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Annual hours working in Ireland : an exploration of its extent, and examination of the experiences of management, unions and workers

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UNIVERSITY of LIMERICK

OLLSCOIL LUIMNIGH

**Annual Hours Working in Ireland: An Exploration of its
Extent, and Examination of the Experiences of Management,
Unions and Workers**

Lorraine White BBS, MBS (HRM)

Submitted in fulfilment of the requirement for the degree of Doctor of
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Supervisor:

Joe Wallace

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ABSTRACT

Annual Hours Working in Ireland: An Exploration of its Extent, and Examination of the Experiences of Management, Unions and Workers

Lorraine White

Annual Hours (AH) is a way of organising working time by averaging hours and pay across the year rather than the week or month. A claimed advantage of AH agreements is that they potentially offer mutual gains to management and workers. The dynamics of mutual gains is explored with reference to both systems theory and bargaining theory. Despite predictions of widespread take-up of AH in the early 1980s, research in the UK showed limited diffusion of AH there. There was a dearth of research on the exact extent of AH in Ireland but existing studies also pointed to limited take-up. This study set out to establish the extent of AH in Ireland; to determine why companies introduce AH and to examine the extent to which trade unions oppose or support AH. The study further sought to examine whether AH impacts positively or negatively on workers and to explore the link between AH and workplace relationships. In addressing these key questions, the research aimed to establish the circumstances under which AH are likely to lead to success and the factors that contribute to or curtail the suitability of AH.

Previous research on AH in Ireland suffered from a lack of information on the extent of AH, an overreliance on exemplar case studies, which examined limited factors and an absence of direct worker opinion. The methodologies employed for this research address these lacunae. The research adopted a multi-method approach and involved creating a database of AH agreements, detailed interviews with industrial relations actors, in-depth case studies and a survey of workers. The results are unique given that they are informed by direct worker opinions as this is the first time such a survey has been carried out.

The key findings of the research are that AH indeed has the capacity to generate mutual gains for management and workers and, even more importantly, these gains are fundamental in driving and sustaining AH. Gains are only possible, however, under certain circumstances and this explains the limited take-up of AH in Ireland. The ability of AH to deliver gains depends on suitable structural factors. While the introduction of AH can be facilitated by relationship training or workplace partnership, these are not prerequisites to successful AH nor are they necessary to sustain AH. The evidence is that management benefit from AH due to improved productivity, stabilised costs and a reduction in grievances. The gains to workers from AH are stabilised salary, fewer hours at work and better work-life balance. Despite minor issues around AH for workers, mainly in relation to call-ins, the evidence is that an overwhelming majority of workers view AH as preferable to alternatives such as standard working hours and overtime.

DECLARATION

This thesis is my own work and has not been submitted to any other university or higher education institution, or for any other academic award. Citations of secondary works have been fully acknowledged and referenced.

Lorraine White

February 2010

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LIST OF ABBREVIATIONS

AEEU	Amalgamated Engineering and Electrical Union
AH	Annual Hours
ATGWU	Amalgamated Transport and General Workers Union
BPBIF	British Paper and Board Industry Federation
CIA	Chemical Industry Association
CSO	Central Statistics Office
EIRO	European Industrial Relations Observatory
ESB	Electricity Supply Board
ETS	Educational Training Service
HR	Human Resources
IBEC	Irish Business and Employers Confederation
IRN	Industrial Relations News
ITN	Independent Television News
ITUC	Irish Trade Union Congress
LRC	Labour Relations Commission
MD	Managing Director
MSF	Manufacturing, Science and Finance Union
NCPP	National Centre for Partnership and Performance
NHS	National Health Service
PLN	Partnership Learning Network
PNR	Programme for National Recovery
SIPTU	Services, Industrial, Professional, and Technical Union
TEEU	Technical Engineering and Electrical Union
TQM	Total Quality Management
UCR	United Company Rusal
WERS	Workplace Employment Relations Survey

CHAPTER ONE – INTRODUCTION AND OVERVIEW

Introduction

This chapter presents an overview of the research and provides a context for the subsequent chapters. The chapter begins by outlining the background and rationale for this study. This explains the central ideas behind the research and why it was decided to explore annual hours (AH) agreements for this thesis. The broad research objectives are then presented. These objectives derived from the gaps identified in the existing research and were subsequently refined to formulate more specific research questions. Finally, the structure of the remainder of the thesis is set out which outlines the key points addressed in subsequent chapters.

Background and Rationale for the Study

The concept of AH is, as Arrowsmith (2007:423) notes, ‘deceptively simple’. It involves paying workers a set salary, usually on a yearly basis, and varying hours of work as required, according to the season or demand. Typically overtime is eliminated and a number of reserve hours are included which are paid for whether or not they are worked. A claimed key feature of such agreements is that they lead to substantial increases in productivity and deliver gains to the parties to industrial relations.

Yet this deceptively simple concept presents some complex conundrums. When AH first emerged in the UK in the early 1980s, the management literature, in particular, predicted it would be the ‘next big thing’ and that incidence of AH would escalate substantially (see for example Mazur, 1995). These predictions, although merely speculative, were understandable to an extent, as AH appeared to hold out the promise of mutual gains for both management and workers and so widespread take-up seemed logical. Yet subsequent research, in the UK at least, showed that the take-up of AH did not increase to the extent that had been predicted and, in fact, the diffusion of AH was quite limited. In an Irish context, no research existed to determine the exact extent of AH agreements, however, there were indications that AH was also not widely diffused in Ireland (Murphy and O’Reilly, 1997; Dobbins, 2003; Kouzis and Kretsos, 2003).

Interest in conducting this study arose for a number of reasons. Very little research on AH existed and much of the literature stemmed from management sources. One of the key limitations of the existing academic research was that it provided little by way of concrete explanation for the limited diffusion of AH (for example Dobbins, 2003). However, it substantiated suggestions in the management literature that AH had the capacity to generate mutual gains. A more significant limitation of the existing research, that motivated this thesis, was that very few studies on AH in an Irish context existed. Some notable success stories of AH in Ireland were identified early on in the research stages, for example Aughinish, but the research on AH in Ireland tended to be limited to exploration of exemplar cases of AH. These case studies tended to focus on the role of other variables, such as workplace partnership and so examination of the role of AH was neglected. Thus, there was only limited evidence of the circumstances under which AH agreements are appropriate and actually deliver the claimed benefits for the parties to industrial relations. Furthermore, while it was known that there were failed cases of AH agreements in Ireland, notably the Coca Cola experience, the reasons for such failures had not been considered in-depth. Case studies reported in popular management writings concentrated on success stories as companies are naturally disinclined to have their failures reported.

It was noted in the early stages of the research that there was a tendency for successful examples of AH agreements in Ireland to be accompanied by workplace partnership. Since 1996, there have been efforts to develop partnership at workplace level (see Roche and Geary, 2002), however, the empirical evidence doesn't indicate a supplanting of the adversarial system of distributive bargaining with integrative bargaining or workplace partnership (see Wallace *et al*, 2004). While workplace partnership was commonly associated with AH agreements in an Irish context, there was a dearth of research on the relationship between the two. In particular, there was a lack of clarity on whether workplace partnership facilitated the introduction of AH agreements or whether the mutual gains generated by AH facilitated the development of workplace partnership.

Within the (limited) academic literature on AH, a notable gap existed between the work of Gall and Allsop (2007) who claim that AH works to the detriment of employee interests and others (Bell and Hart, 2003; Kouzis and Kretsos, 2003;

Arrowsmith, 2007) who argue that workers can gain from AH. Albeit this academic research primarily stemmed from the UK, the debate on how AH affects workers merited investigation. In particular, the circumstances under which AH are likely to deliver gains to workers needed to be examined.

The debate on the impact of AH on workers was further complicated by the fact that the opinions of workers were severely neglected in the literature. While there was indirect evidence that workers potentially benefit from AH, very little direct evidence of worker opinion existed. Indirect evidence that workers potentially benefit from AH included opinions from trade unions representatives and management and evidence that, generally workers do not seek to opt out of AH agreements once they are introduced (see D'Arcy, 1998; Pasfield, 1999). However, this indirect evidence was not based on systematic studies and provided no indication of the aspects of AH that workers value, and the extent to which they perceive they benefit from AH. A combination of these factors triggered the investigation into AH and broad research objectives were identified.

Research Objectives

During the early stages of this research the research objectives of the thesis were driven by the gaps in the existing research discussed above. The key gaps identified were: lack of knowledge on the extent of AH in Ireland; limited explanations for the failure of AH to widely diffuse as predicted in the management literature; the dominance of exemplar cases and consequently the difficulty in determining the circumstances under which AH are most likely to be successful; lack of clarity around the link between AH and workplace partnership and an absence of direct opinions from workers about the extent to which they perceive they benefit from AH and the elements of AH that they value. The broad research objectives of the study were thus identified as follows:

- To determine the extent of AH in Ireland
- To consider why AH have not widely diffused
- To determine the conditions under which AH agreements are most likely to lead to success

- To establish whether a relationship between AH and workplace partnership exists and to explore the implications of this relationship for successful AH agreements.
- To ascertain the views of management and trade union representatives on different aspects of AH and
- To establish workers' perceptions of AH and, in particular, the extent to which they perceive they benefit from AH and the aspects of AH that they value.

As the study progressed, these broad objectives were refined to generate more specific research questions. Certain research questions were obvious following the literature review while others were established following initial exploratory meetings with key industrial relations actors.

The Research Questions

Five central research questions were examined in this thesis and each of these had one or more sub questions. The main research questions are outlined here and these, along with the sub questions are discussed in detail in chapter four. The key research questions for this study are as follows:

- What is the extent of AH in Ireland?
- Why do companies introduce AH?
- To what extent do trade unions oppose or support AH?
- Does AH impact positively or negatively on workers?
- Does AH affect relationships between workers and management?

These key questions were derived from the broad research objectives. Essentially the research questions were designed to ensure a focused approach to the collection and analysis of data. A key subsidiary question to the extent of AH in Ireland was the extent of trade union involvement in such agreements. In examining why companies introduce AH, an important consideration was to assess the prospects for success or failure of AH. In determining whether trade unions oppose or support AH, a supplementary question was the key issues around AH for trade unions. Furthermore, it was important to determine not just whether AH impacted positively or negatively

on workers, but also workers' perceptions of the impact of AH on pay, hours of work, home life and the role of their trade unions; the elements of AH that workers value and any perceived problems with AH for workers. The final question examined the affect, if any, of AH on relationships between workers and management with a focus on establishing any link between AH and workplace partnership.

The Research Methods

In addressing the research questions, a number of approaches were adopted. In establishing the extent of AH, a database was created using a number of informed sources as limited official statistics on AH in Ireland were available. This enabled details on companies with AH to be established, as well as determining the extent of trade union involvement in such agreements. Interviews with informed actors allowed a general overview of AH in Ireland to be established and provided key insights into other research questions such as the role of trade unions, the reasons companies introduce AH, the impact of AH on workers and any links between AH and workplace relationships. In order to examine the failure of AH to widely diffuse, case studies were used to explore the role of various factors, which allowed examination of the circumstances under which AH are most likely to be successful. This also addressed the dominance of exemplar cases by allowing comparisons to be made with a failed case of AH. The case studies were also appropriate to explore the link between workplace partnership and AH as they allowed detailed examination of the perceived role of workplace partnership in each of the companies studied. Finally, the absence of direct opinions from workers was addressed through use of a survey. While interviews with workers may have provided more in-depth exploration of workers' views, the survey was chosen as it enabled examination of input from a greater number of workers, particularly in relation to the extent to which they perceive they benefit from AH and the elements of AH that they value.

Thesis Structure

The structure of the remainder of this thesis is as follows. Chapter two sets AH in context and is essentially a discussion of the historical context of hours of work. This outlines key issues around hours of work for the parties to industrial relations and acts as a backdrop for the subsequent discussion on AH. Chapter three reviews the literature on AH and identifies the limitations of existing research. This allows the

gaps in the literature to be identified which are then subsequently addressed. Chapter four outlines the methodologies employed and identifies the limitations of these methodologies. The chapter explores the research across four phases. These include deciding what to examine, generating a preliminary narrative, exploring AH in-depth and discovering workers' opinions. Chapter five is the first of three findings chapters and presents an overview of AH in Ireland primarily using the findings from the database and the interviews. Chapter six is the second findings chapter, which sets out the case studies allowing an in-depth exploration of the key issues around AH. Chapter seven is the third findings chapter and focuses on the results of the worker survey. The results of the worker surveys in the three companies are presented together in one chapter, rather than with each of the case studies so that overall opinions of all workers surveyed can be highlighted. The eighth and final chapter draws together the key findings and reviews these in relation to the research questions. The chapter concludes by outlining the contributions of the research in terms of the methodological and theoretical contributions and the policy implication of the study.

CHAPTER TWO - ANNUAL HOURS IN CONTEXT

Introduction

The aim of this chapter is to set AH in context in relation to hours of work. This is important, as once established, systems of hours of work are impervious to change and AH needs to be understood in this context. While the focus of the thesis is on the Republic of Ireland, the UK experience is also relevant given the shared history and similar Anglo-Saxon labour market systems of both countries. The chapter begins with a brief outline of the typical industrial relations issues associated with hours of work. The effects of AH on these issues will be examined in later chapters. A discussion of the historical context of hours of work is then presented to highlight how the standard working week emerged. This is followed by an account of the rationale for overtime and the limitations of overtime are then discussed. A discussion on overtime is necessary as AH can be viewed as an alternative to overtime and is often introduced in organisations as a means of addressing high levels of overtime. This brief overview of the key issues relating to hours of work sets the scene for the detailed discussion on AH that occurs in the next chapter.

Standard Hours of Work

Hours of work have long been a contentious issue between employers and workers, with repeated conflict over the duration of working hours. As Blyton and Noon (2007:81) comment:

‘Since the early nineteenth century, the issue of the length of the working period has been a major focus for employment relations, with campaigns by workers and social reform groups to reduce working time regularly confronting employers opposed to any reduction in the length of productive activity’.

The duration of hours is but one source of conflict around working hours between employers and workers. There have also been (and continue to be) issues related to the effort employers expect from workers during work time, the distribution of hours between individual workers and of course, the pay received in return for all of this (see Adam, 1990; Salamon, 2000; Blyton and Noon, 2007). These issues around hours of work have implications for many areas of industrial relations and management of

workers, such as grievance and discipline, worker motivation and absenteeism. The key concern for management in all of this is the efficient use of labour during work hours and how this affects overall productivity and hence competitiveness. The effect of AH on these issues will be explored in detail in chapters five, six and seven.

Regulation of hours of work over time has generally resulted from intervention by the state, through collective agreements and via EU wide directives and legislation. The idea of AH developed as an attempt, within a regulated environment, to address the organisation of work hours within specific workplaces to make optimum use of work hours, which would meet both the needs of employers and workers. In order to explicate the background against which AH arises in a modern economy an examination of the main historical developments in hours of work is undertaken.

Historical Context

A complete review of the historical development of hours of work would require a thesis in itself and any extended discussion would distract from the topic of AH and unnecessarily protract the discussions in this chapter. However, it is necessary to give consideration to historical developments to understand the emergence of the standard working week, the rationale for overtime and the subsequent search for alternatives to overtime, which resulted in the emergence of AH.

A useful starting point for consideration of historical developments in hours of work in Great Britain is the Industrial Revolution when, it is generally considered, hours of work increased, and due to the increased use of machinery, the intensity of work increased (see for example Fothergill Robinson, 1913; Court, 1967; Cross, 1989; Voth, 1998). Workers began to seek reductions in the length of the working day, while employers resisted any reduction. This resistance was sometimes due to a fear that reducing hours would prove uncompetitive against those who kept hours of work high (see Walker, 1941). Little consideration was given to the effects of fatigue, poor health, accidents, absenteeism and sabotage on the productivity of workers who worked excessively long hours (see Rose, 1985).

The growth of trade unionism, of course, paralleled developments in the attempted regulation of work hours, at this time. As Court (1967:237) notes, ‘trade unionism and

the demand for a shorter working day grew together'. Changes in hours of work in a particular industry were often dependent on the strength of the trade union or unions within that industry. Lobbying of parliament, particularly after the extension of the franchise, played a significant part in securing legislation for hours reductions. Early legislation around hours of work, however, was industry specific, for example the early Factory Acts were confined to the textile mills. In addition, early legislation often only regulated the hours of women and children. This is generally thought to be due to humanitarian concerns for these groups of workers although others have argued that the focus on women and children was in reality an attempt to regulate hours for all workers, including men (see Walker, 1941). Nonetheless, Court (1967:247) notes that in the first half of the nineteenth century, 'the legal regulation of hours affected the few'.

There are a number of reasons why workers and trade unions fought for shorter work hours including the following: to protect worker's welfare by limiting hours, to reduce unemployment by spreading employment¹, to increase pay and leisure time for workers, and overall, to improve workers' lives (Cross, 1989). The reason why employers so staunchly resisted any reduction in basic hours of work was because workers and their trade unions generally sought shorter hours without any corresponding reduction in pay. Furthermore, reductions in hours of work were difficult to reverse. From the employers' point of view, based on the assumption that any decrease in the number of hours worked automatically meant a decrease in production, there was a resistance to the increase in unit labour costs that would result. Any increase in unit labour costs put employers at an obvious competitive disadvantage in relation to other employers who kept hours long.

Campaigns for shorter working days in different industries occurred with varying degrees of success throughout the 19th Century. Workers and their trade unions gradually gained reductions in hours of work, seeking first the ten-hour day, and then the nine-hour day. Generally, the stronger trade unions secured hours reductions in their particular industry first, and this reduction gradually spread throughout the workforce. McCormick (1959:428) gives the following examples:

¹ The theory being that if, individually, workers work fewer hours then a larger number of workers can benefit from the work available.

‘In 1834 the building trades workers obtained the ten-hour day, and in 1836 the London engineers benefited by a similar working day. From 1834 to 1847 the ten-hour day was gradually introduced into these two trades in most large towns and was secured for textile workers by the Ten Hours Bill in 1847. The Nine Hours Movement, which suffered setbacks in the fifties and sixties, was successful in 1871 when the 54-hour week was granted to builders and engineers’.

Towards the end of the 19th Century and into the 20th Century, the eight-hour day became the general target for workers. Geoghegan (1985:60) notes that in 1886 the International Association of Working Men’s slogan was ‘8 hours work, 8 hours leisure, 8 hours sleep’. Again, any legislation that was enacted tended to be industry specific in this regard. The Coal Mines Act of 1908 gave the miners the eight-hour day². The example of this group provides a good illustration of how difficult the task of reducing work hours was, and how long it took to secure reductions in hours. Cross (1989) for instance notes the eight-hour day for miners was first proposed in Parliament in 1890 and was repeatedly frustrated³ until eventually in 1906 the Liberal government supported an eight-hour Bill and a select committee supported legislation. Other groups of workers around this time secured reductions in hours through collective agreements rather than legislation. ‘In the UK it was estimated that by 1919 over 4 million workers out of a working population of 12 to 16 million had had their hours of work reduced to 48 or less by voluntary agreement’ (Evans, 1975:8).

Ireland

The focus thus far has generally been on hours reductions in the UK as much of what occurred in the UK in relation to hours of work, particularly before the foundation of the state in 1922, filtered across to Ireland⁴. The focus of this chapter is the nature of *how* hours reductions happened rather than specific reductions in hours that occurred

² It is interesting to note that the miners campaign was specifically for an eight-hour day and not a 48-hour week as during a downturn in trade there was a tendency to reduce the number of days worked in a week but to lengthen the hours worked per day to save costs for the employers (see McCormack and Williams, 1959).

³ The campaign for hours reduction was frustrated both by employers generally and miners in the Northumberland and Durham mines who believed changes in shifts would disadvantage them (see McCormack and Williams, 1959 for a detailed discussion).

⁴ Geoghegan (1985:181) notes however that reductions in hours arising from legislation had little impact in Ireland at this time where textile and coal-mining industries were practically non-existent.

and so the examples from the UK are useful in also explaining developments in Ireland at the time. Generally, progression towards a 40-hour week was slow and reductions in hours were gradual. This move towards a 40-hour week was connected with the move for free weekends. The reduction of hours in Ireland followed a similar pattern to that in the UK with gradual reductions in hours in certain industries (with strong trade unions), which eventually spread to other groups of workers. Roche (1983) refers to this pattern as ‘hours rounds’, which are similar to wage rounds but less frequent and last longer.

Ireland has seen three periods of ‘hours rounds’, the first just after the First World War, the second in the 1960’s and the final one in 1987 (Geoghegan, 1985; Wallace *et al.*, 2004) ⁵. Geoghegan (1985:163) gives this account of the first hours round in Ireland.

‘The first hours round in Ireland occurred against a backdrop of an international movement for a 48-hour week. This target was reached for most workers during the hours round. In 1919, the ITUC target was revised to a 44-hour week. Some workers secured shorter hours than a 48-hour week, but mainly in Dublin and Belfast.’

The second round, which did not occur until the 1960’s, sought the introduction of a 5-day working week or a 40-hour week. This round was led by the builders group in Dublin who sought a two and a half hour reduction in their standard working week. As Geoghegan (1985:183) notes ‘the well known building strike over the issue of a 40-hour week, which occurred in Dublin in 1964, sparked off the next phase of hours reductions in the 1960’s in Ireland’. The strike in the building industry lasted 12 weeks and was one of the largest ever to take place in Ireland. By the mid 1970’s a normal working week of 40 hours had become standard in Western Europe (Geoghegan, 1985:61).

The third hours round in Ireland emerged as part of the Programme of National Recovery (PNR), which was the first of seven national social partnership agreements⁶.

⁵ In the U.K. the method of hours reduction continued in the ‘hours round’ pattern although the number of rounds and the types of reductions achieved differed to Ireland in the mid to late 20th Century.

⁶ Social partnership agreements in Ireland were the result of periodic national level bargaining between the government, trade unions and employers’ groups. These agreements cover issues such as pay,

Wallace *et al* (2004:201) note ‘the general provision for a forty-hour working week was established in the early to mid-1960s in a series of groundbreaking industrial disputes – this was subsequently reduced, without overt conflict, to thirty-nine hours as part of the Programme for National Recovery 1987-1991’.

Variations across Sectors

It should be noted at this point that reductions in hours of work were not uniform across all groups of workers, either in the UK or Ireland at any particular time. Variances in basic hours of work were quite significant in different industries both within and between the UK and Ireland throughout the 19th and 20th Centuries, and to a certain extent, still are. McIvor (2001:114) notes:

‘In the 1880’s the 10-11 hour (two-break) working day, constituting around a 60-hour, 5 1/2 day working week was common in manufacturing... National government employees, building workers, printers, engineers and coal miners were amongst those working the lowest hours, at 45-55 per week. At the other extreme, sweated clothing workers, domestic servants, carters, agricultural labourers, catering and shop workers commonly toiled for more than 80 hours a week’.

While the miners achieved the eight-hour day (48-hour week) in 1908, it was customary for other groups of workers to work much longer hours at that time. Between 1913 and 1915, for example a working week of 54-57 hours was standard in Ireland for building trade operatives (see Geoghegan, 1985:153).

It wasn’t until 1997 that Ireland introduced legislation to cover maximum hours of work of all workers in the Organisation of Working Time Act (1997) thereby implementing EU Directive 93/104/EC. Prior to this, legislation, as in the UK in the early 19th Century and afterwards, regulated only specific industries. Examples in Ireland include the Night Work (Bakeries) Acts, 1936-1981 and the Shops (Conditions of Employment) Act, 1938 and 1942, which regulated the hours of work in industry and shops respectively (Meenan, 1999). The Organisation of Working Time Act (1997) is designed to protect the health and safety of workers and includes measures to regulate length of time spent at work, work breaks, paid holidays etc. The

taxation, and other social and work related issues. The PNR was negotiated in 1987 and included a provision for a reduction of one hour in the standard working week.

Act provides for a legal maximum of an average of 48 hours a week and this can be averaged over different periods up to a year by collective agreement (see Meenan, 1999 for a detailed discussion). Much of the rules and practices around hours of work in Ireland are still based around collective bargaining arrangements with legislation having a role in setting limitations⁷. The focus of this thesis is on AH agreements, typically an outcome of company-level collective agreements. Therefore the role of legislation is limited as the process of how these agreements are negotiated is more significant.

It was noted at the start of this chapter why hours of work have such potential to cause conflict between workers and managers. This section has outlined how stepped reductions in working hours occurred during the 19th and 20th Centuries in the UK and Ireland. It can be seen even from this very brief synopsis, and the examples of the miners and builders strikes, that there has been much conflict around hours of work between management and workers with governments intervening at times to regulate this area. Regulation of hours of work has not eliminated the conflict around hours of work. Workers and management still have different needs and wants when it comes to hours of work. Put simply, management want to be able to gain as much productive hours as possible while keeping costs low while workers want shorter hours of work or if long hours have to be worked, they, at least, want to be compensated well for this. It is as a response to these different needs, along with the requirement to operate within a regulated environment that the practice of overtime developed. The next section looks at the rationale for overtime from both employers and workers' perspectives.

The Rationale for Overtime

We have seen how hours of work have been a contentious issue for management and workers since the onset of the Industrial Revolution. The main reason for this conflict has been simplified as being managements' want for longer hours to meet demand or production requirements which is at odds with workers' want for shorter hours.

⁷ The UK fought for the provision of an opt-out clause from the EU Directive 93/104/EC which means that individual employees can by consent work more than the hours limits laid down by law. Ireland has not implemented such an opt-out clause for individual employees but collective agreements play a significant part in the regulation of work hours. For example the PNR provision for a reduction of one hour in the working week was widely implemented in both union and non-unionised firms (see Wallace *et al*, 2004).

However, if longer hours are to be worked, workers seem agreeable to this if additional money is earned in return for working them. The Webbs (1897:46) noted this tendency: ‘keen as is the average working man to secure more time to himself, he is far keener to obtain more money to spend’.

Thus, the difficulties faced by both management and workers in relation to working hours appear to be resolved, to some extent at least, through the practice of overtime. Freyssinet and Michon, (2003) define overtime hours as ‘those worked above a certain threshold of working time, which attract enhanced compensation for the worker, either in the form of an increased rate of pay or time off in lieu’. Thus it can be seen that overtime allows management to gain the additional hours they require while also allowing workers to receive either a premium overtime rate or time in lieu, with the former option generally preferred by trade unions. While time off in lieu is possible, in practice, in the UK and Ireland at least, overtime is generally considered to be hours worked in addition to ‘normal working hours’ that receive a premium hourly rate of pay. This rate of pay can vary and is normally expressed as a fraction of the ‘standard’ hourly rate. In other words, overtime may be paid at time and a quarter, time and a half etc. or in some instances double or even triple time. It is often customary for the rate of pay to increase as the hours of overtime worked increase, for example the first x number of hours may be paid at time and a quarter and any hours worked after that at time and a half and so on (see Whybrew, 1968). Additional payment is based on collective agreements and generally established norms rather than any legal entitlement⁸.

Arrowsmith and Sisson (2000:303) note ‘the ease and simplicity of overtime working makes it appealing to managers and the premium rates which it can attract offer obvious benefits to employees’. They further suggest that the voluntary nature of overtime means it ‘fits easily into the decentralized and informal structure of British industrial relations’. Overtime is particularly appealing to employers where demand is unpredictable and in situations where the need for additional hours is such that it does

⁸ In certain industries, however, Joint Labour Committees (JLCs) set legally binding overtime rates. JLCs are statutory bodies which set minimum wages and conditions of employment for particular groups of workers through Employment Regulations Orders (EROs) (see O’Sullivan, 2005).

not justify the costs involved in hiring additional part-time or temporary workers, particularly if this would involve training these new employees.

The previous section of this chapter discussed the reductions in standard hours of work that occurred during the 19th and 20th Centuries. Some would argue that these reductions have been counteracted by the practice of overtime. The Webbs noted ‘the practice of systematic overtime had neutralised the Nine Hours Victory’ (Webb and Webb, 1920:391) and McCormick (1959:429) noted ‘the benefits of a shorter working week have been offset by the persistence of overtime working’. Others argue that one of the reasons for campaigns to reduce hours was to increase pay by ensuring that normal working hours were reduced, thereby leaving more hours available to be worked as overtime and thus paid at a premium rate. In fact, at times, conflict arose between trade unions and their members in relation to overtime. At a national level, trade unions may have been opposed in principle to any overtime while at shop floor level, workers fought for their right to have overtime to increase their pay. McCormick (1959:428) for example notes:

‘Trade union leaders have had difficulty in restraining their members from working what they regarded as excessive amounts of overtime. Some union leaders have even objected to rank-and-file demands for reduction in hours of work, on the grounds that the members are really after more hours at overtime rates’.

This may introduce a policy difficulty for trade unions in relation to overtime, but seems to indicate that while workers may seek lower hours; the ‘pull’ of additional pay may be stronger than the desire to actually work lower hours. Irrespective of the debate on whether or not overtime offsets the benefits of the shorter working week, it is true to say the practice of overtime took hold in the U.K. and Ireland following reductions in standard hours and, despite increases in different types of flexible work forms in recent times, the standard working week supplemented by overtime remains a popular way of organising working hours in many industries. As Pasfield (1999:46) notes, ‘in many of the older industries and indeed in a significant number of newer ones, the overtime culture has built up’.

So why are workers willing to work overtime, and why are employers willing to pay a premium for it? There are a number of reasons why workers are willing to work

overtime. An obvious benefit for workers is the premium rate that overtime attracts so they have the opportunity to earn more money per hour than they traditionally do. In addition, overtime is largely voluntary and so workers have a choice of accepting less money for less hours or working additional hours for additional money. Therefore, overtime also addresses the issue of differences in individual preferences between workers.

For employers, given the rigidity of regulated standard work hours, overtime is a way of introducing flexibility and allows employers to meet production needs or fluctuations in demand. As Geoghegan (1985:75) puts it, ‘increased overtime appears to be an important instrument for employers, in the short term, for cushioning the unfavourable repercussions on the level of production of an agreed reduction in working hours’. In addition, overtime can be less costly than the alternatives available to employers such as, hiring additional staff in the form of temporary or part-time workers or operating at reduced capacity by only working standard hours. Hiring temporary or part-time workers involves additional recruitment and training costs, while overtime removes the need for these and other additional costs such as PRSI⁹ for newly hired employees.

Freyssinet and Michon (2003) summarise the overtime situation as follows: ‘Overtime remains a significant issue in working time across Europe, regarded by many employers as a vital element in achieving flexibility and by many employees as an important source of income’. Overtime therefore appears to serve the needs of workers and managers and seems to be a relatively easy way of doing so. ‘Not much managerial effort has been required to persuade people to work overtime’ (Whybrew, 1968:40). Overtime, both as a means of achieving flexibility for employers and as a means of securing increased earnings for workers however, has limitations, which are now considered.

The Limitations of Overtime

When the practice of overtime is examined more closely, it becomes clear that there are also many disadvantages to overtime for both parties and, in particular, that there

⁹ Pay Related Social Insurance; a compulsory contribution under Irish law which employers pay for each employee. This payment contributes towards social welfare benefits.

can be much inefficiency associated with overtime. One of the main disadvantages of overtime for both workers and management is the tendency for both parties to become over-reliant on it. Overtime frequently comes to be regarded as 'guaranteed' or 'institutionalised' in an organisation and begins to form such a significant portion of workers overall wage packet that it becomes a habit that is difficult to break and at times when overtime is not worked, the reduction in the weekly pay packet is felt severely. The following quote from Pasfield (1999:46) exemplifies this point:

'Staff have come to rely on the money that they earn in their overtime. Any attempt to work faster is resisted, because that automatically means lower incomes. The culture becomes widespread'.

Workers' reliance on overtime may stem from a desire to earn more money to increase material wealth and luxuries and this is undoubtedly sometimes the case. However, workers often become reliant on overtime simply to earn an adequate wage. 'Part of this sustained post-war overtime in Britain has been deliberately contrived for no other purpose than to produce an adequate weekly pay packet' (Whybrew, 1968:5). Management too may become reliant on overtime and use it regularly without really thinking about why it is being used. 'It has usually taken a powerful outside influence to cause factory managers to question the use made of overtime working in their establishments' (Whybrew, 1968:74). The use of overtime in itself tends to give rise to a self-sustaining demand for its maintenance and extension, i.e. the more workers work overtime, the more they become reliant on it and expect it from management. Similarly management may be prepared to offer overtime simply because it has become a 'habit'. Therefore, a practice that is often promoted as a form of flexibility in the workplace may become rigid and significantly inflexible as it becomes 'institutionalised' or 'guaranteed' in an organisation that has developed an 'overtime culture'. Whybrew (1968:60) suggests that

'Overtime is not the flexible instrument it is often made out to be and anyone working out the cost of achieving a given objective by overtime should also consider the cost of having to maintain it or to allow others to work it when it is less necessary'.

One of the key difficulties with overtime is that it is based on the premise that hours and productivity are linked in such a way that an increase in hours means an increase in productivity and a decrease in hours means an automatic decrease in productivity. McIvor (2001:115) describes this as, 'the old classical economist orthodoxy that

output always increases or decreases exactly proportionate to the hours worked'. Whybrew (1968:57) asks the key question – 'does increasing overtime increase output, and would reducing it cut output?' He cites a number of studies that show that hours and output are not necessarily so simply linked. For example a case study of 56 workers in Britain during the Second World War showed that when their average hours were reduced from 58.2 to 51.2 per week, production rose by 22 per cent (see Whybrew, 1968). This scenario has also been noted by others and based on links between work hours and production as far back as the early 19th Century. Commenting on that period, Rose (1985:70) makes the following observation:

'Robert Owen had reduced hours in his New Lanark factories to ten and half hours a day, when fifteen or sixteen were common elsewhere, with no loss of output. At the opposite end of the century the Salford Quaker magnate Mather had reduced weekly hours from fifty-three to forty-eight in his engineering factories. This had actually resulted in increased production'.

Despite this evidence from as far back as the early 19th Century, that hours of work do not necessarily correlate directly with levels of production, overtime continued to remain prevalent in many industries and still is to this day. As far back as 1968, Whybrew (1968:57) argues, 'Overtime is not fulfilling the functions claimed for it. Far from assisting in the achievement of maximum output it appears to encourage a waste of resources and productive inefficiency'.

An indication of the potential inefficiencies of overtime is provided if we look, not just at how hours of work and production are linked, but at the link between overtime and the incentives it gives to workers. It has already been noted that despite workers' claims for shorter hours the 'pull' of additional pay seems stronger than the desire to actually work shorter hours. This is why many workers are willing to work overtime and often, willing to work long hours of overtime to earn additional pay. It has also been noted that workers often become reliant on this additional pay. Put simply then, there is incentive for any worker who wants as much pay as possible, to work as many hours as possible (including, in fact especially, overtime hours).

Pasfield (1999) explains this point well when discussing the notion of *Kaizen* as an element of Total Quality Management (TQM). The *Kaizen* concept is that staff involved in actually carrying out any action should spend a significant part of their

time devising ways of doing it better, or with less effort and time. In an overtime situation, however, doing a job in less time, means less money and Pasfield (1999:150) asks the question 'who will be diligent in searching for ways to decrease their earnings?' The economic incentive for workers in an overtime situation therefore is to search for ways of being inefficient so that more hours have to be worked to get a job done, so that more pay can be earned. In addition to giving workers an incentive to work inefficiently, overtime may also be the source of grievances both between workers themselves and between workers and management. Issues such as who gets overtime, how much overtime they get and how often all need to be dealt with by management. These issues are explored in later chapters.

Still another example of the inefficiency of overtime is linked to its use to cover absenteeism. Heyes (1997) studied a chemical plant where workers systematically engaged in 'knocking'. 'Knocking' works as follows:

Worker A calls in sick to work and (assuming a sick pay scheme that provides full pay) is content to get a full days pay while he is off. Worker B is called in to cover Worker A and gets a full days pay (or more depending on the overtime provisions) for covering. Both are happy. At another time (perhaps depending on shift patterns) Worker B calls in sick to work and Worker A is called in to cover him and so on.

This can create a number of problems for management. Firstly, there is an additional cost of paying both the worker who is out and the worker who is covering. Secondly, it puts pressure on management to deal with sicknesses and try to distinguish genuine absence from 'knocking'. Elimination of the sick pay scheme would unfairly disadvantage those workers who are genuinely out sick and would be sure to cause grievances and disputes between management and workers and so the situation is difficult to manage.

It appears from this discussion that the inefficiencies of overtime can disadvantage management and that workers have found ways of making overtime work in their favour. However, while workers gain from the additional pay overtime brings, they lose out severely in other ways due to the additional hours they need to spend at work to earn such pay. While overtime may benefit workers financially in the short run, it has potential negative consequences in the long run for other areas of workers' lives

such as health, leisure time and family. Arguably, workers would be better off if they could secure higher earnings for standard hours that would negate the need to work excessively long overtime hours.

Despite these disadvantages, overtime remains a common way of organising working hours in many sectors. Gall (1996:40) for example notes 'hours of overtime work and overtime payments in Britain continue to be relatively high'. Of course, overtime is only one of a number of flexible working techniques and part-time work or shift work for example may also be used to achieve working time flexibility. However, the use of these alternatives does not exclude the use of overtime as a number of different flexible working techniques may be used simultaneously. Overtime may be the preferred choice of achieving flexibility as other alternatives for management, such as hiring additional staff would most likely prove more costly. The alternatives for workers who require additional income may be to get a second job or to cut back on luxuries (or in some cases even essentials) and live on basic earnings. In the past few decades, however, an alternative technique for organising work hours has emerged which claims to simultaneously meet the needs of both management and workers, without the disadvantages and inefficiencies associated with overtime. This technique is the practice of annualising working hours, commonly referred to as annual or annualised hours (AH). The next chapter looks at AH in detail and explores the key industrial relations issues associated with such agreements.

Summary

This chapter began by discussing the typical industrial relations issues associated with hours of work such as the length of the working day, the effort required from workers during hours of work and the link between hours and pay, motivation, discipline and grievance and absenteeism. It was noted that a key concern for management is the efficient use of work hours. A discussion of the historical context of hours of work showed how gradual reductions in hours of work occurred in the UK and Ireland since the Industrial Revolution and led to the reduction of the standard working day or week. An analysis of overtime followed, which highlighted the benefits of overtime for management and workers but also its limitations. The key limitations of overtime include the incentives it creates for workers to be inefficient and consequently the disadvantage of having to work long hours for workers. For employers overtime can

be both costly and inefficient. It was noted that AH emerged as an alternative to overtime and is a technique that claims to meet the needs of both management and workers. A detailed discussion of AH is presented in the next chapter.

CHAPTER THREE - A REVIEW OF THE LITERATURE ON ANNUAL HOURS

Introduction

This chapter presents a review of the literature and existing research on AH, thus providing a backdrop to the research questions outlined in the next chapter. A broad explanation of AH is first given and its origins explored, both in Scandinavia and its subsequent transfer to the UK and Ireland. Next, the concept is discussed in more detail to examine the central ideas behind it and how it works on a practical level. The legislative framework within which such agreements operate in Ireland is then briefly examined. The potential benefits of AH for both employers and workers, as outlined in the literature, are then discussed. The extent of these agreements in the UK and Ireland is examined briefly, and this highlights both their restricted take-up in the UK and the limited information around their take-up in Ireland. Then, the potential drawbacks and possible reasons why organisations don't introduce AH are outlined. In order to gain an insight into the impact of AH on workers, the attitudes of trade unions are examined. An analysis of systems theory and negotiating theory allows frameworks through which AH agreements can be examined to be highlighted. Finally, a review of the limitations of previous research is discussed. This highlights the lack of authoritative studies in Ireland and in particular, the absence of worker opinion - a lacuna that this thesis sets out to remedy.

What are AH Agreements?

AH work by averaging hours (and pay) across the year rather than the week or month. A salary is paid on a regular basis but hours worked can vary, as required according to the season or demand. D'Arcy (1998:3) notes for example that employees may be 'contracted to work 1808 hours a year rather than 39 hours a week'. Reilly (1998:12) defines AH as 'flexibility to vary actual working time within annual total contractual hours' while others (Clutterbuck, 1982; Gall, 1996; Berg, 2003) refer to it as the 'flexi-year'. Kouzis and Kretsos (2003) note that the terms 'annualisation' or 'AH schemes' often refer to *any form* of working where hours are scheduled over a time period of longer than a week (for example over three or six months). For the purpose of this study, a broad definition of AH is adopted which includes any form of averaging hours across a particular reference period other than a week. In most

instances, however, where the term AH is used, it refers to hours averaged over the year (or what Kouzis and Kretsos (2003) term ‘annualisation proper’).

AH systems are designed so that workers work only when they are needed, thereby reducing idle time. While in standard hourly work arrangements, peaks in demand might be covered through overtime, or employing temporary workers, AH allows for organisations to closer match working hours to organisational demands (see Gall, 1996; D’Arcy, 1998; Bell and Hart, 2003; Kouzis and Kretsos, 2003; Arrowsmith, 2007). D’Arcy (1998:9) notes ‘through the AH contract overtime is effectively removed’. Typically, a number of ‘reserve hours’ are incorporated into contractual hours with some or all of these not being worked. These are essentially ‘saved’ hours, which can be used to cover for incidents such as absenteeism, holidays, training or sudden increases in demand (see Naughton, 2000; Bell and Hart, 2003; Arrowsmith, 2007). The benefit for workers is that they get paid for a total number of hours whether all of them are worked or not. The use of reserve hours, rather than overtime, acts as an incentive for workers to minimise the use of those hours (as they are paid for in advance). This encourages efficiency among employees and eliminates any incentive they may have to ‘manufacture’ unnecessary overtime. To compensate employees for the loss of overtime, average hourly pay under AH contracts is typically higher than under standard contracts, as a percentage of previous overtime earnings is usually included in the calculation of the AH salary. A number of authors have attempted to ‘sum up’ the central idea behind AH. This has been variously described as ‘wrapping the labour structure around real organisational demands rather than the other way around’ (Mazur, 1995); ‘closely matching labour resources with demand’ (Hung, 1998); and ‘shifting the emphasis from ensuring that hours worked are paid for, to ensuring that hours paid for are worked’ (Heyes, 1997).

