

Informing and consulting your workforce: United Welsh Housing Association

Since 2001 the United Welsh Housing Association (UWHA) and Unison have been working on a joint project to introduce flexible working practices and staff involvement in order to improve the service provided to customers and local communities.

Central to these improvements is a new partnership agreement and code of conduct, which are unique in placing option-based consultation, rather than negotiation, at the heart of the relationship between UWHA and Unison.

Training for managers and staff has also played an important part in overcoming a prevailing 'command and control' culture and enabled staff to take greater responsibility for organising their own work and engage positively in how new services are developed and delivered.

Employment relations background

Unison is the only trade union recognised by UWHA, which employs approximately 125 people. Most of these are employed on similar terms and conditions of employment. UWHA signed a recognition agreement with Unison in 1993. This gave them sole rights to represent all staff in negotiations over pay, terms and conditions and holidays. Working practices were also underpinned by a complex procedural agreement.

Management and Unison traditionally met at a longstanding joint negotiating committee (JNC). This was the focal point of formal collective employee relations at UWHA, where the union, represented by three officers, negotiated with the senior management team (SMT), represented by a director from

Box 1 – Company profile

United Welsh Housing Association (UWHA) is a non-profit making body based in Caerphilly and Cardiff. UWHA work in 12 local authorities across South East Wales providing over 3500 homes, of which 600 are for older people and 500 for people with additional support needs. Originally part of the United Kingdom Housing Association, UWHA was established in 1989 and employs approximately 125 staff, including the senior management team. The majority of staff are employed in either:

- housing and community services, which is responsible for housing management, special needs and vulnerable people
- development and technical services, which is responsible for building and maintaining the Association's housing stock
- corporate services, including IT, human resources, training and finance.

The work of UWHA is driven by a board of 15 voluntary members. The Association's priorities include:

- working closer to local communities
- working in partnership
- developing new homes and improving existing ones
- improving day-to-day business performance.

each of the main business functions and the head of personnel.

During the late 1990s the SMT became increasingly aware that the organisation would need to become more flexible and customer focused if it was to compete effectively alongside other social landlords operating in South Wales and continue to support new and innovative community projects.

Gareth Hexter, director of finance and corporate services, explains, "at this point we continuously hit against the trade union recognition and procedural agreements".

Though not opposed to negotiating a solution, the SMT recognised that to do so through the existing agreements would result in a compromise solution that would inevitably satisfy nobody. Nor would it address the deeply cultural issues of command-and-control management and employee engagement, which the SMT wanted to deal with.

Following the example of a number of other organisations, a partnership agreement suggested itself to the SMT as a possible solution, offering flexibility for job security and enhanced staff involvement.

Coincidentally, the lead Unison officials were also looking for a way out of what they saw as the restrictiveness of the existing agreements. They were also concerned about declining interest in the union, whose membership stood shakily around 29 per cent, and were eager to put the union on a more positive footing with the organisation and the staff. David Williams, Unison official, says "we were tired of the length of time it took to agree even small issues. We were also ready for a change".

Despite some reservations, the SMT drafted a partnership agreement and proposed this to Unison. Not surprisingly, the Unison officers were reticent about being presented with an agreement that was effectively a *fait accompli*. After some debate,

the officers convinced the SMT that they would need to work together and have a full hand in drafting any new agreement if this was to truly signify a new way of working.

Gareth Hexter adds, “this experience was in many ways our first lesson in consultation”. Though premature, the original draft agreement was “not necessarily a bad thing” says David Williams, the senior Unison representative, as it effectively opened up the main issues far more quickly than a more sensitive approach might have done.

The management wanted to embrace flexible working and improve decision-making, while Unison wanted more influence and to reinvigorate staff interest in the union and membership. Both identified difficulties with the existing recognition agreement and both wanted the work of the Association to be more fulfilling and engaging for staff.

The possibility of acquiring the support of the Department of Trade and Industry (DTI) through the Partnership Fund was an added incentive to start working together. UWH and Unison submitted a successful bid in the second round of the Partnership Fund and were awarded the maximum grant of £50,000.

