industrial action, it was assumed that there was no chance of industrial action in the absence of LRA conciliation. Where respondents reported that the LRA conciliation was 'very important', 'quite important' and 'not very important' in avoiding industrial action it was assumed that there was a 90 percent, 60 percent and 30 percent probability that industrial action would take place in the absence of LRA conciliation respectively.

Figure 6.3 Impact of conciliation on the risk of industrial action



Source: Survey of Collective Conciliation customers, 2010/11. Base – all respondents

Where respondents reported that industrial action was being considered, they were asked whether the action was likely to be one or more of the following types: strike or stoppages, overtime bans, work-to-rule actions, or other forms of industrial action. Strikes or stoppages were the most frequently reported strategy, with respondents reporting that an average¹ of 4.5 days of strike action were averted as a result of LRA conciliation involving 175 employees. Taking these findings together, it is estimated that in the average dispute, LRA conciliation helped avoid the loss of 378 working days due to strike action and save £23,000 in lost output (GVA). Again, if it is assumed that in a typical year the LRA clears around 27 collective conciliation cases, the total annual GVA impacts of the service could be in the region of **£620,000**.

Table 6.3 Value of GVA impacts associated with industrial action averted per dispute

Variable	Value
Percentage of cases in which LRA conciliations helped avoid industrial action	0.43
Average number of days of strike action averted	4.5
Average number of employees involved	175
Average number of working days lost to strike action avoided per dispute	378
GVA per working day (£s)	£60
Potential lost output (£s per dispute)	£23,000

Source: Ecorys Analysis

6.4 Total impacts

In 2011, the LRA cleared 27 collective conciliation cases. The table below summarises the potential annual economic impacts of the LRA Collective Conciliation service on the assumption that 2011 can be taken as typical in terms of caseload. Overall, it is estimated that the potential annual GVA impacts of the

¹ Using a 5 percent trimmed mean to exclude outlying values, as given the sample size it is difficult to be confident that such outliers are representative of the wider population.

service are in the region of £670,000, arising from management time saved and increased productivity associated with avoiding the working days lost through industrial action. Assuming an annual cost of providing Collective Conciliation services of £100,000¹ per annum this gives an overall economic return on investment of £6.7 per £1 spent, suggestive of strong value for money.

Table 6.4 Estimated economic impact of LRA collective conciliation per year

Area of impact	Value of GVA impacts
Management time (£m of GVA)	£40,000
Industrial action averted (£m of GVA)	£620,000
Total GVA impacts	£670,000

Source: Survey of Collective Conciliation Customers, Ecorys Analysis – note figures may not sum due to rounding

6.5 Sensitivity analysis

Although the evidence suggested industrial disputes had the potential to result in substantial lost output during stoppages, a number of factors may limit the extent of these social costs. Firstly, it is possible that some or much of this lost output is recovered through overtime as employees attempt to catch up with their workloads (and where overtime is paid, they may have an interest in recovering earnings lost through strike action). Additionally, if firms are underutilising capacity - a possibility during a recessionary period - effects of stoppages on output may be dampened. The table below also sets out scenarios in which 25, 50 and 75 percent of the output lost through industrial action would have been recovered through overtime or enhanced productivity following the dispute.

Additionally, where output was lost in the private sector (either as a result of lost management time or through working time lost as a result of stoppages), these economic losses may be offset if competitor firms can expand their output to satisfy the temporary disruption in supply (i.e. displacement effects). The survey evidence suggested that around 75 percent of disputes handled by the LRA Collective Conciliation service were in the private sector, and it is assumed that such displacement effects would apply to 70 percent of lost GVA averted by LRA Collective Conciliation services.

The table below provides scenarios in which 25 percent and 50 percent of the GVA that would have been lost in the private sector as a result of disputes are compensated for by increased sales amongst competitors. In all scenarios, the estimated economic return associated with the Collective Conciliation Service exceeds its estimated cost of £100,000.