The Origins of AH in Scandinavia

The idea of annualising working hours is credited as having originated in Scandinavia’s pulp and paper industries in the mid-1970s¹⁰ (Gall, 1996; Darcy, 1998;

¹⁰ Earlier antecedents of AH agreements in the UK have actually been traced to Sevalco in Avonmouth in 1956 but these were stand alone developments and do not seem to have influenced contemporary developments (D’Arcy, 1995; Gall, 1996). Curson (1986) and Gall (1996) note AH were also developing in France and West Germany in the mid-1970’s, however it was the Scandinavian influence that was most significant to developments in the UK.

Kouzis and Kretsos, 2003; Gall and Allsop, 2007). Between 1975 and 1977, for example, new government regulations in Sweden reduced the number of hours in the working week, which could have meant a huge increase in overtime, and hence costs, for the industry. ‘By increasing the number of shifts to five or six, while taking advantage of a national agreement allowing them to annualise the hours worked, companies were able to maintain continuous production without hikes in overtime’ (Mazur, 1995:43). Although the Nordic countries were central to the development of AH, it is difficult to accurately estimate the extent of AH today operating in Scandinavian countries. Berg (2003), commenting on Sweden, writes ‘it may not be found out exactly how many workers are actually involved, as collective agreements at local level in general are not registered’. Similarly, Jørgensen (2003) referring to Denmark, notes ‘only limited statistics exist on this issue, mainly because it must be agreed locally’. Kauhanen (2003) comments that ‘Statistics Finland’ ‘does not collect data on working time arrangements such as AH on a regular basis’, while Lismoen (2003) notes ‘there is no data available to give any assessment of the extent of AH schemes in Norway’.

Developments in the UK

It wasn’t until the late 1980s that AH emerged in the UK. Gall (1996) notes some examples of AH being considered in the UK in the early 1980s. ‘In 1982, the CIA produced a report considering AH. Blyton (1992:30) notes ‘in the mid and later 1980s, there was considerable discussion over AH as a contractual means of achieving temporal flexibility’. In 1986, the Engineering Employers Federation and the Confederation of Shipbuilding and Engineering Unions acknowledged that AH could be used to reduce hours and overtime’ (Gall, 1996:39).

One of the first significant examples of AH in the UK was its introduction in the British paper industry. In 1982 the British Paper and Board Industry Federation (BPBIF) entered an agreement with their trade unions for AH (see Blyton, 1995; Gall, 1996; D’Arcy, 1998; Kouzis and Kretsos, 2003)¹¹. Mazur (1995:43) notes that the AH system in Scandinavia’s paper and board industry was ‘studied with great interest by

¹¹ Arrowsmith (2007) observes that this agreement was unusual for the UK, as it was introduced by means of a sector-level agreement. He notes that such arrangements have now virtually disappeared in the UK.

the British paper industry when it too was faced with a drop in the working week from 40 to 39 hours'. Curson (1986) suggests a direct link between developments in Scandinavia and the UK, in that it was the threat of competition from Scandinavia that prompted the British paper industry to examine AH. The shift to AH was seen as a way of allowing for flexibility and reductions in levels of overtime whilst still allowing continuous production. Subsequently, throughout the 1980s and 1990's, AH spread to a number of other industries in the UK. Mazur (1995:44) comments 'the example in the paper and board industry has since been followed in the United Kingdom by other sectors including oil and chemicals, brewing and food processing as well as service organisations such as hospitals and local government'. There are a number of examples of high-profile companies cited in the literature that have implemented AH in some form in the UK. These include Blue Circle Cement¹², ICI Chlor Chemicals, Independent Television News (ITN), Tesco Stores, the National Health Service (NHS) and BP Chemicals (see Blyton, 1995; McMeekin, 1995; Gall, 1996; Arrowsmith, 1998; Bell and Hart 2003; McBride, 2003; Arrowsmith 2007; Gall and Allsop, 2007).

AH in Ireland

Wallace and White (2007a) suggest that the first AH agreements in Ireland can be traced to the late 1980s and early 1990's. Some of the earliest agreements include companies such as Fruit of the Loom, GE Superabrasives, Avonmore Foods, Shannon Aerospace and Irish Cement (see D'Arcy, 1998; Wallace, 2002). Dobbins (2003) cites other early examples, such as the agreement between SIPTU and Shannon Aerospace in 1993, which provided for aircraft maintenance technicians to work AH. In this instance an annual premium was paid to employees (5 per cent of salary) as a 'trade-off' to compensate for the changes involved. 'Another notable AH agreement was concluded in 1997 between SIFA Ltd, a chemical/pharmaceuticals firm, and SIPTU' (Dobbins, 2003). Perhaps the most publicised example of AH in Ireland, is that in Aughinish Alumina¹³ which is often cited as an example of a company that 'turned itself around' from being on the brink of closure to being a highly successful organisation. The exact role played by AH in this turnaround varies between different accounts (see for example National Centre for Partnership and Performance, 2002;

¹² AH in this company have since been abandoned. This is discussed later in the chapter.

¹³ Now called RUSAL Aughinish following a takeover by a Russian company.

Dobbins, 2007a; Wallace and White 2007a). The practice of AH spread to a limited extent in Ireland throughout the 1990's, and this is sometimes attributed to the introduction of the Organisation of Working Time Act. Dobbins (2003) notes 'the number of AH collective agreements at company level in Ireland has undoubtedly increased since the Organisation of Working Time Act came into force back in 1998'. D'Arcy (1998) also notes this 'legislation prompted a number of companies to introduce AH contracts'.

Legislative Framework

It is useful at this point to give some brief consideration to the legislative framework within which AH works. In Ireland, working time is regulated by the Organisation of Working Time Act 1997 which implemented the EU Working Time Directive. This legislation provides for a number of key entitlements for workers. There are general provisions in relation to annual leave, public holidays, Sunday working and rest entitlements in the Act. In relation to averaging or annualising working hours, the key provisions are as follows:

- The maximum average length of the working week is 48 hours (including overtime).
- Weekly hours may be averaged across 12 months by collective agreement between employers and employee representatives (a union or 'excepted body').
- Where employees are not represented by a union or 'excepted body'¹⁴, they may consent individually to average hours across the year.
- Both collective and non-collective agreements of this nature require ratification by the Labour Court¹⁵ (See Meenan, 1999; Dobbins, 2003).

¹⁴ Under section 6(3)(h) of the Trade Union Act 1941 an excepted body is defined as: 'a body all the members of which are employed by the same employer and which carries on negotiations for the fixing of wages or other conditions of employment of its own members (but no other employees)'

¹⁵ The Irish Labour Court is a third party institution whose role is to resolve industrial relations disputes. It is not a court of law, but is based on the Irish voluntarist system of industrial relations. It operates as an industrial relations tribunal hearing both sides of the case and setting out (generally non-binding) recommendations (see www.labourcourt.ie).

How Does AH Work?

Much of the literature gives details on how AH schedules work. The production management literature focuses in great detail on how best to schedule shifts and plan production to match employee hours to organisational requirements when using AH (see for example Goncalves and Marcola, 2001; Corominas *et al*, 2004). For the purposes of this thesis (as the focus is on industrial relations issues associated with AH rather than the technical operation of AH), it is sufficient to give a brief overview of how hours are calculated under such schemes. D’Arcy (1998) gives the following examples of how to calculate an AH contract in the Irish context (taking into account standard annual leave and public holiday entitlements of Irish workers and a standard 39 hour working week):

(a) Standard Working Week Formula

Calendar Year	52.18	weeks including leap year
Annual Leave	4	weeks
Public Holidays	<u>1.8</u>	weeks
Average Working Week	46.38	weeks
	<u>X39</u>	hours a week
Annual Hours	<u>1808.82</u>	Net Basic Working Hours

(b) Annual Working Formula

In a complete calendar year there are 365.25 days, which comprises of 8,766 hours.

Example – Employee works 39 hours a week.

$$\frac{39 \times 365.25}{7} = 2,035 \text{ per year}$$

Less Annual and Public Holidays

20 Days Annual Leave $7.8 \times (20)$

9 Days Public Holidays $7.8 \times (9)$ 226.2

Employee available to work 1,808.8

(1808.8 hours a year)

(Source: D’Arcy, 1998:4)

The examples above show the basic calculations of an AH contract. Hours may then be scheduled depending on company requirements, demand patterns, number of

workers covered by AH, shift systems etc. As noted above, a specified number of reserve hours are typically included in AH agreements, in addition to scheduled hours. These may be called upon as necessary to cover absenteeism, holidays or for training purposes. Usually the schedule of hours is drawn up in conjunction with the trade union(s) involved in negotiating the AH agreement (Blyton, 1995; Rodriguez, 2003; Arrowsmith, 2007; Gall and Allsop, 2007).

Variations in AH Schemes

Arrowsmith and Sisson (2000:299) note, 'AH arrangements differ significantly in the details'. D'Arcy (1998:25) notes 'most companies that have introduced AH have tailored the system to suit the individual needs of their organisation'. Within organisations, AH may be introduced for all workers or only particular groups of workers. In an Irish context, AH agreements are typically the result of local level negotiations between management and trade unions to suit the particular circumstances of the organisation. Arrowsmith (2007) argues that the association of trade unions with AH is due to an agency effect, in that the complexity of negotiating AH schemes requires collective bargaining. While AH systems have common features, it is important to emphasise that there is no 'one size fits all' and AH schemes vary considerably. For example, provisions around the use of reserve hours differ widely both in relation to the number of reserve hours and the circumstances under which they are used. An examination of the different Irish cases studied by D'Arcy (1998) demonstrates this. In Irish Cement, workers can sign up for different 'bands' of reserve hours (up to a maximum of 450) and in practice 70 per cent of reserve hours are worked, although for many workers this is below what they would have worked in overtime under the old system. Such a high percentage of reserve hours being worked is atypical, however, in an Irish context. In Becton Dickinson, for example, the AH agreement provides for open-ended level of reserve hours which does not stipulate a minimum which must be worked. The circumstances under which reserve hours may be called upon can also vary significantly between AH schemes. In some companies (for example Company F in D'Arcy's (1998) study) management retains the right to call-in to meet production requirements, albeit in consultation with shop stewards. In other organisations in Ireland, it is customary for both management and workers to minimise the use of reserve hours. In one of the companies (which she refers to as Company I) studied by D'Arcy (1998:79), the call-in of reserve hours is

‘subject to a set procedure which involves using roster relief or spare crew members and possible deferring element of work before reserve hours are called on’. In Aughinish, the agreement between workers and management specifically stipulates that management and work teams endeavour to minimise the use of reserve hours while ensuring plant needs are adequately met (see D’Arcy, 1998:75).

Is AH Simply a Different Way of Scheduling Hours?

The chapter thus far has looked at the basic concept of AH, its origins, how hours are calculated, the legislative framework within which such agreements work in Ireland and the variations in AH schemes. It may be argued that AH is simply a different way of scheduling hours or a change in the method of payment for workers. Pasfield (1999:15), however, maintains that rather than simply a change in the way hours are scheduled, AH is a fundamental change in the way that an organisation operates and that changes in culture as a result of such schemes ‘are more important than rotas’. The introduction of AH often calls for major changes and re-thinking ideas and practices that previously were the norm. Blyton (1995) notes a common tendency is the coupling of negotiations over AH with other negotiations related both to changes in working practices and to other aspects of working time. Stredwick and Ellis (2005:47), writing of AH, point out that ‘such schemes are rarely introduced as a stand-alone initiative. In the majority of cases, it is part of a wider integrative process of change, incorporating a raft of HRM initiatives’. Rodriguez (2003:149) claims ‘many companies have found that the process of analysis and discussion [around AH] leads to consideration of other, more strategic, issues’. Mazur (1995:42) notes AH ‘can act as the catalyst for more far-reaching changes in the organisation’. Similarly, Pasfield (1999:225) suggests ‘it is a catalyst for a lot of other changes which, because of the radically changed working environment, do actually happen’.

Why Do Companies Introduce AH?

The introduction of AH appears to represent a major change, not just to the organisation of work hours, but to payment systems, working practices and more strategic issues. Berg (2003) notes ‘annualisation of working time offers obvious benefits to employers, mainly in terms of optimising labour and capital utilisation in line with market fluctuations and peaks and troughs in product demand’. One of the main reasons claimed for introducing AH is to eliminate ‘overtime culture’ and its

associated costs (see Blyton, 1995; Gall, 1996; Heyes, 1997; Pasfield, 1999; Bell and Hart, 2003; Essery, 2004; Arrowsmith, 2007). Other reasons for introducing it include ‘improving productivity and efficiency, to increase scheduled operating hours, assist in implementing agreed reductions in working hours, assist in harmonising conditions and to cope with fluctuations in demand’ (Blyton, 1995:9). D’Arcy (1998:15) echoes the reasons cited by Blyton and further suggests companies may introduce AH to ‘respond to the introduction of new technology with a need for a faster response rate and a more flexible staff’. She notes ‘for many companies the pioneering reasons why the AH contract was introduced was an overall need to revitalise the company’s competitiveness’. Whatever the initial reasons for introducing AH, much of the literature points to the *potential* AH has to provide benefits to both workers and employers once it is introduced. Of course, AH has potential drawbacks as well which will be examined later in the chapter.

Potential Benefits of AH for Workers

A number of writers identify the stability of AH as a potential benefit for workers, particularly in relation to the stability of income under an AH scheme compared to fluctuating overtime payments. In addition to the stability of income, AH often provides for improvements in basic pay for workers and other benefits such as sick pay or pension may be linked to this improved pay (D’Arcy, 1998; Bell and Hart, 2003; Kouzis and Kretsos, 2003; Rodriguez, 2003; Amicus, 2005; Arrowsmith, 2007). Along with improvements in pay, AH may also provide for greater time off, both through more structured leave and fewer hours at work (see for example Kouzis and Kretsos, 2003; Amicus, 2005). Given the potential of AH to reduce hours of work, Arrowsmith (2007:427) identifies the scope this give workers to ‘pursue wider work-life balance and quality of work life agenda’. Others also recognise the potential for AH to lead to improvements in work-life balance as being among the potential benefits of AH for employees (Kouzis and Kretsos, 2003; Rodriguez, 2003; Amicus, 2005). Arrowsmith (2007:426) notes, however, that whether or not reductions in working time contribute to improved work-life balance ‘depends on a number of factors, notably the periodicity of long hours and the notice given for use of reserve hours’. In addition to tangible benefits such as increased pay and fewer work hours, other, more indirect benefits of AH for workers have also been identified. D’Arcy (1998:16) for example identifies ‘structured opportunities for personal development;

increased job satisfaction and improved mutual support and co-operation' as benefits of AH for employees albeit these points are not developed to show how AH can lead to these benefits. Bell and Hart (2003:65) also identify enhanced job satisfaction and commitment as a potential benefit for workers, attributing this to the ability of AH to better match workers preferences for leisure, which is 'likely to vary over the day/week/year'. Others identify improved employment stability as a benefit for workers (Kouzis and Kretsos, 2003; Rodriguez, 2003) attributing this to the reduction in use of external agency staff and outsourcing. Arrowsmith (2007) and Kouzis and Kretsos (2003) further point to the potential for AH to provide a platform for trade unions to become involved in other areas, particularly where local level agreement is needed for the implementation of AH.

Potential Benefits of AH for Employers

Just as the stability of income under AH is identified as an important benefit for workers, the stability that AH can offer to employers is also emphasised by a number of writers. D'Arcy, (1998:16) notes that AH allows 'better planning and use of available resources' and Kouzis and Kretsos (2003) include the increased ability to forecast future workloads (peaks and troughs of product demand) and better budgetary planning in their list of potential benefits of AH schemes to employers. In addition to the stability AH can offer employers, the flexibility of AH is identified as another key benefit. Arrowsmith (2007:427), for example, notes that the operation of AH allows 'more flexibility over labour scheduling' and similarly, Rodriguez (2003:148) claims AH allows 'more flexibility in provision for extended shifts and 24-hour services'. The flexibility of AH schemes also allows companies to better match fluctuations in demand with production through better utilisation of the plant, thus improving productivity (see Mazur, 1995; Bell and Hart, 2003; Kouzis and Kretsos, 2003; Rodriguez, 2003; Amicus, 2005). Mazur (1995:42) notes that AH 'can help companies absorb reductions in the working week without sharp hikes in labour costs' while Kouzis and Kretsos (2003) also note AH may offer 'increased ability to cope with rising costs arising from statutory or collectively agreed working time reductions'.

A number of writers identify the potential for AH schemes to reduce costs for employers as a key benefit. In particular, the elimination of overtime and associated

premium pay is cited as a benefit both in reducing costs for employers and in allowing employers to better predict or stabilise costs (Murphy and O'Reilly, 1997; Bell and Hart, 2003; Kouzis and Kretsos, 2003). Furthermore, Rodriguez (2003:148) notes that unforeseen additional staffing costs become less likely under AH schemes as the use of agency staff is reduced. Employers may also benefit from indirect reduced costs as AH may lead to improved attendance and reduced absenteeism and turnover (Heyes, 1997; D'Arcy, 1998; Rodriguez, 2003; Kouzis and Kretsos, 2003; Amicus, 2005; Arrowsmith, 2007).

D'Arcy (1998:16) identifies 'better organised and less costly training' and 'reduced vulnerability to industrial action' as potential benefits of AH for employers albeit no explanation is given for why either of these may be so. Bell and Hart (2003:65), however, note that 'reserve hours may be used to facilitate systematic employee training programmes', which reflects D'Arcy's (1998) point in relation to training. In relation to the potential for AH to reduce vulnerability to industrial action, this may refer to the reduction or elimination of overtime reducing potential for industrial conflict although this is not specified. In fact, there is a tendency in much of the literature to present the benefits of AH for both workers and employers in prescriptive lists or tables with limited contextual or empirical bases for the potential benefits identified.

Kouzis and Kretsos (2003) and Arrowsmith (2007) point to less tangible benefits of AH for employers. Kouzis and Kretsos (2003) claim AH 'may act as a catalyst for more innovative changes at the workplace' and 'may institutionalise consensual bargaining procedures and a culture of 'acceptance' from trade unions (with a possible extension of managerial prerogative)'. Arrowsmith (2007:427) also notes that 'management takes initiative over AH bargaining agenda/process' and that AH may 'mobilise trade union(s) as legitimating agent, including over wider change' and lists these as potential gains for employers. In an Irish context, the association of AH with workplace partnership has been suggested as a benefit for both employers and workers, as it may lead to improvements in relationships.

AH and Workplace Partnership

The concept of workplace partnership came to the fore in Irish industrial relations when the trade union movement placed importance on its development in the Partnership 2000 agreement¹⁶ (see Wallace *et al*, 2004). Workplace partnership is defined in the Partnership 2000 agreement as:

‘An active relationship based on recognition of a common interest to secure the competitiveness, viability and prosperity of the enterprise. It involves a continuing commitment by employees to improvements in quality and efficiency; and the acceptance by employers of employees as stakeholders with rights and interests to be considered in the context of major decisions affecting their employment (Partnership 2000, 1997:52).

As a result of Partnership 2000, the National Centre for Partnership and Performance was established, the aim of which was to promote the development of partnership at workplace level. Despite these efforts to promote workplace partnership, however, it has not been widely diffused to workplace level. As Dobbins (2004) notes ‘partnership is far from becoming a mainstream practice at the workplace’. Irish workplace relations continue to be mostly adversarial in nature with distributive bargaining the principle method of resolving conflict between workers and management (see Wallace, 2004).

Although workplace partnership has limited diffusion in Ireland, it has been associated with AH in a number of companies. The Irish Productivity Centre noted in its case study on Aughinish (1998:1) that ‘considerable emphasis has been placed on partnership’. Similarly, Frawley (1998) notes that a partnership approach to change, which included AH, was used in Tara Mines to secure viability of the plant when it was threatened by closure and Higgins (2005) notes that the major change deal at Wyeth (which also included AH) was ‘facilitated to no small extent by a relationship training programme based on partnership concepts’.

Dobbins (2004) notes ‘if partnership is taken to consist of a benchmark of what are sometimes called ‘advanced’ work systems comprised of bundles of IR/HR practices - for example, a partnership forum, teamwork, gainsharing, AH, skill-based pay, single

¹⁶ This was the fifth in the series of social partnership agreements in Ireland.

status - then, beyond a small number of high profile exemplars, it is thin on the ground'. These high profile exemplars include Aughinish, Tegral Metal Forming, the Electricity Supply Board (ESB) and Irish Cement, all of which employ AH. The driver for partnership may come from either management or unions in such companies, or may derive from a recognition from both sides that a change in relations is necessary in order for the organisation to remain competitive and perhaps avoid closure. This was the case, for example, in Aughinish (see Irish Productivity Centre, 1998).

Roche (2009:1) notes, 'perhaps the main distinguishing feature of the literature on partnership in the workplace is the premise that partnership-related practices give rise to gains for each of the main stakeholders in employment relations'. It is this link between workplace partnership and mutual gains, in organisations that operate AH systems that is examined in this thesis. Given that partnership is broadly defined and so may be interpreted to mean different things by different industrial relations actors, it is the actors' perceptions of partnership that is the focus of the research. This relates particularly to perceived changes in relationships between management and workers and their unions, rather than formal partnership structures, committees or agreements between workers and management, albeit these may also be present.

A Win-Win Situation?

Given the substantial lists of benefits identified in the literature, it would appear that AH may indeed represent what some describe as a 'win-win' situation (Rodriguez, 2003:149). A number of success stories of companies that have adopted AH are reported, particularly in the business literature. For example McMeekin (1995) reports on Tesco's successful implementation of AH; Spencer (2001) gives an account of Arla Dairies 'smart move' to AH, while King (2002) describes how 'AH reap rewards for enlightened companies'. Furthermore, Personnel Today (2002), referring to the move to AH, reports how 'McVities' shift in culture works wonders'; Essery (2004) claims 'yearly plans can lead to happy hours' and Green (2007) reports how 'AH cut the mustard at Coleman's'. In the Irish context, the literature on AH is sparse. However, the Industrial Relations News Journal (IRN) has reported successful examples of AH in a number of organisations (see for example Sheehan, 1997a; Sheehan, 2004; Higgins, 1999a; Higgins, 1999b; Higgins, 2005). Furthermore AH

has, in certain instances, been associated with workplace partnership, something that is generally underdeveloped in Ireland (see Darcy, 1998; Irish Business and Employers Confederation *et al*, 2000; NCPP, 2002; Wallace, 2002; Dobbins, 2007a).

The Extent of AH in the UK and Ireland

Given the emphasis in much of the literature on the ‘win-win’ nature of AH, it might be expected that there would be a large number of such agreements; albeit the academic literature identifies that the biggest ‘win-wins’ are in specific contexts (see for example Bell and Hart, 2003). Some writers, particularly in the early to mid 1990’s, suggested that AH were set to become widespread across Britain and Europe. Mazur (1995:42) for example claimed ‘a quiet revolution is going on in the way Europe works’. Perhaps the most ardent example of this suggestion is exemplified the following quote:

‘The AH approach is set to become the most significant development in the area of working time since the post-war introduction of the five day working week. It will fuel a social revolution giving great expanded personal choice over working hours and new options for employers to match working hours to business needs in order to increase efficiency’ (Industrial Relations Services, 1991 cited in Gall, 1996:35).

Despite these optimistic predictions of AH revolutionising working hours in the early 1990’s, there is little evidence of any such revolution having occurred in the UK. There are mixed reports on the extent of coverage of AH (see Gall, 1996; Arrowsmith, 2003; Arrowsmith, 2007; Gall and Allsop, 2007), however, there is a general consensus that take up has not been as substantial as some predicted. ‘Towards the end of the 1980s most commentators agreed that the use of AH was very small albeit growing’ (Gall, 1996:36). In 1992, Blyton noted ‘overall, however, AH contracts have so far spread much less widely than was first anticipated’ (1992:30). By the mid-1990’s Blyton (1995:1) noted ‘indications are that the usage of AH contracts is growing, though the rate of growth has been somewhat slower than some commentators forecast in the mid-1980s’. In 2003, Bell and Hart (2003:75) noted ‘the take-up of such schemes has been relatively modest ... the evidence points to a limited likelihood for future growth’. The continued limited take-up of AH, even by

2004, led Arrowsmith (2007) to question ‘why is there not more AH working in Britain?’

Some writers have offered suggestions for this limited take-up and speculated why AH agreements (in the UK at least) have not become as widespread as first predicted. Blyton (1995:23) suggests ‘it may be the case that, in many sectors of activity, knowledge about AH is only now beginning to spread’ and ‘the presence of overtime may have actually inhibited any managerial search for other forms of temporal flexibility’. Gall (1996:49) simply notes that AH ‘remain far from the only way that companies/organisations may choose to respond to particular pressures’. Arrowsmith (2007:425) attributes the limited diffusion of AH to the disappearance of collective bargaining and lack of high-trust employment relations, which he maintains are required for AH.

Prior to this research, there was limited information on the coverage of AH in Ireland. Murphy and O’Reilly (1997) note ‘a relatively small proportion of Irish organisations have introduced AH pay systems to date’. Kouzis and Kretsos (2003) classify Ireland as being among those countries where ‘AH exist but do not have wide coverage’ although they noted no exact data on the extent of AH in Ireland was available. In fact, they point to ‘very limited statistical information available as to the level of coverage of employees by AH schemes’ in the countries they examined (including Ireland). Therefore, they note ‘given the lack of accurate data, this classification is tentative’ (Kouzis and Kretsos, 2003). Dobbins (2003) claims ‘there is no exact data as to the extent of these agreements’. In quarter two of 2004, the central statistics office included a question on AH in a special module on work organisation and working time in the Quarterly National Household Survey (QNHS). While the results of this were not published in the final QNHS report, the data was included in a Eurostat report on work organisation and working time arrangements, which estimated that on average, 1,472.4 workers in Ireland were covered by AH contracts (Eurostat, 2004). This figure needs to be treated with caution, however, as in the final report on this module, it was noted that ‘it is apparent the both AH contracts and on-call work are rare phenomena in most of the Member States, and thus relatively little known. If the respondents do not know what is asked about they may give an incorrect answer if they try to translate the question into something they know’

(Eurostat, 2006). A CSO representative contacted for this research confirmed this and noted ‘there was a 14% non-response rate for the AH question in Ireland which is very high for a ‘non-sensitive’ question which suggests that respondents did not understand AH or the question’ (Personal Correspondence, 2010).

Potential Drawbacks of AH for Workers and Employers

There are a number of authors who have identified potential drawbacks of AH schemes, thus casting doubt on the optimists heralding AH as ‘win-win’ working time systems (Blyton, 1995; Heyes, 1997; Kouzis and Kretsos, 2003; Arrowsmith, 2007; Gall and Allsop, 2007). An examination of their work sheds further light on why AH has not, as predicted, become more widespread. For workers, the potential drawbacks of AH may include a reduction in overall pay if overtime is lost and there is not an accompanying increase in basic pay (Blyton, 1995; Kouzis and Kretsos, 2003; Gall and Allsop, 2007). A number of potential drawbacks of AH in relation to hours of work have also been identified. Blyton (1995) for example notes that workers may have reduced discretion over working time and that problems may arise due to the unpredictability of reserve hours. Furthermore, if reserve hours are subject to short notice this may lead to difficulties in arranging childcare for on-call periods, thus potentially leading to discrimination against women in (see Blyton, 1995; Gall and Allsop, 2007). While improvements in work-life balance is claimed as a potential benefit of AH for workers, (Kouzis and Kretsos, 2003; Rodriguez, 2003; Amicus, 2005; Arrowsmith, 2007) it is notable that problems with reconciling work and family life is also cited as a potential drawback for workers (Kouzis and Kretsos, 2003). Arrowsmith (2007:427) also notes that employees may have different working time preferences and that different demographic interests (sex, age) can compromise work-life balance.

Gall and Allsop (2007) note a number of potential disadvantages for workers in relation to working hours under AH schemes. These include restrictions on choice of when to take holidays, inflexible shift rotas and unconventional shift patterns, which may cause disrupted and restricted leisure time. Furthermore, they point to the ‘previously voluntary nature of additional hours in the form of overtime working now becoming involuntary’ (Gall and Allsop, 2007:810). Kouzis and Kretsos (2003) also identify a number of potential drawbacks for workers in relation to working hours

including the possibility that more unsocial hours will be worked and loss of control for workers over actual amount of hours spent at work. They claim that AH schemes may in fact freeze working time duration, in contrast to trade union demands for working time cuts and may lead to differentiated working time rules and remuneration structures within the company workforce'. Kouzis and Kretsos (2003) and Arrowsmith (2007) also cite the possibility of work intensification as a potential disadvantage to workers.

The drawbacks for employers identified in the literature are fewer than those identified for workers. Commonly cited potential drawbacks for employers include the need to negotiate and consult with workers and their trade unions over the introduction of AH; the difficulties and costs of administering AH schemes and the reluctance or unwillingness of workers to work reserve hours when needed (Kouzis and Kretsos, 2003; Gall and Allsop, 2007; Arrowsmith, 2007).

It was noted earlier that there is a tendency in the literature to present 'lists' or 'tables' of potential advantages and disadvantages of AH for both workers and employers. The difficulty with this is that the same issues may be identified as both positive and negative effects of AH. Kouzis and Kretsos (2003) recognise this and claim 'given the wide variation of the various AH schemes in operation ... some of the same issues appear as both benefits and drawbacks. For example, Arrowsmith (2007:427) cites incorporation into managements' change agenda as a potential drawback for workers and trade unions. He also notes, however, that AH may 'extend union influence over decision-making across and upwards' and lists this among the potential risks and problems in introducing AH for employers (2007:427). Kouzis and Kretsos (2003) list 'possible loss of control over some aspects of working hours (with a possible restriction on managerial prerogative' as a potential drawback for employers, alongside 'a possible extension of managerial prerogative' as a potential benefit. While improvement in work-life balance is cited by a number of authors as one of the potential benefits of AH for workers, disrupted leisure time, loss of control over working hours and difficulty reconciling work and family life are also cited as potential drawbacks. This highlights the ambiguity of AH schemes and the limited value of 'listing' benefits and drawbacks of AH without any contextual or empirical underpinnings.

The Ambiguous Nature of AH

It was previously noted that success stories of AH predominate in much of the literature. On the other hand, there have been some notable (although less publicised) failures. In the UK, Blue Circle Cement, having introduced AH between 1985 and 1991 (and ironically often cited as one of the success stories of AH), abandoned it in 1997 and replaced AH contracts for manual workers with a basic working week of 39 hours and a provision for 'reasonable' unpaid overtime. This was combined with a commitment to reduce the basic working week to 37 hours by the end of 2001, to be achieved at no cost to the company through improved efficiency (see Hall, 2002). In Ireland, Wallace *et al* (2004:364) note that Coca Cola 'abandoned its AH due to an inability to operate without significant levels of overtime due to unanticipated increase in demand for its product'.

As well as companies where AH have been abandoned, Gall and Allsop (2007:810) note 'AH schemes have been the subject of many, including some high profile, industrial disputes' in the UK. In Ireland, the IRN has reported a small number of industrial disputes involving AH, at times involving intervention by the Labour Court (see for example Fitzgerald, 2001; Dobbins, 2006; Farrelly, 2009). It would appear that companies who experience the most difficulties in relation to introducing (or attempting to introduce) AH are those where overtime has become 'guaranteed' or 'institutionalised'. These difficulties were highlighted in the long-running dispute between the Irish Minister for Justice and the Irish Prison Officers Association in 2005. In this case, the workers strongly resisted the abolition of overtime and the introduction of AH, as they were earning huge sums through overtime. AH was eventually introduced and still remains, but not without serious industrial relations issues having arisen first (see Dobbins, 2003; Dobbins, 2008a; Vaughan, 2009). Furthermore, in both the UK and Ireland there have been a number of companies that considered AH but did not proceed to introduce it. D'Arcy (1998) for example, reported six companies that spent on average six to twelve months researching the idea of AH but decided not to implement it. The reasons given for not proceeding with AH were failure to gain the necessary support of the union/employees, prospective costs involved (particularly in relation to pension) and a lack of commitment from management to pursue discussions on AH. Other business matters came to the fore and discussions regarding AH were pushed aside.

Thus, the ambiguities inherent in AH are now evident. On the one hand, there are those who proclaim AH can revolutionise working time. There are abundant examples of companies where AH has been a major success and there are (allegedly) a great number of benefits of AH for workers and employers. Conversely, there is evidence of limited diffusion of AH in the UK, there are companies where AH has been abandoned following its introduction, and a number of high-profile industrial relations disputes surrounding AH (both in the UK and Ireland). Moreover, there are a number of companies that have examined AH but, for one reason or another, have decided not to implement it.

While much has been written on the benefits of AH, and success stories abound in the management literature, less attention has been paid to the ‘failures’ and the reasons for its limited diffusion in the UK. Much of the literature stems from management opinions and direct worker opinions of AH are given less, if any, consideration. If the ambiguity around AH is to be clarified and a more in depth understanding of AH is to emerge, an investigation of worker opinions is essential.

Trade Union Views

An examination of trade unions’ views on AH allows some illustration of the impact AH has on workers, however, these views still require validation from workers themselves. There appears to be a general consensus in the literature that unions are broadly supportive of AH, suggesting a positive impact of AH on workers. Rodriguez (2003:146) suggests ‘trade unions are generally supportive: most trade unions now understand the concept of AH and many of them see it as a means of stabilising the pay of their members’. Describing overtime as the ‘thorn in the side of many trade unions’ that see it as a barrier to employment, Stredwick and Ellis (2005:50) note ‘the introduction of AH presents no problems of principle for trade unions’. They suggest ‘quite the contrary, it is welcomed by many with considerable enthusiasm’. Arrowsmith (2007:426) notes ‘on the whole, unions seem to be cautiously supportive of AH schemes, provided that they are properly negotiated and deliver employee gains’. In the Irish context, trade unions also appear to be favourably disposed to AH with Wallace *et al* (2004:363), suggesting ‘trade unions, notably the Technical Engineering and Electrical Union (TEEU), may actively seek and embrace AH as a

means of promoting mutual gains'. In a SIPTU document published to assist union representatives in examining and negotiating AH, Naughton (2000:2) recommends that 'rather than being automatically suspicious of the concept of organising working time on an annual basis, union representatives should examine how best the interests of the union members can be pursued in a new working time arrangement. The AH approach should at least be examined'.

While trade union support for AH identified in the literature may suggest positive implications of AH for workers, there are some who disagree that this is the case. Gall and Allsop (2007:810) suggest that 'on balance, it appears that AH works, to some considerable extent, to the detriment of employees' interests'. This, they claim is due to the drawbacks of AH including 'loss of overtime earnings restrictions on the choice of when to take holidays, reduced manning levels, and inflexible shift rotas'. While recognising that AH is mostly found in unionised environments, they claim employees only engage in 'reluctant acceptance' of AH agreements 'compelled by lack of viable alternatives as a result of the paucity of workers' power resources' (Gall and Allsop, 2007:811). This suggests that they view union influence over AH agreements as minimal. Despite Gall and Allsop's (2007) divergence from the mainstream literature, there are indications that generally, trade unions support AH, as long as they have sufficient input into negotiating such systems. This gives a strong indication that workers can benefit from AH, although the extent of this benefit may depend on a number of factors including the strength of the trade union involved and its ability to negotiate a good deal for workers.

AH and Systems Theory

While prominence is given in the Irish literature to the role of partnership and bargaining in analysing AH agreements, there are a larger number of potentially important variables that also merit consideration. There are limitations to the contribution negotiation theory can make in studying AH agreements (the outcomes of negotiations). When analysing the reasons why companies introduce AH, negotiation theory gives important insights into the role played by alternatives available and the negotiation styles adopted by the parties involved. There are many other factors, however, at play that negotiation theory does not consider. Therefore it is necessary to examine other theoretical frameworks to underpin this research.

Within the industrial relations tradition, systems theory is associated with the work of Dunlop, which dates from 1958. The model is a staple of introductory industrial relations texts (see for example Salamon, 2000; Wallace *et al*, 2004). It claims that industrial relations can be understood in systems terms, which has a number of interacting parts. These are actors, institutions, the environment and a sufficiently common ideology, which binds the system together. The outputs of the system are rules and these come in two forms: substantive (pay & terms and conditions) and procedural (how substantive rules are made). Dunlop's model represents a useful heuristic organising device, which identifies many important factors, which influence industrial relations and excludes non-critical factors, such as personal factors (see Jackson, 1991).

In analysing the role of key factors in case studies for this thesis, the need for an organising device was identified in order to ensure that all major variables were dealt with. Drawing on systems theory allows potentially important variables to be considered in case study analysis that may otherwise be overlooked. A systems approach to analysing case studies thus allows a test for factors contributing to outcomes other than those that appear obvious, such as the role of workplace partnership or the process of negotiating agreements. This thesis therefore draws on a model developed by Wallace and White (2008), which identifies a number of key factors that may be significant when analysing organisational change (in this case, the move to AH). The model is presented in figure 3.1.

The model identifies potentially important factors such as those in the external environment including, for example, changes in demand for a product, competitive pressures etc. which may provide an impetus (act as a driver) for a company to move to AH. Similarly, economic factors such as the exchange rate of the country an organisation operates or the general competitiveness of the economy may either constrain or drive the actions of industrial relations actors. The labour market, industrial relations norms and the legal system may determine the alternatives available or establish the rules within which the actions of the actors are constrained. The availability of technology and the political system of the environment within which an organisation operates may also influence events. Factors in the internal environment may determine the suitability (or otherwise) of AH. Structural factors,

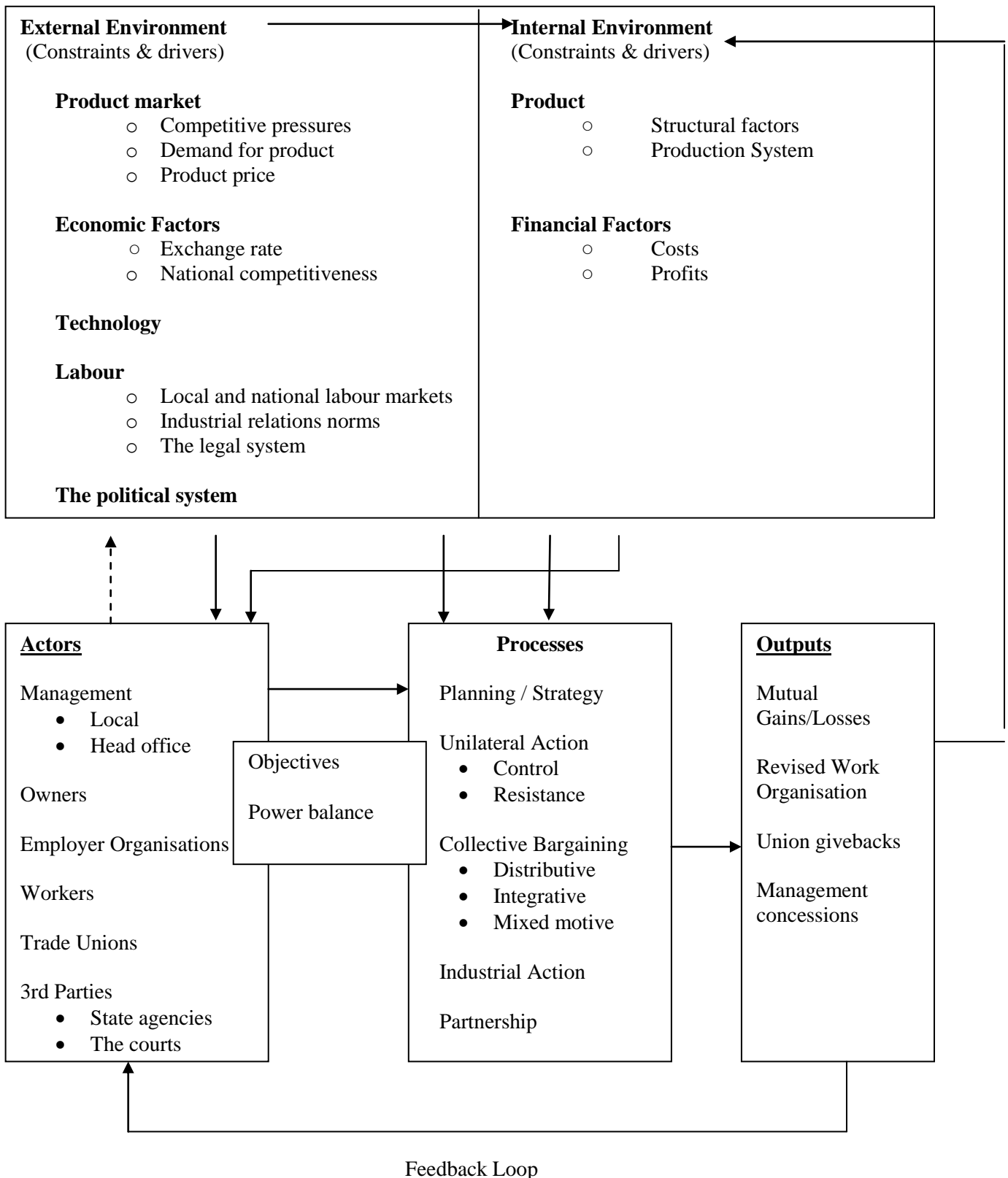
for example seasonality or the type of production system used may determine whether or not AH is suitable to be introduced in an organisation. Financial factors such as costs and profits may place restraints on the options available to organisations or may drive the actors to pursue particular options. The external and internal factors are in turn linked, in the model, to the actors and the processes they use.