As Gareth Hexter explains, “the money was less important than the commitment and impetus the DTI’s recognition gave to the project and the desire on all sides to see it fulfilled”. For the union, the award was also useful in focusing the support of members and those within the wider union structure who were dubious about working in partnership.

The DTI project specified three main stages:

- establish the existing employee relations climate
- identify where the organisation needed to be
- bring about change to meet those objectives.

In order to assess the prevailing culture of the organisation, the Involvement and Participation Association (IPA) were asked to undertake a confidential survey of the workforce. This took place during January and February 2002. As well as completing a questionnaire, staff were invited at random to take part

in focus groups and provide evidence that would give depth to the survey results (see box 2).

Box 2 - Feedback from the first staff survey

The 2002 staff survey and focus groups produced a positive set of results for both the Association and Unison, particularly in the following areas:

- respect for senior and line managers
- pride in working for the Association
- inter-personal relationships
- understanding of the Association’s drive to achieve excellent standards of customer service
- ownership of objectives
- work life balance
- personal qualities of the trade union representatives.

Areas where opportunities for improvement were identified included:

- Remoteness from the decision-making process
- wanting to be consulted more
- trade union communication
- relationships between departments
- sharing of sensitive information
- trust and respect between management and the union.

The evidence strongly suggested that staff wanted to be better informed and consulted about the issues that affected them, but also that they wanted a union that shared the confidence of the Association and was itself involved in decision-making.

Developing a consultative approach

A two-day partnership development workshop was organised in November 2002 by the JNC, facilitated by the IPA as an independent third party. This was not so much the “ritual bloodletting” described by other management/union bodies, as a practical discussion about involving the union at a much earlier stage in

the decision-making process, while ensuring that management retained fundamental and unambiguous responsibility for the final-decision in all matters.

The participants identified that the real strength in the relationship between management and the union lay in the ability of each to influence the other. The basis for this, they concluded, was the sharing of information, the establishment of a consultative dialogue and critically, the discussion of options before a final decision is reached (see box 3).

At the workshop it became clear that the discussion of options, or option-based consultation, was a practical tool that could apply equally well in the workplace, where the SMT were keen to overcome management command and control and encourage greater staff involvement and self-management.

With these possibilities in mind, the workshop culminated with an undertaking to initiate a review of the existing recognition and procedures agreement, and disseminate the results of the staff survey. In addition, the IPA was asked to lead a structured dissemination of the new consultative approach being adopted by the management and union and provide training to senior managers, line managers and staff in how they could also benefit from this way of working.

The principle training sessions included:

- four training sessions for line managers about the outputs from the partnership development workshop
- eight training sessions for staff on how to use option-based consultation with their managers
- two follow-up training sessions with the line managers
- one team-building exercise for line managers.

A key success was the design of a partnership agreement (including the replacement of the JNC by a new Partnership Group (PG) in March 2003) and code of conduct to replace the existing recognition and procedural agreements.

The partnership agreement (see box 4) sets the standard of trust, respect, confidentiality and commitment required by UWH and Unison, while the code of conduct is a document

Box 3 - The IPA option-based consultation model

The IPA, as part of its consultancy work, has developed a consultative model based on the discussion of options.

The key steps of option-based consultation are:

- **identify business objectives** at the level of strategy and policy development
- **employers identify different options**, which are shared with representatives well in advance of any meeting
- **consultation starts before a decision is made**. Options are examined; representatives share views and offer alternatives. Managers take views and options on board, responding directly or promising to provide a fuller response at a later date. Representatives have a genuine opportunity to influence the outcome
- **managers consult informally and identify further options**, based on the action points derived above
- **the final decision is made by managers**. Representatives are given a reasoned response to the final decision, including why other alternatives were rejected
- **consultation over communication** ensures confidentiality remains intact and that all staff receive the same information
- **communication** takes place through direct communication channels
- management and representatives **continue to discuss related issues** and share progress updates.

designed for managers, union representatives and staff to work by on a day-to-day basis (see box 5).

The main purpose of the PG is “to provide a formal mechanism for informing and consulting with Unison about significant issues of mutual interest or concern” including:

- business strategy and performance
- the economic and financial position
- organisational structure and changes

- terms and conditions of employment
- health and safety
- equality and diversity
- employment policies
- the work environment
- training and development
- pay and benefits
- work-life balance issues.