Table 6.5 Estimated economic impact of LRA collective conciliation per year

	Output recovered following industrial action	Output recovered through increased sales for competitors (displacement effect)
Total GVA impacts	£670,000	£670,000
Percentage of output recovered		
<i>25 percent</i>	505,000	536,000
<i>50 percent</i>	350,000	413,000
<i>75 percent</i>	196,000	

Source: Survey of Collective Conciliation Customers – NVA estimates based on depreciation of 5 percent per annum

¹ It is not straightforward to provide a precise estimate of the cost of the LRA Collective Conciliation service as

6.6 Wider impacts and issues

The Collective Conciliation service may have a range of other economic impacts that have not been fully explored in this analysis:

- **Impacts on working processes:** As well as helping to resolve a dispute and avoid industrial action, conciliation may also have an impact on organisational changes that come about as a result of a dispute resolution. For example, there will be additional productivity benefits if the LRA has helped remove the barriers faced by employers in introducing more efficient working practices.
- **Externalities caused by disputes:** Industrial action may also impose negative economic impacts on other individuals or businesses. These costs are clearest with respect to the transport sector, in which disruption to commuting patterns can create substantial disbenefits to businesses.
- **Self-reporting:** These results are based primarily on a self-reporting methodology in which an assessment of the counterfactual is based on the perceptions of users of the Collective Conciliation service. While such methodologies are routinely used in evaluation of public sector services, they are potentially subject to bias if (1) respondents cannot formulate an accurate perspective on the impacts of the service they received on the resolution of the dispute, and (2) if respondents have an incentive to over or understate the effects of the service (strategic response bias). Comparison group methodologies (that would involve comparing resolution of disputes handled through the Collective Conciliation service against those handled outside of the service) are generally more robust, and could potentially be explored in any future evaluation of the service if a suitable control group could be established.
- **Industrial relations:** Conciliation may have further effects in terms of improving industrial relations between managers and employees, potentially resulting in longer term economic impacts in terms of staff morale, motivation and productivity. While the survey showed that customers of the service felt that conciliation had resulted in these types of effect, quantification of these types of impact is less straightforward and have not been included here.
- **Pattern bargaining:** A final issue that has not been explored is the issue of pattern bargaining - how far the settlement reached through conciliation had implications or impacts on bargaining in other firms in the industry. Many of these settlements will be in relation to pay and other employment terms, and are likely to be largely welfare neutral in the short term (i.e. a gain to one side is largely offset by a loss to the other). However, if settlements are reflected in pay bargaining elsewhere there may be a loss or gain in competitiveness for firms based in Northern Ireland relative to international competitors – potentially leading to positive or negative effects on GVA at a macroeconomic level.

6.7 Summary

- Overall, the survey evidence suggested that the Collective Conciliation service has in many cases played an important role in bringing collective employment disputes to a resolution. High proportions of respondents suggested that they would have been unlikely to reach a similar settlement through normal bargaining procedures, with one the key benefits of conciliation being in terms of bringing parties closer together.

- High proportions of respondents reported that one of the key impacts of conciliation was to help bring disputes to a settlement more quickly than they would have otherwise been able to do so (with users suggesting the LRA helped bring about a resolution just over 5 months more rapidly than would have been achieved otherwise). By helping to speed up the resolution of disputes, it is estimated that the Collective Conciliation service helped save 184 hours of management and employee time per dispute (24 days), with a value in GVA terms of close to £1,500.
- Respondents also suggested that the Collective Conciliation service had a meaningful effect in terms of averting industrial action. Overall, it was estimated that conciliation helped avoid strikes or stoppages action in around 43 percent disputes, avoiding the loss of 378 working days per dispute, with a potential value (in GVA terms) of £40,000.
- On the basis that the 27 collective conciliation cases cleared by the LRA in 2011 is a typical annual caseload, the annual economic impacts of Collective Conciliation were estimated at £670,000. These effects were dominated by the impacts associated with industrial action averted and sensitivity analysis indicated that impacts could be substantially lower if either a high proportion of the GVA lost through industrial action is recovered following a dispute through overtime or enhanced productivity, or if sales lost by firms recovered are taken up by competitor firms based in Great Britain.
- Assuming an annual cost of providing the service of £100,000, these economic impacts imply an overall return on investment of £6.70 per £1 spent, suggestive of strong value for money and a strong rationale for investing in the service. The economic returns associated with the service are estimated to exceed its costs under the most conservative assumptions associated with the recovery of lost output.