There are a number of key actors identified in the model. The list of actors recognises that there may be groups other than local management and workers that influence events. Owners, trade unions, employer organisations and third parties can all play a role in determining what, if any, changes occur within the organisation. The role of these different actors may vary in significance and indeed in certain cases, they may not have any role. Nonetheless, it is important that they are identified and given consideration.

The actors engage in different processes, which are essentially determined by the objectives of the actors and the power balance between them. Within these processes, the role of collective bargaining (both distributive, integrative and mixed motive bargaining) is identified as important, albeit this is only one of a number of factors that may be significant. The model shows the place of different types of bargaining and processes, which have previously been suggested as a reason for the success of AH (for example workplace partnership). Unilateral action on the part of any party is identified as a possibility, which may involve management exercising control or workers resisting attempts at unilateral action. The planning or strategy of the parties and the possibility of industrial action are also recognised as potentially important.

Finally, the model examines the outputs of the processes and these may include mutual gains or losses for the parties, revised work organisation, union givebacks and management concessions. The outputs of the processes may involve one or more of these. The feedback loop shows how these outputs may in turn influence the actors, for example, mutual gains may lead the actors to continue utilising certain processes whereas a loss for one party may cause them to revise their objectives or may change the power balance and thus influence the actors to engage in an alternative process.

Figure 3. 1 A Systems Model for Case Study Research on Organisational Change



The outputs may also change the factors in the internal environment for example, revised work organisation may save costs. These changes in turn, may influence the actors and the processes they use and so on.

The importance of the model is that it identifies factors that exist and may have relevance and sets these in context rather than assuming causality, as exemplar cases tend to do. Thus the potential range of causal and intermediate variables are identified for consideration. Not all the factors identified in the model may be significant when analysing or constructing case studies but it is important that they are at least given consideration. Wallace and White (2008:9) note ‘the model is open to change and adaptation by researchers where variables are found to be important in subsequent investigation’. The model is also used to compare and contrast case studies as it allows exploration of factors that are common or differ between cases. In particular, it allows an analysis of factors that may be common to both successful and unsuccessful cases of AH. If a factor is common to both, then this raises questions about the role of that factor in ensuring the success of AH in one case and not the other. The model is used in chapter six when analysing the case studies.

AH and Negotiating Theory

Although the process of negotiation is only one variable identified in the systems model, it is useful to explore the theoretical foundations of negotiation theory further, as AH agreements are typically the result of negotiations between management and unions. If management and unions enter into negotiations on AH then there are a number of different negotiating styles or approaches either party may adopt.

Distributive Bargaining

Negotiation theory can be broadly classified into two distinct spheres – distributive bargaining and integrative bargaining (see Walton and McKersie, 1965; Fisher and Ury 1993; Lewicki *et al.*, 2007; Hiltrop and Udall, 1995 and Thompson 2005). Distributive bargaining, also known as ‘win-lose’ or ‘competitive’ bargaining assumes that ‘the goals of one party are in fundamental and direct conflict with the goals of the other party’ (Lewicki *et al.*, 2007:27). It is associated with terms such as ‘fixed sum’, ‘zero-sum game’ and ‘slicing the pie’. The basic premise of distributive bargaining is that the parties negotiate over ‘how much of the pie’ each side gets.

Lewicki *et al.* (2007:55) state, ‘distributive bargaining is basically a conflict situation wherein parties seek their own advantage’.

Distributive bargaining, it is claimed, is best suitable for once off encounters when the future relationship of the parties negotiating is not important (see Lewicki *et al.* 2007:28). Yet distributive bargaining is a common feature of negotiations between management and workers when encounters are likely to be frequent and the future relationship, the employment relationship, may in fact be important to both sides. Walton and McKersie (1965:11) note:

‘Distributive bargaining is central to labor negotiations and is usually regarded as the dominant activity in the union-management relationship. Unions represent employees in the determination of wages, hours, and working conditions. Since these matters involve the allocation of scarce resources, there is assumed to be some conflict of interest between management and unions’.

Similarly, Wallace *et al.* (2004:266) note that a competing strategy (distributive bargaining) is used when,

‘A party has high concerns about their own outcomes and the other party has high concerns about theirs. This is typically the case over items such as pay, hours of work, pensions and other such substantive aspects of industrial relations negotiations. Competitive negotiations are common in adversarial industrial relations negotiations’.

Two of the key features of AH, hours of work and wages, are assumed to be distributive in nature and therefore conflict around these tends to be resolved through distributive bargaining. This conflict can be resolved to some extent through overtime, as discussed in chapter two where, in negotiation terms, management get a ‘bigger slice of the pie’ of hours and workers get a ‘bigger slice of the pie’ of money.

Integrative Bargaining and Mutual Gains

While distributive bargaining is concerned with ‘slicing the pie’, integrative bargaining involves ‘increasing the pie’. According to Lewicki *et al.* (2007:58) ‘the fundamental structure of an integrative negotiation situation is such that it allows both sides to achieve their objectives’. Integrative bargaining focuses on problem solving rather than purely adversarial conflict and is associated with terms such as ‘non-zero-

sum', 'mutual gains' and 'interest based' or 'win-win' bargaining (see Walton and McKersie, 1965; Thompson, 2005 and Lewicki *et al.*, 2007).

In integrative bargaining, the parties work together (with, rather than against each other) to achieve a solution to a joint problem. The existence of common interest between the parties may prompt the use of integrative bargaining, for example both management and workers may have a common interest in keeping a plant open, ensuring the business remains competitive and so on. In integrative bargaining, parties choose to work together because the possible outcome is better than what may occur if they do not work together (Lewicki *et al.*, 2007:10).

The central tenet of integrative bargaining is that it focuses on interests, not positions. Lewicki *et al.* (2007:64) suggest the key to integrative bargaining lies in understanding the parties' interests, the underlying concerns, needs, desires, or fears that motivate a negotiator to take a particular position. In distributive bargaining, parties adopt a position and gradually make concessions and change that position. If agreement is reached it will lie somewhere between both parties' ideal position along the bargaining range (see Lewicki *et al.*, 2007; Thompson 2005). In many instances this involves both sides compromising and in essence, one or both sides 'leaving money on the table' and lose-lose outcomes (see Thompson, 2005:6). In relation to conflict around hours of work, the difference between focusing on positions and interests may be explained as follows: If an employer uses positional (or distributive) bargaining he claims he wants workers to work more hours. If this position is explored more deeply, it transpires that the employer is not actually interested in the number of hours worked but is interested in increased productivity or improved competitiveness. More hours are how he sees this being achieved and so typically more hours, in the form of overtime, is the outcome. In an AH situation, it may be possible to achieve increased productivity or improved competitiveness while decreasing the number of hours worked. The employers' *interests* (increased productivity and improved competitiveness) may be met even though his *position* (more hours) has not been. Similarly, workers may adopt a position of keeping overtime. Their interests lie in securing a sufficient wage rather than overtime *per se*. One of the benefits of AH for workers is claimed to be the stability of wages under such schemes and the increase in basic pay that typically results from moving to AH.

Thus it can be seen that overtime may in fact be dysfunctional as a solution to conflict around hours of work for both workers and management. AH can allow the interests of both parties to be met even if their positions are not and so may be preferable to an overtime system.

Some other key features of integrative bargaining can also be linked to AH agreements. AH involves the elimination of overtime for example and often, knowledge around the causes of overtime, lie with workers rather than management. One of the principles of integrative bargaining (or *principled* bargaining as Fisher and Ury call it) is creating a 'free flow of information' (see Fisher and Ury, 1991). In a distributive bargaining situation, there is no incentive for workers to share information around the causes of overtime. Often their earnings are reliant on overtime and therefore the rational thing for workers to do is to protect this source of income. AH eliminates overtime and thus eliminates the incentive for workers to 'manufacture' overtime. More importantly, however, it gives workers an incentive to work with management to examine the causes of overtime and create solutions to work more efficiently. This benefits workers if it results in less time spent at work (i.e. minimising the use of reserve hours) and benefits management as efficiency is improved. Thus mutual gains are generated.

Mixed Motive bargaining

Lewicki *et al.* (2007:15) claim that 'most actual negotiations are a combination of claiming and creating value processes'. These processes of creating and claiming value are referred to as 'mixed-motive' bargaining. Thompson (2005:75) agrees that 'most negotiations are mixed-motive in nature, meaning that parties' interests are imperfectly correlated with one another'. The mixed-motive nature of most negotiations is emphasised further by Thompson (2005:41) 'even in win-win negotiations, the pie of resources created by negotiators eventually has to be sliced'. The process of 'creating value' involves integrative tactics but the value created still has to be claimed by both parties, therefore the process of 'claiming value' involves many of the distributive bargaining skills (see Lewicki *et al.* 2007:61).

Examination of the processes through which AH agreements are negotiated is important. Given the association of AH with mutual gains or 'win-win' outcomes, it

may be the case that integrative bargaining is necessary to secure the potential mutual gains AH can offer. In fact, in Aughinish, training prior to negotiating AH was specifically based on Fisher and Ury's (1991) 'Getting to Yes' integrative bargaining concepts. However, as Wallace (2004) notes, in Ireland distributive bargaining has not been replaced with integrative bargaining and so it is necessary to examine whether AH may be introduced (and bring about mutual gains for workers and management) through traditional distributive bargaining or mixed-motive bargaining.

Considering the limited diffusion of AH agreements, it is possible that the mutual gains available through AH are only possible or worth pursuing in limited circumstances. Negotiation theory emphasises the importance of the role of alternatives. Lewicki *et al* (2003:63) note that 'alternatives are important because they give the negotiator power to walk away from any negotiation when the emerging deal is not very good'. The alternatives available to both management and unions may influence their decision to enter into negotiations on AH. Thompson (2005:11) notes that a party's BATNA (Best Alternative to a Negotiated Agreement) is determined by harsh reality and external factors. The role of alternatives, or lack thereof, may offer insights into why some companies choose to introduce AH and others do not. The importance of the process through which AH are negotiated and the significance of the availability or otherwise of alternatives is explored further in later chapters.

Limitations of Existing Research

The key problem with the existing research is that it provides limited insight into why ambiguities around AH exist. While there are lists of benefits and drawbacks of AH, particularly in management literature, the extent to which these lists have been subject to rigorous analysis and empirical testing is limited. Gall and Allsop (2007:19) note 'like many new developments in employment and so-called 'new management' techniques, AH has received many plaudits and much high-profile publicity without any accompanying critical examination'. Bell and Hart (2003:64) point out 'there exists very little empirical work on these contracts'. Arrowsmith (2007:425) concurs 'unfortunately, research in this area is very scarce'. The research relies mostly on statistics relating to the extent of AH, case studies detailing specific instances of AH, and management and trade union opinions on the claimed benefits and drawbacks of AH. The limitations of these are as follows: statistics give only information in relation to the extent and longevity of AH agreements; case studies, while providing valuable

insights into how AH work in a particular company, may not be representative and may overlook certain key factors and single case studies provide no opportunity for comparisons to be made across cases; the opinions of management and trade union representatives, while important, are subjective and each of these representatives may have their own objectives and their opinions may be influenced by their roles and the wider objectives of the company or union.

The opinions of workers, arguably the key group affected by AH agreements and perhaps those that can provide the most insight into AH, have been severely neglected in the literature. Insofar as workers' opinions are available, they rely on what representatives say and, while reported views are informative, it is essential to elicit direct views from workers. This is the most critical lacuna in the literature on AH. From a management perspective, we can suppose that they perceive the benefits of AH outweigh the costs involved, if management decide to introduce it. Management generally are the ones that introduce AH (see Blyton, 1995) although as Wallace and White (2007a) suggest this is hardly surprising, given that managements' role involves initiating organisational changes generally, whereas workers and their trade unions have a reactive role to such changes. We can be reasonably confident that management opinions are broadly representative as they typically represent a much smaller group than workers. This said there may of course be some intra-managerial disagreement around AH. However, where AH is introduced we can presume that generally, there are benefits for management, given their decision-making role in introducing AH.

There is indirect evidence that workers benefit from AH being introduced in their workplaces. Pasfield (1999) argues, despite frequent scepticism from workers entering into AH, there are very few who seek to revert to prior arrangements once the review period occurs¹⁷. D'Arcy (1998) notes 'once AH is introduced it is unlikely to be reversed'. This suggests that workers prefer AH to returning to the alternative – the basic working week combined with (often high levels of) overtime. It provides no evidence however about what aspects of AH workers value, and the extent to which

¹⁷ Agreements generally provide for a review clause preventing either side from feeling 'locked in' to AH at the outset.

they perceive they benefit from AH. In particular, it does not necessarily support the enthusiastic plaudits of AH as a 'win' for workers.

The impact of AH on workers can be established in three ways. The first is to objectively establish the impact of AH through analysing documentation and case studies which highlight actual changes in hours of work, pay etc. Secondly, management and union representatives' opinions can provide some picture of the impact of AH on workers by providing reported workers' views. While insights from worker representatives' may suggest a positive impact of AH on workers, these may or may not reflect the views of workers themselves. It is unlikely that workers' opinions on all issues surrounding AH would be unanimous as those opinions are inextricably linked to the different needs and attitudes of individuals. Therefore, the third and only authoritative way of establishing the impact of AH on workers is to determine workers' *perceptions* by eliciting their views directly. This can elucidate what aspects of AH workers value and the extent to which they perceive they benefit from AH. It also can provide a direct test of the representativeness of union official, shop steward and management views on the benefits of AH to workers. Thus, to test the positive impact of AH on workers, as suggested by the majority of the literature, it is essential that the perceptions of workers are directly investigated.

Summary

The literature can be broadly categorised into academic, management and public policy literature although not all sources fall neatly into these categories. From the literature review above, the research gaps can be summarised as follows: Much of the early literature, particularly the management literature, on AH gives enthusiastic approval to the benefits of AH for management and workers and claims that the extent of AH is set to increase. The benefits and drawbacks of AH have not been subject to rigorous analysis, however, and subsequent research has shown that the growth of AH (in the UK at least) has not increased to any great extent. In Ireland, prior to this research, the data on AH was *ad hoc* and incomplete and claims around the advantages of AH had not been analysed in any substantial way. While AH has been associated with workplace partnership in a number of companies in Ireland, the link between these has not been subjected to any detailed examination. The public policy literature suggests that workplace partnership is the key driver of mutual gains in

these companies. The most significant absence in the literature is the lack of direct worker perspective on AH, in that no survey of worker opinion has been conducted. This thesis sets out to address these lacunae by establishing the extent of AH in Ireland; exploring why companies introduce AH and the factors that may contribute to success or failure of such agreements. A structured approach to analysing case studies, drawing on a systems model allows exploration of key factors and a consideration of the relationship between AH and workplace partnership. The thesis also addresses the lack of worker opinion by investigating workers' views of AH directly.

CHAPTER FOUR - THE RESEARCH JOURNEY: EXPLORING THE METHODOLOGICAL CHOICES

Introduction

Anderson (2004:6) describes research as ‘finding out things in a systematic way in order to increase knowledge’. This involves discovering what is known on a particular topic as well as deciding what is not known. It also involves making decisions on how to gather information to add to knowledge on the topic. These decisions, i.e. the methodological choices, form an important part of the research process. A PhD can be described as an exploratory journey, the choice of methodology is what guides this journey, and keeps it on track, although at times it may take unexpected turns. The purpose of this chapter, in simple terms, is to outline *what was done, how it was done* and *why it was done*. A general introduction to the methodology is now given which highlights key points about the research approach. A more detailed discussion on the choice of methodology follows as the research is discussed in four phases:

- **Phase one** – ‘Deciding what to examine’ - the literature review and research questions.
- **Phase two** – ‘Generating a preliminary narrative’ - exploratory meetings, creating the database and interviews with informed actors.
- **Phase three** – ‘Exploring AH in depth’ - the case studies.
- **Phase four** – ‘Establishing worker opinion’ - the survey of workers.

Research Approach

An important consideration in any research project is the research approach or frame of reference adopted by the researcher. Hammersley (2004:15) notes ‘the gathering, analysis and interpretation of data is always conducted within some broader understanding of what constitutes legitimate inquiry and warrantable knowledge’. In social science research, there are typically two distinct paradigms that researchers draw on, which underpin the choice of methodology. As Hammersley (2004:15) notes, ‘in this respect, the quantity-quality debate has been anchored within two apparently opposed epistemological positions. The two poles are known variously as ‘experimental’, ‘hypothetico-deductive’ or ‘positivist’ and the ‘naturalistic’, ‘contextual’ or ‘interpretative’ approaches respectively.

Positivism

The positivist approach is associated with the natural sciences and so researchers adopting this approach are concerned with the collection of facts and exploring relationships between sets of factors (Anderson, 2004). Bryman and Bell (2003:16) note that ‘positivism is an epistemological position that advocates the application of the methods of the natural sciences to the study of social reality and beyond’. The positivist approach is generally associated with quantitative methods such as surveys, statistical analysis and experiments (see Bryman and Bell, 2003; Creswell, 2003; Anderson, 2004; Hammersley, 2004).

Interpretivism

Hammersley (2004:15) notes that ‘the alternative epistemological position [to positivism] is expressed in the naturalistic or interpretative paradigm’. This approach emerged from writers who were critical of the positivist approach and the application of the scientific model to the social world and human activity (Bryman and Bell, 2003; Hammersley, 2004). Bryman and Bell (2003:17) note that those who advocate an interpretative paradigm ‘share a view that the subject matter of the social sciences – people and their institutions – is fundamentally different from that of the natural sciences’. The interpretative approach is generally associated with qualitative methods such as case studies and interview data (Creswell, 2003).

Deductive and Inductive Theory

A further important consideration in relation to the research approach is the link between theory and research. In this respect, research can be either deductive or inductive in nature. Bryman and Bell (2003:11) note ‘deductive theory represents the commonest view of the nature of the relationship between theory and research’. Deductive theory relates to developing hypotheses to test a pre-determined theory and is typically associated with quantitative studies. ‘With the objective of testing or verifying a theory rather than developing it, the researcher advances a theory, collects data to test it, and reflects on the confirmation or disconfirmation of the theory by the results’ (Creswell, 2003:125). An inductive approach is concerned with developing a theory rather than starting out with the objective of testing theory. It is typically associated with qualitative research and utilising observations or findings to generate theory. Bryman and Bell (2003:14) note that ‘with an inductive stance, theory is the

outcome of research' i.e. generating rather than testing theories. Research rarely falls neatly into one category or the other, however, and a deductive approach may involve elements of induction as the researcher reflects on the findings and infers the implications of these for the original theory. Similarly, researchers may wish to test theories deriving from an inductive approach by gathering further data to test those theories. As Bryman and Bell (2003:14) note, 'just as deduction entails an element of induction, the inductive process is likely to entail a modicum of deduction'.

This thesis can be said to adopt a primarily interpretivist, inductive approach. Hammersley (2004:16) notes that the interpretivist approach or naturalistic paradigm has a number of characteristics. These include 'the representation of reality through the eyes of participants, the importance of viewing the meaning of experience and behaviour in context and in its full complexity ... an attitude towards theorizing which emphasises the emergence of concepts from data rather than their imposition in terms of *a priori* theory, and the use of qualitative methodologies for research'. A key focus of this thesis is on the perceptions of key industrial relations actors in relation to AH thus it focuses on the representation of reality through the eyes of participants. The systems model outlined in chapter three is used to ensure that the meaning of experiences and behaviour within the cases studied are viewed in context of a range of potentially important variables. While the theoretical perspectives of the systems model and negotiating theory are identified early on as important in guiding the research, the research adopts an inductive approach to theorizing rather than testing specific hypotheses to fit with *a priori* theory. Finally, comparative case studies and interviews are the main methodologies employed, thus the focus on the use of qualitative methodologies. For these reasons, the interpretivist paradigm can be said to underpin the research.

While the thesis adopts a primarily interpretivist approach, with case studies and interviews being the primary research methods, a quantitative approach associated (typically associated with the positivist frame of reference) was also used. Semi-structured interviews and case studies were used to generate a preliminary narrative and explore AH in depth. This determines the extent to which the Irish experience compares to what is presented in the literature. The lack of direct worker opinion of AH is the most significant dearth in existing research. While qualitative methods have

certain advantages in enabling in-depth exploration of AH, a quantitative method was more suitable in examining workers' views as it allowed scope for a larger number of workers to participate in the study, thus allowing a greater number of workers' perceptions of the impact of AH to be examined. Therefore, quantitative research, involving the use of a questionnaire, was used to secure workers' direct opinions.

There are differing views on the validity of combining qualitative and quantitative methodological approaches with some arguing that this should not be done as the different methods are grounded in different epistemological positions (for example Smith and Heshusius, 1986). Layder (1988) points to the gulf that is traditionally seen to exist between qualitative and quantitative research, with each belonging to distinctively different paradigms. However, Bryman and Bell (2003:481) suggest that 'the idea that research methods carry with them fixed epistemological and ontological implications is very difficult to sustain'. Bryman (1992:59) suggests 'the two approaches to research can have and do have an independence from their epistemological beginnings'. Brannen (1992:3) notes that 'the practice of research is a messy and untidy business which rarely conforms to the models set down in methodology textbooks'. Therefore, while this thesis adopts a primarily interpretivist approach, the range of methodologies used do not all conform to this model. There is support in the methodology literature for using a mixed-method approach, despite quantitative and qualitative research being associated with different epistemological underpinnings. However, while the survey of workers adopted in this research is a quantitative methodology typically associated with a positivist frame of reference, it should be noted that much of the questions sought to establish workers' *perceptions* of the impact of AH reflecting again the primarily interpretivist underpinnings of the research.

Phase One – Deciding What to Examine

The Literature Review

The first phase of any academic research project is to conduct a literature review. Anderson (2004:18) suggests that researchers are required to 'demonstrate a critical awareness of the current state of knowledge in the area they have chosen to investigate so that they can consider how their project fits in the wider context'. Similarly, Gill and Johnson (2002:24) state that 'any research project will necessitate

reading what has been written on the subject and gathering it together in a critical review which demonstrates some awareness of the current state of knowledge on the subject, its limitations and how the proposed research aims to add to what is known’.

As a literature review is conducted at the beginning of the research project, the research questions may be very general or even somewhat vague at this point. It is easy for a literature review to lose direction and for a researcher to end up reading endless bundles of material, some of which may not be relevant. To avoid this ‘directionless’ approach and ensure good use of time, a number of broad objectives were set prior to embarking on the literature review. These were as follows:

1. To examine the literature on AH to understand the origins of AH, how AH works and the industrial relations and management issues associated with such agreements.
2. To examine the literature on historical aspects of working hours, conflict around working hours and overtime to allow AH to be set in context.
3. To review past research on AH in Ireland and identify the gaps to be filled.
4. To assist in gaining an estimate of the extent of AH agreements in Ireland.
5. To examine how AH works in practice in Ireland from publications of case studies of companies with AH in place.

The early stages of the research involved reviewing secondary sources to inform these objectives. Bryman and Bell (2003:561) note however that ‘reading the literature is not something that you should stop doing once you begin designing your research. You should continue your search for and reading of relevant literature more or less throughout your research’. Although the majority of the literature review was conducted during the first year of study, the literature was consistently reviewed at regular intervals to search for updated material on AH.

A number of sources were examined to inform the broad objectives of the literature review. These included: academic journals, textbooks, conference papers, the Industrial Relations News Journal (IRN), the European Industrial Relations Observatory (EIRO), business magazines, newspaper articles, reports, unpublished academic theses and trade union and management publications. While it is not

necessary to explain the use of each of these sources individually, there are some key points in relation to the literature review that merit more detailed exposition.

Literature relating to the historical context of working hours, conflict around working hours and overtime was reviewed in order to set AH in the wider context of working hours. A thorough search and review of academic journals was carried out to examine the origins of AH, to understand how they work and explore the industrial relations and management issues associated with AH. There are limited academic journal publications on the topic of AH *per se*, but journal articles on flexible working and work-life balance (in relation to any references made to AH) were also considered. Articles that focused on the production management and scheduling aspects of AH provided some useful general information on how AH works. Articles from business magazines were useful but often these were brief articles that gave information only on a particular company having introduced AH.

Specific information on AH in Ireland was sparse. D'Arcy's (1998) report for the Irish Business Employers Confederation (IBEC) was an important starting point for examining AH in Ireland. This was a valuable source of information and contained a general overview of AH including a brief outline of its origins. It gave a number of short descriptive case studies based on interviews with HR and/or Production Managers. These covered IBEC companies that had introduced AH and the report also cited a number of companies that had considered AH but had not proceeded to introduce it. While valuable, the report was limited, as it relied solely on management perspectives and short synoptic case studies, and gave no indication of the extent of AH in Ireland or on workers' opinions of AH.

The IRN journal was the most important source in relation to drawing together information on AH in Ireland. The IRN is a weekly magazine that provides comprehensive coverage of industrial relations in Ireland. It is 'an independent publication without links to any employer, trade union or government bodies' (www.irn.ie). It provides details on a number of industrial relations and employment law developments including comprehensive reporting and analysis of any disputes or collective agreements occurring in individual companies. It contained a large number of articles that gave details on companies in Ireland that had introduced or had

considered introducing AH. These gave details on a number of issues such as the circumstances leading to the consideration of AH, the key terms of the agreements and the trade unions involved.

This comprehensive literature review allowed significant ‘gaps’ in the research on AH in Ireland to be identified early on. The main gaps were that there was little or no information on the extent of AH in Ireland, there was an over-reliance on exemplar case studies and, most significantly, there was an absence of direct worker opinion of AH. The absence of worker opinion was notable, not just in Ireland but there appears to be little evidence of direct worker opinion of AH anywhere. There are some accounts of the views of worker representatives, however these may or may not coincide with workers’ views. These weaknesses in the Irish research base allowed some research questions to be immediately generated. Others were constructed following initial exploratory meetings with key industrial relations actors. The research questions and issues related to generating research questions are now discussed.

Research Questions

Bryman and Bell (2003:37) emphasise the importance of generating specific research questions in the early research stages to ensure a focused approach. Similarly, Saunders *et al* (2007:30) stress the importance of defining clear research questions at the beginning of the research process and state that ‘the importance of this cannot be overemphasised’. Bryman and Bell (2003:38) offer the following considerations when developing research questions and suggest that they should:

- *Be clear*
- *Be researchable*
- *Connect with established theory and research*
- *Be linked to each other*
- *Have potential for making a contribution to knowledge and*
- *Be neither too broad nor too narrow*

Generating research questions is not as simple as making a list of questions. McNiff and Whitehead (2000) note that the research questions may not emerge until the research process has started and are therefore part of the process of ‘progressive

illumination'. For this study, some of the questions were obvious following the literature review, such as 'what is the extent of AH in Ireland?' Others emerged following initial exploratory meetings with industrial relations actors. The research questions and sub-questions are presented here. Following each question, the thinking behind the question is outlined and the methodology used is briefly presented.

Question 1 *What is the extent of AH in Ireland?*

An essential first step in generating new knowledge on AH in Ireland was to establish the extent of such agreements. While a number of examples of AH in Ireland were found during the literature review, only very incomplete information on the extent of AH existed and so this was an obvious starting point. In particular, no source was found that provided a census of AH in Ireland and it was necessary to construct a database to identify the following:

- Companies in Ireland that had introduced some form of AH.
- Companies that had abandoned AH, following its introduction.
- Companies that had considered introducing AH¹⁸.

A subsidiary question to Question 1 includes:

Question 1(a) *What trade unions are involved with AH agreements?*

Creating the database was a key stage of the research. Of course the database is not a methodology in itself and it is the exploratory meetings and interviews with informed actors that are the methodologies employed to construct the database. Given that AH are typically associated with unionised environments, it was important to determine the trade unions involved with such agreements to allow examination of the breadth of trade union involvement in AH.

Question 2 *Why do companies introduce AH?*

Having established the extent of AH in Ireland, another key question was why companies introduce AH? While a number of reasons are advanced in the literature, these tend to be rather general and given that most of the literature is based on UK companies, detailed examination of AH in an Irish context was lacking. The

¹⁸ The term 'considered' introducing AH is used to mean companies that entered discussions with unions or workers on AH or those that sought information on introducing AH from other companies etc.

interviews and case studies address this question, and analysis of the database also provides insights. Key subsidiary questions to this are:

Question 2(a) *To what extent are AH agreements successful?*

Question 2(b) *What factors contribute to the success or failure of AH?*

The term ‘successful’ is a general concept and refers to the extent to which both parties (management and workers) prefer to continue to use AH rather than reverting to ‘the old way of doing things’. Success can be established by means of an objective and subjective measure. The objective measure involves the number of AH agreements that endure once they are introduced as against the numbers abandoned and this is established from the database of agreements. The subjective view of success is established from the perception of satisfaction with AH from the parties involved. Interviews with informed actors and the worker survey are the primary methodologies employed to address this subjective measure, with the case studies also providing insights. The database, interviews and case studies provide insights on the factors that contribute to the success or failure of AH.

Question 3 *To what extent do trade unions oppose or support AH?*

There are somewhat mixed views in the literature in relation to whether trade unions are supportive or not of AH, albeit there is a general sense that trade unions are positively disposed to it. A subsidiary question is:

Question 3(a) *What are the key issues around AH for unions?*

These questions sought to examine the views of trade unions in Ireland towards AH. The methodologies employed in addressing these questions were analysis of the database and interviews with informed actors with the case studies also providing insights.

Question 4 *Does AH impact positively or negatively on workers?*

This was one of the key lacunae in the existing research. While ‘lists’ of benefits and drawbacks of AH for workers were presented in much of the literature, these were not subject to detailed empirical examination. A triangulated approach was adopted in addressing this question. Exploratory meetings, interviews with trade union officials and shop stewards and the case studies provided certain insights. The main method in answering this question, however, was the worker survey as it elicited workers opinions directly which could confirm or refute the opinions of management and trade

union personnel. While the survey may be viewed as part of the case study methodology (given that it was administered to workers in the three case study companies), it is presented in this thesis as a separate methodology. The reasons for this are as follows: the survey was conducted after the case studies were written so information from the survey was not used in the case studies; results from the survey are presented in a separate chapter to the case studies; the survey was designed specifically to address research question four and therefore for presentational purposes, it is better presented as a separate methodology. The survey focuses on workers *perceptions* of how AH impacts on them. The different sources employed allow for a composite and comprehensive approach to answering this question. They allow an examination, not just of AH in general but of the components of AH. Subsidiary questions (addressed by the worker survey) are:

Question 4(a) *What is the perceived impact of AH on:*

Pay, hours of work, home life, the role of the union?

Question 4(b) *What elements of AH do workers value?*

Question 4(c) *What are the perceived problems, if any, with AH for workers?*

Question 5 *Does AH affect relationships between workers and management?*

Question 5(a) *What is the relationship between AH and workplace partnership?*

These questions are pertinent as the published case studies of AH in Ireland reported a change in relationships between workers and management following the introduction of AH, with some emphasising a transformative move towards partnership. Many of the Irish exemplar case studies of partnership involve companies that operate AH, although AH is given only a minor role in these accounts. Furthermore, half of all companies that contacted Aughinish with regard to exploring AH also showed an interest in learning about the workplace partnership that existed there¹⁹. The link between AH and workplace partnership therefore merited investigation. The combination of the case studies, interviews with informed actors and the worker survey informed these questions.

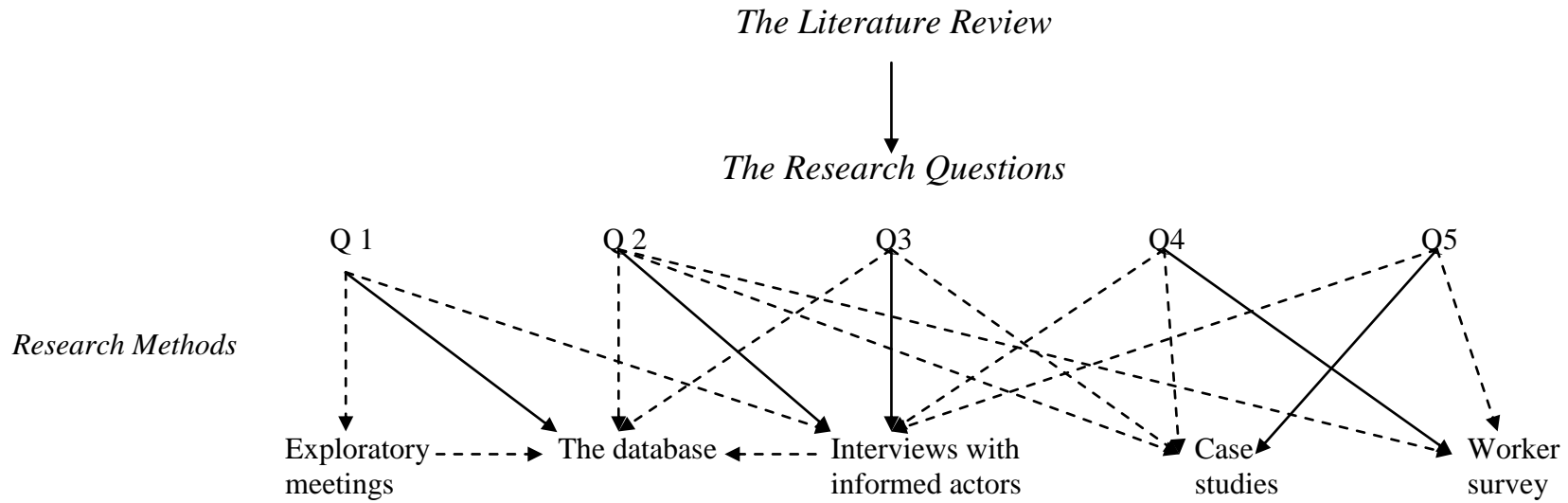
¹⁹ This was significant as, given that Aughinish is seen as the exemplar case of AH in Ireland, companies considering introducing AH regularly visit Aughinish to find out about how the system works and get advice on introducing AH. In a list supplied by a HR contact in Aughinish, 15 out of 30 companies that had visited the site to find out about AH also expressed an interest in workplace partnership.

The Research Map

The five research questions (and sub questions) guided the choice of research methodology. The questions are informed by a mix of secondary and primary data and a mix of qualitative and quantitative research methods. Each question is informed by a primary methodology (i.e. chosen specifically to address that question) and partially informed by the other research methods adopted. In essence, for each question, different sources are used to address the question thus ensuring a balanced approach. The following diagram represents a map of the research questions and how the methodologies adopted inform these.

The research map (figure 4.1) outlines a number of distinct stages – exploratory meetings, creating the database, qualitative interviews, constructing the case studies and the survey of workers. For ease of reference these stages are presented as if they occurred in chronological order. To a certain extent the stages did occur chronologically, however, there was significant overlap between them. The exploratory meetings occurred while the database was being constructed and, in fact, informed much of the database, as shown in the research map. In the same way, not all the case studies were constructed at the same time and the qualitative interviews were conducted at different points in time over a three-year period. The information in the database was reviewed at regular intervals throughout the research and updated as other information became available. This is an example in practice of the dictum that research is rarely a neat process, flowing directly from one stage to the next. The methodologies are linked, as the research questions are and there is evidently some cross over from one stage to the other. The next sections of this chapter deal with each of the research stages individually, as presented in the research map. This is done in order to avoid an overly complicated narrative. The sections outline in detail how each of the remaining phases was carried out.

Figure 4.1: The Research Map



Continuous arrow = primarily informed by →

Broken arrow = partially informed by - - - - ->

Note: The sub questions are included in each of the questions.

Phase Two – Generating a Preliminary Narrative: Exploratory Research, Developing the Database and Interviews

Networking

During the initial stages of the research I attended a Partnership Learning Network (PLN) seminar in the University of Limerick. The PLN was founded by a group of industrial relations practitioners and academics who came together and set up this initiative to ‘assist those who are genuinely interested in finding 'a better way', to develop a relationship that is based on good communication and trust at workplace level’ (www.partnershiplearningnetwork.com). The network comprises trade unionists (both current and former), academics and managers and conducts seminars twice a year where participants discuss a number of issues related to workplace partnership. It is important to note that AH is a niche area in Irish industrial relations and there are a small number of experts in this area in both trade union and management circles. Within these circles, the key industrial relations actors and those with the most experience and knowledge of AH are well known. A number of people at the PLN seminars gave advice on who would be the key people to talk to in relation to AH in Ireland. Therefore, participation in these seminars allowed an opportunity to establish important contacts with different informed industrial relations actors to participate in interviews and assist with the research.

Exploratory Meetings with Industrial Relations Practitioners

Having made a number of contacts through the PLN seminars, some one-to-one informal meetings were set up with representatives from the Technical Engineering and Electrical Union (TEEU), the Labour Relations Commission (LRC)²⁰ and management representatives from Aughinish Alumina and Wyeth Nutritionals. At these meetings I had informal discussions on the topic of AH, which helped at times to further inform the research questions. In addition, many of the people I met were extremely helpful in terms of offering practical assistance such as providing information on AH, and the management representatives in Aughinish and Wyeth agreed to allow access to those companies for case study research when that stage of the research came. The objectives of these initial meetings (which occurred at around the same time the literature review was being conducted) were to:

²⁰ The LRC is a tripartite body with trade union, employer and independent representation and provides a range of services to prevent and resolve disputes (see www.lrc.ie for details).

1. Gather any additional information that would help in gaining a general understanding of AH in Ireland – both on the extent of AH and specifics on the operation of AH agreements.
2. To ensure that relevant and knowledgeable industrial relations actors were involved in the project from the outset.
3. To determine the possibility of access to companies for conducting case study research and in time, a survey of workers²¹.
4. To get ‘buy-in’ from both trade union and management representatives for the research to be conducted in particular organisations.
5. To get suggestions of other industrial relations actors involved in AH who may be useful to interview and to get contact details for these where possible.

All of the above objectives were met. Information gathered during these meetings helped inform the database and some of the information needed for constructing the case studies was supplied. Other industrial relations actors were contacted by phone to inform them of the research project and to get assistance with compiling the database. These included a union official from the TEEU who was actively involved in AH training through the Education Training Services Trust (ETS)²² and a management consultant who had extensive knowledge of AH.

Developing the Database

In order to gain a complete picture of the extent of AH in Ireland, the first task was to create a database. This database contained details of companies in Ireland that had introduced AH agreements, those that had considered introducing them and those that had abandoned AH following its introduction. To compile the database, every article containing the words ‘annual’ or ‘annualised’ hours from the IRN journals (from 1997 to date)²³ was reviewed. This information was then collated to form an initial database. Newspaper and business articles were reviewed to further support information gathered from IRN.

²¹ A further discussion on choosing case study companies is presented later in this chapter.

²² The ETS is the training division of the TEEU union but is a separate organisation and also assists other trade unions with training.

²³ 1997 is the year from which IRN articles are available online. Some companies had introduced AH prior to 1997 but most of these had already been noted through a search of the literature on AH in Ireland and data on such companies was re-checked in subsequent interviews.

Following this review of secondary data, the database was sent to a number of industrial relations actors (who had knowledge of AH) by email. These included one representative each from the LRC, NCPP, SIPTU and ETS, HR representatives in Aughinish Alumina and Wyeth Nutritionals (one from each) and two representatives from the TEEU, one based in Dublin and one in Limerick. The SIPTU trade union official was a personal contact, based in Cork, who checked the database and provided a list of companies where SIPTU in Cork had been involved in negotiating AH agreements. The HR practitioner in Aughinish supplied a list of companies who had contacted or visited the plant to learn more about AH and to the best of his knowledge which of those companies had since introduced AH and which had not. The TEEU official in Dublin created a list of all the companies he knew of where the TEEU was involved in AH agreements. He also checked this with another TEEU official based in Dublin. A year after the initial research began contact was made with another SIPTU official at an academic conference. He showed an interest in the research and subsequently made available data from the Dublin SIPTU head office on companies where SIPTU was involved in AH agreements. During subsequent qualitative interviews with HR and union representatives in the following stages of the research, the database was shown to them and in this way the information was checked from a number of sources. Information from these industrial relations practitioners confirmed the data collected and pointed to a small few additional instances of AH. As the research progressed, there was a diminishing return in asking participants about the list of companies as no new information was being provided and the same companies were mentioned again and again. During the collection of data, it was found that certain companies included in the database had closed or merged with others since their association with AH was reported. These changes were subsequently reflected in the database.

The use of multiple sources allowed other information to be included in the database such as which trade union was involved in negotiating the agreement, as well as the types of workers covered by the schemes. The methodology was somewhat '*ad-hoc*', but every effort was made to gather information from as many reliable and well-informed sources as possible. In this way, the information was verified from a number of sources. Ireland is a relatively small country and, as noted, AH is a niche area within Irish industrial relations. Therefore, the industrial relations practitioners

involved in AH agreements tend to have a ready knowledge of developments in this area. Therefore a high degree of confidence in the information collated is possible.

Qualitative Interviews with Informed Actors

Following the initial meetings with relevant actors, more formal interviews were conducted, the main purpose of which was to gather data for the case studies. Interviewees were chosen on the basis that they would be knowledgeable on the topic of AH. Interviews were not conducted strictly according to function but according to who would have most knowledge around AH. Contacts in each company made suggestions as to who would be best to interview, for example in Cara Partners, the HR manager suggested that the Operations Manager should be interviewed as he would have most knowledge around AH while in Wyeth, both the HR manager and Operations manager were interviewed. In Wyeth, it was also suggested to first interview the MD so that he would be involved in the research and give approval for others to be interviewed (which he did). The interviews were conducted with a mix of representatives from management (HR and/or Operations) and trade unions (officials and/or shop stewards) involved in negotiating AH in the case study companies so as to ensure a balanced representation of views.