Both management and union prefer to describe the role of the PG as consultative rather than negotiating when dealing with issues like terms and conditions, staff grading and equal pay. These are issues which

even the most enlightened partnership would usually consider reserved for the bargaining table.

These changes in the use of language may sound radical, but the really radical changes have been in the behaviours of the participants. Even the chair of the PG now alternates between the Association and Unison, and while in practice the composition of the committee is little different from that of the JNC it replaced, as David Williams puts it “in all other respects the new partnership group is unrecognisable.”

Box 4 - Extract from the partnership agreement (principles and values)

- Both the Association and Union accept that the efficiency of the Association’s operations, its long-term prosperity and the achievement of its stated corporate aims and objectives, are the true foundations of good employment relations
- Good employment relations are the shared responsibility of all partners (the Association, the Union and individual employees) and need the co-operation of all concerned
- All partners recognise and respect each other’s different and shared legitimate interests
- The Union recognises management’s right and duty to manage
- The Association recognises the right of its employees to belong to the Union, and of the Union to exercise its functions in representing the interests of its members in relation to business matters that affect them
- All partners are committed to a working relationship that focuses on improving the quality of working life for employees and maximises employment security
- The partnership is based on transparency, open access to and sharing of business information and full and early participation in the decision-making process in areas of shared interest
- All partners recognise and respect that confidentiality and sensitivity of information is paramount
- Both partners acknowledge the need to avoid damaging disagreements and misunderstandings and commit themselves to working towards agreement for the furtherance of the Association’s success and stability. Unresolved conflict is a sign of mutual failure.

The Association and the Unison commit themselves to these principles, values and objectives and agree that it is their joint responsibility to endeavour to ensure that they are implemented and maintained.

Box 5 - The code of conduct (extracts)

The code outlines the consultative approach to be adopted by UWH and Unison, and between UWH and the staff. The key passages refer to:

- the encouragement and facilitation of “two-way consultation and communication”; and
- “commitment to the full expression of legitimate interests” before action is considered or taken.

In addition the code specifically states that:

- “where business or operational circumstances are likely to affect employment conditions, e.g. staff levels, pay, working patterns, we (UWH) will take part in full, genuine and proportionate consultation at the earliest stage to consider the options available to minimise/reduce the effect of these circumstances”
- “if business or operational circumstances arise that require immediate attention we (UWH) will engage in genuine consultation as soon as possible with a view to reaching agreement”.

Both parties are committed to working together to resolve disagreements wherever possible. Although Unison have never undertaken a strike or supported any other industrial action at UWH, both recognise that disputes may occur from time to time.

Where a dispute does arise, the code sets out the processes for “maintaining conduct” and establishes an agreed pathway in order resolve the conflict:

- “any perceived breaches of this code of conduct should be discussed by the Partnership Group
- the partners should enter into genuine dialogue on building and maintaining relationships
- if the Partnership Group cannot resolve any partnership issue or need help to do so then the matter may be referred to an independent specialist or facilitator for support, e.g. from ACAS, IPA or TUC Partnership Institute
- where an independent employment relations specialist is nominated they will explore with the partners the root cause of difficulties encountered and will be asked to make recommendations as to how to reconcile the partnership
- where the internal avoidance of disputes procedure has been exhausted and a failure to agree has been registered in writing, all partners agree to use the services of ACAS, or any other agreed party. Where partners can agree a joint remit, ACAS will be engaged on arbitration. Where a joint remit cannot be agreed ACAS will be engaged on mediation”.

However, it is important to stress that the annual pay settlement is based on national pay negotiations between Unison and the National Local Government Committee. To a large extent these bypass the PG (as they did the JNC) and this has perhaps made the subsequent leap of faith into consultation on pay more palatable for the union.

PG meetings are held regularly at bimonthly intervals, or by mutual agreement and are subject to a quorum of two union and two management representatives. Any staff member, other than the chief executive, directors and the head of personnel can be elected to the PG as a union representative. Both management and union are entitled to bring one advisor to a consultation meeting, but only by mutual agreement and with at least two days notice prior to the meeting.