7.0 Conclusions

This section sets out the key conclusions of this research against the six overarching study objectives.

7.1 Measure case outcomes and employee and management representatives' satisfaction with those outcomes

This evaluation shows that a successful case outcome was reached in a high proportion of the disputes handled by the LRA Collective Conciliation service. The survey results indicated that 55 percent of respondents reported all key issues were resolved, and in a further 12 percent of cases, some progress was made or the parties moved to arbitration – implying a successful outcome was reached in 78 percent of cases. All settlements agreed were implemented in full following conciliation, and customer satisfaction with those outcomes was high.

7.2 Establish an up to date picture of the benefits of conciliation as perceived by customers

The survey results indicated users of LRA Collective Conciliation experienced a broad range of benefits. Responses indicated that conciliation helped disputing parties reach a resolution more rapidly than they would have otherwise done, helped bring the two sides closer together. High proportions of respondents also felt they would have been unable to reach a similar agreement without using the Collective Conciliation service. Additionally, the results indicated that the conciliation played a strong role in helping to avert industrial action. Conciliation was also reported to have a wider range of benefits beyond the dispute, particularly in terms of helping organisations to deal with employment disputes more effectively.

7.3 Elicit customers' views about the various impacts of LRA collective conciliation

These results of the survey were also reflected in estimates of the economic impact of the Collective Conciliation service. Respondents indicated the service had positive effects in terms of helping disputing parties reach a resolution to their dispute more rapidly and avoiding industrial action, resulting in a broad range of economic impacts. These included reducing the time invested by both parties in negotiations and avoiding the lost output associated with strike and stoppage actions.

On the basis that the 27 collective conciliation cases cleared by the LRA in 2011 is a typical annual caseload, the annual economic impacts of Collective Conciliation were estimated at £660,000. These effects were dominated by the impacts associated with industrial action averted and sensitivity analysis indicated that impacts could be substantially lower if either a high proportion of the GVA lost through industrial action is recovered following a dispute through overtime or enhanced productivity, or if sales lost by firms recovered are taken up by competitor firms based in Great Britain.

Assuming an annual cost of providing the service of £100,000, these economic impacts imply an overall return on investment of £6.70 per £1 spent, suggestive of strong value for money and a strong rationale for investing in the service. The economic returns associated with the service are estimated to exceed its costs under the most conservative assumptions associated with the recovery of lost output.

7.4 Explore among customers how LRA might promote greater awareness and understanding of collective conciliation

The survey examined how users of Collective Conciliation felt that there may be benefits associated with involving LRA at an earlier stage to identify whether there might be scope to raise awareness of the service. Around 35 percent of customers felt that would possibly or definitely have been benefits in involving LRA at an early stage. When asked to state why they had not asked for LRA involvement at an earlier stage, nearly half (43 percent) of all respondents reported that they had not exhausted their dispute resolution procedures or did not think that the dispute had progressed far enough. Usage of the Collective Conciliation service could potentially be ensuring that messages highlighting that LRA services can be provided at any stage of negotiations are communicated to LRA's customer base.

7.5 Help inform any professional development of its conciliators by LRA

This evaluation suggests that customers of the LRA Collective Conciliation Service showed high rates of satisfaction both the service they received and the skills of their conciliator. These findings were nearly universal across the survey, with very few respondents indicating low levels of satisfaction with the service as a whole, or with their conciliator. As such, there does not seem to be significant scope for improving the service.