It is important to note that no formal interviews were conducted with management and trade union representatives in Aughinish. Two informal meetings with trade union representatives were held in the early stages of the research. Four informal meetings with management in Aughinish were held both during the initial exploratory phase and as the research progressed. An abundance of information was supplied by both management and union representatives during these informal meetings. To request formal interviews following these meetings may have annoyed participants who had already been so helpful with the research. During a meeting with management in the later stages of the research, the interview schedule was shown to the HR representatives to check if any issues had not been covered. The HR representative also reviewed the Aughinish case study to check that it accurately reflected the Aughinish 'story' which he said it did. Therefore, while the lack of formal interviews in Aughinish represents a methodological inconsistency, this did not affect the amount or quality of data gathered for the Aughinish case and does not pose any significant analytical implications for the case studies.

Objectives of the Qualitative Interviews

The objectives of the interviews were as follows:

1. Get general information on AH in Ireland.
2. Have the database on AH in Ireland checked by informed interviewees.
3. Gather the interviewees' opinions of different elements of AH.
4. Draw together data for constructing case studies.
5. Secure buy-in from interviewees for conducting a survey of workers and get assistance with distribution of questionnaires where necessary (assistance in distributing the questionnaires was an objective of interviews with shop stewards only).
6. To get opinions on the content and construction of the questionnaire before it was distributed to workers²⁴.

When conducting interviews, a number of options are open to researchers. Anderson (2004:147) notes that a key issue with interviewing is to 'determine the type of interview that is most suitable to answer the research questions'. Given the objectives of the qualitative interviews, a semi-structured approach was most appropriate. Saunders *et al* (2007:312) note that in semi-structured interviews, 'the researcher will have a list of themes and questions to be covered, although these may vary from interview to interview'. Bryman and Bell (2003:343) note that this interview process is flexible and that questions may not follow exactly as outlined in the schedule. The semi-structured methodology provided a wealth of data for the case studies as interviewees often found it easiest to 'tell the story' of AH in the company rather than answer direct questions. The interview schedules, which were given to interviewees, acted as a trigger for them to talk about certain topics and as a checklist to ensure all topics were discussed. The importance of different topics varied between interviewees, but a check was made at the end of all interviews to ensure the interviewee had considered all topics. A copy of the interview schedules used is provided in appendix A.

²⁴ All interviewees were given a copy of the questionnaire prior to the interview and shop stewards were asked to fill in the questionnaire (as part of the worker survey) if they had no suggested alterations. All shop stewards interviewed returned a completed questionnaire, as they had no suggested alterations.

Conducting the Qualitative Interviews

Interviewees were contacted by email and/or phone, and in most instances agreed to the interview. Some potential interviewees proved difficult to contact and at one point, it took four months of phone calls and emails to a trade union officials' secretary before an interview was agreed. In Wyeth Nutritionals, the Managing Director and HR Manager supplied a list of shop stewards and the HR Managers' personal assistants set up a number of interviews on site. At all times, every effort was made to be as flexible as possible with regard to interview times and locations that would suit interviewees. Interviews took place on company sites, in trade union offices or in a local hotel. Most interviews were conducted on a one-to-one basis but one interview involved two interviewees, a trade union official and management consultant who worked together in providing training on AH and both suggested they be interviewed together. Another involved three shop stewards in Cara Partners where limited time was available for them to participate in the research, and so the HR officer suggested they be interviewed together. All but three interviews were recorded²⁵ and I personally transcribed all interviews. Notes were also taken during all interviews and detailed notes were written up immediately after the interview, which was particularly important following interviews not recorded. A total of 21 semi-structured interviews, involving 24 interviewees were carried out over the course of the research. The duration of interviews varied, lasting between 30 minutes and one and a half hours. Table 4.1 outlines the specifics of these interviews.

Ensuring Informative Interviews

Although Saunders *et al* (2007:318) suggest interviewees may be sensitive to the exploration of certain themes this was not a major concern²⁶. In fact, interviewees were so animated by the topic of AH that they spoke very freely and supplied a wealth of information on the topic.

²⁵ During one interview the recording device failed and this was not discovered until after the interview. Subsequently, two recording devices were used for each interview. For the interview involving three shop stewards it was felt that recording four voices would be confusing. I was also informed the shop stewards would be uncomfortable with being recorded so only notes were taken during that interview. A separate interview with another shop steward in the same company was conducted and only notes were taken.

²⁶ Some interviewees made comments around pay levels but did not wish to divulge exact pay details due to the sensitivity of such information. This was not an issue, however, as this information was not needed as workers' perceptions of pay were tested in the survey and interviewees noted the general implications of AH on earnings.

Table 4.1: Interviews Completed

Date	Interviewee	Data gathered
7 th November 2006	Retired SIPTU official	General information on AH and data for Coca-Cola case study
27 th February 2007	HR Manager	General information on AH
28 th February 2007	TEEU official	General information on AH and data for Coca-Cola case study
28 th February 2007	TEEU official and HR consultant	General information on AH and data for case studies
3 rd December 2007	Operations Manager	General information on AH and data for Cara Partners case study
19 th May 2008	TEEU official	General information on AH and data for Cara Partners case study.
7 th August 2008	Managing Director	General information on AH and data for Wyeth case study.
29 th October 2008	HR Manager	General information on AH and data for Wyeth case study.
29 th October 2008	SIPTU shop steward and branch secretary	Data for Wyeth case study
29 th October 2008	SIPTU shop steward and section secretary	Data for Wyeth case study
29 th October 2008	Amicus (Unite) shop steward	Data for Wyeth case study
30 th October 2008	Operations Manager	General information on AH and data for Wyeth case study.
30 th October 2008	Amicus (Unite) shop steward	Data for Wyeth case study
13 th November 2008	SIPTU shop steward	Data for Wyeth case study
14 th November 2008	SIPTU official	General information on AH and data for Cara Partners case study.
2 nd December 2008	SIPTU shop stewards (3)	Data for Cara Partners case study
8 th December 2008	SIPTU shop steward	Data for Cara Partners case study

Of course, steps were taken (as recommended, for example, by Anderson, 2004) to ensure the interviews were as informative as possible such as:

- Fully briefing interviewees as to the purpose of the research.
- Assuring interviewees that both management and trade unions in the organisation supported the research, where appropriate.
- Asking interviewees if they had any issues with being recorded, which in most instances they did not, save for the cases outlined above.
- Dressing appropriately and using appropriate language to establish a rapport with interviewees.

Overall, the interviews provided very rich qualitative data and enabled information to be drawn together for the case studies. The interview recordings are currently kept in locked storage and transcripts of the interviews are contained in a bound volume. Access to this volume is restricted but is available on request to examiners on a confidential basis.

Analysing the Qualitative Interviews

The interviews provided invaluable information for constructing the case studies and also information regarding interviewees' personal opinions and experiences of AH. Many qualitative comments from interviewees highlighted key issues pertaining to the extent of AH, the operation of AH, the link between AH and management-worker relationships and the implications of AH for workers. Each interview was analysed and coded according to each research question. Relevant quotes were highlighted and numbered to correspond with the number of the research question. Quotes from the interviews are concentrated in chapter five. Given the rich data gathered through the interviews (and considering they were used to construct the case studies) quotes are also given in chapters six and seven to highlight key points.

Phase Three – Exploring AH in depth

The Case Studies

Morris and Wood (1991) suggest the case study strategy will be of particular interest to a researcher who wishes to gain a rich understanding of the context of the research and the processes being enacted. Eisenhardt (1989:532) notes that 'this research approach is especially appropriate in new topic areas'. While the concept of AH is not a new topic area, *per se*, AH as a field of research was very underdeveloped,

particularly in an Irish context and therefore can be considered a new topic area in this regard. The primary reason for adopting case studies in this research was to allow in-depth exploration of AH in a sample of Irish companies and an understanding of the role of a number of factors, including the process of negotiating AH, in determining the success or otherwise of AH agreements.

There are a number of key recommendations in the methodology literature when using case studies in research. Saunders *et al* (2007), for example, suggest that if a case study strategy is being used, triangulation is necessary i.e. the use of different data collection techniques within one study. A triangulated approach was adopted for this study as information was gathered from a number of sources. Roche (1997:98) notes ‘case study methodology is one of a number of tools available to the business researcher. Where it is used, there should be good reasons for adopting a case study design and there should be a carefully thought-out and reasoned basis for selecting cases’. As noted, the primary reason for adopting a case study design was to allow in-depth exploration of AH and the basis for selecting the case studies is outlined in detail in the next section.

There are mixed views on the use of case studies as a research method. Case studies are sometimes criticised for not being generalisable (Anderson, 2004). Bryman and Bell (2003:55) note, however, that ‘exponents of case study research counter suggestions that the evidence they present is limited because it has restricted external validity by arguing that it is not the purpose of this research design to generalise to other cases or to populations beyond the case²⁷.’ Yet, others have argued that insights from case studies can indeed be generalisable, albeit they distinguish between theoretical generalisability rather than statistical generalisability (see Hillebrand *et al*, 2001). Statistical generalisability involves establishing correlations between two variables. Hillebrand *et al* (2001:655) argue that in case study research, theoretical generalisations are possible if the researcher focuses on ‘replacing statistical correlations with logical argumentation’. If a researcher can support causal relationships between variables in case studies through logical argumentation then the results of case study research may be valid for a larger population. Eisenhardt

²⁷ The use of exemplar case studies shows however that this temptation is often not resisted.

(1989:547) also argues that case study research can be generalisable through theory building which is ‘a bottom up approach such that the specifics of data produce the generalisations of the theory’. Yin (2003) argues that multiple case studies may be preferable to a single case. The rationale for using multiple cases focuses upon the need to establish whether the findings of the first case occur in other cases and, as a consequence, the need to generalise from these findings (Saunders *et al*, 2007). A multiple case study approach was adopted to allow for comparisons between different cases. While the reason for adopting a case study methodology was not, primarily, a wish to be able to generalise to populations beyond the case, it is noteworthy that the causal relationships identified through analysis of the case studies for this research may theoretically be generalisable to the broader population.

Choosing the Case Study Sites

Given the multiple case study approach adopted for this study, it is important to outline how the case study sites were chosen. One of the most-cited cases of AH in Ireland (Aughinish) was located in Limerick, close to the university where the research was being carried out. Previous accounts of this case were either not in-depth or focused on the partnership element of the case rather than AH (see for example, NCPP, 2002; Dobbins, 2007a; Dobbins and Gunnigle, 2009). This was the first company considered for in-depth case study examination so that the role of AH could be explored in more detail. During the PLN seminars, another company in Limerick (Wyeth) was identified which had relatively recently introduced AH. A comparison of these two companies – one operating AH for ten years and the other quite new to the process would help draw attention to changes that occur as AH become embedded in an organisation.

It was noted during the collation of information for the database that very few companies had abandoned AH following their introduction. Given the reliance on exemplar case studies in most of the literature on AH, an examination of a ‘failed’ case was used to bring something new to the area of AH. Eisenhardt (1989) identifies the significance of studying polar types in case study research, contrasting this with the traditional hypothesis testing studies where researchers generally select a random sample from the population. The case study of a ‘failed’ case would act as a control

when examining the role of various factors in other firms. The most notable ‘failed’ case was at a Coca-Cola plant based in Louth.

The fourth case involved a pharmaceutical plant based in Cork. This case was different to both Aughinish and Wyeth as workplace partnership, or attempts to introduce workplace partnership, did not appear to be a significant feature of this case. AH appeared to be working successfully there, without any link to partnership²⁸. Given research question 5 (*Does AH affect relationships between workers and management?*) and 5(a) (*Is there a link between AH and workplace partnership?*), this case was explored in order to provide a comparison to Aughinish and Wyeth as workplace partnership was emphasised in both of those cases but not in Cara Partners. The Cara Partners case was also a much smaller site than either Aughinish or Wyeth employing only 100 workers compared to 450 in Aughinish and 600 in Wyeth.

The case study sites were therefore chosen on the basis that they allowed for control of various factors, a company where AH was in place for a number of years and one where AH was relatively new; a success and a failure; large companies and a small company and two companies where partnership played a role and one where it did not appear to do so. However, it was also important that the case studies be similar in other respects. All four companies operated within process industries and all were highly unionised. All four companies operated with extremely high levels of overtime before the introduction of AH. In relation to workforce characteristics, it was possible to identify that all four companies had AH in place for both operatives and craft workers (some companies may have AH for one of these groups but not both). It was important that these factors be similar as this better enabled relationships between the other variables to be identified through ‘logical argumentation’ (Hillebrand *et al*, 2001). In other words, it is more plausible to identify the role of workplace partnership, for example, when outcomes cannot be due to other factors such as highly unionised versus a non-union plant. Of course, it would be difficult, if not impossible to control for all factors between case studies but the key variables identified allow for an element of control when comparing and contrasting the case studies.

²⁸ Partnership did not feature in the Coca Cola case either but AH did not seem to have worked successfully there.

Of further note is the type of AH scheme that operated in the three successful companies. While it has been noted that AH agreements tend to be tailored to suit the specific needs of each company, a number of broad similarities between the design and operation of the AH schemes in each of the case studies can be noted. An examination of the three company agreements shows the following: All AH agreements were negotiated at local level between management and trade unions involved in the companies. All three companies operate on a shift work basis, as well as using AH. All three companies eliminated any provisions for paid overtime when AH was introduced. In relation to reserve hours, the following similarities are notable. All three companies paid reserve hours at a premium rate which was incorporated in to salary. Aughinish agreed between 200 and 250 reserve hours to be worked (for different groups of workers); Wyeth agreed 200 reserve hours and Cara Partners agreed 210 reserve hours to be worked. All three companies included a provision to discount hours on a quarterly basis which, as noted by TEEU Official B (2007) is ‘standard practice with most arrangements’ in Ireland. Furthermore, all three agreements included provisions that both management and workers would endeavour to minimise the use of reserve hours. These features are typical of AH agreements in Ireland (see D’Arcy, 1998).

At this point, it is noteworthy that one other company was, during the early stages of the research considered for case study exploration. This was Irish Rail and an interview was conducted with the HR Manager in this company (HR Manager A) in early 2007. This would have allowed comparison between a semi-state company and private companies. However, this company was not used as a case study site as the criteria outlined above evolved as the research progressed and this company did not fit the criteria.

Other issues also need to be taken into consideration when choosing case study sites. Saunders *et al* (2007), for example, identify gaining and maintaining access to conduct research as a potential problem for researchers. This fortunately was not an issue in this study as access was negotiated quite easily²⁹. This seemed to be because the area of AH was so under-researched that participants were eager to contribute to

²⁹ Unfortunately, as the research progressed, access to conduct the worker survey became an issue with Aughinish. This is discussed later in the chapter.

the study. It also reflects the time invested in building up a network of contacts in the exploratory phase of the research so the study was well-known among those contacted to participate. Any information requested was supplied freely by participants (including hard copies of the AH agreements in Aughinish, Wyeth and Cara Partners, albeit these were, of course, supplied on a confidential basis). Other practical concerns of case study research may include the location of the case study site and the monetary and time costs of travel, how many visits needed and so on. It was fortunate that the location of both Aughinish and Wyeth was suitable in terms of travel and costs. While the Cara Partners and Coca Cola cases involved more travel costs than the other case study sites, the value of conducting these cases was judged to outweigh the costs involved.

Constructing the Case Studies

Once the case study sites were selected a number of sources contributed to the construction of the case studies. Secondary data, which included IRN articles, company publications, two unpublished theses (Kennedy, 2000; Dobbins, 2007a) and previously published case studies, were examined in detail. This was combined with data from the semi-structured interviews and informal meetings. The first two case studies constructed were on Aughinish Alumina and Coca-Cola. These were analysed in a number of papers (see Wallace and White, 2007a; 2007b; 2008) and the analysis highlighted the need for a structured approach in deciding what information to collect for case studies, particularly if comparisons are to be made. Interview schedules were therefore kept consistent when researching the cases to ensure the same points were examined³⁰. In writing up the case studies, a number of steps were involved including abstraction, simplifying, highlighting key issues and ensuring that all potentially significant factors were taken into account. The case studies are summaries of the large amount of data collected and inevitably there may be some minor omissions. In the context of a thesis with four case studies, interviews and a survey it is not possible, nor would it be desirable, to have excessively long case studies.

³⁰ Given the semi-structured approach adopted during interviews, however, interviewees were also given scope to identify points not highlighted on the schedule. As noted, the interview schedule was shown to management in Aughinish to ensure all points were examined.

The Case Study Firms

Table 4.2 provides a summary of each of the case study firms, the reasons for choosing these and the sources used to construct the case studies. The case studies are presented in detail in chapter six.

Table 4.2: The Case Study Firms

Case	Location	Reason for Studying	Data Sourced
Aughinish	Limerick (mid-west)	Exemplar case study. Process industry. AH in place for a long time. Emphasis on partnership. Location.	Secondary case studies, IRN articles, material provided by management, informal meetings with management and TU officials. Interview with previous management. AH agreement.
Wyeth	Limerick (mid-west)	New AH case; Process industry; comparison to older case. Emphasis on partnership. Location.	IRN articles, informal meetings with management, interviews with management, TU officials and shop stewards; AH agreement.
Coca-Cola	Louth (northeast)	Failure; address over-reliance on exemplar cases; provide a control for other cases.	Secondary case studies, IRN articles, interviews with trade union officials.
Cara Partners	Cork (south)	Process industry; non-partnership case. Location.	IRN articles, interviews with management, TU officials and shop stewards, AH agreement.

As can be seen from the above table, the data collection methods for each case study varied slightly. Substantial information on Aughinish was available through secondary sources, such as previously published case studies, two unpublished theses³¹ and documentation made available by management. A number of informal meetings took place with HR managers and trade union officials from Aughinish during the initial stages of the research to get general information on AH. Information specific to Aughinish was provided during these meetings and so it was considered unnecessary to follow up with formal interviews as all the topics on the interview

³¹ One was an MBS thesis exploring change management in Aughinish. The second was a PhD thesis (also on Aughinish) focusing on workplace partnership rather than AH *per se*.

schedule had been addressed. If any information was needed, a HR contact in Aughinish provided it by email or over the phone.

In Coca-Cola, the failure of AH had happened a number of years ago and so it was, at first, difficult to find interviewees who were there at the time and were knowledgeable of what had happened. The current SIPTU official when contacted for example suggested a meeting with a retired SIPTU official who ‘was there at the time and would know more about what went on’. There was no management representative interviewed as none were identified who had direct experience of the AH failure in Coca Cola. The data collection relied on interviews with trade union officials from SIPTU and the TEEU but this bias was balanced by the use of secondary sources including a previous case study (based on management perspectives at the time) and IRN publications.

In Wyeth and Cara Partners, more interviews were conducted than for the other two cases as shop stewards were also interviewed as well as trade union officials. This was because the HR contact in these companies suggested interviewing shop stewards, interviewees were willingly available and it was important to get as much data as possible from interviews as no previous case studies were available for either of these cases, although secondary data from IRN articles was available for both. However, data from the interviews with shop stewards in these companies in relation to constructing the case studies was of limited value as interviewees tended to focus on the minutiae of AH and some information was repetitive (i.e. the same issues mentioned). The interviews with trade union officials and management representatives were more informative in relation to constructing the case studies as they focused on key issues such as the background to AH, the negotiation of the agreements etc. Therefore, it was deemed that interviews with shop stewards in Aughinish would have been of limited use.

Phase Four – Discovering Workers’ Opinions

The Worker Survey

The biggest gap noted in the literature review, was the absence of direct worker opinion of AH. Apart from Heyes’ (1997) study, which used participant observation and focus groups with workers, no notable studies relating specifically to workers’

views on AH were identified. Yet the literature frequently focuses on the advantages and disadvantages of AH for workers. In order to address this gap, a survey of workers in three of the case study companies was conducted³². Access to conduct the worker survey was unproblematic in Wyeth and Cara Partners. Unfortunately, Aughinish underwent a change of ownership and due to the economic downturn began experiencing financial difficulties. The HR contact who had previously provided substantial assistance with many different elements of the research informed me that it would not be a ‘good time’ to conduct the survey there due to workers’ sensitivity to changes that were occurring. This was a disappointing development in the research; however, the key concern of the HR contact was that if the survey was distributed at that time, it would yield very low response rates. Workers had concerns about the changes taking place in the company and the HR contact noted that questionnaires ‘would have ended up in the bins’ (Personal Correspondence) if the survey had proceeded as planned. The survey of workers in the other two companies was completed and the main findings analysed (see Wallace and White, 2009). Considerable efforts were made to keep in touch with contacts in Aughinish to see if there was possibility of conducting the survey at a later date. Subsequently, it was agreed that the timing to conduct the survey was suitable as communications exercises with employees around changes occurring had taken place and a number of issues between workers and management resolved. Inclusion of the Aughinish survey improves the reliability and validity of the results and ‘closes the circle’ by ensuring opinions of workers in the three case study companies are included in the analysis and results.

Developing the Questionnaire

Given that no survey of workers’ opinions of AH had been carried out previously, there was no readily available research instrument to draw on for this survey. Designing the questionnaire was a time-consuming process. A total of 15 drafts of the questionnaire were constructed, each draft reviewed and revised following feedback from my supervisor, other colleagues and informed actors. This was to ensure the instrument be understood, clear, and sufficiently concise to promise a satisfactory response rate.

³² It would not have made sense to survey workers in Coca Cola as AH had been abandoned there for the majority of workers some eight years before this research began.

Piloting

It is highly recommended that questionnaires be piloted before being distributed to participants. Bryman and Bell (2003:170) note 'it is always desirable, if at all possible, to conduct a pilot study before administering a self-completion questionnaire'. The questionnaire was piloted early on with five workers in a public sector organisation that operates AH (not one of the case study companies). These workers provided extremely useful comments on many of the questions and on the questionnaire in general. As a result, a number of questions were added, adapted or removed in the final version. The final version of the questionnaire was shown to interviewees to get their comments. The nine shop stewards interviewed were also used to pilot the questionnaire and they had no suggested changes. The time spent on designing and piloting the worker questionnaire was hugely important, as it would not have been possible to rectify mistakes once the questionnaires were distributed to participants.

Questionnaire Design

A brief introduction of who I was and what the research was about was set out on the first page of the questionnaire. Participants were assured of confidentiality and thanked for their participation. Thirty-five questions were included and many of these contained sub questions, making a total of 61 questions. Not all questions needed to be answered by all participants and filter questions were used to instruct participants which questions they needed to answer. Question topics included the following:

- Personal opinions of the 'idea' of AH.
- Personal preferences between AH and overtime.
- Levels of satisfaction with different elements of AH.
- Perception of differences in hours and pay working AH compared to overtime.
- Trade union membership and perceptions of the effects of AH on trade unions in the company.
- Problems arising due to AH.
- Perceptions of relationships between workers and between management and workers.
- Profile questions.

A space was included at the end of the questionnaire to allow participants the option of providing any other comments on their experience of AH. A mix of forced choice, likert-scale and open questions were used. A copy of the questionnaire is provided in appendix B.

Questionnaire Administration

In all three companies, the objective was to distribute questionnaires to all employees who worked AH therefore sampling was not a concern of this research. In considering how to administer the questionnaires, a number of factors were borne in mind to ensure the highest possible response rate. The following were the key points taken into consideration:

1. Target population – the target population was all workers who worked AH in the three companies involved.
2. Questionnaire return – the objective was to make it as easy as possible for participants to return questionnaires.
3. Confidentiality – participants were assured of full confidentiality and anonymity in participating in the research.

Consideration was given to posting questionnaires individually to workers' homes. This method was not pursued, however, as it would have involved high costs of postage, logistical difficulties and would almost certainly have led to a lower response rate than workers being able to complete and return the questionnaire on site. It was decided, following consultation with management and trade union representatives in all three companies, to distribute the questionnaire through the trade union shop stewards. The first step was to inform participants of the research. In Wyeth, a short document was sent to the HR managers' personal assistants explaining the research to date and the purpose of the survey (see appendix C). This was put up on notice boards, emailed to all staff that had access to email and a shorter version was displayed on the canteen screens. In Aughinish, a similar document was sent to a HR contact and workers received this through the internal company monthly communication bulletin (see appendix D). Workers were also informed of the survey through shop stewards and the partnership committee. In Cara Partners the number of participants was much smaller and so it was sufficient to informally inform workers of the survey through the Operations Manager, the HR officer and shop stewards. Trade

unions and management in both companies were supportive of the survey and this was written at the top of the questionnaire.

The questionnaires were distributed in all three companies through the trade union shop stewards. While not strictly posted to workers, the term postal survey is used to describe the method of distribution as it involved many of the aspects of postal survey i.e. self-completion, no personal contact with the researcher etc. The target population was all workers who worked AH in the three companies. In each company, the HR representative gave a rounded figure for the number of workers covered by AH (480 workers in Wyeth, 300 in Aughinish and 65 in Cara Partners) and these numbers of questionnaires were given to the HR representative. There was a high degree of cooperation from both management and trade union representatives in each of the three companies and therefore distribution of the questionnaires to the target population was entrusted to the shop stewards (in each company the distribution of questionnaires to the shop stewards was co-ordinated by the HR representative). It was envisaged that this would yield higher response rates than other distribution methods such as the researcher attempting to distribute the questionnaires to workers in person or posting questionnaires to workers homes. In order to help ensure a satisfactory response rate, those responsible for distributing the questionnaires in each company were contacted by phone on a number of occasions to thank them for their assistance with the research and to urge them to try to get as many questionnaires as possible completed.

In both Cara Partners and Aughinish, questionnaires were distributed to the target population. In Wyeth, however, a number of workers did not receive questionnaires. This was due to the large number of workers in this company and, according to the HR representative, the difficulty in reaching some of these workers (mostly general operatives) due to different shifts being worked. The HR representative also advised that a company-wide survey had recently been completed at the plant and that this may also explain why some shop stewards were unwilling or unable to distribute questionnaires to the entire target population. This was a constraint of the method of distributing the questionnaires; however, this was the best method open to the researcher under the circumstances. The limitations of this are considered in the limitations section below.

Questionnaires were returned directly to the shop stewards in Cara Partners. The HR officer then collected the questionnaires from each shop steward and posted them to me. In Wyeth, because the plant was much larger the questionnaires were either returned directly to the shop stewards or posted to one of a number of collection boxes located throughout the plant. The HR managers' personal assistants then posted all completed questionnaires to me. A similar method was used in Aughinish where workers returned questionnaires either directly to the shop stewards or to a collection box and completed questionnaires were sent directly to me.

Response Rates

The overall response rate was 33 per cent, broken down as follows: 37 per cent from Wyeth, 39 per cent from Cara Partners and 29 per cent from Aughinish. The total number of questionnaires distributed and returned is shown in Table 4.3.

Table 4.3: Response Rates

	Wyeth	Cara Partners	Aughinish	Total
Total Workforce (approx)	600	100	450	
Number of workers on AH (approx)	480	65	300	
Total number of questionnaires distributed	267	59	292	618
Total number of questionnaires returned	100	23	82	205
Response rate	37%	39%	29%	33%

The issue of response rates is a notoriously contentious one in relation to survey research with differing views on what is a valid response rate. Postal surveys in particular are noted for being susceptible to low response rates (Bryman and Bell, 2003; Remenyi *et al* 1998). There are some who view response rates of below 50 per cent as not acceptable (see Mangione, 1995). Bryman and Bell (2003:145) note, however, that 'many published articles report the results of studies that are well below this level'. They point, in particular, to a survey by Cunha and Cooper (2002) that achieved a sample of just 18 per cent. Maylor and Blackmon (2005:198) note 'most surveys are lucky to achieve a 10-15 per cent return rate'. The response rates for this study are therefore considered satisfactory. Data from the questionnaires is used in

conjunction with data sourced through qualitative methods, ensuring a triangulated approach to addressing the research questions. The multi-strategy research design therefore has the benefit of offsetting any difficulties associated with the level of response rates to the questionnaire. It is not possible to generalise the results of the worker survey to the population of workers in Ireland covered by AH, nor was it the intention of the research to do this. Rather, the objective of the survey was to take the ‘first step’ in testing whether or not workers’ opinions of AH were consistent with the views of management and trade union representatives that dominated previous research on AH.

Profile of Respondents

Workers were asked a number of profile questions in the questionnaire in relation to gender, age and occupation to determine the profile of respondents and thus enable a check of these factors to be conducted in the event that significant differences in workers’ responses to various questions emerged. The profile of respondents in each company is as follows:

Table 4.4: Profile of Respondents

Profile:	Company:	Wyeth	Cara Partners	Aughinish
Gender:	Male	56.6%	69.6%	96.2%
	Female	43.4%	30.4%	3.8%
Age:	21-40	52.5%	52.2%	27.5%
	41-60	45.5%	47.8%	63.7%
	61+	2%	0%	8.8%
Occupation:	Professional/Management	4.1%	4.3%	0%
	Electrician	2%	0%	16.2%
	Fitter	13.3%	13%	38.8%
	Technician	38.8%	30.4%	1.2%
	Engineer	1%	0%	1.2%
	General Operative	15.3%	43.5%	40%
	Clerical / Admin	23.5%	0%	1.2%
Other	2%	8.7%	1.2%	

Data Input and Analysis

Data from the questionnaires was analysed using the statistical package SPSS 16. I coded the questionnaires and inputted each one to SPSS. After each input, the data was checked using the value labels. The value labels show the actual answer rather than a code and so it is easier to check whether a person had answered ‘yes’ or ‘no’ to a question for example rather than checking whether code 1 or 2 was correct.

Although this was a time consuming process, it was worthwhile in reducing the potential for error.

Baker (2001:300) notes that ‘with increased access to computers, and the development of more and more sophisticated data analysis software, there has been a growing tendency in recent years to neglect the use of basic descriptive statistics in favour of ‘more powerful’ techniques’. He affirms the value of descriptive statistics such as frequencies and cross tabulations and notes ‘the more obvious and robust relationships ... will often emerge from an evaluation of basic data’. The objectives of this survey were to establish a broad picture of worker opinions of AH, as this had never been done before. The survey was designed to determine the extent to which workers’ opinions conformed to extant qualitative research. Results from the preliminary research emphasised an overwhelming support for AH, particularly from trade union officials in Ireland who made strong claims around the benefits of AH for workers. In order to test these claims, workers would need to be clear and emphatic in their responses e.g. establishing the percentage of workers would vote to retain AH. The strong assertions around the benefits of AH for workers are tested by using broad frequencies and cross tabulations. Data from the survey is presented in chapter seven.

Alternatives Considered

It is useful to briefly examine the alternatives that were considered for this research as this highlights why the methods chosen were preferable in addressing the research questions. Consideration was given to conducting a survey of management in the companies identified in the database. This option was not chosen, however, as it would largely have been a replication of D’Arcy’s (1998) study which focused on management opinions. It was deemed important to get views from management, trade unions and workers and therefore, the option to conduct a smaller number of in-depth case studies was deemed more appropriate. Furthermore, to enable the survey of workers to be conducted, it was important to have both management and trade union representatives deeply involved in the research.

Companies that considered AH but did not implement it may also have been studied in more depth and this approach was also contemplated as a possible approach to the research. However, for a number of reasons, this approach was deemed unsuitable.

Firstly, the timing of these companies giving consideration to AH varied and it would have been difficult to find someone in these companies that was both there when AH was being considered and remembered the details of why it was decided not to proceed with it. Secondly, secondary sources (D'Arcy, 1998 and IRN) already provided details on the reasons for some of these companies not proceeding with AH.

The questionnaire was chosen as the most appropriate method for gathering workers' views on AH, rather than interviews or focus groups as it is a more systematic approach and enabled opinions from larger numbers of workers to be gathered. Furthermore, it would be difficult to identify which workers would be most suitable to interview or participate in focus groups to ensure their views were representative of workers in the case study companies and so it was deemed more appropriate to interview trade union officials to get an overall view of how AH impacted on workers in the companies involved.

Limitations

As with any research project, although there are contributions made to knowledge in the area, there are also limitations to this thesis and it is important to highlight these. Each methodological choice has limitations and the specific limitations in this study are as follows:

The database was constructed using a number of different sources to ensure cross-checking of information. The Central Statistics Office (CSO) in Ireland does not include data on the number of companies operating AH in its QNHS reports (in the same way the WERS survey, for example, does in the UK) and so there may be a small number of establishments that were not included in the database. Nonetheless, every effort was made to ensure as many sources as possible were used in constructing the database and the data was checked a number of times, up to December 2009. Therefore if there are any establishments not included in the database, this number is likely to be very small. A more important limitation is that while the database gives a list of the companies that operate AH, it does not quantify the *number of workers* in Ireland covered by such agreements. The database provides details on each of these companies however, and so it is a useful source for future researchers wishing to establish the numbers of workers covered by AH.

The interviews and case studies are subject to the typical limitations associated with qualitative methods, including the subjectivity of interviewees and limits to the extent to which case studies are generalisable. Even so, every effort was made to conduct informative interviews by following the advised methodological guidelines and the interviews are subject to validation or refutation in relation to the impact of AH on workers through the survey. A multi-case approach was used rather than relying on a single case study and data from a number of different sources was used to construct each case study.

The limitations of the survey include the small number of workers surveyed in one of the companies (Cara Partners). While the response rate of 39 per cent in this company is satisfactory, it should be borne in mind that this represents a small number of workers (23). There is also a possibility for non-respondent bias as details of the population in relation to age, gender etc. are not included as this information was not requested from companies given it might be considered sensitive or confidential. Furthermore, shop stewards were relied upon to distribute questionnaires to all groups of workers (in terms of occupation), however, there may be a number of workers in certain occupational categories who either did not receive a questionnaire (in Wyeth, as in Aughinish and Cara Partners questionnaires were distributed to the target population) or who did not return a questionnaire. This was a limitation of the method of distributing the questionnaires. To offset this limitation, a profile of respondents is included. Given that the survey was carried out in three companies the results are not statistically generalisable to other companies. While not generalisable to the entire population of those working AH, however, the results of the worker survey provide interesting insights into workers opinions of AH in these companies. Considering the overwhelming unanimity of some of the results, a certain degree of generalisation is possible. The survey results create a strong basis for some inferences to be made in relation to the impact of AH on workers generally and so a degree of representativeness is achieved. The main limitation of the survey is that the findings may reflect the specific circumstances in these three companies or in the economy generally rather than the effects of AH on work issues *per se*'

CHAPTER FIVE - AN OVERVIEW OF AH IN IRELAND

Introduction

Due to the nature of this research and the multi-method approach adopted, organising the findings and discussion was quite a challenge. Given that each research question was informed by more than one methodology, presenting detailed findings according to each research question did not make sense. The findings are therefore arranged across three chapters, organised by methodology. This mirrors the research phases outlined in the methodology chapter. This chapter generates the preliminary narrative, chapter six explores AH in depth and chapter seven establishes worker opinions. To ensure a logical and clear approach, the findings are discussed as they are presented. Attempting to confine the discussions to a single chapter would result in a lengthy and complicated arrangement, given the multiple sources used. A detailed discussion on how the findings inform the different research questions follows the presentation of findings from each methodology. Chapter eight then revisits each of the research questions in turn and summarises and synthesises the key themes that emerge from the findings in relation to each question.

To provide an overview of AH in Ireland, a summary of the findings from the database is first presented, followed by a discussion on the extent of AH. This includes analysis of the number of companies that have introduced AH, the number that have abandoned it and the number that considered it but did not proceed. This allows inferences to be made in relation to the success of AH agreements. An analysis of the findings in the database by sectoral distribution is then undertaken. A discussion on the common characteristics of companies that introduce and persist with AH follows and the importance of structural factors as identified in the systems model and the availability of alternatives, as highlighted by negotiation theory are outlined. Next, an analysis of any trends over the years during which AH agreements were introduced is presented and insights from this are discussed. Analysis and discussion of trade union involvement in AH follows. The chapter then moves to analyse the comments of interviewees in relation to AH in general. This provides an overview of the key industrial relations actors' views in relation to why companies introduce AH, the extent to which such agreements are successful and the extent to which trade

unions support or oppose AH. The chapter concludes with a brief summary of the key findings from the database and interviews.

The Extent of AH in Ireland

Table 5.1 provides a summary of the key findings from the database. The information collated shows that a total of 66 establishments have introduced AH in Ireland. In order to give an accurate reflection of the extent of such agreements, the term establishments rather than company is used. Agreements of this type are generally implemented at establishment level through local negotiations. AH may be introduced in one or more establishments of a particular company, but not necessarily in all sites. For example, Wyeth Nutritionals, based in Limerick has AH in place, but the other four Wyeth plants in Ireland do not. Diageo and the Electricity Supply Board (ESB) both have AH in place in a number of establishments but not in every plant.

Table 5.1: Summary of Database on the Extent of AH in Ireland

Number that have:	Establishments	Companies	Establishments (now closed)	Companies (now closed)
Introduced some form of AH	66	52	7	6
Abandoned AH following its introduction	2		2	
Investigated AH but did not introduce it	32		7	

Source: Compiled from various sources (see chapter four)

The term ‘establishment’ refers to the particular site or plant of a company that has AH in place rather than referring only to the company. If the numbers are adjusted, however, to take into account only the number of *companies* that have introduced AH, there are a total of 52, with six of those having AH in more than one establishment. In addition there are seven establishments (six companies) that previously had AH in place but have since closed. The majority of establishments with AH in place are private sector organisations with the Irish Prison Service being the only example of AH in the public sector (see Vaughan (2007) for a study of AH in the Irish Prison Service). There are four semi-state companies with AH in place - the Electricity

Supply Board (ESB), Iarnród Éireann (Irish Rail), Dublin Port and Bord na Móna (Energy)³³.

The figures in Table 5.1 also show the number of establishments that have abandoned AH following its introduction. There are four establishments that have abandoned AH, two of which have since closed. In Coca Cola, AH was abandoned for SIPTU workers shortly after its introduction. It remained in place, however, for craft workers (TEEU) until the closure of the company in 2008 (see case study in next chapter for details). Coca Cola is therefore double counted in the database (both as an establishment that had AH (for TEEU workers) and one that abandoned AH (for SIPTU workers) but has since closed. In Kammac (a supplier to Diageo) AH had been in place for 13 years when it was bought out. Higgins (2007) notes the ‘company believed overtime levels on site did not warrant an AH agreement’. This means that if AH was not in place, there would not be excessive levels of overtime required on site. AH did not operate in conjunction with overtime in this company.

In Fruit of the Loom, which had AH in place since 1991, the company and union agreed to abolish AH in 2000 and return to overtime working, albeit the exact reasons for this are not known and this company has since closed (SIPTU, 2007). In Becton Dickinson, it was reported that the company wanted to eliminate AH to achieve cost savings (see Dobbins, 2002). A TEEU official (through personal correspondence for this research) stated, however, that craft workers in Becton Dickinson were against proposals to dismantle the system and management there acknowledged the success of AH with craft workers and the flexibilities that had been achieved. The reason management looked to abandon AH was allegedly due to abuse of the system by SIPTU workers although the TEEU official did not specify the details of this. He noted that the TEEU subsequently negotiated salaried staff status for craft workers, the effect of which was for ‘the craft workers to continue working the flexible arrangements that had been in place under the AH system but without the need to record reserved hours’ (Personal Correspondence, 2007). Thus there are similarities between Coca Cola and Becton Dickinson in that AH appears to have worked well for TEEU craft workers but led to difficulties with SIPTU general workers in both

³³ A leading international supplier of products and services based on peat (see www.bnm.ie).

companies. Reasons why AH may be more suited to craft workers are explored later in the chapter. There is one instance (in Irish Biscuits) where AH, having been in place for almost 10 years, was removed for new entrants. Irish Biscuits is not one of the four establishments that abandoned AH and is counted in the database as an establishment that has AH as it is still in place for pre-2006 workers. Higgins (2006) notes ‘it is unusual that a company, which already has an AH system in place would seek to remove this for new entrants’. He speculates, ‘this appears to indicate that the system has proved costly for Irish Biscuits since its introduction’.

The Success of AH Agreements

Research question 2(a) examines ‘to what extent are AH agreements successful?’ Despite the apparently unsuccessful examples just outlined, evidence from Table 5.1 is that most agreements tend to endure with only a small number of establishments abandoning AH following its introduction. Thus generally, companies that introduce AH tend to persist with it and the findings from the database show that, once the parties to industrial relations have agreed AH, they are very unlikely to seek to revert to standard hours arrangements. This conclusion is supported by comments of interviewees, ‘the sustainability of AH is demonstrated by the small number of companies that have gotten rid of it. Generally in companies it tends to be retained and strengthened but it may need minor tweaking’ (TEEU Official B, 2007).

Table 5.1 also shows that a number of establishments (32) considered introducing AH, with 12 of these clearly not proceeding to introduce it. Workers rejected proposals in five of the 12 establishments; management rejected the unions’ suggestion to move to AH in one and in the remaining six AH was discussed but was not part of a final agreement³⁴. For the remaining 20 establishments, no information was found to suggest AH was introduced³⁵ and it is most likely that it has not been introduced to date or the idea has been abandoned³⁶. According to D’Arcy (1998)

³⁴ It would be misleading to suggest that workers rejected AH in these establishments, as while this is a possibility, it is also possible that management abandoned the idea or that both workers and management agreed not to implement AH following discussions. Therefore these are classified as ‘unclear’ in the database i.e. it is unclear why AH was not introduced.

³⁵ IRN for example did not report AH being introduced in these establishments, nor did any interviewees cite them as establishments with AH in place.