Outside the union-based consultation structure, UWH also operates a range of direct

communication and employee involvement initiatives that involve all employees.

UWH operates a number of organisation-wide communications initiatives, including:

- team meetings for two-way communication between managers and their staff
- an intranet system, for sharing information about the work of the Association and its staff (including the minutes from PG meetings)
- a magazine available to all staff, and
- regular staff surveys.

Key operational issues

Training

Trade union representatives receive training provided by Unison and may be sent on appropriate TUC courses. Existing representatives are entitled to up to three days paid leave per

annum for training. New representatives are allowed up to five days leave in their first year. Reasonable additional time off may be granted, subject to the consent of the chief executive. In addition, trade union representatives and management colleagues are encouraged to attend seminars and conferences.

The code of conduct also recommends “on-going training and development in partnership practices and behaviours” which the IPA continues to be involved in.

Sarah-Ellen Harris, head of personnel at UWH, explains that option-based consultation is a practical tool available at every level of the organisation. Making best use of that tool has been about raising the levels of “self awareness” among staff, managers and representatives about how people perceive them and their actions. “It is impossible to change behaviours without greater self-awareness”, she says.

Facilities and time off for general union activities

Unison representatives may make reasonable use of UWHAs premises, telephone, photocopiers and computers for conducting union business related to the work of the Association.

Representatives are also entitled to take reasonable paid time off, by prior arrangement with their line manager, to carry out union activities including organising and representing members.

Agenda-setting

Any member of the PG may place an item on the agenda. Both management and union representative's value its informality, however etiquette demands that issues are tabled prior to PG meetings. The partnership agreement does not identify no go areas for the PG.

Sharing information

The Association undertakes to inform Unison via the PG of information, which affects the interests of employees, including financial and operational performance issues, at the earliest possible stage. The Association believes that this information should be freely available to the union and the union accepts that information may be sensitive and agrees to respect confidentiality.

Information is shared in a methodical and consistent way to help build an understanding of the business context, which forms the parameters within which discussions take place, including about the market place, statutory, technological and financial environments.

Confidentiality

Neither the management nor the union representatives consider confidentiality a major problem. That is not to say that the confidence of either party was easily won and indeed both reflect on the time it has taken for trust to develop in order to get this far.

At senior management level, Gareth Hexter admits there were sceptics among the SMT about sharing confidential information with the union. But he accepts that this was an understandable reaction and one that could only be overcome by

experience. Something, which in retrospect was not as difficult as first imagined.

The union also struggled with its own issues about dealing with confidential information. Chris Rutson, Unison representative, was critical in overcoming concerns about the appropriateness of being party to information that representatives could not then share with their members.

Various options were discussed, including the option that representatives could walk out if they did not wish to hear confidential information. However Chris convinced them that managing confidential information was a key part of the role of a union representative, and one from which individuals could not absolve themselves of if management were to be able to share information at the earliest stage and give the union the best opportunity to influence decisions.

Communication

Both partners recognise and value formal communication channels. The PG also recognises that informal communications are invaluable in bringing about the speedy resolution of problems.

Where appropriate, joint communications are issued, however where this is not appropriate the principle of "courtesy viewing" is applied. In addition, both the Association and Unison have undertaken to avoid any actions or communications that may be defamatory or undermine the partnership, including the taking up of publicly entrenched positions.

Feedback

As noted, staff can access the minutes of PG meetings over the intranet. These are jointly agreed before publication and edited to remove any confidential information. The outcomes of particularly interesting consultations are also given prominent coverage in in-house literature and bulletins.

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Consultation in practice

Broadly speaking, consultation on major (undertaking level) issues takes place within the PG. Specific

issues may also be delegated to individuals or sub-groups.

As well as dealing with issues at an undertaking level, the facilitation and training provided by the IPA has introduced option-based consultation as a more effective way of working for line managers and staff. This has opened up decision-making throughout the organisation.

Area office relocation

As the partnership fund project was just getting started in the autumn of 2002, consultation with Unison at an undertaking level was already underway over opening an area office in Caerphilly and relocating some staff to Cardiff, some five miles away.