³⁶ It is possible that a small number of these have since introduced AH and this would change the numbers in Table 5.1. Given that the database was checked consistently until December 2009,

reasons for some of these establishments not introducing AH include union or employee opposition, cost factors (particularly costs of pension, associated with a move to salaried status) and lack of commitment from management to pursue the option. These reasons are based on a limited number of cases however. Interviewees for this study when asked if there were any general reasons why companies do not proceed with AH replied ‘not really, it depends on the company’. ‘A lot of the time they won’t tell you why’ (TEEU Official B, 2007). These interviewees also noted that some companies may simply look at AH for information (find out what it is) but may not have real intentions of introducing it. Again the importance of alternatives was highlighted, ‘some companies may just find something else that works’ (Management Consultant, 2007). These comments indicate that the reasons for not proceeding with AH are specific to each company and re-emphasises Arrowsmith’s (2007:425) point that it is more difficult to determine why something hasn’t happened than why it has. However, if the establishments in the database are analysed further and broken down by sector, some inferences can be drawn as to the common characteristics of companies that have introduced AH and persist with it.

Analysis by Sector

Table 5.2 shows the number of establishments again, broken down by sector. To adjust for any over-representation in certain categories, a column showing the number of companies (rather than establishment) by sector is also included. Diageo for example accounts for five of the eight establishments in the ‘Drink and Tobacco’ category and the ESB accounts for five of the six establishments in the ‘Electricity and Energy’ category. The sector with the largest number of establishments with AH in place is the ‘Pharmaceutical, Chemical and Related Industries’ sector with 12 of the 66 establishments falling into this category. Similar numbers are found in the ‘Building, Construction and Allied Trades’ category (10) and in ‘Engineering, Manufacturing and Technology’ (9) whereas the ‘Electronics’ and ‘Communications’ sectors account for only one establishment each. The commonality between the sectors with the highest numbers of establishments having introduced AH is that the majority of the companies in these sectors operate in a process environment. Process work as referred to here, may be best explained as work where the final product

however, any changes are likely to be only very slight. Notes on each of the 32 establishments can be found in the database in appendix E.

cannot be broken back down into its original components, for example pharmaceutical products, aluminium or cement. Unlike an assembly environment whereby components are put together but the finished product may be broken back down into its separate components, for example car manufacturing. Process work may also be understood as settings characterised by a 'pumps and pipes' environment, as, for example, in Irish Cement. As Wallace (2002) in his case study of this company notes, 'the process nature of the industry and seasonal working made AH especially appropriate for the company'. The 'Building, Construction and Allied Trades' category in the database includes companies such as Irish Cement and Tegral, which are process companies involved in the manufacture of building products as opposed to construction companies *per se*. Process work referred to here should not be confused with companies operating in a continuous process production environment, which as Bell and Hart (2003) note may also be suited to AH agreements as they are capital intensive and utilise complicated shift systems.

Companies operating in process industries appear better suited to AH, as there is more scope for workers to find innovative or more efficient ways of working without major increases in effort and associated stress. There is more scope for workers to adapt *how* they work and for management to upgrade technology, for example installing more pipes or a bigger pump, which does not demand greatly increased effort on the part of employees. The nature of work in an assembly environment on the other hand may be less suited to AH as improvements in production are more likely to be directly linked to speeding up the line (rather than upgrading technology) thus requiring increased effort by workers in such companies. Assembly work, by its nature involves a set number of components and tasks and therefore requires workers to either work more hours (as with overtime) or to work faster during hours at work.

This is of course a somewhat simplistic view of the nature of process and assembly work. It was identified in chapter two that the link between numbers of hours worked and productivity is not straightforward and additional hours do not necessarily lead to increased production. The point being made here is that while AH may be used in assembly environments, it appears to work best in process companies. This is particularly so in an Irish context where AH agreements tend to be predicated on minimising the use of reserve hours and there is an expectation from workers and

their unions that this will be one of the key benefits of moving to AH. Other AH agreements may focus on maximising the temporal flexibility such schemes can offer (i.e. varying hours worked, high use of reserve hours). These may be used successfully in assembly environments to match fluctuations in demand or replace overtime and there may be widespread use of AH in assembly environments in other countries. In an assembly environment, the possibilities for minimising the use of reserve hours are limited and so the extent to which workers can gain from AH are limited. In an Irish context, AH agreements are often sophisticated agreements that focus on improving efficiencies and ensuring mutual gains for workers and management rather than simply being used as a form of temporal flexibility (albeit there are, of course, some agreements of this nature in Ireland). The inference that process environments are best suited to AH is drawn from the concentration of AH in process industries in Table 5.2. It is legitimate to draw this inference from the trends identified in the database, however, confirmation of the premise that AH is best suited to process environments for the reasons identified here would require detailed examination of the AH systems in operation in all of the companies in the database. This would be an interesting area for future research but is beyond the scope of this thesis.

The 'Food' and 'Drink and Tobacco' sectors, which also account for relatively high numbers of establishments, are likely to be subject to seasonality, albeit not all companies in these sectors would be subject to this. It has been recognised by writers on AH that companies prone to seasonality are suited to AH (see for example Bell and Hart, 2003). Another key factor in determining the suitability of AH is where companies operate a large amount of overtime but are potentially capable of operating without that overtime. According to the literature (Bell and Hart, 2003; Heyes, 1997; Blyton, 1995; Gall, 1996; Arrowsmith, 2007) many companies that introduce AH, do so in an effort to eliminate high levels of overtime or an 'overtime culture'. However, the nature of work may mean that the company is unable to operate without a certain level of overtime if, for example, demand for a product increases. This is highlighted in the Coca-Cola case study in the next chapter. The nature of work in process industries, seasonality and the ability to work without overtime can be termed structural factors. It is reasonable to infer that the suitability of AH to a particular company is largely determined by structural factors such as these. The relevance of

these structural factors will be discussed further in chapter six during detailed analysis of the four case studies.

Table 5.2: Extent of AH in Ireland by Sector

Number that have:	Establishments	Companies	Establishments (now closed)	Companies (now closed)
Introduced some form of AH, broken down by sector				
Pharmaceutical, Chemical & Related Industries	12		2	1
Building, Construction & Allied Trades	10	8		
Engineering, Manufacturing & Technology	9			
Food	9	7	2	
Drink & Tobacco	8	4	1	
Electricity & Energy	6	2		
Transport	4	2		
Other Industries	4		1	
Distributive Trades	2			
Communications	1			
Electronics	1			
Engineering			1	
Abandoned AH following its introduction, broken down by sector				
Pharmaceutical, Chemical & Related Industries	1			
Drink & Tobacco	1		1	
Clothing			1	
Investigated AH but did not introduce it, broken down by sector				
Other Industries	10			
Engineering, Manufacturing & Technology	6			
Pharmaceutical, Chemical & Related Industries	4		2	
Food	3		2	
Communications	3			
Electricity & Energy	2			
Transport	2			
Drink & Tobacco	1			
Printing and Paper	1		1	
Building, Construction & Allied Trades			1	
Electronics			1	

Source: Compiled from database (see appendix E)

It is notable from Table 5.2 that AH agreements do not feature prominently in the service sector in Ireland, for example, there are no hotels cited as operating AH. Furthermore, in many of the companies that have introduced AH, such as those in the pharmaceutical sector, workers are highly paid and skilled. Basic negotiating theory recognises that a party to any negotiation has a 'Best Alternative to a Negotiated Agreement' or a BATNA (see for example Thompson, 2005). Drawing on this theory sheds further light on why companies may or may not pursue AH. A company that has one or more alternatives to AH, such as employing cheaper labour within Ireland, investing in new capital or technology or relocating to a cheaper labour economy³⁷ may choose one of these instead of AH. In the service sector workers are less skilled and other alternatives such as employing part-time or temporary workers are easily available. On the other hand, if a company has limited or no alternatives, this may make the introduction of AH more likely. A number of companies that have AH in place are constrained by sunken capital costs due to the industry in which they operate. Aughinish for example cannot easily relocate elsewhere. This highlights again, the role of structural factors in determining suitability (or necessity) for AH, but also the role of alternatives (or lack thereof) in determining whether or not a company will introduce AH. The inferences that can be drawn from the evidence in Table 5.2 are that AH agreements are concentrated in process and/or seasonal environments and these structural factors play an important role in determining whether or not a company is suited to AH. Furthermore AH may be less suited to assembly environments and/or companies that cannot operate without some level of overtime. The availability of alternatives may also be a determining factor in whether or not companies introduce AH. These issues will be discussed in more detail in chapter six following detailed analysis of the case studies.

Years in which AH was Introduced

The year in which the companies in the database introduced AH also sheds light on the extent of AH in Ireland and the reasons why companies may introduce it. Table 5.3 details the approximate year in which AH was introduced in the 66 establishments. The table shows a small number of agreements introduced in the early

³⁷ Such as Eastern Europe, an option which a number of companies, most notably Dell Computers have recently chosen.

1990's (when AH first became established in Ireland) with a subsequent increase in the number of agreements in the late 1990's.

Table 5.3: Number of Establishments Introducing AH by Year

Year	Number of Establishments that Introduced AH
1991	1
1994	2
1995	2
1996	3
1997	7
1998	3
1998 (or before)	6*
1999	5
2000	5
2001	3
2001 (or before)	1*
2002	5
2003	4
2003 (or before)	1*
2004	6
2005	1
2006	1
2007	1
Year Unknown	9
Total	66

*Note: It was not possible to determine the exact year of introduction of AH in some establishments but it was possible to determine that they were in place in 1998, 2001 and 2003, as they were cited in publications in these years. Thus these were categorised as 1998 (or before) etc.

This reflects attempts by at least some companies to use AH to comply with the Organisation of Working Time Act 1997 which was being implemented on a phased basis at that time (and which restricted the working week to an average of 48 hours). Some interviewees noted 'the regulation of working hours had an impact on adoption of AH. It wasn't possible to continue working high levels of overtime' (Management Consultant, 2006). The years 1998 to 2004 saw four to six new agreements each year, however, the numbers have since declined with only one new agreement each in 2005, 2006 and 2007 and none in 2008 and 2009. There is one company (Kemek), which is currently in discussions around AH following a Labour Court recommendation, suggesting new agreements on AH have not completely disappeared from Irish industrial relations (see database, appendix E). However, in addition to the limited number of agreements in recent years, the interviews with key actors suggest that any increase in the take up of AH in Ireland is expected to be limited. A union official

(involved in training for AH) noted there may be a few more introduced but ‘I’m not going to be rushed off my feet with people looking for help introducing it’ (TEEU Official B, 2007). Other interviewees shared this view, indicating that the number of new agreements will not be large.

Trade Unions Involved with AH Agreements

Every establishment where AH is in place, is unionised and the TEEU and SIPTU are the main trade unions involved in negotiating AH agreements (present in over 40 establishments each), with Amicus involved in 14³⁸. During interviews, a Management Consultant also stated he had ‘never seen it [AH] in non-union companies’ (Management Consultant, 2007). Table 5.4 gives details on the trade unions involved in AH agreements in Ireland. The analysis shows that the breadth of trade union involvement is in fact quite narrow. SIPTU and the TEEU are the dominant unions involved, although in a sense this is unsurprising as SIPTU is largest general union and the TEEU is the largest craft union in the country. The agreements cover a number of different categories of workers, with craft workers cited in a large proportion of establishments (43) and general operatives, laboratory workers, clerical workers and others also cited as being covered by AH agreements (see appendix E).

An examination of the database (section C, appendix E) shows that the TEEU represents workers in only two of the 32 establishments that considered AH but did not proceed to introduce it. Amicus is not cited as representing workers in any of these establishments. SIPTU is present in seventeen of the establishments with SIPTU workers rejecting AH in four of these instances. While SIPTU and the craft unions are present in similar numbers of establishments, the craft unions and the TEEU in particular, appear somewhat more favourably disposed toward AH than SIPTU. In Diageo (Baileys division) AH is in place for craft workers (TEEU) but was rejected by SIPTU workers. In Diamond Innovations SIPTU (2007) claimed ‘SIPTU members were not entirely in favour of the plan but it was carried on an aggregate vote by

³⁸ All unions that are now part of Amicus (due to mergers) such as the ATGWU, MSF and the AEEU are included in this count, however in the database they are included separately. If more than one of the unions that are now part of Amicus were cited in the same establishment, it is only counted once so as not to over inflate the significance of Amicus’ involvement in AH.

AEEU³⁹ and TEEU members.’ As previously discussed, AH were abandoned for SIPTU workers in Drogheda Concentrates and Becton Dickinson but worked reasonably well for craft workers in both companies. One interviewee suggested that AH tends to be introduced for craft workers first and then other groups follow, as was the case in Aughinish and Wyeth (see case studies in next chapter). ‘If you look at a lot of them [AH agreements] they’re rolled out in the maintenance and then the others look to take it on’ (TEEU Official C, 2008). The findings therefore suggest that in some cases craft workers are more likely to be willing to embrace AH. This strongly supports the assertion by Wallace *et al* (2004:363) that unions, notably the TEEU ‘may actively seek and embrace AH as a means of mutual gains’.

However, this does not necessarily mean that SIPTU are opposed to AH. SIPTU have been involved in negotiating AH agreements in 43 of the 66 establishments and have not sought to revert to standard hours in any of these. Based on inferences drawn from the database findings, some more likely explanations for craft unions appearing more favourably disposed to AH are now proposed. Companies generally have smaller numbers of craft workers, which may make agreement among workers in passing AH agreements easier to achieve. There may be major differences in the type of agreements unions are able to negotiate depending on their strength and the skill and pay levels of the workers they represent. In other words, the TEEU may simply be able to negotiate a better deal. The TEEU represent craft workers, which are typically highly skilled, not easily replaced and engage in work that is suited to make optimum use of AH agreements as there is scope for craft workers to look for more efficient ways to work and engage in preventive maintenance. SIPTU is more likely to represent workers employed in assembly type, service or other environments which may not be suited to AH, or in which management may simply have better alternatives to negotiating AH agreements.

Furthermore, craft workers generally have control over their work as they are highly skilled. The knowledge craft workers have about how work their work is done can be used in different ways. In an overtime situation, craft workers can control work that a

³⁹ The AEEU is now part of Amicus and is counted as such in the table. However, given that this is a direct quote referring to a time prior to this merger, the AEEU name is retained here. Amicus is now part of the merged union Unite.

job takes longer than necessary and thus premium pay can be earned. As Wallace and White (2008) note, however, this control can impose ‘costs on workers – in the form of extra hours worked – and on the company, through inefficiencies in the operation and additional pay costs. Conceptually, the introduction of AH can be seen as an attempt to eliminate these ‘mutual costs’.

Table 5.4: Trade Union Involvement in Annual Hours Agreements in Ireland

Trade Union	Number of establishments where union involved in AH	Number of companies where union involved in AH	Previous involvement in AH in establishments now closed
Services Industrial Professional Technical Union (SITPU)	43	35	5
Technical Engineering Electrical Union (TEEU)	41	31	3
Amicus (AEEU, MSF & ATGWU)	20	16	0
Other	7		0
Unknown union	3		0

*Note: In some establishments more than one trade union is involved in the negotiation of AH agreements, thus the numbers amount to more than 66.

These explanations for SIPTU’s greater involvement in companies that considered AH, but did not proceed with it are more plausible than suggestions of outright opposition in principle to AH from SIPTU. In fact the information in the database supports the view that both TEEU and SIPTU tend to be positive toward AH, albeit the TEEU appear more favourably disposed. Only speculative conclusions can be drawn from analysis of the database, however, as it shows only the presence of particular trade unions in establishments that have introduced, abandoned or considered AH. Research question three, which specifically explores the extent to which trade unions oppose or support AH, will be examined in greater detail in the next section of this chapter which examines the findings from the interviews with key industrial relations actors, including trade union officials and shop stewards.

The Opinions of Key Actors: Interview Analysis

This section of the chapter outlines findings from the interviews in relation to the key actors’ views on different aspects of AH. Interviewees’ opinions on reasons

companies introduce AH, the extent to which such agreements are successful and the extent to which trade unions support or oppose AH are explored. It is important to note that findings here relate to interviewees' general comments around their experience of AH and are not confined to the case studies. While interviewees also provided some insight into the impact of AH on workers (research question four), these comments are not discussed until chapter seven, which deals specifically with the impact of AH on workers⁴⁰.

Why Companies Introduce AH

The interview findings corroborate suggestions in the literature review that the main reason companies introduce AH is to eliminate overtime. Interviewees commented on the high levels of overtime that tend to exist prior to AH and the difficulties associated with an overtime culture. The limitations of an overtime culture were discussed in chapter two and interviewees spoke about a number of these limitations including the ability of workers to 'manufacture' or generate unnecessary overtime and the incentive overtime creates for workers to be less efficient.

'With an overtime culture ... people generate overtime' (Operations Manager A, 2007).

'It's certainly inefficient because the more efficient you [workers] are, the more you're going to impact on your earning potential' (Managing Director, 2008).

It was noted in chapter two that overtime, despite being promoted as a form of flexibility, can become rigid and inflexible if it becomes guaranteed or institutionalised. It also involves high costs for management as hours are paid at premium rates. As well as the difficulties around the high costs of overtime, there is the instability of costs that overtime brings, which as the management consultant noted can bring pressure from the parent company.

'A lot of the time there's pressure from the parent company who want to be able to budget ... they just don't want fluctuating costs' (Management Consultant, 2007).

The significance of reducing costs is also emphasised by the tendency for AH agreements to be accompanied by redundancies.

⁴⁰ Chapter seven deals primarily with results from the worker survey but comments from interviewees are included, as appropriate to support any conclusions drawn.

Interviewees also highlighted other difficulties that can arise as a result of an overtime culture. For example, the level of control workers may have over their work can be used in different ways, depending on the incentives workers have. In an overtime situation, there is an incentive for workers to use this control to be inefficient and to look for ways to spend additional hours doing a job to create overtime. This is particularly evident among craft workers, who would typically have more discretion over how they work than other workers. A number of interviewees commented how AH reverses the economic incentive for workers to use this control over their work to look for ways of doing jobs better and faster so that they would take less time (and thus not eat into reserve hours).

‘It’s not just the elimination of overtime that’s important but elimination of the *causes* of overtime which often only the employees know’ (TEEU Official B and Management Consultant, 2007).

‘There are questions being asked [post AH] as to *why* the electrician or the fitter were brought in whereas in the past no one asked those questions’ (TEEU Official C, 2008).

Other interviewees pointed to the improvements in industrial relations that can occur when overtime is eliminated as grievances associated with overtime are also eliminated.

‘It leads to improved industrial relations in terms of overtime scheduling and elimination of what I call the ‘blue-eyed boy’ syndrome’ (TEEU Official B, 2007).

The ‘blue-eyed boy’ syndrome referred to by the TEEU official relates to favouritism among line managers in offering overtime on a regular basis to particular workers, which may cause grievances for workers not offered overtime. Interviewees’ comments therefore indicate that, generally, the main motivation for moving to AH is to eradicate the costs and inefficiencies associated with high levels of overtime. Analysis of the case studies in the next chapter will highlight the significance of these and other factors that influenced the move to AH in the cases studied in depth.

Alternatives and Catalysts

While the elimination of overtime was cited by interviewees as a key reason for introducing AH, it was also identified that there is usually something that drives management (and unions) to look for alternatives that will enable the elimination of

overtime. For many companies, the impetus to move to AH comes from recognition (often by both management and unions) that things simply cannot continue the way they are.

‘There’s usually a catalyst there, there’s usually something to drive it’ (TEEU Official C, 2008).

It was recognised by one union official that the catalyst in some of the early cases of AH was the impending introduction of the new working time legislation.

‘The regulation of working hours had an impact on the adoption of AH as it wasn’t possible to continue working high levels of overtime’ (TEEU Official B, 2007).

Other changes in the external environment, such as increased competition or changes in demand for a product, as identified in the systems model, may also play a prominent role in providing a catalyst for organisations to move to AH. One of the trade union officials interviewed noted that if there is nothing to drive the move to AH, then it is unlikely to be considered by either management or workers.

‘The people that say that it [AH] won’t work are usually the manager ... who is still wrapped in this comfort blanket. He’s not under any great pressure in the sense of labour costs ... it’s not showing up on the radar. Volumes are probably high; productivity is high and all of that. Equally if that is the case, if a company is in that zone, the guys are working ok thank you very much, there’s no threat to their overtime if they want to do it’ (TEEU Official C, 2008).

This demonstrates that when a company does not have a catalyst which may include compliance with changing legislation, a cost crisis, pressure from a parent company or other issue, there is limited incentive for either managers or workers to look at introducing introduce AH, as long as the company remains competitive. There may also be limited incentive to look at AH if alternatives are readily available. As noted by the Management Consultant (2007):

‘I wouldn’t introduce it in Dell for example because there’s other more appropriate ways [of cutting costs] rather than reserve hours’.

As noted earlier in this chapter, Dell did in fact use an alternative option for cutting costs by moving to a lower cost location.

The Success of AH Agreements: Interviewees' Perceptions

There was strong support from interviewees for AH and they emphasised the potential benefits of AH for both management and workers.

‘There are real mutual gains ... productivity and cost predictions for management. Stabilised earnings and less hours for employees’ (TEEU Official B, 2007)

‘Once you buy the idea, the benefits flow because what you’re essentially doing is, you’re setting up a salary base that if you negotiate cleverly and with honesty, you will end up with at least as much salary as you had working an overtime driven salary structure’ (TEEU Official A, 2006).

Some interviewees emphasised the point made earlier in this chapter that the success of AH is demonstrated by the small proportion of companies that abandon it once it is introduced. In particular interviewees emphasised the fact that neither workers nor management would wish to return to the previous way of working.

‘I’ve never put in an AH agreement where it even came near reversing back out of it’ (TEEU Official A, 2007).

‘Once they get into the system, they’d never go back’ (TEEU Official C, 2008).

Given that the key reason for moving to AH is often to eliminate the costs and inefficiencies associated with overtime, the importance of not going back to (or retaining) overtime was also emphasised by interviewees.

‘If overtime is still in place it means that AH just simply isn’t working’ (Management Consultant, 2007).

It was also identified that managing the use of reserve hours is an important factor in AH agreements. Keeping reserve hours low was particularly emphasised by one TEEU official who claimed the following:

‘This is the kernel of AH ... if reserve hours usage is going down instead of up ... if we can get down to zero then that’s where we should be going ... and it just means the plant is humming’ (TEEU Official C, 2008).

This emphasises the point that in an Irish context the focus of AH agreements is often on improving efficiencies and ensuring mutual gains by minimising the use of reserve hours, rather than simply using reserve hours as a direct substitute for overtime.

The Extent to which Trade Unions Oppose or Support AH

Analysis of the database showed that trade unions, particularly craft unions, appear generally supportive of AH, as unions do not often seek to 'opt out' of AH agreements. This support for AH is substantiated by comments from trade union officials who generally have a favourable perception of AH and believed that, despite some minor issues within certain agreements, workers largely benefited from working AH. In relation to trade union input into AH agreements generally in Ireland, a TEEU official involved in providing training for AH made this comment:

'Monitoring of agreements is generally done jointly. It is good for the trade union to be able to have an input into the system. It gives employees confidence that management are not in total control' (TEEU Official B, 2007).

Other interviewees commented on their trade unions' support in principle for AH.

'In principle we [the union] were in support of AH, because ... it gave our members a stable income' (SIPTU Official A, 2006).

'The TEEU at its leadership level would always be strongly in favour of AH' (TEEU Official A, 2006).

In discussing asked whether AH mainly reflects an employer's agenda or is something that trade unions may actively seek or encourage to achieve mutual gains, the management consultant made the following comment:

'You could argue that it's primarily influenced by unions given that it's mostly found in unionised environments' (Management Consultant, 2007).

These comments highlight the generally positive views of trade union interviewees toward AH. They provide indirect evidence on how workers view AH and indicate that workers benefit from AH. These benefits include stabilised earnings, less hours and improved work-life balance, as identified in the literature. However, as previously pointed out, there is a need to test how representative such views are of the views of workers generally. The results from the survey of workers, to be presented in chapter seven will examine the extent to which workers' views corroborate the views of their union representatives and highlight any other issues regarding the perceived impact of AH on workers. The evidence from representatives of management and workers is, however, that AH is positively perceived and, in many instances, delivers substantial mutual gains.

Summary

The analysis of the database and interviews in this chapter has shown that the extent of AH in Ireland is not widespread and the likelihood for future take-up is limited. The main driver for AH in the companies studied was the elimination of overtime, particularly in relation to removing the inefficiencies relating to an overtime culture more so than reducing costs or complying with working time legislation (although these factors were also significant). Both management and union interviewees are generally satisfied with the agreements and neither party would seek to revert to high levels of overtime. This is demonstrated both by the small numbers in the database that have abandoned AH and comments from interviewees emphasising that agreements tend to be retained and strengthened rather than weakening. Examining the views of trade union personnel specifically highlights their generally high level of support for AH. Analysis of the worker survey in chapter seven will determine the extent to which workers display the same level of support for AH as those that represent them.

CHAPTER SIX - EXPLORING ANNUAL HOURS IN DEPTH: THE CASE STUDIES

Introduction

The four case studies are now examined to allow further exploration of some of the key issues addressed by this research. The case studies are presented together and a discussion follows which identifies commonalities and differences between them, guided by the systems model outlined in chapter three. This allows inferences to be drawn in relation to why companies introduce AH, the extent to which such agreements are successful and the factors that contribute to the success of AH. Any links between AH and workplace relationships or partnership are also identified and the case studies allow some insight into the impact of AH on workers⁴¹. The case studies were written at different points during the last three years of the research and the structure of each case varies slightly. Every effort was made to ensure the case studies are up to date, such as checking IRN and newspaper sources for any changes that occurred, and minor changes have been made to the case studies since they were written. Any major changes that occurred are included in postscripts. Aughinish was well known as an exemplar case of both AH and workplace partnership up to early 2009. However, towards the end of 2009 major changes occurred in Aughinish with regard to the working of AH. Rather than change the entire case study to incorporate these changes, a postscript paragraph is included at the end of the case. This approach is adopted because it is important to highlight how things were in Aughinish for the past ten years as well as how they now are. A postscript is also included in the Coca Cola case, which closed since the case study was written. However, no major changes occurred in either Wyeth or Cara Partners since the case studies were written so these do not include postscripts.

⁴¹ The impact of AH on workers is addressed in detail in chapter seven which explores the results of the worker survey.

CASE STUDY 1 - Aughinish

Background

When opened in 1983 Aughinish Alumina was Ireland's biggest industrial project up to that time, involving an investment cost of some \$1Billion (Kennedy and Connolly, 2005). The plant has been the subject of a number of takeovers and has recently become part of the Russian United Company Rusal (UCR) multi-national group and thus re-named RUSAL Aughinish⁴². The plant processes bauxite in order to extract alumina, all of which is exported for smelting. The plant has the capacity to produce approximately 1.8 million tons of alumina per annum. Aughinish employs around 450 permanent employees, with some 150 contractors also working there. Most employees are unionised and the unions on site are the Services Industrial Professional and Technical Union (SIPTU), the Technical Engineering and Electrical Union (TEEU) and Amicus (Unite).

During the construction stage from 1978 and in the initial years of operation there were major industrial relations problems. Industrial relations at Aughinish were characterised by coercive management control with minimal worker compliance, low trust relationships, worker alienation and frequent conflicts. These came to a head in 1986 when four employees chained themselves to the front gates following disciplinary action for alleged serious harassment of a fellow worker. Six other employees supported them in a strike and all ten employees were dismissed – the Labour Court, in a subsequent investigation upheld these dismissals (Labour Court, 1987).

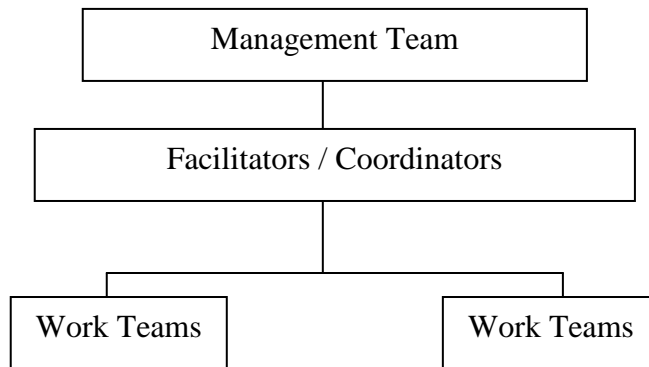
At around the same time, Aughinish was faced with external market pressures such as overproduction of aluminium, a flood of cheap metals from countries of the former Soviet Union and consequently, a severe drop in the price of aluminium (Dobbins, 2007a). The industry average cost of alumina production in 1987/88 was 130-140 dollars per tonne. While Australian plants produced at an average of 80-100 dollars per tonne, Aughinish was producing at over 170 dollars per tonne (Dobbins, 2007a). By the early 1990s, Aughinish was losing \$1Million per week and faced closure (IBEC *et al*, 2000; NCPP, 2002). The management decided that there had to be major

⁴² Referred to everywhere else in this thesis simply as Aughinish.

change in both the company's cost base and its industrial relations. A new Managing Director (MD) was appointed who was perceived to be much more decisive and tougher than previous Managing Directors (Dobbins, 2007a). The MD and management team drew up a comprehensive five-year business plan, termed 'The Future' designed to bring the plant out of crisis. The aim of the business plan was to secure the short-term survival of the plant and provide job security by controlling costs (Aughinish, 1996). The MD communicated directly with workers and even went as far as sending a video to every worker to convey the seriousness of the situation and the radical change that was required outlining what he and his team proposed to do to turn the company around (Dobbins, 2007a).

As a result, a radical overhaul of working arrangements was introduced in 1993. This involved some 150 redundancies and the introduction of team working and a flat organisational structure. Although the change was introduced unilaterally, there are indications that management had tacit union support as the unions had also come to the conclusion that things had to change (see Dobbins, 2007a). The job losses were achieved through the standard mechanism, in Ireland, of voluntary redundancies with enhanced redundancy payments. Workers received five weeks pay per year of service, plus statutory entitlements. Applicants who applied before a specified date received a bonus payment of IR£2,000 (€2,540) and an additional IR£10,000 (€12,700) tax free per employee was made available for employees who had a business plan approved. Fifty-three such plans were approved (see Kennedy, 2000). In addition to reductions in the number of hourly paid workers, 27 middle and senior management positions were eliminated and the managers made redundant. This was done as part of the decision to implement a flat structure with self-managing teams replacing the former hierarchical system. Figure 5.1 shows the resultant organisational structure, which is still in place in Aughinish today.

Figure 5.1: Organisational Structure in Aughinish



Source: Kennedy, N. & Connolly, F. (2005)

Annual Hours

D'Arcy (1998:31) notes 'the company first heard about AH through benchmarking and particularly through experiences of UK companies such as Blue Circle and Courthalls and the concept interested them because it had the potential to operate as a vehicle for cultural change'. Following the implementation of the restructuring plan (in 1994) the company looked to AH to cut costs by reducing overtime, increasing plant up-time and to act as a vehicle in accelerating, what management termed, the 'cultural change' that was taking place following the restructuring plan. It was noted that AH was 'a significant initiative in our drive for continuous improvement and job security in the longer term' (Aughinish, 1996:3). The practice of AH was relatively unknown in Ireland at the time with only three companies utilising the system - Roche Ireland, Irish Cement and Du Pont (D'Arcy, 1998). In presenting their proposals for an AH system to the unions, the company attempted to depart from standard adversarial industrial relations. Their approach, instead, was explicitly based on the principles of 'principled bargaining' as outlined in 'Getting to Yes' by Fisher and Ury (1983). This involves focusing on underlying interests and aims to identify and implement mutual gains. Thus, the company stated that it had 'analysed how we can offer the best possible pay and conditions to all employees while continuing to satisfy the plant requirements within our labour budget' (Aughinish, 1996). They described their proposals as being designed to achieve the 'best outcome possible for all concerned, taking our mutual interests into account' (Aughinish, 1996). The proposal involved introducing a high basic salary in return for an agreed number of AH that employees would work.

The Trade Union Response

The AH system was not introduced in the unilateral manner as the 1993 restructuring had been. The trade unions were fully involved, as is typical in negotiating AH agreements in Ireland and, although negotiations were protracted, they were conducted in a more problem-solving manner than the standard distributive approach of adversarial bargaining. In fact, the Company Agreement states ‘our approach to the AH Agreement is based on the ‘Getting to Yes’ principles’ (Aughinish, 1996:4). At first, the trade unions were neutral to the idea of AH as it was a relatively new concept to them. Their key concern was that members’ earnings would not be adversely affected to a great extent by any changes. They suggested management develop a proposal and present it to them for consideration. A major problem was balancing the losses of employees earning high levels of overtime against the gains by those on low levels of overtime. The agreement noted ‘extra earnings due to overtime are neither definite nor predictable. On AH you [workers] will be guaranteed a much higher salary than present guaranteed pay.’ In addition, mutual gains were ensured as fewer hours would be worked, with those who had previously worked long hours benefiting the most, thus compensating for any reduction in earning potential. The benefits to employees also involved an enhanced pension based on salary and the reintroduction of a sick pay scheme. There had previously been a sick pay scheme in Aughinish but it was removed due to management perceptions of worker abuse of the scheme.

Despite the mutual gains approach adopted by management, initially only the craft workers voted in favour of the proposed agreement in April 1996. SIPTU rejected the proposal as operators voted by two to one against it. The major reason for the operators’ rejection was their concern over the loss of overtime and the number of reserve hours they could be expected to work (Dobbins, 2007a). The legacy of previous poor industrial relations and low levels of trust between management and workers meant that SIPTU workers were suspicious of AH, particularly the expectation that they would work a large number of reserve hours. Based on their experiences in working the new AH, craft workers subsequently became persuaders for the system and this helped convince SIPTU members to reverse their decision. In other words, the demonstration effect showed SIPTU workers that the craft workers were experiencing real and tangible benefits. The change in working time legislation, under the EU Working Time Directive, was also to be a key driver of a change in

attitude by SIPTU members. They risked losing earnings, due to the reduction in overtime that the Directive would have required. Management pointed out that implementation of the AH system would allow compliance with the Directive while ensuring high, if somewhat lower, levels of earnings. As a result of these considerations SIPTU members reversed their previous decision and endorsed AH in 1997.

Key Features of the Agreement

Most AH agreements have certain common features but agreements are usually tailored to the particular organisation involved. An independent consultant was brought in to Aughinish to assist management in the development of the system. Management insisted however, on the system being tailored to the particular needs of Aughinish. The key features of the agreement are now outlined.

Rostered Hours

42 hours average per week for a 4-cycle shift worker

39 hours per week for all other employees

A minimum of 5 days per employee per year were also set aside for training.

Reserve Hours

To ensure equity, those on different shifts have different reserve hours. Those on a four-cycle shift are contracted for 200 reserve hours while other categories of workers are contracted for 250 hours. These bands were set to ensure that employees, on balance, would realistically not have to work more than 50 per cent of the reserve hours annually (D'Arcy, 1998:34). The AH agreement emphasised the need to minimise use of reserve hours: 'Management and work teams must endeavour to minimise the use of reserve hours while ensuring plant needs are adequately met' (Aughinish, 1996:8). Reserve hours are paid for at a premium rate and discounted on a quarterly basis. Teams regulate the working of reserve hours themselves. In fact employees have had to work far fewer reserve hours – only between 5-8 per cent in the last five years⁴³. A rota of team members is designed so that it is clear how many reserve hours each member has worked. Those with fewest reserve hours worked are

⁴³ This refers to the five years prior to 2007 when this case was originally written. Recently use of reserve hours has increased. This is discussed further in the post-script to this case.

called on first to work reserve hours as they arise. The agreement also states that ‘the AH contract does not cater for working of, or payments for, any hours in excess of the number of reserve hours to which an individual is contracted. Therefore there cannot be any overtime’.

Salary

The move to salary involved a change from weekly to monthly payment. The phasing-in of monthly payments was used to help employees with this transition. The new salary comprised payment for:

Basic hours and reserve hours

Shift premium (where applicable)

Public and annual holidays

Sick Pay

A new sick pay scheme was introduced for employees under the AH agreement. Sick pay is now based on full salary under AH, which means higher payments for employees. In addition, employees are now paid from the first day of illness related absences.

Call-ins

Call-ins were to be handled by the teams and they determine who should be called to work reserve hours, by providing a ‘to-be-called’ roster. The agreement states ‘employees must work reserve hours and respond to call-ins to provide adequate plant cover ... a minimum of four reserve hours will be registered for each call-in’ (Aughinish, 1996:12). However, the focus on keeping reserve hours to a minimum is again emphasised in relation to call-ins and if employees can solve problems over the phone, attendance at the plant is not required. ‘Employees are encouraged to use initiatives to minimise the use of reserve hours. This allows an employee to work less hours for his salary. As such, the solving of any problems by an employee, over the phone, is in itself of benefit to the employee as it saves him having to attend the plant to work extra hours’ (Aughinish, 1996:12).

The Process of Introducing AH

Once it was agreed that an AH system would be introduced, a number of steps were taken before its implementation. Workers were asked, in their respective teams, to identify the causes of overtime so these could be eliminated. Previously this would have led to reduced earnings but under AH this would lead to a reduction in the reserve hours which employees were required to work. According to a management interviewee⁴⁴ practices were identified that management never knew existed in the plant. Preventive maintenance was put in place to ensure plant uptime improved and this also had the effect that there would be less need to work reserve hours – previously it would have led to reduced overtime and consequently reduced pay. On the technical side, a programme of upskilling was undertaken in order to ensure that all team members were multi-skilled. This was to eliminate the ‘specialist’ nature of particular tasks with the aim of ensuring that production would not be delayed by relying on one person with a particular skill. Consistent with the mutual gains approach, a joint monitoring and implementation group of workers and management representatives was formed. This group worked on the details of the AH agreement and monitored its operation. The group met almost daily, at the beginning, to deal with problems that emerged. A senior management interviewee noted that both sides ‘got it wrong’ at times but they worked together on these issues as they arose to sort them out before they became major problems. Partnership has been developed over the years in Aughinish and now extends to issues that would normally be dealt with in the adversarial industrial relations arena, even in companies that have partnership processes in place⁴⁵.

How Has AH Worked?

There is a high degree of satisfaction with the working of AH among management and the trade unions in Aughinish. This also appears to extend to employees although the results of the survey will establish the extent of this satisfaction (see chapter seven). Management and union interviewees were emphatic that the majority of employees are strongly in favour of the arrangement – with the level of support being

⁴⁴ The term interviewee is used in this case study to refer to the exploratory meetings that were conducted in the early stages of the research (see chapter four). While these were not formal interviews, detailed notes were taken and comments from those who participated are used, where pertinent in this case study to highlight key points.

⁴⁵ The extent of partnership in Aughinish refers to the situation pre-2009.

put as in excess of 85 per cent. Dobbins' (2007a) research also indicates a high level of worker satisfaction with AH in Aughinish although this relies on representative opinion of a small number of workers through focus groups, rather than a survey. 'Workers across all occupational groupings have had very positive experiences of AH, and would not want to go back to the traditional overtime system' (Dobbins, 2007a:282). Since AH were introduced only some 20 per cent of reserve hours are actually worked and unusually for AH arrangements, reserve hours are now hardly ever counted – 'the work just gets done' (HR Manager). There appears to have been real and substantial mutual gains generated in Aughinish.

How has AH Delivered Mutual Gains in Aughinish?

There are a number of factors that have contributed to the development of mutual gains in Aughinish since the radical overhaul in 1993. The introduction of AH was most certainly a key initiative and has played a vital role in delivering these real and substantial mutual gains to both parties. Once the system became embedded in the company it has come to be valued highly by both management and employees. The benefits of AH to both parties can be outlined as follows:

Benefits to Employer

Elimination of Overtime

One of the major benefits to management of AH in Aughinish is that they are now in a better position to predict and control costs. This is because fluctuating levels of overtime have been removed and staff costs are now stable. In Aughinish there is a large sunken capital cost in relation to the location of the plant i.e. it is not easily moved. There are external factors such as the product market, competitors, price of raw materials and others that management have little or no direct control of. A key challenge for management therefore is to ensure that costs within their control do not fluctuate. The elimination of high levels of fluctuating overtime, teams who work within defined budgets and less plant down time due to greater efficiency under AH has meant that management are now better able to control costs. The elimination of reliance on overtime has also meant that workers no longer resist the use of contractors. Before the introduction of AH, workers resented contractors as it meant a loss of potential overtime and consequently, pay for workers. By introducing AH there is no longer a resistance from employees to the use of contractors. The

allocation of overtime in the past was a major source of worker grievances. The elimination of overtime under AH has also meant a reduction in conflict in this regard. Therefore the elimination of overtime and replacement with AH salaries has had a number of direct and indirect benefits for management.

Absenteeism

Another key benefit to management in terms of reducing costs and enabling greater plant efficiency is the reduction in absenteeism. Absenteeism has declined as a result of the teams self-regulating call-ins. In the past, if a worker was absent and a colleague was called in to cover, it meant overtime for that colleague. Under AH, however, that situation is reversed and means that the colleague has to work more of his reverse hours than would otherwise be necessary. Therefore under AH there is a rational incentive for workers to self-regulate absenteeism. Prior to 1993, absenteeism in Aughinish was problematic. In the past number of years, however, absenteeism has fallen to an average of around four per cent.

Greater Efficiency and Less Plant Shut Down

Workers' concern to avoid having to work reserve hours has meant it is now in their interests to be efficient and get the job done as quickly as possible. In addition, workers are more likely to look for more innovative ways to get the job done rather than call in their colleagues to work reserve hours under AH. In the past, as with covering for absenteeism, if colleagues were called in to work extra hours, they were compensated by premium rates of overtime. AH however, provides the incentive for workers to look for ways to get the job done as efficiently as possible. Therefore, although management are paying higher basic pay under AH in Aughinish, this is compensated for by increased efficiency from workers.

Benefits to Employees

While AH at Aughinish have delivered many benefits to management, employees have also seen a number of improvements since the introduction of AH.

Earnings

Workers appear to have benefited to a great extent from AH at Aughinish. The elimination of overtime has meant more stable earnings. In addition, workers no

longer have to work high numbers of hours in order to earn high levels of pay. In much the same way as it is easier for management to predict costs under AH, it is also easier for workers to budget and predict wages under a set salary rather than fluctuating overtime payments.