With facilitation from the IPA, the senior management were encouraged to explain their reasons for believing that the move would be in the best interests of the Association and be open and comprehensive in the way they did this.

Their arguments included the achievement of service and efficiency targets, but also other drivers such as strategic influence, political influence, diversifying the business, and being closer to key business partners.

Tony Whittaker, chief executive, outlined how he and his management team had given a great deal of consideration as to whether the organisation would be disadvantaged if they did not open an office within the booming economy of the Welsh capital.

This discussion provided the union representatives with a complete picture of the management's thinking. Yet, there was still a feeling, that the very nature of the issue under discussion produced a *fait accompli* of sorts in that the seemingly obvious answer to these business objectives was, indeed, to open an office in Cardiff.

Further discussions revealed that the reality was not quite so simple. In fact, the senior management team explored a number of options, including the operation of a virtual office, joining an existing group structure and even moving the entire organisation to Cardiff. The other option of doing nothing was also considered, as were the direct and indirect costs and disruption caused to the business and staff.

The union could see that there were serious business reasons in favour of the proposed opening of a Cardiff Office. From this position of mutual understanding about why the relocation should take place, the parties could then agree to adopt a consultative approach in relation to how the relocation would take place. This included a joint communication strategy, as well as consultation and the discussion of options about issues such as skills matching, selection criteria, child-care, flexible working, addressing peoples' fear of change, and how to take special individual circumstances into account.

The end result is that the Cardiff office is now up and running and, although a few residual issues are still being discussed, the move was accomplished with the assistance and contribution of staff and union.

Responsive repairs maintenance service

The responsive repairs maintenance team provides a key service to the organisation's tenants, and are on stand-by to provide unplanned or emergency repairs to the Association properties. Discussions surrounding the restructuring of the responsive repairs maintenance service are a good illustration of option-based consultation at team level, between staff and their managers.

The consultation included finding ways of encouraging better communication between the responsive repairs maintenance team and housing officers. As the consultation developed and options to meet this business objective were discussed, the staff in the area became involved in developing an agreed strategy.

As David Williams says: "We in the union, are keen to let people do their jobs. This is easier to do when you don't have to second guess a strategy in the dark." In fact, it was a member of staff who suggested a further option that the managers decided to adopt.

Shift patterns

When the organisation identified the need to review shift patterns for the Cardiff Housing Link Hostel, the initial consultation with the Unison representatives conformed to the option-based model, during

which a discussion paper was put together and subsequently issued to the staff. The business case and the options considered to meet it were outlined in the paper including the need to reduce the Association's reliance on agency staff and recruit additional permanent employees.

Once management made the decision about which option to adopt, the reasons why it was chosen and, importantly, why the other options were not, were explained to staff. Even though the option chosen resulted in a change from a 35-hour week to a 38-hour week, the shifts became more flexible and staff accepted the change.

What could have been a very difficult process - an increase in working hours is an emotive issue - went through smoothly and efficiently. The Unison representatives confirm that the staff are happy with the outcome.

Other examples

UWHA and Unison also draw attention to other areas where option-based consultation has been successfully implemented in relation to issues at the level of the undertaking, including: communications, childcare and flexible working.

Two particularly interesting areas in which the benefits of greater staff consultation and involvement are just coming to light include the management of empty properties (measured as the amount of rent lost from empty properties as a percentage of total rent) and the management of arrears (measured as the amount of rent due net of housing benefit as a percentage of total rent).

These are both areas in which the Association has traditionally struggled to perform against other housing associations in Wales, but believe that the improvements here are associated with increased employee involvement and consultation (see table 1).

There is also evidence that line managers are themselves being given greater autonomy and opportunities to involve their staff as a result of the delegation of responsibility for policies and procedures and the on-going

devolution of operating budgets to the line.

Assessment

As noted earlier, the staff survey identified important opportunities for improvement in the way senior and line management shared information and engaged staff in decision-making. As a result, a number of recommendations were made. Management and staff training has played a significant part in addressing these and between January and March 2004 the IPA repeated the survey and focus groups.

The surveys conducted in 2002 and 2004 are an important measure of how partnership ways of working have developed at UWHA in relation to a number of key criteria:

Vision and culture

To give a general picture of how understanding among staff about the vision and culture of the Associations has moved on in the last two years, the most recent staff survey offers a number of insights.