Improved Pension and Other Benefits

The improvement in basic pay has also had significant implications for a number of other elements of working conditions for employees in Aughinish. One of the most significant of these is that pension is now based on the enhanced basic salary under AH whereas previously, overtime payment would not have been included for pension purposes. This is especially significant for older workers who would consider pension extremely important. The sick pay scheme is also based on the enhanced AH salary and is another related benefit of higher basic pay for employees.

Working Hours

The literature suggests that increased leisure time is a major benefit of AH for employees (see for example Hung, 1998). Interviewees for this study were of the view that prior to the introduction of the AH system the projected reduction in working hours was not highly valued. The increased leisure time, as a result of the elimination of overtime, is now viewed as a major benefit by workers (see also D'Arcy, 1998). Of course this is a matter that can only be ascertained directly from workers and will be examined in detail in chapter seven.

General Benefits to Both

There have been other changes that have jointly benefited both management and employees. These include improvements in working relationships, less grievances and hence a better working environment. An objective measure of the extent to which relationships have improved is provided by Kennedy (2000:6)⁴⁶, who notes the following changes:

- No industrial disputes or lockouts;
- Discipline: Three people have been given the 'opportunity to resign' due to gross misconduct in the last ten years. There have been no dismissals. An

⁴⁶ According to management (at least up to early 2009) these benefits have continued

average of five warnings per annum has been issued to employees. These have been almost exclusively for breaches of safety or environmental regulations, not for performance or conduct.

- A reduction of formal grievances from in excess of an average of 150 per year, prior to the changes, to two to three per year subsequently⁴⁷;
- An extremely low turnover – only one voluntary exit by employees.

In addition, there has only been one case referred to the Labour Court, a pay dispute, since the agreement came into place⁴⁸. Both trade unions and management said they found it difficult reverting to a distributive way of doing business in this instance, after the established use of joint problem solving. Individual abuse of call-in availability (e.g. workers deliberately not answering phone) at Aughinish continues to be subject to disciplinary action, meaning there is some retention of a control mechanism in the event of the self-regulation not working. However, disciplinary action has not been necessary in this area. It appears that AH and other associated changes at Aughinish since 1993 have led to benefits for both management and workers at the plant. Aughinish is seen as an exemplar case of AH and other companies considering AH regularly visit the site to examine how it works.

Limitations of AH in Aughinish

It was difficult to identify any limitations of the AH system in Aughinish, beyond points made by both management and unions that there was a tendency to take the partnership for granted and there is a need for periodic renewal of the process. The system is predicated by the need to have high pay levels and this is accepted as a necessity by management and is compensated for by the exceptionally high productivity. In addition, workers have identified that they are now under a lot more pressure at work than before due to the need to operate high levels of efficiency. However, it should be noted that the majority of overtime worked before the introduction of AH was (according to management) unnecessary (see D'Arcy, 1998) so workers benefit from improved efficiency through greater time off. Nonetheless, although this focus on efficiency currently does not pose any problems for the

⁴⁷ This is exceptional and management attributed this to improved relationships and elimination of grievances around overtime.

⁴⁸ An examination of Labour Court cases shows there has been one other case (December 2007) in relation to discipline of three workers since this case study was written.

majority of employees as they 'prefer to be busy' there is a concern that it may pose a problem if the pressure increases to any greater level in the future (Dobbins, 2007a).

Postscript

This case was written in 2007 and up to early 2009, no major changes had occurred in Aughinish in relation to how AH was operating. Due to the economic downturn in the economy in 2009, some significant changes have since occurred. 'The global crisis has seriously affected the aluminium industry resulting in a decline in aluminium production and demand for alumina as well as a major drop in prices' (Kennedy, 2009). This resulted in a cut in production at the company and for a time workers were reduced to working a four-day week, although they later returned to five-day working. A local media source speculated that job losses and wage cuts were occurring in Aughinish (see Limerick Leader, 2009). The HR contact for this study commented in that local paper that 'the change of output will not affect the permanent staff. However, it may result in reduced amount of services required from the contractors and suppliers' (Kennedy, 2009). He confirmed (during personal correspondence for this research) that due to the state of the economy there was pressure on workers in Aughinish to work more hours and thus have fewer contractors on site. This was partly due to the need to reduce costs (by reducing the number of contractors) but also to demonstrate to RUSAL (the parent company) that 'the lads will work hours if needed' (Personal Correspondence, 2009). He claimed an increase in the (previously very low) use of reserve hours, which occurred in October and November 2009, was needed to show management in the parent company that AH is a good system. The survey of workers in Aughinish was conducted in December 2009⁴⁹ and workers' responses will highlight any reactions to the changes in the way AH now operates in Aughinish. This will indicate whether the AH system, previously seen as exemplar in Aughinish, can continue to deliver gains to workers and survive external shocks including a change in ownership, a general downturn in the economy and the resultant drop in demand for and price of the company's product.

⁴⁹ See chapter four for a full discussion on the difficulties that were encountered when trying to conduct the worker survey in Aughinish.

CASE STUDY 2 – Coca Cola

Background

Coca Cola in this instance refers to Drogheda Concentrates, which is a subsidiary of the US multinational Coca Cola company⁵⁰. The plant opened in 1975 and underwent a number of expansions since. The company produced beverage bases for a wide range of soft-drink products sold and exported to a number of locations around the world. The plant employed 325 people in 2007 (www.kompass.com). Employees at the plant were unionised and the main unions on site were the SIPTU and the TEEU⁵¹.

In the late 1990's, Coca Cola employed a workforce of around 330 and according to Sheehan, (1997b) these employees were among the highest paid workers in the country with wages averaging between IR£30,000 (€38,100) and IR£45,000 (€57,150), although it is not specified whether this is basic pay or includes the extremely high overtime earnings which employees at the plant also benefited from. However, a SIPTU official claimed that 'employees at the time were earning more than the Minister for Labour' (SIPTU Official A, 2006). Over time, these high costs became unsustainable and the plant began to come under pressure from the parent company in the US to become more competitive. Costs per unit compared unfavourably with other plants in Europe, particularly a sister plant in France, which was the company's main competitor at the time (Sheehan, 1997c). D'Arcy (1998:43) notes 'the over-riding culture that existed in the company prior to the introduction of AH could perhaps be best described as low challenge. Management had adopted a laissez faire approach to industrial relations, treating employees and their representatives with a significant degree of benevolence'. This may explain why such high levels of overtime existed at the plant.

The parent company promised that additional business would be assigned to the plant if productivity levels were significantly improved. According to D'Arcy (1998:43), management had made numerous attempts previously to enhance cost-effectiveness but none of these initiatives were pursued once they encountered employee opposition. A trade union official supported this view and claimed 'there was no real

⁵⁰ For ease of reference Drogheda Concentrates is referred to as Coca Cola everywhere else in this thesis.

⁵¹ This case is written in the past tense as the plant closed in 2009.

management structure there, the management, every time there was a problem, they threw money at it' (SIPTU Official A, 2006). It was against this background that management decided to introduce a 'Plan for Change'.

The 'Plan for Change'

In January 1997, the company launched the 'Plan for Change'. They proposed to achieve cost reductions through the introduction of AH, a reduction in numbers and other changes such as team-working, multi and cross-skilling, a new bonus system and changes to pay structures (D'Arcy, 1998; Sheehan, 1997b). The company sought advice from IBEC, a UK consultant and companies that had already implemented the system (such as Aughinish) and following three months of preparatory work by the company, the plan was introduced (D'Arcy, 1998). A SIPTU official claimed that, 'despite all the opinions given from myself and from some others that it [AH] wouldn't work; they bulldozed it through' (SIPTU Official A, 2006). He said he believed the plan wouldn't work due to inadequate research on the application of AH in the context of this company and an absence of cooperation by the workforce. He noted that neither management nor the workers would agree to outside industrial engineers coming in to examine what was feasible. As a result 'we had really no technical background to give us a basis of discussions' (SIPTU Official A, 2006).

There were two main elements to the Plan for Change – the proposed redundancies and AH. The company sought 100 voluntary redundancies and offered severance terms of eight weeks pay per year of service (inclusive of statutory entitlements but based on overall earnings with no ceiling), plus a lump sum worth IR£4,000 (€5,080) (Sheehan, 1997c). Given the high levels of earnings enjoyed by employees at the time along with the fact that some employees had over 20 years service, the redundancy package was very attractive. By October 1997, the company had achieved 62 voluntary redundancies (Sheehan, 1997b). While the terms of the redundancies were attractive to a number of employees, the job losses themselves were a contentious issue with SIPTU and the employees who were remaining. SIPTU Official A (2006) stated 'at that stage I didn't see the need for them.' He also noted that 'a lot of the people that went were good people that you didn't want to lose.'

Annual Hours

The AH element of the plan formed a key component of the cost reduction strategy and it was intended that AH would reduce the dependency on overtime. Given the high levels of overtime costs, AH appeared to offer the opportunity to decrease costs and increase productivity as it had done in other companies, which the company benchmarked against, notably Aughinish (see D'Arcy, 1998). The company stressed the benefits that would accrue to employees under the AH system such as increased leisure time and more stable earnings. The employees however were sceptical according to a SIPTU official who claimed 'they [the employees] weren't interested in what we'd call... having a social life. They wanted to work the seven days a week. They wanted to buy the top range cars; they wanted to buy homes in Spain. That was their mentality' (SITPU Official A, 2006).

The negotiation of the Plan for Change was long and protracted and after many months of talks facilitated by the Labour Relations Commission (LRC), the parties had still not reached agreement on the terms of the plan.

The Labour Court

The dispute was referred to the Labour Court, which made a recommendation on the proposed changes at the plant. In issuing its' recommendation the Court noted that 19 meetings had taken place over six months (Sheehan, 1997b). In its recommendation the Court said 'it is worth stating that the Court finds it difficult to comprehend that after the amount of time spent in negotiation and conciliation, that the dispute comes to the Court without any progress being made' (Labour Court, 1997). The Court recommended acceptance of the company's plan. The union had made a submission to the Court with its own suggestions on how the company's requirements could be met. The Court concluded, however, that the unions' plan would not achieve the objective of the company and would not give the flexibility and cost reduction required. As a goodwill gesture, the Court recommended that the company pay an extra two weeks pay at Christmas 1997 and again when the plan was fully implemented (see Labour Court, 1997).

Eventual Agreement

SIPTU members at the plant rejected the Court's recommendation. A SIPTU official claimed 'the workers at that time had no intention of accepting the Labour Court recommendation, [and] 'it was impossible for the Labour Court to come up with a solution to it because both groups were that far apart' (SIPTU Official A, 2006). However, interests differed within the workforce – some wished to avail of voluntary redundancy and 'had their eyes on the redundancy package', while others were concerned at working with an AH system that had fewer employees and the consequent likely increase in workload (SIPTU Official A, 2006).

Eventually, the company and SIPTU re-entered negotiations and the previously rejected Labour Court terms were used as the basis for the final settlement. Redundancies, AH, performance related pay; team-working and an incremental pay system were agreed on. Employees achieved buy-in goodwill payments of 4 weeks pay in December 1997, 4 weeks pay in June 1998 and 4 weeks in December 1998 for agreeing to the changes (Sheehan, 1997d). A SIPTU official estimated the buy-in payments were worth between IR£7,000 and IR£9,000 (€8,890 and €11,430) to workers at the time (SIPTU Official A, 2006). On October 1st, 1997, SIPTU members reached agreement by a two to one majority on the terms of the proposed changes (Sheehan, 1997d). The acceptance of the agreement was, however, controversial with workers interested in leaving the company tending to vote in favour while a majority of those wishing to remain opposed the deal. It was forced through. 'So you had 50 per cent of the people for it and 50 per cent of the people against it but the people who were against it were all the people who were staying. The people who were for it were the people who were accepting redundancy' (SIPTU Official A, 2006). Shortly afterwards, SIPTU workers began working AH at the plant.

Key Features of the Agreement

Basic and Reserve Hours

D'Arcy (1998:44) notes 'the AH contract is comprised of basic hours and reserve hours. The former were calculated by averaging a 39 hour week over one year. There were three levels of reserve hours for different groups within the company, 50 hours for Administration/Clerical staff; 80 hours for Operations support staff and 160 hours

for Operatives and Craftsmen (D'Arcy, 1998:44). Reserve hours are paid for at a premium rate.

Similar to other AH schemes, the procedure for call-in is as follows: 'the person with the highest number of remaining hours can be identified which is the criteria for establishing who should be the first person to be called in to work reserve hours' (D'Arcy, 1998:44). Sheehan (1997b) notes 'reserve hours can be utilised by the team but only in emergency situations' although what constitutes an emergency situation is not specified.

Sick Pay

D'Arcy (1998:45) notes 'unlike many other companies who have implemented AH, Coca Cola Atlantic did not change the provisions of their sick pay scheme to base the amount paid out on the new stable income. This is perhaps explained by the high duration of payment under the scheme which is 12 weeks at full pay after which time; full pay may be paid indefinitely subject to monthly reports'.

Pension

In Coca Cola AH did not have significant implications for the company's pension scheme as 'overtime earnings had always been recognised for pension purposes' (D'Arcy, 1998:45).

Initial Experience of AH

Initially there were the familiar claims for success associated with the introduction of AH, however, these quickly evaporated. D'Arcy (1998) notes the company claimed a 38 per cent increase per employee in productivity, which they said reduced the overall cost per unit. The company also claimed a change in the culture of the organisation and that enhanced team-working practices had led to greater flexibility and efficiency. This was a very premature view of the outcome and within a few short months of operating with AH it was clear that the initiative had failed badly.

Increased Demand

Shortly after the introduction of AH, the parent company, as promised, awarded a 60 per cent increase in business to the plant. This in turn led to employees having to work

extra hours, eating into their reserve hours. In other words, they were being required to work 'harder' not 'smarter' as had been promised. This in turn accounts for the claimed increases in productivity. Within a short time, problems with the scheduling of AH had occurred. D'Arcy (1998:46) notes 'hours had to be brought forward from later in the year and scheduled hours had to be adjusted on a constant basis'. A SIPTU official also stated 'a lot of the people had their reserve hours done in the first month' (SIPTU Official A, 2006). To cope with the increase in demand, the company had to employ additional temporary workers. Ironically, many of these workers were those who had availed of redundancy with the company earlier. 'A number of people who were made redundant in 1997 were still on the premises 12 months after it ... because they [the company] couldn't do without them' (SIPTU Official A, 2006). This, the SIPTU official claimed was because the company 'went for too many redundancies' and following the increase in business and the move to AH, 'the orders were not getting through'. D'Arcy (1998:46) also notes that 'AH had promised predictable hours of work and increased leisure time but neither of these benefits materialised. All of this led to employee dissatisfaction and loss of faith in the AH system.'

Employee Opposition

The inability of the company to cope with the increased demand under the AH system was a major drawback for the plant. The rosters that had been designed prior to the implementation of the AH system had proven inadequate (D'Arcy, 1998:46). This in turn led to extreme employee dissatisfaction with the AH system. There were a number of elements of AH that caused difficulties for employees. D'Arcy (1998:45) notes that 'rostered annual leave met with opposition from employees who found it restrictive'. The company was unable to cope with the increased demand due to inadequate rostering of hours, inability to operate with the lower numbers of staff, strong employee opposition and difficult relationships.

The Buy-Out of AH

After only a few short months, management at the plant realised that AH were not working as they had anticipated. The management came under pressure from the parent company and a number of managers were either strategically relocated or given the opportunity to resign. The new management decided to discontinue the AH system and revert back to working weekly hours with overtime used to cover increases in

demand. However, it could not just be abandoned and the company had to negotiate with SIPTU members to buy-out the AH system. This was done directly with the workers as a group and outside normal negotiation channels with neither SIPTU nor IBEC involved. Following months of negotiations, SIPTU workers received three increments on top of salary (about 7.5%) and approximately IR£5,000 (€6,350) to buy out AH (SIPTU Official A, 2006). The SIPTU Official claimed the workers were in effect bribed to agree to the buy-out of the AH system. ‘They [the company] simply went back to doing what they did before and not only that but they started hiring new people to replace the people they'd let go’ (SIPTU Official A, 2006).

The Craft Group

Despite Coca Cola being widely regarded as an AH agreement that went wrong, this only applies to the general workers and the craft workers still operated AH in the company, until it closed in 2008. The history of the introduction of AH for craft workers parallels that of general workers. While AH was implemented for SIPTU workers in October 1997, negotiations with the TEEU on a similar plan for craft workers were still in progress. In December 1997, craft workers and management at the plant were involved in a dispute in which both parties failed to reach agreement on the proposed terms of the ‘Plan for Change’. The dispute culminated in TEEU workers going on strike. They considered that the management proposal did not meet their needs and was not really AH as management could unilaterally dictate hours. The dispute was described as ‘a very serious dispute where relationships were really stretched to the limit’ (TEEU Official A, 2007). The strike lasted about eight weeks and ended just before Christmas (TEEU Official A, 2007). The settlement involved the TEEU influencing the agreement, which similar to the SIPTU agreement, included AH, performance related pay and team working. Sheehan (1997b) notes that the agreement specified ‘team working requires employees to take more control of their own job and work output. This would mainly be achieved through a reduction in traditional layers of control and increased skills and knowledge of team members’. He further notes that ‘the company told the [Labour] Court it would also align rewards with plant, team and individual performance. Payout would be at the current level when normal performance is achieved and at a higher level when above average or superior performance is attained’ (Sheehan, 1997b). Like SIPTU workers, craft workers received a series of ‘goodwill’ payments – four weeks pay on three occasions

over a twelve-month period. In addition the craft workers received a once-off payment in return for which the company gained freedom of access to contractors where required (Sheehan, 1998). In contrast to the situation with SIPTU workers AH was not abandoned for craft workers and remained in operation at the plant until the closure. This raises the question ‘why did neither management nor craft workers not seek the abolition of AH as had happened with SIPTU workers?’ A SIPTU Official stated, ‘it suits them. They have a clause in it that allows them to bring in contractors so the craftsmen now don't care if the contractors come in because they're getting paid anyway and it suits the company to bring in contractors because they get the job done quicker and a lot cheaper’ (SIPTU Official A, 2006). A TEEU Official stated ‘I think our guys ended up very happy on it in fact and it is working.’ This shows the capacity of AH to persist once mutual gains are delivered. Issues such as lack of planning, poor management, lack of involvement and prior bad relationships have not derailed the system where the craft workers are concerned. The key difference is that mutual gains were generated in the case of craft workers but not for SIPTU workers. This demonstrates the point made in chapter five that craft workers appear more favourably disposed to AH than general workers. This is because AH may be better suited to craft workers, as given the high skill levels of such workers, there is more scope to improve efficiency. Craft workers tend to have specialist knowledge and skill which enables them to search for ways of reducing time on the job and also engaging in preventive maintenance (something for which there is little incentive in a traditional overtime system). Another key benefit of AH for management in relation to craft workers is that there is no longer resistance to the use of contractors as workers no longer lose out on potential overtime.

Postscript

In 2008, Coca Cola decided to close the plant in Drogheda and to concentrate production in an existing non-union plant in Ballina, County Mayo, which demonstrates the significance of the employers BATNA in this instance. Redundancy terms at the Drogheda plant were the highest in the private sector in Ireland in the last ten years, ten weeks pay for each year of service⁵² (Dobbins, 2008b). According to Dobbins (2008b) ‘average wages at the Drogheda plant were in the region of €60,000

⁵² Including the statutory entitlement to two weeks pay per year of service.

- €70,000, with some workers earning as much as €100,000 per annum⁵³. Trade unions suggested the decision was part of strategy of union avoidance and cited the lower pay and conditions of workers in the non-union plant, however, the company denied this (see Dobbins, 2007b). Ironically, this event was almost predicted by the SIPTU Official interviewed for this study. ‘Basically it [the failure and buyout of AH] cost us. It cost this town about four or five hundred jobs because instead of extending... the big one [extension in production] went to Ballina and the next big one is going to Wexford. They [the company] will never be caught in Ireland depending on one unit. So the loss we had was to the town and the community’ (SIPTU Official A, 2006).

⁵³ A number of workers were also given the option of transferring to the Ballina plant.

CASE STUDY 3 – Cara Partners

Background

Cara Partners is a pharmaceutical company established in 1980 and based in Little Island, County Cork. The company is part owned by French and German groups and produces an ingredient for a prescription drug to treat blood circulation disorders. The company's main selling markets are in France and Germany. Cara Partners employs approximately 100 workers, who are unionised with the main unions on site being SIPTU and the TEEU. Administration staff and management are not unionised but all other staff are and all unionised staff operate under an AH system. Up to the late 1990's Cara Partners experienced growing sales every year since its establishment and as a result always struggled to meet sales targets. The company therefore ended up operating in a very high overtime-based environment (Operations Manager A, 2007). Following years of high sales, the company then experienced a dramatic drop in sales in 2000. Management described this as a 'serious fall-off in sales, between 20 and 30 per cent' and ascribed the decline to increased competition combined with a failed attempt to expand into the US market. 'It just didn't happen. The sales didn't happen at all, it was a bit of a disaster. They tried to expand into the US market and it basically failed. We tried creating other products but we just didn't get suitable products and that meant we basically had to make a decision, we had to cut back to three shifts. So that meant losing large numbers of people – redundancies and so what we decided to do was not just to cut the numbers but to re-organise, we would change our system of work and bring in an AH system and that's where it came from' (Operations Manager A, 2007). The union interviewees confirmed this general background.

The 'Burning Platform'

The fall in sales had a serious impact on the financial position of the company. At the time, (2000) the company employed 160 people and operated a four-cycle shift system. The fall in demand meant the company was then operating under capacity (i.e. too many people and too much capital for the output level) and although attempts were made to create other products, this did not work out. Management described the situation as like being on a 'burning platform'. 'We had to reorganise, we had too high costs, we had too many people, we had overcapacity, we had to make a serious change' (Operations Manager A, 2007). A major element of these changes was a decision to seek the introduction of AH.

Relationships

Historically, the relationship between management and workers at Cara Partners was described as poor. The management interviewee described the working environment as very ‘combative’ and very restrictive in terms of demarcation, which he claimed was ‘probably due to bad management in a way. We allowed it to develop over the years’. Relationships were described as ‘a fairly nasty work environment, where shouting matches and old style management – union relationships were typical’. He claimed that this relationship and negative work environment inhibited change, ‘if you had a new system, a new procedure, something new to do, it was just impossible ... [there was a] culture around pay for change’ (Operations Manager A, 2007).

Relationships within the management group could have proved to be a constraint when introducing AH. There was disagreement between management about AH, ‘financial were very negative towards it. This whole concept of paying people for not turning up was just alien to them and still is’ (Operations Manager A, 2007). Despite disagreements within management however, the push from the external factors (particularly the dramatic reduction in demand) and the pressure to save on costs meant that the negotiation of redundancies and AH went ahead.

Redundancies

In 2001, a voluntary redundancy package was negotiated for workers, which consisted of seven weeks pay per year of service (plus statutory), a relatively high redundancy package. As a result of the agreement the company's workforce was reduced from 160 people to 95. For the majority of remaining staff, the company began to negotiate the move to AH. While relationships between the parties had previously been conflictual, the threat to the company meant that there existed a common interest in finding a solution. According to the management interviewee, when negotiating the AH agreements the trade union people were ‘very helpful’. In particular, he noted that a craft union official was instrumental in helping to design the AH system.

Trade Union Response

Both the TEEU and SIPTU appeared favourably disposed to introducing AH in Cara Partners. The TEEU official noted ‘our interest was in protecting our members’ security of employment number one, and number two their earning potential. He also

claimed that ‘there was an acceptance [by workers]... after a lot of debate... this [AH] is possibly the best way to secure the jobs and secure the earnings’ (TEEU Official C, 2008). The SIPTU official claimed workers were ‘cynical of it and [had] quite a lot of questions about it... their belief was that if the management saw that you had a couple of hours to spare, they were going to force you to work’ (SIPTU Official B, 2008). Following meetings with management and persuasion from the SIPTU official and subsequently the shop stewards, the workers voted to accept AH. ‘When we put the whole package together, it was very much an overwhelming majority I would say if not unanimous that it would be brought in’ (SIPTU Official B, 2008). The SIPTU official also noted ‘I believe I would have had a fair influence in that [workers moving from being cynical of AH to accepting it], I explained it to them in great detail’ (SIPTU Official B, 2008).

The Introduction of AH

The literature suggests that AH are suited to companies operating high levels of overtime, often on a 24-hour basis (see for example, McMeekin, 1995; Spencer, 2001). In Cara Partners, the situation was one of ‘very high overtime levels. At this stage by the way we were on 4-shift a total of 160 employees and they were on a 4-shift system, very high overtime levels (Operations Manager A, 2007). This was described by a trade union official as a system that ‘grew up and that suited the employees and indeed suited the managers in the sense that it was their way of dealing with the requirements of the plant and our people delivered on that basis given the fact that they were paid by attendance’ (TEEU Official C, 2008). The high levels of overtime however was not ideal for either party as it involved working a very high number of hours for workers and high levels of overtime costs and inefficiencies for management. Following the push for change from the external demand factors, these structural factors allowed for the possibility of introducing AH. In effect, there was the possibility of working reduced hours through an appropriate mechanism acceptable to both management and unions. AH working was just such a mechanism as it promised the possibility of mutual gains.

Key Features of the Agreement

Reserve Hours

A total of 210 reserve hours was agreed ‘of which 50% or 105 hours should be worked in total’ (Cara Partners, 2007:4). Reserve hours are ‘set aside to cover absences and unpredictable workload not catered for in the normal working pattern. Typical examples would be absence/holiday; injury; jury; compassionate leave; force majeure etc.’ (Cara Partners, 2007:3). Reserve hours are paid at a premium rate and are discounted on a quarterly basis. Pension is based on basic plus shift and AH at the basic rate (Cara Partners, 2007:3).

Call-ins

In relation to call-ins the agreement states that ‘an agreed rota system is in place to ensure that cover is available when it is needed, and that cover is shared evenly and fairly amongst all personnel. For operators, the shift leader determines when hours will be worked. For craft workers, the ‘Maintenance Engineer will determine when both the planned and reserve hours are to be worked – with input from the crafts’ (Cara Partners, 2007:13).

How has AH worked?

The introduction of AH in Cara Partners has meant improved productivity and decreased absenteeism for management. For workers, it has meant increased job security for workers according to management and union interviewees. There have been no further redundancies and turnover has been quite low – ‘very few people leave us’ (Operations Manager A, 2007). In addition, both management and union sources suggest that workers have come to appreciate the improved work-life balance that has resulted from working AH. One trade union official described how work-life balance is not something workers wish to trade for loss of earnings, however, ‘when viewed in the context of AH’, he maintained a worker’s view is ‘I’ve secured my earnings so yes work-life balance is something we should look at’ (TEEU Official C, 2008). Workers’ perceptions of improvements in work-life balance are explored further in chapter seven.

Earnings

There were mixed views from interviewees in relation to any change in earnings in Cara Partners. According to management, pay levels dropped from around IR£80,000 (€101,600) (including overtime) to €50,000. 'It would depend on the person obviously, but some people were on... I'd put it in the region of 80,000 pounds total package, now that included overtime, huge amounts of overtime and they would have gone back to 50,000 Euro so it wasn't insignificant but they would have been the higher guys and don't forget they would have been putting huge hours in' (Operations Manager A, 2007). The SIPTU Official agreed, 'they [workers] would have taken a drop. Would it have been significant? It probably would at the time, yes it would' (SIPTU Official B, 2008). He maintained, however, that workers accepted the drop in earnings as it was compensated for by the reduction in working hours and possibly a recognition that the high levels of overtime were not sustainable. 'I think they looked at it that they had had their good times, they now had better time off as such and I think they were happy enough' (SIPTU Official B, 2008). There are a number of other factors to take into consideration, however, when assessing the actual loss of pay for workers. According to the TEEU official, the drop in earnings wasn't that significant and he in fact suggested that a number of workers received an increase in pay as a result of AH⁵⁴. 'Most of them would have gotten an increase at the time of the changeover; some lads would have taken a hit alright' (TEEU Official C, 2008). He also claimed that 'the highest earners probably would have taken redundancies as well...they would tend to be the longer serving people who would have grown up with the system'. In addition, both TEEU and SIPTU workers were paid a buyout for the loss in earnings caused by the introduction of AH of an analogue of two years as compensation (i.e. the difference between what workers would have earned in a year and their new AH salary multiplied by two). Therefore, while costs reduced for management in terms of cutting employee numbers and reducing wages for some, the actual loss, at least to craft workers may not have been as significant as suggested by management.

⁵⁴ Of course different agreements were reached with SIPTU and the TEEU and craft workers would have been on a different pay level to begin with.

Changes in Relationships

Since the introduction of AH, relationships between management and workers appear to have changed quite dramatically with management identifying a major reduction in the amount of time spent on industrial relations issues as very beneficial. ‘In the past as a management team, we would have spent 70 per cent of our time on IR issues. We now spend about two per cent’ (Operations Manager A, 2007). The elimination of overtime grievances and lessening of demarcation disputes (previously workers would have restricted who could do what to protect overtime) were cited as the main reasons for this reduction in the need for management to devote attention to industrial relations issues and disputes.

Difficulties with AH

AH has however brought its own difficulties in Cara Partners, albeit these do not seem to have taken from the overall success of AH. Not all elements of craft workers’ AH pay are pensionable which has been a contentious issue for both parties and involved intervention from a 3rd party, the Labour Relations Commission. ‘The cover call element⁵⁵ is not pensionable... it’s always been a bone of contention and it still is. That’s a sore point and we’re not giving in’ (Operations Manager A, 2007). The trade union official agreed that it was a contentious issue for craft workers. When asked about referring the issue to a third party he believed the timing was wrong and a recommendation in favour of workers was unlikely. He commented, ‘rather than having a Labour Court recommendation against us saying that it can’t be pensionable, we decided just to reserve our position and pull back to a more appropriate time’ (TEEU Official C, 2008).

Another somewhat minor issue has been the emergence of what management terms a ‘silo’ effect. ‘They [workers] become very insular; they do their own thing... they sit in a group in the canteen... there's a bit of ‘us and them’⁵⁶. They're always moaning

⁵⁵ The cover call element of craft workers pay is a substitute for shift to ensure 24-hour coverage for the plant. It is in addition to reserve hours. Reserve hours are used for emergency situations, for example ‘if critical equipment fails during the day then crafts may need to work back in the evenings from the reserve (Cara Partners, 2007:13). The cover call element is for situations ‘where you know that despite all your best efforts that the plant requires more than the basic 39 hours’ (TEEU Official C, 2008). It involves a set number of calls (one per week) for craft workers which, if unused, are paid for anyway.

⁵⁶ Referring to different groups of workers, and not workers and management as the ‘us and them’ term usually refers to.

about the other crowd... so even though they're in the same union group, they're just totally isolated' (Operations Manager A, 2007). The Operations Manager explained that this occurred as groups are now more concerned about the shift before them having work done (so that work does not get transferred to the next shift). Previously, with overtime, this was not an issue. While not a major concern, one of the trade union officials agreed with management that it was an issue. 'I would have a concern about it as well from the point of view of mobility across the site at a later stage' (Operations Manager A, 2008). Whether or not the poor relationships between groups are of much concern to workers at Cara Partners will be explored in the next chapter when the results of the worker survey are analysed.

Subsequent Developments

Following the introduction of AH, the unpredictability of demand meant it was necessary for management to negotiate a productivity deal with workers, something contrary to the principle of the AH model. When AH were negotiated, management agreed a set salary and number of hours for workers in return for a fixed production amount of 73 tonnes per annum, which was based on sales that year. 'We made a bit of a fatal error; we tied it to a production amount ... and we thought that our sales were falling so we fixed it ... we didn't think it'd be dramatically different in the next few years, we thought sales were going the wrong way. About a year after the reorganisation, our sales started to increase and then we had a problem' (Operations Manager A, 2007). The 'spirit of the agreement' meant that it would have been unfeasible for management to increase the number of hours worked in order to meet production. 'In fairness, they had signed up to something that was at a fixed tonnage and now we wanted them to produce more (Operations Manager A, 2007).

In order to meet the higher levels of demand, a productivity deal was negotiated 'about a year after the reorganisation' which involved 'a percentage (increase in pay) based on the actual kilos out and we did that for a number of years and we went all the way to 90 tonnes... from 73 to 90 tonnes [per annum] without any extra people, or extra shifts, or extra time, just by pushing harder and getting the stuff out the door and having a productivity element to their pay' (Operations Manager A, 2007). In monetary terms workers gained 'about two to four thousand (euros) a year'. The productivity pay element continued for a number of years until 90 tonnes was reached

which management considered was the plants' maximum capacity. Management then invested in machinery, which brought capacity to 95 tonnes. They stopped the productivity element at that stage and it was 'wrapped into' basic pay from then on. This link to fixed productivity is unusual in the context of an AH scheme. The company agreement specifically states 'AH will not be used to increase production targets but they may be used to achieve them' (Cara Partners, 2007:10). As with other AH agreements studied, the Cara Partners agreement also specifically states that attempts will be made to minimise the use of reserve hours. 'It is estimated that not more than 50% of these hours will have to be worked. If the hours worked exceed 50% for the year then this will be discussed at the next AH review committee meeting' (Cara Partners, 2007:12). Had management decided to use reserve hours to meet the increase in production requirements, this would have been a breach of the agreement. Furthermore, it is likely the company would have ended up in a similar situation to Coca Cola where all reserve hours would have been used up and the AH agreement collapsed. The productivity agreement focused on providing incentive to workers to improve efficiency without necessarily increasing time spent at work, arguably the crux of the AH system.

CASE STUDY 4 - Wyeth

Background

Wyeth Nutritionals Ireland was established in 1974 and is based in Askeaton, County Limerick. Wyeth Nutritionals is one of five Irish subsidiaries of the global ‘Wyeth’ company and in early 2009, Wyeth merged with Pfizer, the world’s largest pharmaceutical company. Wyeth Nutritionals manufactures and distributes infant and child nutritional products. ‘More than a third of the company’s output goes to Europe, mostly to the UK, with the remainder being shipped to markets in the Middle East, Africa, Asia, Australia and Latin America’ (www.wyeth.ie). Wyeth Nutritionals⁵⁷ employs almost 600 people and employees are unionised. The main unions on site are SIPTU, TEEU and Amicus (Unite).

During the 1970’s and 1980s, Wyeth had what management described as ‘very poor, adversarial industrial relations’ illustrated by a ‘two-way lack of trust between management and employees, lack of accountability, significant demarcation and restrictive practices’ (Managing Director, 2008). The poor industrial relations climate was also highlighted by SIPTU, ‘I can remember a time when there was 29 strikes⁵⁸ here in a year’ (SIPTU Shop Steward A, 2008). This type of low-trust, high-adversarial environment was ‘not unique to Wyeth’ (HR Manager B, 2008) and may have been a product of the general industrial relations climate in Ireland at that time. In addition to the poor IR climate, another difficulty for the company was the extremely high usage of overtime. ‘In SIPTU and craft [group] you were probably looking at somewhere between 25 and 30 per cent [above basic hours], with some people being far, far in excess of that’ (Managing Director, 2008). The issue with overtime, according to the Managing Director was not primarily one of costs, it was one of inflexibility and control as ‘there were a lot of rules and regulations and unwritten practices... and what they were actually about was protecting overtime because people wanted the right to earn overtime’ (Managing Director, 2008). In addition, there was a perceived power imbalance between management and workers in relation to overtime. ‘Management needed it or thought they needed it to run the company so they were totally hooked on overtime’ (Managing Director, 2008).

⁵⁷ Referred to throughout this thesis as Wyeth.

⁵⁸ This figure may not be accurate as it is based purely on interviewee recall. Nonetheless it highlights his perception that there was a large number of strikes and affirms the perception by other interviewees that the industrial relations climate was poor.

Management felt they needed to address the over-reliance on overtime as it gave workers too much control over output. ‘The workforce will turn on the tap and turn off the tap in relation to overtime but management will always need the output’ (Managing Director, 2008). In other words, management felt they were too reliant on workers being willing to do overtime in order to meet production demands. There were other factors that drove the company to address the problems with overtime and move to AH. ‘What drove us towards AH ... there was a recognition that the company needed to change. The new managing director, he was supportive of that change to AH ... the whole thing was that there was so much power and so much restrictive practices and inflexibility tied up in relation to all these rules and they were all about protecting potential overtime so it just had to change’ (Managing Director, 2008). During interviews, the HR Manager, Operations Manager and shop stewards confirmed this general view on the use of overtime in Wyeth.

The poor industrial relations climate and high usage of overtime continued into the 1990’s. A number of things occurred in the late 1990’s and early 2000’s that prompted changes in relation to these issues and eventually led to the move to an AH system. Firstly, a new management team were in place ‘that hadn’t been there from 1974 and they found it very difficult to accept that this was the way that a factory should run. So there was a clear recognition, probably from sometime around the mid to late 90’s, that things just couldn’t continue the way they were’ (Managing Director, 2008). Secondly, a new managing director was appointed in 2000 and he ‘saw that change was needed’ (Managing Director⁵⁹, 2008). As well as the change in management personnel there ‘was one other big driver as well’ (Managing Director, 2008) in relation to the impetus to make major changes. This was the onset of internal competition from another subsidiary of the Wyeth group which management perceived as a major threat. ‘There was a new plant being built in Singapore at the time which had lower costs, zero per cent corporate tax, lower ingredient costs because they were purchasing their ingredients from Australia and New Zealand and closer to the biggest core market. All of a sudden we went from being two and a half times as big as everybody else to being just a little bit bigger than one other plant’ (Managing Director, 2008). The combination of these factors led to management

⁵⁹ The interview was conducted with the Managing Director in 2008. This was not the same MD as was appointed in 2000.

seeking to negotiate changes with the different union groups in relation to the way the company operated. Unilateral management action did not feature in Wyeth and all changes were negotiated with the various union groups⁶⁰. The move to AH was one of many changes negotiated as part of the overall plan called the ‘Programme for Change’.

‘Programme for Change’

Negotiations on the Programme for Change began in 2001 and one of the first changes to be implemented was a reduction in the workforce. About 40 voluntary redundancies were agreed as part of the change programme. The terms for these redundancies were four and a half weeks per year of service, plus statutory entitlements. Other benefits were also included in the redundancy package such as VHI⁶¹ and Life Assurance for three years and grants for education or business development (Higgins, 2005). The negotiation of redundancies was ‘the longest part of the negotiations’ (HR Manager B, 2008) and it took approximately five years before the entire Programme for Change was agreed with all groups and implemented across the plant. In addition to the redundancies, Wyeth introduced significant changes in relation to team-working, replacing the traditional supervisory structure with facilitators, shift managers and self-directed work teams (Higgins, 2005). All but one interviewee saw the subsequent introduction of AH as a significant part of the overall Programme for Change. However, the Operations Manager commented, ‘AH to me was just a small part of it, it was how the system was going to work, what operators, craft [workers] were going to start doing and stop doing and so on, involvement of people in a team-work culture. AH in itself wouldn’t have made a huge change in here; it was what came along with it. One of the big changes I would have seen from AH or rather the Programme for Change was the whole flexibility we got from it, not necessarily the AH’ (Operations Manager B, 2008).

To facilitate negotiations on AH and other issues in Wyeth, management, unions and workers invested significant time undertaking relationship training, which was

⁶⁰ This perhaps reflects the fact that Wyeth as such did not have a ‘burning platform’ as Aughinish and Cara Partners did. While the company was in need of change, this took quite a long time as negotiations were protracted.

⁶¹ Voluntary Health Insurance (VHI) is a health insurance company in Ireland. Some companies pay VHI for their staff as part of their benefits package.

provided by an external organisation, the Educational Training Service (ETS). The training involved management, unions and workers attending off-site meetings in a hotel. 'About 60 individuals participated in the programme... this group was in turn divided into groups of 20 and each group had their sessions on different weeks each month' (Higgins, 2005). Each group included a balanced mix of managers, trade union officials, shop stewards, and ordinary workers and sessions occurred over six two-day periods. During these training sessions, management, unions and workers got the opportunity to air their views and discuss issues such as trust, communications and the relationship between parties. These sessions took place between March and October 2003.

Relationship Training

There were different views from managers and trade union representatives on the importance of relationship training in relation to implementing changes at Wyeth. For example, one shop steward stated 'I would say AH wouldn't be in this factory without relationship training' (Unite Shop Steward B, 2008). The Operations Manager claimed that 'the first couple of sessions helped a lot in breaking down barriers' (Operations Manager B, 2008). When asked if changes would have happened without this training however, he stated, 'deep down I believe it would but it would have taken longer' (Operations Manager B, 2008). Another shop steward claimed the most positive outcome of the relationship training was the personal relationship he developed with one of the managers. 'I would still have that good relationship with him, which I wouldn't have unless it [the relationship training] had happened' (SIPTU Shop Steward A, 2008).

Introducing AH

The idea of AH had been suggested at Wyeth many years before it was introduced. The current HR Manager and Managing Director (who was then Operations Manager) suggested it should be brought in during the late 1990's. 'We would have actually put it forward to senior management here at the time, that we should consider moving towards AH, and it was shot down' (Managing Director, 2008). The idea was rejected, as it did not receive support from certain management, although it was not specified which managers did not support the idea. One of the reasons the HR and Operations managers were looking into AH was because Aughinish, which is situated very

nearby in Askeaton, was operating very effectively using AH at the time. ‘So we were looking at moving overtime out and getting AH in because our neighbours down the road had it in Aughinish’ (HR Manager B, 2008).

After senior management rejected the idea, nothing more was done in relation to introducing AH for some time in Wyeth. The idea was put forward again around 2001, following the changes in management and an external consultant (Philip Lynch and Associates) was brought in. However, the suggestions proposed by the consultant were deemed inappropriate for the plant, as they would have required the workforce to be incredibly flexible and work in areas that they were not accustomed to. This would have diminished the expertise in particular areas that workers had built up over the years. The Managing Director explained, ‘it looked wonderful on paper but you’d have to have the most flexible workforce in the world ... it looked financially attractive but practically it would be dangerous bearing in mind the product we make⁶²’ (Managing Director, 2008).

While the details of the consultant’s suggestions were rejected the idea of AH itself was not and management continued to consider how best to implement AH in Wyeth. The negotiation and implementation of AH in Wyeth took approximately five years. ‘I would say we started planning this thing in 2000 and we unveiled it to the troops at the end of 2001-2002. The electricians then were the last in - it was only last year or 2006’ (HR Manager B, 2008). There are a number of reasons why the negotiations took so long. Firstly, AH were negotiated with each union group separately, which took some time. Secondly, management needed to convince corporate management by ‘trying to get them to understand what it is we’re talking about’ and ‘trying to explain the whole union management relationship thing, which was even more challenging’ (Managing Director, 2008). Thirdly, there were both intra-management and intra-union issues within Wyeth, which complicated the negotiations processes. Certain managers were not as in favour of the plan as others. Finally, despite the relationship training and improved relationships between certain groups of workers and management there was still the legacy of a highly adversarial relationship between management and workers and hence, ‘there was always a bit of mistrust’ (Unite Shop

⁶² The company manufactures baby food and therefore mistakes would have severe implications. The MD put it as follows - ‘you could kill babies if you go wrong’ (Managing Director, 2008).

Steward A, 2008). The electricians in particular displayed a lack of trust around the move to AH and what it was going to mean for them, a legacy of the previous low trust relationships. Thus, negotiations with this group in particular were protracted.

Negotiating the Deal

Negotiations began around 2002 and the relationship training that occurred in 2003 'sped things up a bit' (HR Manager B, 2008) in relation to moving the negotiations along. The fitters from the craft group and the SIPTU operators were the first groups to agree to the AH deal. 'Operational management built it primarily I would say on the SIPTU side of it and then we tweaked it with input from SIPTU' (Managing Director, 2008).

AH for the fitters involved 'more of a joint effort'... as 'they had very firm views about what type of shifts they wanted etc' (Managing Director, 2008). AH were eventually implemented for operators and fitters in April 2004. Those in the laboratory group and administration began working AH shortly after that and the electricians group were the last to come on board. An intra-union dispute between the craft workers (the fitters and electricians), whereby the electricians did not want the trade union official representing them caused severe delay in the AH negotiations and resulted in both groups insisting on negotiating separately, even though they are part of the same union, which is still the case in Wyeth today. 'The electricians had one view of life and the fitters had another view. We'd always have negotiated with them as a unit up to that but since that they've never come back together' (Managing Director, 2008). The electricians did not participate in the relationship training and the shop steward for that group was the only person contacted who refused to do an interview for this research. 'They didn't believe in the process, they found it hard to believe that the company were legit and [they believed] the company were going to go down this road and there were hidden agendas and ... there was all kinds of conversations' (Unite Shop Steward B, 2008).

One of the main reasons for the electricians eventually agreeing to AH was due to peer-pressure from the fitter group who were working AH and seeing benefits from it. 'You can imagine the slagging that they'd get, we were going home on a Friday and they were coming in on Saturdays to do their hours to make up the salary that we were

getting anyway' (Unite Shop Steward B, 2008). Of course, the electricians could also see the benefits to the fitter group of working AH. Eventually the electricians also agreed to the AH deal and according to a shop steward from the fitter group 'they believe that they got a better deal than us because they held out but to me that's just a mask' (Unite Shop Steward B, 2008). Each group has a 'red book' in relation to the 'Programme for Change', which outlines the details of each agreement. Contained within each red book is a provision that 'if one group gets something everyone gets it' (Unite Shop Steward A, 2008). Currently the majority of workers in Wyeth, apart from management, operate under AH.

Involvement of Third Parties

The involvement of third parties in the negotiations of AH in Wyeth was minimal. The consultant and relationship trainer from ETS were involved to some extent but the actual negotiation of the agreements were between management and trade unions in the various groups. There was involvement from the Labour Relations Commission (LRC), however, in relation to a contractor agreement that existed between management and the craft group. This agreement meant that if any contractors were on site, then the equivalent amount of overtime was made available to fitters and electricians. Management wanted to buy out this agreement in a lump sum when the move to AH was underway (as AH would have eliminated the need for overtime). However, the intervention of the LRC led to an agreement and the benefit was red-circled for the group and was incorporated into salary.

Key Features of the Agreement

While each of the five groups has an AH agreement tailored to suit the needs of workers in that group, there are certain elements that are common to all groups. The following are the key elements of the AH agreements in Wyeth.

Rostered Hours

42 hours average per week for operators

40 hours average per week for craft workers

39 hours per week average for all other employees

(Workers work a range of shift patterns – two, three and four cycle shifts).

Reserve Hours and Call-ins

The standard agreement for reserve hours in Wyeth is 200 reserve hours in a year. Reserve hours are paid at a premium rate. Hours are discounted on a quarterly basis and if any group is close to working 50 per cent of allocated reserve hours for a quarter, there is a clause built in to the agreements that management and the union are to identify the cause of this and put corrective action in place. The use of reserve hours at Wyeth is very low for all groups. 'In my group it's low; we haven't worked one hour, not one hour' (Unite Shop Steward C, 2008). 'Always low' (SIPTU Shop Steward A, 2008). 'Our usage of reserve hours ... you should come across this in the rest of the plant ... are actually nil (Unite Shop Steward B, 2008). As the use of reserve hours is low or non-existent in groups across the plant, there haven't been any issues in relation to call-ins. Management perceived this low use of reserve hours as a benefit. 'My view is when you start eating into the reserve hours, you're actually getting to a point of diminishing returns where they'd [the workers] say the best thing we can do now is use them all up and then go back in and look for more' (Managing Director, 2008).

Salary

Salaries in Wyeth are high for all groups of workers. 'Our rates here ... they're high ... in reality, even if they were a bit lower, they'd still be very high' (Managing Director, 2008). The HR Manager confirmed this view 'we're the highest cost plant in the group and that's because of basic pay rates' (HR Manager B, 2008). The trade union representatives interviewed all had a positive view of workers' salaries in Wyeth. In fact, the MD noted that management may have paid too much for AH. This is discussed later in the case.

Pension

There were mixed views on how important pension was in relation to the introduction of AH. According to the MD and the HR Manager, the issue of pension was a contentious one. 'Pension was a bit of a challenge' (Managing Director, 2008). 'Pension was a contention because what was it going to be based on? Was it going to be based on the old salary or the new salary?' (HR Manager B, 2008). However, the trade union interviewees, in general, didn't recall pension as being such a big issue. 'No, because people don't think about pension ... you'd nearly want to be in your late

40's to start thinking about pension' (Unite Shop Steward C, 2008). 'I don't think it was a high priority at the time' (SIPTU Shop Steward A, 2008). In any event, it was agreed that 'service up to the introduction of AH would be based on the old salary and the rest would be based on the new salary ... the reason for that was if you were to back-fund it would cost a fortune' (HR Manager B, 2008). There is a general sense that pension is currently viewed relatively positively by workers in Wyeth. 'The pension scheme that's here I think is a little bit above average' (SIPTU Shop Steward B, 2008).

Absenteeism and Sick Pay

There has been a general reduction in absenteeism across the plant since the introduction of AH in Wyeth. 'It probably went down to less than two per cent and it was probably as high as five and a half' [before AH] (Managing Director, 2008). The sick-pay scheme is based around the overall level of absenteeism for a particular group. 'Absenteeism is supposed to be two per cent and if it's under two, we get paid 100 per cent salary if we're out' (Unite Shop Steward C, 2008). Conversely, if absenteeism is over two per cent, workers' sick pay is reduced accordingly. This is a cause for some concern for certain workers. 'If it's over two, we only get 80 per cent. That, at the moment is a small bit of a concern' (Unite Shop Steward C, 2008).

Outcomes

According to both management and trade union representatives, AH in Wyeth have been working well for the past number of years. The general view of interviewees was that, despite some minor issues, AH have produced benefits for both sides. Both sides appear satisfied with working AH and there is a general consensus that no one would want to go back to the old way of doing things.

Benefits for Management

The main benefits for management were reported as being the elimination of overtime and the improved flexibility that has occurred as a result. 'We have full flexibility across the board and that's probably one of the major pluses of the whole thing' (HR Manager B, 2008). In addition, absenteeism has been reduced and grievances have decreased. The reason for the reduction in grievances is that many of the grievances that occurred in the past were around overtime. 'The amount of grievances we would

have at any one time now ... way, way down on what they were' (HR Manager B, 2008). There has also been improved efficiency since the elimination of overtime and management has been able to increase output while keeping costs stable. Demand has increased in recent years and the plant has been able to cope with that increase in demand. 'It [demand] was always pretty consistent, but for the last three or four years since we went into China, the market has been growing stronger ... growth of 17 per cent a year to the extent that we are now building a new Greenfield plant in China' (HR Manager B, 2008). The increase in demand has led to the re-opening of 'drier two', an area of the plant, which had previously been suspended. 'Our output last year was the highest we've ever achieved and this year will probably be another record. So, demand has been up and the plant has responded' (HR Manager B, 2008). The productivity levels in the plant compare favourably in relation to competitors. 'Productivity compared to the other big plants ... our productivity here per person is probably twice. So we produce twice the volume per person than they do. We're probably around 240,000 tonnes of product per employee and they're somewhere around 110 to 125 in any other plant you choose' (Managing Director, 2008).

Drawbacks for Management

While management interviewees generally reported positive outcomes from AH in Wyeth, there have been some downsides. The main disadvantage for management was the cost of introducing AH. 'On the negative side, I think we probably paid too much as part of the overall deal' (Managing Director, 2008). The costs of introducing AH in Wyeth are continual costs (particularly the high salaries) and compare unfavourably with competitors. The MD highlighted this point – 'the most expensive other site that we've got is in Singapore which is a very low-cost location. After that then we've got the Philippines, we've got Mexico, and we've got China all exceptionally low-cost locations. Our people costs are huge compared to those' (Managing Director, 2008). The HR manager confirmed this view, 'we're the highest cost plant in the group' (HR Manager B, 2008).

The high costs in Wyeth are, to a large extent, related to the location of the plant. 'We're in a first world country and up to recently, we were in a first world country with almost full employment ... if you go to the Philippines, you can get somebody for five dollars a day' (Managing Director, 2008). The difference in 'people costs'

between Wyeth and its' competitor plants is so great that the MD maintained that even if they had paid less for AH, the cost differential would not have significantly changed. 'If we paid ten per cent less, would it have made that much of a difference? Probably not that much' (Managing Director, 2008). Given, these high ongoing costs, it is difficult to see how Wyeth is able to compete with other plants. According to the MD, the reasons Wyeth can compete are twofold. Firstly, labour costs only make up a fraction of overall costs for the plant. 'If you take our product costs, and break it up into different components... there's ingredients, there's packaging and materials, there's labour and there's overheads... labour is probably somewhere around 13 per cent, so it's not the be all and end all of what we do' (Managing Director, 2008). Secondly, as mentioned previously, the plant produces more product per head than its competitors. 'The plant has a very good reputation for delivery and a very good reputation for quality so the more product we get in here, the lower our unit cost is because it's the same number of people ... if you have a major output with a small number of people then your costs per head are lower and that's generally understood around the place so the more volume we get in here, the better for the plant itself' (HR Manager B, 2008).

Benefits for Employees

The main benefits for employees were reported as being the stabilisation of salary and the elimination of the need to work excessive levels of overtime to earn extra pay. 'The employees probably have, definitely higher earnings, probably a better work-life balance and relationships, and I suppose with the way volume is going in the business and the kind of efficiencies that are being driven in the business... from a job point of view, job prospects and security are much better so there are mutual gains on both sides' (HR Manager B, 2008). There was a general consensus from all trade union interviewees that employees are satisfied with AH in Wyeth.

Difficulties with AH

There have been very few difficulties, across all groups, with the operation of AH since it has been introduced. One issue that has arisen, however, in one particular group, is in relation to the very low usage of reserve hours and the expectation from workers that this should remain low. While low usage of reserve hours is generally a benefit for workers and management, it has been causing some problems in one of the

SIPTU groups. While there is no provision for it in the AH agreement, a practice of ‘banking’ hours has developed among workers. The idea of banking hours is that workers can work additional hours and take time off at a later stage. These hours are not paid, and are not taken from the bank of reserve hours. The difficulty with this practice is linked to the increased flexibility in that people can accumulate banked hours by working in another area. This leads to the difficulty then that ‘people in their own area are having to cover banked hours that were worked in a different area, which is totally outside the concept that we agreed’ (SIPTU Shop Steward B, 2008). According to this SIPTU interviewee this practice developed because of ‘an absolute fear of using reserve hours’ (SIPTU Shop Steward B, 2008). Management didn’t highlight this as a problem but did recognise that the low use of reserve hours, while currently a benefit for both sides has the potential to cause difficulties. ‘We don’t work very many reserve hours at all and I would say tomorrow morning if we had to work a lot of reserve hours we might have a bit of a problem with that’ (HR Manager B, 2008).

Relationships

Relationships between management and workers at Wyeth are reported as having improved only somewhat since the introduction of AH and the ‘Programme for Change’. For example, there has been less involvement from third parties since the introduction of AH and other changes. However, unlike in Aughinish⁶³ and, despite the extensive investment in relationship training, the previously adversarial relationships have not been replaced with partnership. Some interviewees did not recognise partnership as being evident in any way in Wyeth. ‘I don’t see it. Personally I don’t see it. I see this [the relationship training] was a means to an end... I do not see partnership as a viable proposition at all. I don’t believe the management have any interest in us being partners with them’ (SIPTU Shop Steward A, 2008). ‘It’s not partnership, certainly not’ (SIPTU Shop Steward B, 2008).

Others, on both management and trade union sides, recognised that there was little evidence of partnership but still believed there was a need to work towards partnership. There is still an element of low trust between management and workers in

⁶³ That is up until recent developments in 2009 (see case study).

Wyeth and there is very little evidence of any sort of partnership between both sides. Many of the trade union representatives interviewed attributed this to the change in management personnel. There is a sense that the 'spirit' of the agreement has been lost because new management did not go through the process of negotiating the agreement. 'The area that I would have always had concerns about, and still have concerns about, is that the management roles change in Wyeth ... our management have moved on, there is nobody sitting at the table with us who actually sat down and negotiated AH' (SIPTU Shop Steward A, 2008). 'The difficulty I have now at the moment is a lot of those managers have since left and the ball has been dropped in relation to partnership' (SIPTU Shop Steward B, 2008).

Other Factors

During this research, other factors such as the exchange rate, product price, and the legal and political systems were also considered in relation to any impact they may have had on the move to AH in Wyeth. However, no interviewees from either management or trade union groups highlighted these as significant.

Conclusion

According to interviewees, AH are considered to have worked well in Wyeth for the past number of years. Negotiations on AH and the overall Programme for Change took quite some time. Relationship training and an attempt to achieve partnership were perceived by most (on both management and union sides) as important factors when negotiating changes and bringing in AH. However, there is now a sense that partnership is certainly not an outcome of moving to AH in Wyeth. Nonetheless, both management and workers appear to be quite satisfied with how AH is working, despite some minor difficulties and there is a general sense that nobody would wish to go back to the old way of doing things. While previous adversarial relationships have not been replaced with partnership, there is certainly a sense that relationships have improved. This is evident in fewer grievances and less involvement from third parties.

While AH are considered to have been a success for the past number of years in Wyeth for both management and workers, there is no indication of how long this will be sustained. As previously highlighted, there were high costs involved for management in relation to the high salaries agreed as part of the Programme for

Change. Currently these costs are sustainable and the plant is competing well with other plants and coping with the recent increase in demand. However, it is not known how sustainable these high costs will be in relation to competitors in the long run. The current practice of very low usage of reserve hours may cause difficulties if demand increases significantly and reserve hours need to be used. Furthermore, the practice of banking hours which has developed among the operator group is outside of the AH agreement and is a source of grievance for certain employees. Finally, some trade union interviewees have highlighted the changes in management as problematic as it means those who were involved in the negotiation of the Programme for Change are gone and new managers are 'not aware of what it took to achieve that agreement and it took an awful lot of work. That, I believe, is a negative factor, a very, very negative factor' (SIPTU Shop Steward A, 2008). These issues will need to be addressed in the future if AH are to continue to deliver mutual gains to both sides. Nonetheless these issues are not currently creating any major difficulties in relation to the operation of AH. In fact the HR Manager claimed he was 'not aware of any major issues with the operation' (HR Manager B, 2008). The evidence overall from both management and trade union interviewees is that AH is working well and both sides have achieved mutual gains.

Comparisons and Contrasts

The four case studies are now analysed in order to shed light on the commonalities and differences between them. They are compared and contrasted under a number of headings that trace the narrative of the AH experience within the four companies. These headings include the background to each company prior to the introduction of AH, the key factors that provided the impetus to introduce AH, the process of introducing AH including the roles of the industrial relations actors, and the outcomes of AH including any changes in relationships. Where appropriate, further interview quotes are included to emphasise key points. This analysis provides insights mainly into research question (and sub questions) two, which explores why companies introduce AH, the extent to which such agreements are successful and the factors that contribute to the success of AH. The inclusion of the Coca Cola case study acts as a comparator for examining this question as it allows analysis of a situation where AH did not work as well as those where it has. Analysis of the case studies also addresses question five, which examines any links between AH and workplace relationships or partnership and provides some insight into question four, which considers the impact of AH on workers. The analysis is organised according to the narrative of the case studies. The significance of key factors identified in the systems model developed by Wallace and White (2008), as outlined in chapter three are highlighted throughout.

Backgrounds and Impetus for Introducing AH

A common factor in each of the case studies is that they operated with very high levels of overtime prior to the introduction of AH. The high levels of overtime contributed significantly to the high earnings workers in each of the four companies had. It was specifically acknowledged by management, in both Cara Partners and Wyeth that they were guilty of allowing overtime to develop, by growing as dependent on it as workers were. In effect, the high levels of overtime meant high costs for each of the companies. Costs are one of the internal factors identified in the systems model that may act as a catalyst for organisations to implement change. Management in Wyeth and Cara Partners also identified other inefficiencies of overtime, such as a lack of flexibility and grievances.

‘Costs were an issue... but actually I’d say more of an issue was this whole culture of overtime and being inflexible’ (Operations Manager A, 2007).

‘The reason that overtime was a problem for us wasn’t actually one of costs so much as one of inflexibility’ (Managing Director, 2008).

Another common feature in each of the companies was the poor industrial relations climate and low trust relationships that existed between management and workers. This is evident in comments from both management and union interviewees who recalled negative relationships and disputes, which culminated in industrial action in Aughinish, Coca Cola and Wyeth⁶⁴. The poor industrial relations climate and low trust relationships (common to all four case studies) contrast with Arrowsmith’s (2007) suggestion that high trust relationships are a key factor in introducing and managing AH. Levels of trust between management and workers improved to a certain extent following the introduction of AH but certainly the absence of high trust relations did not prevent the introduction of AH.

There are a number of significant factors that drove the four organisations to examine AH. These include factors both internal and external to the organisations. An internal factor common to Aughinish, Coca Cola and Wyeth was a change in management in all three, shortly before AH was introduced. These new managers appeared to recognise that change was needed in these organisations and pushed for the introduction of AH. While interviewees identified the change in management as significant in driving the move to AH, it was arguably, changes in the external business environments (as identified in the systems model) that were more significant⁶⁵. In Aughinish, a drop in the price of aluminium, following an influx of cheap metals from other countries meant that the costs of production in Aughinish were too high for it to successfully compete. In both Coca Cola and Wyeth, increased competition came from internal subsidiaries of the parent company. This resulted in a promise of increased business in Coca Cola if the organisation improved efficiency and a possible threat in Wyeth of moving production if the organisation didn’t improve efficiency. In Cara Partners, increased competition combined with a failure to expand into the US market meant the company experienced a dramatic fall in sales. A common theme in all four case studies therefore was the impact of external factors

⁶⁴ While no specific industrial action was mentioned by any interviewees in Cara Partners, both management and union interviewees recalled ‘shouting matches’ and a ‘combative relationship’ between workers and management.

⁶⁵ Internal factors such as a change in management did not feature in the Cara Partners case study but external factors were highlighted in all four companies as significant.

on the competitiveness of the organisation, which drove management to examine costs and look for ways of improving efficiency. The impact of these external changes in the companies' competitiveness appears to have been more immediate in Aughinish and Cara Partners with a 'burning platform' effect existing and likely closure of the plant more evident in these cases⁶⁶.

Linked to the changes in the competitive positions of the organisations is the impact of changes in demand (for the company's product), particularly evident in Cara Partners where a drop in demand, prior to the introduction of AH, meant costs were considered too high and the company was overstaffed. AH was therefore introduced, as part of a plan to address these issues. The introduction of legislation i.e. the enactment of the Organisation of Working Time Act 1997 does not appear to have been a major influence *per se* in moving to AH in any of the cases studied. Nonetheless, in Aughinish and Coca Cola it was one of a number of factors that meant the high levels of overtime were unsustainable, as this would have been illegal once the legislation was implemented (i.e. if an average of more than 48 hours per week was sustained over and beyond the reference period).

'We knew the 48 hours was coming in. Everyone knew the 48 hours was coming in and this [AH] was a way to sort out the problem...of people keeping companies going by working 60 hours a week' (SIPTU Official A, 2006).

'Obviously the '97 Organisation of Working Time Act was going to have an effect on them [workers], so while it wasn't a primary mover, it certainly was...something that had to be complied with' (SIPTU Official B, 2008).

Both Cara Partners and Wyeth introduced AH some years after the working time legislation was implemented suggesting limited influence of the legislation in the decision to implement AH in these companies (Cara Partners in 2001 and Wyeth in 2004). Generally, interviewees focused more on the need to address the costs and inefficiencies associated with high levels of overtime as the key drivers for moving to AH rather than any requirement to comply with the legislation.

⁶⁶ The move to AH and other changes in Wyeth and Coca Cola were very protracted and so imply less urgency around the need to respond to the changes in competition.

Structural Factors

The role of structural factors, as identified in the systems model, is also highlighted in the analysis of the case studies. The three successful cases operate in process industries and, as identified in the previous chapter, AH appear to be particularly suited to process environments. While Coca Cola operated in a seasonal environment (see D'Arcy, 1998; Sheehan, 1997b), which is a structural factor said to be suited to the use of AH, the system was unsuccessful in this case. The failure of AH in Coca Cola was due to a combination of other factors. The main reason was that the company was unable to operate without high levels of overtime. The reserve hours were used up too quickly and therefore the company had no choice but to revert to standard hours plus overtime⁶⁷. 'A lot of the people, we'll say the good workers, they had their ... hours done in the first month' (SIPTU Official A, 2006). It was also believed (by the SIPTU official) that the company lost too many people through redundancies and this would have influenced the company's inability to operate without overtime, i.e. there were less people doing hours. This was clearly evident by the fact that the company needed to bring former employees back on contract within months of them taking redundancies. Furthermore, the system was not designed specifically for the company as it was in the other three cases and workers had no input into the design of the system. For example, workers were not asked to identify causes of overtime, as workers in Aughinish were. It was a combination of unsuitable structural factors (i.e. the inability to operate without overtime), worker opposition and increased demand that made AH unworkable in Coca Cola. Of course the key issue is that no mutual gains were generated for either general workers or management in Coca Cola and in fact mutual losses occurred⁶⁸.

Other Changes Accompanying AH

In all four companies, AH was introduced as part of a wider restructuring initiative and was accompanied by other changes including redundancies and team-working. In Aughinish, the plan was called 'The Future', in Coca Cola it was termed 'The Plan for Change' and in Wyeth 'The Programme for Change'. No specific title was given to a change plan in Cara Partners, but AH was also accompanied by redundancies in this

⁶⁷ Of course, this cost them dearly as they had to compensate workers to buy out the system, only a short time after they paid them to introduce it.

⁶⁸ Workers lost overtime money and had to use all their reserve hours and management could not meet the increased demand.

case. While some management interviewees suggested that reducing costs was not as important as addressing the inflexibility associated with high levels of overtime, the fact that AH was accompanied by redundancies in each of the four cases suggests that reducing costs was an important objective of the restructuring plans. The terms agreed for the redundancies in all four case studies were relatively high and above the statutory entitlement in Ireland of two weeks pay per year of service plus one bonus week. The redundancies were implemented on a voluntary basis, as is traditional in Irish industrial relations (reflecting the role of industrial relations norms identified in the systems model).

The Process of Introducing AH

Management in any organisation have a number of choices when attempting to implement change, just as workers have a number of options for responding to proposals for change or reacting to changes that are imposed. Management can choose to exercise control and impose change unilaterally; however, this runs the risk of encountering worker opposition, including the possibility of industrial action. Typically in unionised environments, changes are negotiated between management and unions. Negotiation theory tells us that negotiations may be distributive, integrative or mixed-motive (see Lewicki *et al*, 2003) in nature with distributive collective bargaining being the norm in Irish industrial relations (see Wallace, 2004).

In Coca Cola, management negotiated the change plan with unions through the traditional method of collective bargaining. In effect the change plan was more what Lewicki *et al* (2003) term 'mixed-motive' because while workers remaining were against proposals for AH, workers who left secured substantial redundancy pay outs. This was highly distributive in nature with union representatives interviewed claiming that the plan was 'bulldozed through' and that the majority of workers who were staying in the company (as opposed to taking redundancy) were against the proposed introduction of AH. As such the change in Coca Cola was introduced unilaterally with little attempt to engage in problem solving or integrative negotiations with workers or their unions, at least according to union representatives.

Initially in Aughinish, management also introduced changes unilaterally⁶⁹. This was possible as, although the company was unionised, management received tacit support from the unions who recognised the need for immediate change to secure the survival of the company (see Dobbins, 2007a). Collective opposition to the change therefore did not occur in Aughinish. Subsequently, significant effort was made to negotiate the introduction of AH through joint problem solving, based on the ‘Getting to Yes’ principals of Fisher and Ury (1983). In Wyeth, considerable resources were invested in relationship training, the aim of which was to enable each side to see the others’ point of view. This was an attempt to move away from adversarial relationships and distributive bargaining towards integrative bargaining. ‘It became a much more problem solving exercise than negotiations and it was very positive in that sense’ (HR Manager B, 2008).

In Cara Partners, AH was negotiated largely through traditional collective bargaining. Unilateral action from either side did not feature in this case; however, there was evidence of limited problem solving. Management did note that the trade union officials were ‘very helpful’ when the deal was being negotiated. Distributive bargaining was particularly evident in Cara Partners in relation to the productivity agreement and the dispute around pensionable pay for craft workers. While negotiations between management and unions were mostly distributive in Cara Partners, there were integrative trade-offs.

Comparison across the four cases shows that AH and other changes were negotiated (or imposed) through different methods, with varying degrees of success. While unilateral action was a feature of an unsuccessful AH agreement in Coca Cola⁷⁰, it was a key feature of introducing change, initially, in Aughinish. Both Aughinish and Wyeth focused on problem solving and integrative bargaining when negotiating AH. While integrative bargaining is noted for its capacity to generate mutual gains (see Fisher and Ury, 1983; Lewicki *et al* 2003), it is noteworthy that Cara Partners achieved mutual gains through mainly traditional distributive methods. In Wyeth and

⁶⁹ These changes did not involve AH but redundancies, changes in structures etc. Gradually the process of negotiation between management and workers changed from unilateral action towards problem solving and high-level partnership.

⁷⁰ Unilateral action proved unsuccessful in relation to AH for general workers in Coca Cola, however, there was evidence of limited success with craft workers.

Aughinish distributive methods also featured prominently although there was effort in both these companies to engage in integrative bargaining. This suggests that it is the system that is negotiated (i.e. AH) that produces mutual gains rather than how negotiations are conducted (i.e. whether through distributive or integrative bargaining). It is the outcome of AH rather than the way in which it is introduced that is important and as long as mutual gains are generated, AH is much more likely to be sustained. Of course, the extent of mutual gains differed in each company with very low-level gains evident for craft workers and management in Coca Cola and high-level mutual gains evident in Aughinish. The mutual gains generated in each of the companies emphasises the importance of outputs, as identified in the systems model in sustaining the change introduced (in these cases AH).

The Role of Trade Unions

The response from the trade unions to proposals to introduce AH in the three successful case studies was generally positive, as emphasised in the following comments from union representatives:

‘I certainly, as the official dealing with it, would have been quite responsive to it and quite happy to run with the concept’ (SIPTU Official B, 2008).

‘I would have been positive towards it albeit that I knew it would be a very big undertaking to negotiate it’ (SIPTU Shop Steward A, 2008).

‘We saw it as an opportunity to deal with the issue of work-life balance... up to that they [workers] would have been doing high degrees of overtime to achieve a certain level of remuneration’ (TEEU Official C, 2008).

‘It seemed like a good idea, we said we’d pursue it and see how we’d get on and it worked out great in the end’ (SIPTU Shop Steward B, 2008).

These comments highlight the positive views of trade union interviewees toward AH. It might be expected that interviewees from companies that have introduced and retained AH would be positive toward it. However, even in Coca Cola, the case study ‘failure’ company, where AH were abandoned, the SIPTU union official wanted to point out that it wasn’t the system *per se* that was a failure but the way it was implemented in that particular company.

‘It’s unfair to say that the AH system was a failure. It wasn’t, it was the company that was a failure’ (SIPTU Official A, 2006).

He claimed he knew AH wouldn't work as the company had not done enough research and the workers were opposed to the plan⁷¹.

However, even in the successful cases of AH, there is evidence of workers being very sceptical of AH, if not outwardly opposed. Once AH became established in these companies and workers began to see benefits from it, this scepticism eroded. This is an example of the demonstration effect of AH, or what some interviewees termed 'the proof of the pudding is in the eating' (SIPTU Shop Steward B, 2008). In other words, while workers may initially have doubts about the promised benefits of AH, once these benefits materialise, opposition to AH tends to disappear, as workers have a rational incentive to continue working AH to retain such benefits. It is likely that there are other reasons for AH not succeeding in Coca Cola besides simply worker opposition *per se*. A badly designed AH system and the inability of the company to cope with increased demand meant that benefits for general workers did not materialise and so opposition to AH continued.

While unions in the three successful cases were generally supportive of AH there was evidence of an inter-union dispute in Wyeth where the electricians did not agree to AH at first and broke away from the other craft members in their union (Amicus). While it appears that craft workers tend to be in favour of AH, this example demonstrates that this is not always the case. Nonetheless, the electricians did eventually agree to AH, having seen the benefits that other workers were deriving from it (according to Unite Shop Steward B, 2008). While this shop steward was a fitter and not an electrician, he explained during his interview that he was quite friendly with a number of the electricians (a relatively small group) and so this explanation is convincing and is again an example of the demonstration effect.

Third Party Involvement

The systems model identifies a number of industrial relations actors that may play a role in implementing change. The involvement of third parties in both the introduction and operation of AH in the three successful companies was minimal, as parties found the best option to manage the complexities of the agreements was direct negotiations

⁷¹ This must be interpreted in context as the interview was conducted after the failure of AH in Coca Cola.

between management and unions. While there was some involvement from consultants in the initial stages of designing AH, the practice was for management and unions to design a system tailored specifically to the company. This was apart from what happened in Coca Cola where AH was described as being put in ‘straight from a book’ (SIPTU Official A, 2006). The Labour Court was involved in the introduction of AH in Coca Cola, as difficulties arose in reaching agreement. Involvement of dispute resolution institutions such as the LRC and the Labour Court was minimal in the three successful cases. These agencies were significant only in resolving residual distributive issues such as the pension in Cara Partners, and a pay dispute in Aughinish. In Coca Cola, during the buy-out of AH, even the trade unions were bypassed and management negotiated directly with the workers. The Irish employers body IBEC (Irish Business Employers Confederation) was not significantly involved in any of the cases in the introduction or operation of AH. This reinforces the point that negotiation and operation of AH tends to be achieved through local level agreements between management and workers.

Other Industrial Relations Actors

Analysis of the case studies shows that local management and unions are the key players in introducing and operating AH. The role of owners of the organisations varied slightly across the companies studied. In Cara Partners, management claimed they were ‘very autonomous’ in relation to implementing changes and that the parent company had ‘no issue at all’ with the introduction and operation of AH (Operations Manager A, 2007). In Coca Cola and Wyeth local management appear to have had similar levels of autonomy as long as the companies remained profitable⁷². Aughinish underwent a number of changes in ownership, which did not affect the operation of AH and local management appear to have had similar autonomy as in Cara Partners and Wyeth. The most recent change in ownership, however, with United Company Rusal acquiring Aughinish has had a significant impact on the operation of AH. Local management have had to prove the value of AH (i.e. that the system works well) to the new owners and this has involved increasing the use of reserve hours. Of course, the general downturn in the economy is also a key external factor which has put pressure on the AH system in Aughinish as it forced local management to reduce

⁷² In Coca Cola, however, when AH began to fail local management were quickly removed and replaced with others whose first task was to abolish the AH system (SIPTU Official A, 2006).

costs and cut the use of contractors. Thus, while local management in each of the case studies generally have high autonomy, they are still susceptible to pressure from owners of the company to prove the value of AH (as in Aughinish) or to get rid of AH if it is not working (as in Coca Cola).

The Success of AH

Evidence from the three successful cases of AH suggest that the experience of AH in Aughinish, Cara Partners and Wyeth has been generally positive, albeit there have been minor issues in all three. Both management and union interviewees cited stabilised salary and work-life balance as the key benefits for workers. A reduction in costs, elimination of overtime, improved productivity and a reduction in industrial relations issues were cited as the main benefits for management.

‘In general it’s been very good, extremely good, we’re delighted with it (Operations Manager A, 2007).

‘My view is it’s working well’ (HR Manager B, 2008).

‘I think it certainly made the company more competitive and they have their costs in line’ (SIPTU Official B, 2008).

‘It’s working well and I’m sure other groups would say the same thing’ (Unite Shop Steward C, 2008).

‘The big benefit you get is people work better during their normal hours’ (Operations Manager A, 2008).

The survival of the company, particularly in the case of those that were threatened with possible closure is of course a mutual benefit to both workers and management. Some interviewees emphasised the point made earlier in the thesis that the success of AH is demonstrated by the small proportion of companies that abandon it once it is introduced. While interviewees did cite a number of small issues with the operation of AH in their respective organisations, their overall opinions on AH were positive. In particular interviewees emphasised the fact that neither workers nor management would wish to return to the previous way of working.

‘I haven’t heard that either party would wish to re-negotiate it’ (SIPTU Official B, 2008).

‘People have done very well, on all sides, out of it. I don’t think anyone here would go back’ (Operations Manager B, 2008).

‘I think if you would ask any of the employees below there would they wish it to be gone, I would think 99% of them wouldn’t wish it to be gone’ (SIPTU Official B, 2008).

‘One of the questions I ask is would they go back, no one said they would go back’ (Unite Shop Steward B, 2008).

‘No one wants to go back to where we were’ (HR Manager B, 2008).

‘It’s much, much, much better than what we had before, that’s the reason we continue with it’ (Managing Director, 2008).

These comments highlight that AH in the three companies studied is preferable (to both sides) than the alternatives, hence why neither side seeks to return to the previous way of working. A key factor in ensuring both sides (and particularly workers) benefit from AH is the management of the use of reserve hours.

Use of Reserve Hours

A closer inspection of AH highlights the low use of reserve hours in all three companies, but particularly in Aughinish and Wyeth, where use of reserve hours has been reported as being almost non-existent⁷³. Low use of reserve hours is arguably the key to AH delivering gains to workers as the crux of the system is that workers then get paid for hours not worked. If too many reserve hours are used, workers will become disgruntled with AH or it will simply collapse as in Coca Cola. The use of reserve hours therefore needs careful management as the way in which companies use reserve hours has implications for the success of the AH system. The low use of reserve hours is not something that has developed through custom and practice but rather it was specifically set out in each of the three company agreements that both management and workers would endeavour to minimise the use of reserve hours. The agreement in Aughinish, for example states ‘ongoing control and monitoring will prevent exhaustion of reserve hours by focusing on problem areas and by ongoing joint problem solving. If the situation arose that all reserve hours were exhausted, before the end of a year, our AH agreement would have failed’ (Aughinish, 1996:9). The recognition that exhaustion of reserve hours essentially means a failed AH system is also clear in the Cara Partners and Wyeth agreements. In Cara Partners, the agreement states ‘if the hours worked exceed 50% for the year then this will be

⁷³ This of course only refers to Aughinish up until 2009, when a significant change in the use of reserve hours occurred.

discussed at the next AH review committee meeting' (Cara Partners, 2007:12). The Wyeth agreement also specifically states that 'it is the mutual intention of all that reserve hours call-up will be minimised wherever possible' (Wyeth, 2004:1).

The operations manager in Cara Partners maintained that a certain proportion of reserve hours should be worked from the start so that workers have an expectation that at least some reserve hours will be used. 'We made sure they worked some hours. That's a lesson we learned from a couple of other companies' (Operations Manager A, 2008). Nonetheless, he also cautioned against using too many reserve hours. 'We worked very hard with our supervisors to make sure that they treated people right and looked after people ... only call them in if they had to' (Operations Manager A, 2008). The Managing Director in Wyeth had a different view of using reserve hours. 'My view is when you start eating into the reserve hours, you're actually getting to a point of diminishing returns where they'd [the workers] say the best thing we can do now is use them all up and then go back in and look for more' (Managing Director, 2008). However, the HR Manager in Wyeth recognised that if reserve hours ever do need to be used, this may cause problems. 'I would say tomorrow morning if we had to work a lot of reserve hours we might have a bit of a problem with that' (HR Manager B, 2008).

It is notable that the Coca Cola agreement provided for much lower levels of reserve hours than the three successful cases and that the high use of reserve hours was a key factor in the collapse of the AH system. Reserve hours in this case were simply used as a substitute for previous overtime and workers had little incentive to look for ways to improve efficiency. The focus of the AH agreements in the three successful cases was on providing an incentive for workers to improve efficiency without necessarily increasing the length of time they spent at work (i.e. minimising the use of reserve hours). This is evident in the company agreements.

'AH seeks to reverse the motivation of employees and to reward them for plant uptime rather than plant downtime. It puts the focus on regular attendance, getting the job done and preventing plant problems and downtime. Thus steady and efficient plant operation rewards employees with extra time off without any reduction in earnings' (Aughinish, 1996:5)

‘Management and employees must endeavour to minimise usage of reserve hours, while ensuring plant needs are adequately met. Having due regard to the needs of the business, the principle of AH is to conserve reserve hours for the time when they are most needed’ (Wyeth, 2004:2).

‘The AH arrangement rewards employees for plant uptime rather than downtime. It puts the focus on good attendance, teamwork, getting the job done ‘right first time’ and preventing plant problems and downtime. Efficient plant operation rewards employees with more time off without any reduction in earnings’ (Cara Partners, 2007:3).

The importance of maintaining low use of reserve hours is linked to other changes that accompanied AH in the three cases. The elimination of overtime is of course a key factor. This was possible as the previously high levels of overtime in each company were due in some part to the incentive workers had to create or manufacture overtime (and thus increase pay). As identified in the company agreements, the focus when moving to AH was to reverse the incentive for workers. Rather than maximising time spent at work through overtime, AH focuses on minimising time spent at work through low use of reserve hours. This removes the power workers may have in relation to overtime. As noted in the Wyeth case study, management raised concerns about having to rely on workers willingness to do overtime and in Aughinish workers knowledge of the causes of overtime was only shared with management when the AH agreement was introduced. The incentive to minimise the use of reserve hours does not necessarily mean an increase in work intensification for workers but rather the focus is on increasing efficiencies and simply getting the job done. This focus can also facilitate team working as again workers have a rational incentive to work together to increase efficiency as they are paid the same amount even though they may be working less hours. The following comments highlight how using reserve hours rather than overtime has affected the incentives for workers in the cases studied:

‘I think they [workers] are doing their best to get the most out of the equipment whereas before that may not have been the case (Operations Manager B, 2008).

‘So now the guys try to keep the plant running. They don’t want equipment breaking down and they’re working during the day ... to make sure everything is running well’ (Operations Manager A, 2007).

‘People generate overtime and generate difficulties and make things difficult... now it’s completely flipped, they’re trying to limit it so that was fantastic’ (Operations Manager A, 2007).

Recent developments in Aughinish have meant that the use of reserve hours has had to be increased and the effect of this on the success of AH remains to be seen. Workers’ opinions on this increased use of reserve hours will be highlighted in the next chapter. Analysis of the use of reserve hours is important, as the sustainability of AH is dependent on the system offering a higher level of satisfaction to both management and workers, than any alternative. In other words, as long as AH delivers gains to both sides that represent a better situation than any alternatives, it will be sustained. If the gains delivered by AH decrease or disappear then one or both sides may seek to revert to standard working hours arrangements, or adopt other alternatives. The evidence from the three case studies here is that AH represents a situation that is better than any alternatives available to either management or workers. As one TEEU Official put it, ‘you weigh up what you’re going to lose compared to what you have’ (TEEU Official B, 2008).

How Does AH Cope with Changes in Demand?

Just as external factors played a key role in providing an impetus to introduce AH, they can also affect its operation. In Cara Partners, an unpredicted increase in demand (when it was assumed demand was falling) put pressure on the AH system. Management did not seek, however, to increase the use of reserve hours, as they believed this was against the ‘spirit of the agreement’. The pressure on the AH system was addressed instead by means of a productivity agreement which meant higher pay for workers, who worked harder (but not necessarily longer hours) and the increased demand was met. In Coca Cola, it was a predicted increase in demand (as it had been promised from the parent company) that put pressure on AH. In this case the increased demand, combined with other factors, led to the AH system collapsing as management simply ‘ate into’ reserve hours until there were none left. The company then reverted to standard hours and overtime (for general workers at least), which involved tremendous cost to the company.