It reveals that a majority of the staff now believe a high level of trust exists between them and management. In particular, the focus groups have suggested that an important factor in this has been an improvement in the quality and quantity of face-to-face communication between staff and their direct manager (see information and consultation). Critically, this improvement is not just about management providing more information, but about staff being encouraged to innovate, and where appropriate, constructively challenge their manager.

These findings are supported by an increased majority of staff that believe mistakes are treated as an opportunity for learning and that blame is no longer the first reaction by staff and managers to problems. An important corollary of this is that a majority of staff now feel a sense of ownership for the organisation and its core values.

Information and consultation

Training staff and managers on option-based consultation has been particularly successful in encouraging managers to seek the views of their staff and has

has actually grown from under 30 per cent to 59 per cent since the partnership project began.

It is a popular view amongst some trade unionists that their members do not always trust partnership working and that traditional negotiations are the only way to achieve real improvements. The ability to negotiate is also often cited as the main benefit of belonging to a trade union, rather than being represented by a consultative council. Despite this, UWHa and Unison have adopted a consultative approach in their dealings and this has been given a resounding vote of confidence by the staff (see table 4).

There is no doubt that according to the focus groups this consultative approach has had a direct effect on Unison's ability to increase its membership. Some of the reasons for this include that:

- staff believe the union has become more effective in representing them
- the union is seen to work in a positive way with management and supports the interests of the Association
- UWHa actively supports trade union membership
- membership is not seen to be detrimental to individual's career prospects.

Future prospects

Housing associations have traditionally been regarded as the provider of last resort. "Our aim is to be a provider of choice" says Gareth Hexter. UWHa are working towards achieving this by collaborating in local community projects, developing new homes, improving existing ones and by improving day-to-day business performance.

The establishment of a strong partnership between UWHa and Unison is an important development for the Association. The partnership is supported from the top down and the union is seen by staff to have an important role in keeping the management honest. As such, the Association is pleased to see Unison's membership grow,

Table 3 - Partnership at work

Questions:	Agreed in 2004	Agreed in 2002
I understand the role of the board of management	58%	43%
I understand the role of Unison within the Association	74%	73%
I am familiar with the role of the Partnership Group	64%	36%*

*relates to the JNC which the partnership group replaces

Table 4 - Partnership at work

Questions:	Agreed in 2004	Agreed in 2002
Sensitive business information is shared with Unison	40%	13%
I prefer a consultative approach over traditional negotiations	85%	70%
Senior Management and Unison are successful in resolving issues	59%	32%

particularly in light of the information and consultation regulations and the importance UWHa place on the representativeness of the formal consultative structures.

Option-based consultation, supported by awareness raising and training has taken partnership beyond a small elite of senior managers and trade unionists and embedded it as a practical activity in the way people work. Together, UWHa and Unison provide visibility and legitimacy to the consultative process, something which both believe has had a critical impact upon the readiness with which staff and managers have adopted option-based consultation and change.

The principle of consulting rather than negotiating with the union has spearheaded a transformation in the involvement and empowerment of staff, which is slowly replacing traditional command and control ways of working with a more open and consultative culture. Staff perceptions about the union and its effectiveness have also improved, for which it has been rewarded with significant membership growth.

The benefits for the Association include a more efficient and responsive service for tenants and

the opportunity to expand into new areas of community care for vulnerable people and those with special needs. There is no direct financial incentive for staff to become more involved or assume additional responsibility, but as the staff survey indicates, most staff feel sufficiently rewarded by their job and recognise the Association as a good employer. "People do not leave to go sideways anymore, they leave to go up", says David Williams.

The challenge for UHWA will be to integrate the changes in management/union relations and wider employee involvement into the organisation's strategy. "You can't have partnership without empowerment", says Gareth Hexter. Maintaining and building on existing achievements will be a tall order, which is why it is also essential that the union is able to continue to produce highly skilled representatives who are able to challenge as well as co-operate with the Association.

This case study was researched and written by Robert Stevens, Research and Information Manager, IPA.

The views in this case study are those of the participants and may not reflect those of the IPA.



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