Relationships and Workplace Partnership

In Coca Cola, the introduction of AH and the Plan for Change had little effect on relationships between workers and management. Relationships were adversarial and combative to begin with and given that AH did not deliver the promised benefits to workers and led to employee dissatisfaction and loss of faith in the system (D'Arcy, 1998:46), relationships remained adversarial. A minor change occurred in relationships between craft workers and management, as the operation of AH meant elimination of grievances around the use of contractors. In effect, mutual gains were generated and so relationships improved somewhat as there was less scope for conflict.

In Aughinish, Cara Partners and Wyeth the successful implementation of AH led to improvements in relationships in all three companies. This is evident from the reduced amount of time management spent on industrial relations issues and resolving disputes and grievances. In particular, AH has eliminated grievances around overtime, which had previously been a major issue in all three companies. It was claimed by both management and union interviewees that the improvement in relationships is an outcome of AH that benefits both sides.

In both Aughinish and Wyeth, improvements in relationships have been associated with workplace partnership⁷⁴. This was most evident in Aughinish, which is well known as an exemplar case of workplace partnership in Ireland (see Dobbins and Gunnigle, 2009). Workplace partnership in Aughinish was apparent through the successful operation of the work system - of teams, flat structure and AH, which had the full support of both management and unions and the high level of autonomy given to work teams (see Wallace and White, 2007a). The direction of causality between AH and partnership is not clear-cut i.e. does partnership facilitate the successful operation of AH or does the successful operation of AH lead to partnership?

In fact the two are cross-causal i.e. a partnership relationship may help introduce and operate AH but it is the mutual gains generated that allows workplace partnership to develop and be sustained. This was identified by TEEU Official C (2008) who

⁷⁴ Management and union interviewees suggest the presence of partnership in both companies (although there were mixed views from interviewees in Wyeth).

believed that AH acts as a vehicle for changes in relationships, ‘partnership is like anything else ... be it a marriage or a relationship or whatever, you need the foundations and it evolves and you can’t impose it’. Commenting on Aughinish, he maintained ‘AH came first, partnership came second’ and claimed ‘where we tried to bring in partnership with nothing underneath, we brought partnership into disrepute’ (TEEU Official C, 2008). This casts doubt on suggestions in some case studies that the move to partnership was instrumental in the process of turning Aughinish around (see for example, NCPP, 2002). While problem solving and a partnership approach was significant in introducing AH, it was the high level gains achieved through AH that were most important in sustaining partnership and developing it to the level that was in place in Aughinish until recently. As TEEU Official C (2008) commented, ‘it’s very easy to build a partnership when two people are focused on the one goal’. As Wallace and White (2007a) suggest, partnership is retained and developed when the outcome of the processes used are mutual gains, which are generated by AH.

As evidenced by the Cara Partners case, however, AH can persist and deliver mutual gains to both management and workers without any suggestions of partnership. In fact TEEU Official C (2008) insisted that any attempt to introduce partnership to Cara Partners would have a negative effect, as the relationship between management and workers, while ‘old-style’ worked for both sides and attempts to change this would be disruptive, ‘no way would it work, it could actually wreck what’s there at the moment’. This reinforces the point that it is the mutual gains that are generated by AH that are important in sustaining the system, rather than workplace partnership *per se*. Indeed workplace partnership in Aughinish, long known as an exemplar case, may now be under pressure given that gains for workers are being diminished by the increased use of reserve hours.

Summary

The case studies provide insight into why companies introduce AH, the extent to which such agreements are successful and the factors that lead to success. Inferences can also be drawn in relation to the link between AH and workplace partnership. While the case studies allow insights into these aspects of the research, they cannot definitively answer research question four in relation to the impact of AH on workers. While there are strong suggestions that workers can benefit from AH, nobody has

ever directly asked workers their opinions on AH. The next chapter, which is the final findings chapter, deals specifically with eliciting workers' views on AH through analysis of the survey of workers conducted in the three case study companies.

CHAPTER SEVEN - A VIEW FROM BELOW: WORKERS' EXPERIENCES OF ANNUAL HOURS WORKING

Introduction

This chapter presents the results of a survey of workers in the three successful case studies. The survey was designed to elicit workers' opinions directly and thus provide a check on the qualitative information gathered from interviews with representatives. In order to compare the results of the worker survey against the views of these representatives, quotes from interviews are used throughout this chapter, which allows an examination of the extent to which these accurately reflect workers' experiences of AH working. It might be expected that representatives' perceptions will be more reliable in relation to workers' views of AH generally than their views on the areas of AH which are most valued by workers i.e. stable earnings, job security, increased leisure time etc. This is because, while overall opinions on AH are likely to be easily identifiable, satisfaction with individual components would require more detailed knowledge. This was recognised by one of the managers interviewed who claimed 'the big benefit [of AH], but you'd have to ask them [workers] yourself, is that they get to stay at home, they get to have a life and they didn't have that before' (Operations Manager A, 2007). A broad range of questions were included in the questionnaire but not of all these are used in the analysis. This is because the relevance of these questions was minimal when the results were analysed. For example, the first question aimed to determine whether or not workers worked in the company before AH was introduced. The analysis showed that only a very small minority of workers had not worked in the company before the introduction of AH and so checking for differences in these workers' responses would not have added anything of interest to the results.

The survey focuses on workers' *perceptions*, and ascertains their views on AH in general but also their opinions of the different components of AH such as pay, hours, job security etc. Trade union interviewees typically made comments such as 'I think the vast majority of people are extremely satisfied [with AH]' (SIPTU Shop Steward B, 2008) and 'no one said they would go back' (Unite Shop Steward B, 2008). If these views of emphatic support for AH from the workers' representatives are to be

corroborated, workers would need to demonstrate an overwhelming support for AH in the survey. Therefore, as discussed in the methodological chapter, the most appropriate analysis of the survey data is basic frequencies and cross tabulations. The survey data is analysed using comparisons across the three companies⁷⁵. This allows the degree of congruence between workers' responses in each company to be examined and allows inferences to be drawn as to the effects of key factors in different companies, identified in the case studies, on workers' perceptions of AH. Analysis of the survey addresses research questions (and sub questions) four and five. Question four examines the impact of AH on workers both generally and in relation to pay, hours of work and home life. It also considers the elements of AH that workers value and any perceived problems with AH. Question five explores the links between AH and relationships and workplace partnership.

The survey was conducted in Cara Partners and Wyeth in late 2008, early 2009 and in Aughinish in late 2009. The timing of conducting the survey was delayed in Aughinish due to changes in the external environment, new ownership and managements' perception that it would not be a good time to conduct the survey⁷⁶. The timing is expected to influence the responses from workers in Aughinish. In fact, management in Aughinish suggested that workers would have a less favourable perception of AH and workplace partnership in 2009 than if the survey had been conducted earlier. This allows a test, not just of the reliability of representatives' opinions in relation to workers' views, but also whether these opinions are sensitive to the impact of factors that might cause workers' views to change.

General Views on AH

The first objective of the survey was to determine workers' overall opinions of AH. Workers may have different views on different aspects of AH. For example, some may like the level of hours they are working but dislike the salary earned under AH. There are likely to be differences between individual workers on the absence of a choice to work additional overtime hours. Some may be pleased with an arrangement where they do not have to rely on overtime to earn a sufficient salary, but others may

⁷⁵ Chi square tests are conducted where necessary to demonstrate the significance between the two variables being analysed. The respondent company is typically the independent variable.

⁷⁶ This was early in 2009. See case study in chapter six for a full discussion of the changes that occurred in Aughinish.

wish to have the opportunity to earn more money through overtime, if they so wish. Workers' opinions on AH may also be affected by what they consider the alternative to be. Workers may believe the alternative is a return to overtime working or may believe that the alternative to AH would be closure of the plant if, for example AH was introduced in response to a crisis situation. In establishing workers' general views on AH, the aim was to determine if, all things considered, they would choose to continue working AH in their respective companies. Question three on the questionnaire was therefore designed to elicit the views of workers on the AH system in their company *as it is* rather than *as they might wish it to be*. The question was framed in such a way as to place workers in the position of having to make a choice to retain or abandon AH, thus it excluded the possibility of a revised improved AH system⁷⁷. Question three therefore asked workers:

‘If a vote on AH, as it is, in your company were held today, how would you vote?’

Workers were given three options to answer this question. ‘I would vote to...’

‘Keep AH’

‘Get rid of AH’ or

‘Not sure’.

The qualitative interviews suggest that representatives believe a significant majority of workers would vote to keep AH, although there was recognition from representatives generally that there would still be a small proportion of workers who would vote against it. The following comments typify the opinions of representatives interviewed:

‘If we were to review it now, I think it’d be an overwhelming yes’ (SIPTU Shop Steward B, 2008).

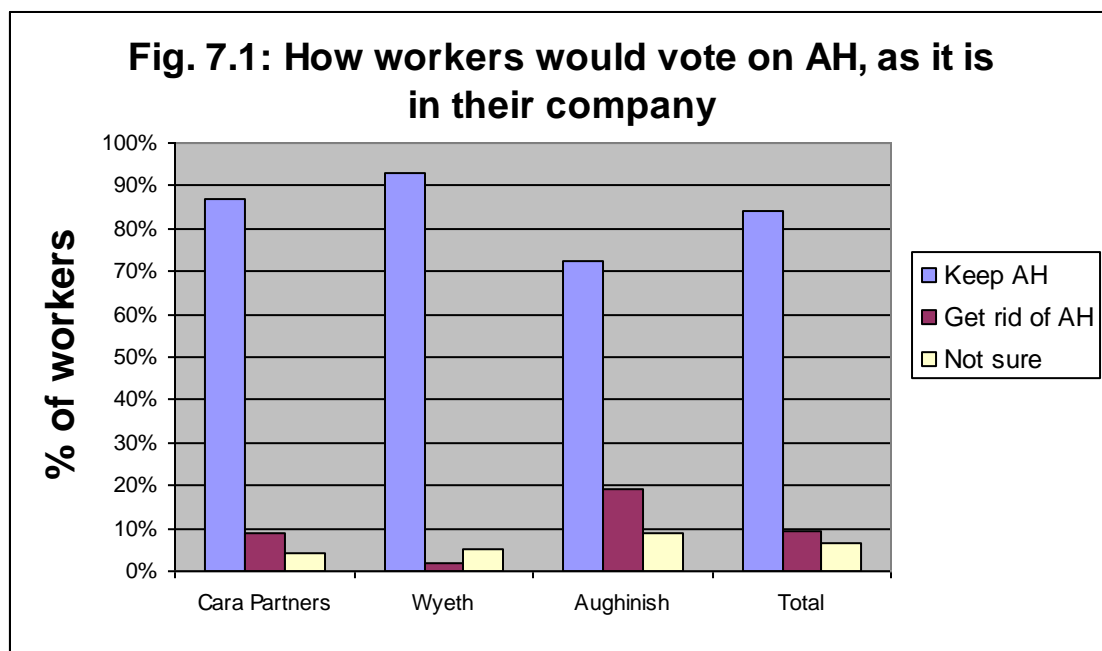
‘I would think 99 per cent⁷⁸ of them [workers] wouldn’t wish it to be gone’ (SIPTU Official B, 2008).

⁷⁷ Workers were, however, given scope to answer if they were unsure, as the intention was not to force workers to make a choice that would not reflect their views.

⁷⁸ This figure of 99 per cent was not intended to be an exact measure of the number of workers who would vote to keep AH as this was mentioned conversationally and needs to be interpreted in this context. During conversations and meetings, other representatives claimed they thought 85 per cent of workers were happy with AH. Others mentioned things like you’ll always have the few that are against it [AH]. The general tone of comments was that a large percentage of workers would be in favour of AH although representatives recognised that there will always be a number of workers who go against the majority.

‘There would still be ... possibly 10 per cent of the workforce here that if it came to election or vote again that they would go against it’ (SIPTU Shop Steward A, 2008).

The results of the worker survey, broken down by company are shown in figure 7.1. The figures show overwhelming support for AH in both Cara Partners and Wyeth. In Cara Partners, 87 per cent of workers would vote to ‘keep AH’ while 93 per cent of workers in Wyeth would vote this way. While the figure in Aughinish is relatively high (72.2%), it is lower than the average in Cara Partners and Wyeth of 90 per cent.



n = 202 A chi square test shows a significance of .002 between the two variables – respondent company and question 3 – how would you vote?

Had the survey in Aughinish been conducted in 2008, this would have been considered a surprising result, given that Aughinish is well known as the exemplar case on AH. In fact in Wyeth, management noted one of their reasons for looking at AH was because it was working so well in Aughinish (now 93% of workers in Wyeth would vote to keep AH while only 72.2% would in Aughinish). However, the result is, in fact, to be expected given the developments in recent times, which have caused changes in the way AH are operating in Aughinish. The result shows not just the reliability of representatives’ perceptions, but also their sensitivity to change. In other words, representatives from Aughinish suggested that workers’ responses would be less favourable toward AH given the changes that had occurred. Aughinish also represents the highest percentage of workers across the three companies who are ‘not

sure' how they would vote (8.9% compared to 5% in Wyeth and 4.3% in Cara Partners) and the highest percentage of workers who would 'get rid of AH' (19% compared to 8.7% in Cara Partners and only 2% in Wyeth).

In order to elaborate on the reasons why workers claim they would vote as they did in Question three above, a qualitative question was asked directly afterwards which was designed to provide insights into the elements of AH that workers value. Question four asked workers:

'What is your main reason for the above answer in Question 3?'

During interviews with management and trade union representatives, a number of comments were made in relation to how AH benefits workers (and hence why representatives believed a high percentage of workers would claim they are happy with it). The type of comments made were as follows:

'Basically we now have good salary, short hours, better quality of life, good family life and all that and we should have done it years ago' (Unite Shop Steward C, 2008).

'The employees ... have definitely higher earnings, probably a better work-life balance' (HR Manager B, 2008).

'Improvements in pension is key for older people, another key issue for employees is budgeting' (Management Consultant, 2007).

'There's a lot of stability with it.' 'There was I suppose a work-life balance ... was very attractive to a lot of people' (SIPTU Shop Steward A, 2008).

'One of the big pluses that shouldn't be overlooked is the work-life balance; it really is a real benefit to people' (TEEU Official C, 2008).

'Society is changing ... with more employees concerned about work-life balance' (TEEU Official B, 2007).

These comments show the reasons why interviewees believed a majority of workers are happy with AH and would vote to retain it. Some key themes emerge from the analysis of workers' comments in relation to their reasons for voting in a particular way. These are now presented by examining the responses in each company. In Cara Partners, those who said they would vote to 'keep AH' highlighted stable and predictable earnings and more time off (as well as the ability to plan time off) as the reasons why they would vote this way. The following comments were typical:

‘AH allows you to plan your time off, gives you a steady weekly wage and not depend on overtime to survive’ (Worker 7).

‘As someone who worked a lot of overtime in the old days I find I now have a lot more free time without losing too much money’ (Worker 21).

‘I like the time off’ (Worker 12).

‘It has benefitted me overall’ (Worker 18).

‘Less time spent on the job’ (Worker 19).

‘Stable earnings, good quality of life with time off’ (Worker 6).

In Wyeth, similar reasons were given for workers saying they would vote to ‘keep AH’. These were, good stable salary, fewer hours at work and better work-life balance. The following comments were typical of workers in Wyeth:

‘A better salary and more stable working hours’ (Worker 77).

‘A lot more time off with AH’ (Worker 94).

‘Ability to plan recreational activities etc. and to budget better financially. Also because I feel it has created a better work environment’ (Worker 116).

‘Because it works for me’ (Worker 95).

‘Better way of life’ (Worker 79).

‘I dislike working long hours i.e. I would prefer not to do overtime’ (Worker 46).

‘I have experienced only positive aspects of AH so far’ (Worker 54).

‘No extra hours once plant running ok so better quality of home life’ (Worker 83).

While the percentage of workers who said they would vote to ‘keep AH’ in Aughinish was lower than in the other two companies, there was nonetheless relatively strong support from workers to ‘keep AH’ with 72.2 per cent claiming they would vote for the retention of AH. Analysis of their comments shows that those in Aughinish who would opt to ‘keep AH’ claimed they would do so for much the same reasons as in Wyeth and Cara Partners and the following comments were typical:

‘AH have worked very well to date’ (Worker 135).

‘AH is a far better system than overtime payment. It ensures income and ensures people work smartly’ (Worker 125).

‘Would not go back to overtime and spend a lot of time in the workplace’ (Worker 197).

‘Works well and less hours at work’ (Worker 204).

‘I think that AH has worked well. I can plan jobs at home because I am fairly sure that I will be off. My pension increased because basic salary increased’ (Worker 193).

‘More time at home’ (Worker 171).

‘Spend less time at work’ (Worker 172).

One worker made reference to the incentive AH provides for workers to find ways of being more efficient.

‘You have a greater desire to work cleverer so as the chance of working extra hours is lessened’ (Worker 179).

The results from the worker survey show remarkably similar comments from both workers and representatives in relation to workers’ reasons for voting to ‘keep AH’. Not only were interviewees correct in their claims that a large majority would keep AH but they identified some of the key reasons for this i.e. the aspects of AH that workers value. Furthermore, it was not just trade union representatives that identified these. Management interviewees demonstrated a similar level of insight into workers’ reasons for voting to ‘keep AH’ as their trade union counterparts.

An examination of qualitative comments from workers in Auginish shows that the main reason workers said they would vote to ‘get rid of AH’ was due to the perception that the company is changing the way the AH agreement has been operated up until recently. The following comments were typical:

‘Because the company are abusing AH i.e. forcing employees to come in to work extra hours’ (Worker 170).

‘Company breaking the agreement’ (Worker 199).

‘Company not abiding by spirit of agreement’ (Worker 174).

‘Company not abiding by the terms and spirit of agreement. They are trying to take advantage of economic downturn and row back on agreement’ (Worker 144).

‘Company now wants to introduce compulsory AH for work that now isn’t even an emergency. Moving the goal post every time they want contract work

done⁷⁹. AH was never put forward for this reason' (Worker 186).
'The company are going outside the agreement' (Worker 201).

Of those in Aughinish who said they were 'unsure' of how they would vote, the same reasons were given i.e. workers perceive that the company is not abiding by the agreement and is trying to change aspects of it.

'At the moment our company is striving to claw back on bits that benefit employees and keep the bits that suit themselves' (Worker 141).

'The company have 'changed the goalposts' as time goes by. They seem to make up the rules as they go along' (Worker 152).

'Company seems to want to change aspects of the agreement – to suit themselves' (Worker 128).

'We are being forced to do AH⁸⁰ at the moment which was not the agreement when AH were first implemented' (Worker 167).

The timing of the survey in Aughinish had a noticeable impact on the results. It is highly likely that recent changes in Aughinish, particularly the increased use of reserve hours have affected some workers' views. Given the qualitative comments from workers, it is clear workers only claim they would vote to 'get rid of AH' as they feel the company is either breaking the agreement or changing their interpretation of it. If this survey had been conducted prior to the changes in Aughinish, it is highly probable that a higher percentage of workers in Aughinish would have voted to 'keep AH'. This is epitomised in the following comment from one of the workers surveyed:

'If you asked me to fill out this form one to two years ago I would be a lot different. I was very satisfied with it [AH] then. Now management are not abiding by the spirit of the agreement and it is turning me against it' (Worker 144).

Other workers noted a perceived change in the company's attitude toward AH since the change in the economic environment:

⁷⁹ As Aughinish have recently cut down on their use of contractors, this comment can be interpreted to mean they want workers to do work that would normally have been done by contractors.

⁸⁰ This means reserve hours. A number of workers (and interviewees) in all three companies often referred to reserve hours as their 'annual hours'.

‘The company would rather not have to give us 200+ hours as the climate has changed, they look on it as money for nothing but we are working faster and smarter’ (Worker 192).

‘[AH] probably kept the company open in the current economic climate’ (Worker 190).

Some workers who claimed they would vote to ‘keep AH’ included certain caveats in the reason for their answer such as:

‘I would like to keep AH as it was, not be asked to work hours for no reason’ (Worker 173).

‘If it is worked right, it is a win-win’ (Worker 183).

The results of the survey of workers in Aughinish demonstrate the effect that the change in external factors, including a change in ownership and changes in economic circumstances, have had on some workers’ opinions on AH. In particular the increase in the use of reserve hours has diminished the gains they see and thus a number claim they would now vote to ‘get rid of AH’, or they are ‘unsure’ how they would vote. The extent to which workers perceive the company is breaking the ‘spirit of the agreement’ by making workers work ‘unnecessary’ reserve hours can be examined further by analysing the responses to question five. This asks workers to indicate the extent of their agreement with a number of statements including:

‘People are only called in to work reserve hours when really necessary’

Qualitative comments from interviewees identified the issues around reserve hours for workers when AH is first introduced and, in particular, they established that workers usually have a fear around the number of reserve hours they will be asked to work.

‘Sometimes there’s a fear that they’ll have to work all the reserve hours’ (TEEU Official B, 2007).

‘Pension, call-in and reserve hours are the most contentious issues’ (Management Consultant, 2007).

‘Their [workers] belief was that if the management saw that you had a couple of hours to spare, they were going to force you to work (SIPTU Official B, 2008).

‘There were fears ... and of course the reserve hours, that was the big thing. Would we be called in?’ (Unite Shop Steward C, 2008).

The Use of Reserve Hours

The results of the survey in Aughinish show the following in relation to workers' views on the use of reserve hours:

Table 7.1: Aughinish – Workers Opinions on Use of Reserve Hours
‘People are only called in to work reserve hours when really necessary’

Company	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	
Aughinish	12.2%	34.2%	12.7%	25.3	15.2	N=79

Just over 40 per cent of workers in Aughinish either ‘disagree’ or ‘strongly disagree’ that people are only called in to work reserve hours when really necessary. This compares with over 46 per cent of workers who either ‘agree’ or ‘strongly agree’ that this is the case (while just over 12 per cent are neutral). This could indicate inconsistent use of reserve hours among different groups of workers. In other words, the increase in use of reserve hours has only affected certain groups. However, a cross tabulation shows no significance between workers’ opinion on question five and their different occupations within the company (chi square is .151) so any inconsistencies in the increased use of reserve hours across groups of workers is unlikely to be large. It is also unlikely there is a large differential between individual workers’ use of reserve hours, given call-in system in the companies where those who have the least amount of hours worked are called on first. When compared to the results for workers in Wyeth and Cara Partners, who were asked the same question, the results show that workers in these two companies are much less likely to consider that they are called in to work reserve hours when this is unnecessary.

Table 7.2: Wyeth & Cara Partners – Workers Opinions on Use of Reserve Hours
‘People are only called in to work reserve hours when really necessary’

Company	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	
Wyeth	50%	36.5%	5.2%	5.2%	3%	N=96
Cara Partners	34.8%	60.9%	4.3%	0%	0%	N=23

Much higher percentages of workers in both Wyeth and Cara Partners either ‘strongly agreed’ or ‘agreed’ that workers are only called in to work reserve hours when really necessary (86.5% in Wyeth and 95.7% in Cara Partners compared with 46% in Aughinish). This suggests that one of the reasons why a higher percentage of workers,

in both Wyeth and Cara Partners, claimed they would vote to 'keep AH' is because workers in these companies consider they benefit in relation to the use of reserve hours i.e. they are only called to work reserve hours when really necessary. This is highlighted by the following comments from workers in Wyeth:

'It works very well most of the time; the salaries have increased for most people and the long overtime hours worked are gone. The main aim is that it should work well enough that the reserve hours are not required and to date this is the case' (Worker 45).

'I have never been called on to date to do reserve hours. If I had been I feel it would influence my opinions. How much my feelings would change would be directly proportional to the number of reserve hours worked' (Worker 74).

The comment from Worker 74, in particular, highlights the importance workers attach to the low use of reserve hours. The results of question five again show the parallel between the comments from representatives interviewed and workers' opinions on the importance of low use of reserve hours.

Notwithstanding the lower levels of satisfaction workers in Aughinish have with the use of reserve hours, a relatively high percentage of workers in Aughinish still claimed they would vote to 'keep AH'. In principle, there could be two possible reasons for this: either not all workers have been affected by the increase in use of reserve hours in Aughinish or workers do not perceive this as reason enough to vote to get rid of AH entirely. Given that the cross tabulation showed no relationship between workers' opinions on the use of reserve hours and their occupation, it is more likely that workers do not perceive the increased use of reserve hours as a sufficient reason to get rid of AH. It is likely that workers may feel that the other benefits of AH, such as a stable salary, not having to work overtime and the sustainability of the company deliver sufficient gains for them to continue to support the retention of AH.

Overall, the results across the three companies show that there is very strong support from workers for AH. Less than 10 per cent of all workers surveyed claimed they would vote to 'get rid of AH'. Analysis of the survey data suggests that on the whole, AH impacts positively on workers, corroborating the suggestions from union and management interviewees. Qualitative comments from workers cite stable salary,

more time off and the ability to plan as the main reasons why workers would vote to 'keep AH'. Of course these benefits are linked to the low use of reserve hours. Suggestions from analysis of the case studies that external changes in the economic environment or changes in ownership can affect how AH works and how workers perceive they benefit from AH are supported by comments from those workers who claimed they would vote to 'get rid of AH' in Aughinish.

The Components of AH

There is strong evidence that AH impacts positively on workers and further analysis of the survey results shows workers' opinions on some specific aspects of employment that may be affected by AH. This examination is important as it allows a quantitative identification of the key components of AH that workers value and allows attention to be drawn to any differences between workers' opinions both within and across the three companies. A key consideration for every worker (whether they work AH or not) is pay or salary. Question seven on the questionnaire asked workers to rate their levels of satisfaction with a number of different aspects of their jobs, including pay. Interviewees identified the level of pay as an important component of AH for workers; particularly in relation to the fact that levels of pay may decrease when AH is introduced.

'You need to offer an attractive salary in the first instance otherwise employees are better off on overtime' (Management Consultant, 2007).

'There was a lot of worry about reducing wages and that was the main issue ... but it never really materialised so it was just fears really' (Unite Shop Steward C, 2008).

'What you've got in an AH situation straight away you're saying to the guy who's on the high money [due to overtime], well now you may take a hit' (TEEU Official C, 2008).

'Obviously the pay structure was a major part of it as well' (SIPTU Shop Steward B, 2008).

In all three companies sensitivity around pay levels was recognised when deciding to move to AH. While Aughinish did not compensate for future loss of overtime earnings⁸¹, Wyeth and Cara Partners did, as identified in the following comments:

‘What we did was we negotiated a two-year payback on loss of earnings. We negotiated a loss of earnings package for people who were losing money’ (Operations Manager A, 2008).

‘If you lost money by going on AH, there was a buyout of overtime and ... I think it was 52 times the average weekly loss so it was effectively if you lost €10,000 overtime, you got a €10,000 lump sum’ (Managing Director, 2008).

The result from each of the three companies shows the following in relation to workers’ levels of satisfaction with pay:

‘To what extent are you satisfied or dissatisfied with each of the following in your company?’ Salary/Pay:

Table 7.3: Levels of Satisfaction with Salary/Pay

Company	Very Satisfied	Satisfied	Neutral	Dissatisfied	Very Dissatisfied	
Cara Partners	22.7%	59.1%	13.6%	4.5%	0%	n=22
Wyeth	61%	36%	3%	0%	0%	n=100
Aughinish	3.8%	49.4%	17.7%	26.6%	2.5%	n=79

These results show a stark contrast between levels of satisfaction with pay among workers in Cara Partners and Wyeth compared to Aughinish. Levels of satisfaction with pay in Wyeth are particularly high (97% of workers are either ‘satisfied’ or ‘very satisfied’). This reflects the concession made by management in introducing AH in Wyeth. The case study on Wyeth indicated that management believed they probably paid too much for AH. Of course, pay levels in each of the companies are affected by a number of other factors besides AH⁸². Nonetheless, the results highlight the crux of AH systems. They show that a significant majority of workers in both Cara Partners and Wyeth claim they would vote to ‘keep AH’ and very few would vote to ‘get rid of

⁸¹ They did, however, provide financial and tax advice to employees and a lead in payment of IR£400 (€508) (see D’Arcy, 1998).

⁸² General pay levels for the industry the company operates in, how profitable the company is, whether pay increases agreed at national level partnership are paid by the company and the economic environment within which the company operates.

AH'. There are high percentages of workers in both these companies that are either satisfied (or very satisfied) with the level of pay or salary they are getting, while also perceiving they only work reserve hours when really necessary. In Aughinish, a higher percentage of workers (29.1%) claimed they were either 'dissatisfied' or 'very dissatisfied' with levels of pay. Only 4.5 per cent of workers in Cara Partners claimed they were 'dissatisfied' with levels of pay while no one claimed they were 'very dissatisfied'. No one in Wyeth claimed they were either 'dissatisfied' or 'very dissatisfied'. A caveat should be noted here, however, that satisfaction with pay levels may relate to a number of factors outside of AH. Pay levels generally in Wyeth are extremely high and this is compounded by the fact that management believed they paid 'too much' to bring in AH. As noted in the Aughinish case, there was media speculation about wage cuts there due to the economic downturn. Other factors such as general pay levels in the industry the company operates in and the profitability of the company may also affect pay.

Given that pay levels in each company are related to a number of factors it is necessary to examine more directly workers' perceptions' of the effect AH has on their pay. The effect of AH on earnings will obviously vary depending on levels of previous overtime workers did. Question 11 specifically asks workers about the impact of AH on their level of earnings. It is important to bear in mind that it is workers' *perceptions* of the effect of AH on their pay that is being tested⁸³.

Workers were asked:

'In your opinion, what effect does AH have on your level of earnings in this company, compared to an overtime system'?

Workers were given four options to answer this question

'Decreases what I can earn'

'No effect on what I can earn'

'Increases what I can earn'

'Unsure / don't know'⁸⁴

⁸³ The effect of AH on actual pay of workers is difficult if not impossible to determine. It would require access to sensitive information on workers pay before and after the introduction of AH. It would still be very difficult to determine whether any changes in pay were as a direct result of AH or as a result of changes in the economic climate, changes in pay scales generally etc.

⁸⁴ Workers who answered 'Unsure / don't know' were classified as legitimate missing in the SPSS file.

The results show the following:

Table 7.4: Perception of How AH Affects Earnings

Effect of AH	Cara Partners	Wyeth	Aughinish
Decreases what I can earn	66.7%	16.1%	62.1%
No effect on what I can earn	0%	11.5%	22.7%
Increases what I can earn	33.3%	72.4%	15.2%
	N=21	n=87	n=65

The results show that a significant percentage of workers in Wyeth perceive that AH increases what they can earn. This again emphasises the high pay levels negotiated in Wyeth for workers when AH was introduced and demonstrates the accuracy of workers' perceptions in relation to actual pay levels. The results in Cara Partners provide an interesting insight into workers' perceptions in relation to pay. While 66.7 per cent of workers believed AH decreases what they can earn⁸⁵, it has already been shown that 87 per cent of workers there would vote to 'keep AH'. An examination of responses to question 12 allows further exploration of workers views on the impact of AH on what they can earn. There are two elements of the impact of AH, pay and number of hours worked. It is important to gauge workers' views on the actual overall impact of AH rather than simply asking would you rather have longer hours and more pay. Therefore workers who claimed AH decreases what they can earn were asked:

‘Which of the following statements most closely matches your view on the effect AH has in decreasing your level of potential earnings’?

The results are as follows:

Table 7.5: Cara Partners – Workers' Views on Decreased Earnings

Responses from workers in Cara Partners	
‘Miss the extra money ... but glad I don't have long hours’	73.3%
‘Miss the extra money ... and never minded long hours’	20%
‘Don't miss the extra money ... and glad I don't have long hours’	6.7%
‘Don't miss the extra money ... but never minded long hours’	0%

n=15

This analysis is based on a small number of workers in Cara Partners (15 workers claimed AH decreases what they can earn). Nonetheless, it shows the trade offs these workers are prepared to make between the number of hours worked and pay. While

⁸⁵ Again, this demonstrates workers' perceptions closely match the evidence provided by representatives interviewed in relation to reductions in earnings at the time of introducing AH (see case study in chapter six).

73.3 per cent claim they miss the extra money, they are glad they don't have long hours (implying when they worked overtime, they would have worked long hours). A further 6.7 per cent claimed they don't miss the extra money and they are glad they don't have long hours. Of course, there will always be a percentage of workers who are willing to work long hours to increase pay, thus 20 per cent of those who claimed AH decreased their pay, claimed they 'missed the extra money ... and never minded long hours'. There are some workers in Cara Partners who do not value the benefit of decreased hours AH has caused. One of the shop stewards interviewed put it simply and claimed:

'I'd rather be making money' (SIPTU Shop Steward D, 2008).

Nonetheless, the majority of workers in Cara Partners demonstrate satisfaction with levels of earnings and also appreciate the decrease in hours.

The results from workers in Aughinish who claimed AH decreases what they can earn show the following:

Table 7. 6: Aughinish - Workers' Views on Decreased Earnings

Responses from workers in Aughinish	
'Miss the extra money ... but glad I don't have long hours'	58.1%
'Miss the extra money ... and never minded long hours'	30.2%
'Don't miss the extra money ... and glad I don't have long hours'	11.6%
'Don't miss the extra money ... but never minded long hours'	0%

n=43

Again the responses from workers in Aughinish show that the benefits of AH for workers involve a balance between what they earn and the number of hours they work. In other words, while workers may miss the additional money they can potentially earn from overtime, this is compensated for by the fewer hours they need to spend at work. This is emphasised in some of the general comments from workers⁸⁶ such as:

'Being able to plan ahead is great. I do not miss the pressure of trying to maximise earnings with overtime. This is an unhealthy pressure' (Worker 9).

⁸⁶ The questionnaire allowed space for 'any other comments you would like to make about your experience of AH' at the end.

One of the union representatives interviewed offered this insight into the decrease in earnings some workers experience when AH is introduced:

‘I’ve never seen the drop in earnings being an issue because you will talk to people afterwards who would say ‘what was I doing⁸⁷?’ He went on to explain,

‘They [workers] will not turn down the opportunity to make more money [when overtime is available] ... but if it is curtailed in some way by someone else, they will live with that and they see the pluses arising from that because of the extra time at home and to follow their other interests or whatever. So I’ve never yet had anyone come back, never ever and give out about reduced hours’ (TEEU Official C, 2008).

This point demonstrates that AH is a payments as well as a working time system. It shows that representatives recognise the trade offs workers are prepared to make between their salary levels under AH and the amount of hours they work. Of course another key benefit of AH is that salary is stable and does not fluctuate as overtime does. Furthermore, in all three companies there was a recognition from workers that the levels of overtime that were in place prior to AH were not sustainable in the long run. Even high overtime earners appreciate the stability of a salary rather than fluctuating overtime earnings, while at the same time no longer having to work long hours. The following comments from interviewees highlight these points:

‘At least with AH you were guaranteed a salary that wasn’t going to change, whereas overtime was not guaranteed and the company had said going forward, there would be no more overtime’ (SIPTU Shop Steward B, 2008).

‘I think the reduction in hours and the salary itself ... to know every week that you had the same salary ... and you could plan yourself. Whereas in an overtime situation, which is fluctuating, today or this week you might get ten hours, next week you might get 20, you mightn’t get any the following week. Whereas now it’s stable and people know from one week to another, I’m guaranteed that salary every week’ (SIPTU Shop Steward A, 2008).

⁸⁷ In relation to the high levels of overtime hours they were working.

Job Security and Control

Although some workers claimed they miss the extra money they could potentially earn through overtime, they perceive other benefits of AH which accounts for the high percentage (across all three companies) that claimed they would vote to ‘keep AH’. Other benefits of AH identified by the interviewees included higher levels of job security and greater control for workers over how they do their work.

‘From a job point of view, job prospects and security are much better’ (HR Manager B, 2008).

‘It gives the employee the comfort that their income is being protected and that they’re working towards greater job security for their jobs in that if the plant is successful then their jobs are safe’ (TEEU Official C, 2008).

‘We probably got more control, a little bit more control over our own work in that there was just an expectation that you go down there and do it’ (SIPTU Shop Steward A, 2008).

Question 5(a) asked workers to rate their level of agreement with a number of statements. These results show that workers perceive other benefits to AH than just levels of pay and the number of hours worked. More than half of all workers surveyed (58.5%) believed⁸⁸ AH made their job more secure; over 60 per cent (60.6%) believed AH gave them more control over work. Control over how workers do their work may relate to higher levels of autonomy workers are afforded under AH. The results show a general agreement among workers with representatives’ views that AH increases job security and gives workers more control over their work.

Table 7.7: Opinions on Job Security

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
‘AH makes my job more secure.’	9%	49.5%	29%	11%	1.5%

n=200

Table 7.8: Opinions on Control over Work

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
‘AH gives me more control over how I do my work’	9.6%	51%	24.2%	13.1%	2%

n=198

⁸⁸ The combined total of the percentage of workers who ‘strongly agreed’ and ‘agreed’ with the statement.

Pension

Workers were also asked to rate their levels of satisfaction with pension. There were different views among representatives on the importance of pension for workers. Some interviewees maintained that pension was not that important to workers when moving to AH while others claimed it was a big issue.

‘People don’t think about pension. You’d nearly want to be in your late 40’s to start thinking about pension’ (Unite Shop Steward C, 2008).

‘Pension was a major issue and they certainly are a company that would have an excellent pension scheme’ (SIPTU Official B, 2008).

‘Pension was a contention because what was it going to be based on? Was it going to be based on the old salary or the new salary?’ (HR Manager B, 2008).

Question seven asked workers:

‘To what extent are you satisfied or dissatisfied with each of the following in your company?’ Pension.

Table 7.9: Satisfaction with Pension

	Very Satisfied	Satisfied	Neutral	Dissatisfied	Very Dissatisfied	n=
Cara Partners	47.8%	43.5%	4.3%	4.3%	0%	23
Wyeth	40.8%	43.9%	11.2%	4.1%	0%	98
Aughinish	1.2%	21.2%	16.2%	37.5%	23.8%	80

The results show very high levels of satisfaction with pension from workers in both Cara Partners and Wyeth. A striking contrast is evident between responses from workers in these companies and in Aughinish, where much higher percentages of workers claimed they were either ‘dissatisfied’ (37.5% compared to 4.3% in Cara Partners and 4.1% in Wyeth) or ‘very dissatisfied’ (23.8% compared to 0% in both Cara Partners and Wyeth) with pension. Pension is often identified as a benefit of AH for workers, as overtime earnings are not pensionable but AH salaries typically are. Workers perceptions of pension as a benefit are reflected strongly in responses from workers in Cara Partners and Wyeth. However, the low levels of satisfaction with pension in Aughinish highlight that it is perceived as less of a benefit there. This may indicate that changes have been made to pension, along with other changes that have occurred recently in Aughinish, as originally in the AH agreement, pension was based

on the new AH salary, so it would be expected that workers would be satisfied, however, this conclusion is merely speculative. However, given that 72.2 per cent of workers in Aughinish still claim they would vote to ‘keep AH’, this dissatisfaction with pension does not induce workers to vote against AH in its entirety.

Perceived Problems with AH

While workers overwhelmingly perceive benefits of AH, research question four also seeks to identify any perceived problems with AH for workers. Workers may believe that AH causes problems generally, in terms of its operation but it also may cause problems between workers. The questionnaire therefore differentiated between these two sources of problems. Question 18 asked workers: ‘In your experience, how often do problems arise over the way AH works? The results are as follows:

Table 7.10: How often do Problems Arise over the Way AH Works?

	Very Often	Often	Sometimes	Rarely	Never	n=
Cara Partners	0%	0%	38.1%	47.6%	14.3%	21
Wyeth	0%	5.2%	33%	41.2%	20.6%	97
Aughinish	11.4%	11.4%	43%	27.8%	6.3%	79

The majority of workers (in all three companies) believed that problems over the way AH works arose either ‘sometimes’, ‘rarely’ or ‘never’. In Cara Partners and Wyeth, the highest percentages believed that problems arose ‘rarely’ (47.6% in Cara Partners and 41.2% in Wyeth), while in Aughinish the highest percentage believed problems arose ‘sometimes’ (43%). Only in Aughinish did any workers believe that problems arose ‘very often’ (11.4% considered this to be the case). This is to be expected, given the higher percentage of workers in Aughinish who claimed they would vote to ‘get rid of AH’ in question three.

In order to determine the sources of these problems, workers were also asked ‘in your opinion, what aspects of AH cause most of these problems’⁸⁹? The results (across all three companies, n=168) show that only very small percentages of workers perceived that pay (4.2%), pension (4.8%) and sick pay (11.3%) caused problems. A higher percentage (22.6%) believed hours caused problems and the highest percentage

⁸⁹ Those who answered ‘never’ to Question 18 were asked to proceed to Question 22, as questions 19-21 were not relevant to them.

(45.2%) believed that call-ins caused the most of these problems. This reflects the importance workers attach to the predictability of hours under AH. Given that one of the main benefits of AH identified by workers is more time off and the ability to plan time off, call-ins disrupt this time off and any plans made and therefore are the source of most problems around AH.

If responses are broken down to show the opinions of workers in each of the three companies separately, the results show that in Cara Partners, 83.3 per cent⁹⁰ of workers (who believed problems occurred with AH) believed that call-ins caused most of these problems (Table 7.11). In Wyeth, 27.6 per cent of workers (who believed problems occurred with AH) believed that call-ins caused most of these problems while 54.1 per cent of workers in Aughinish believed this was the case. The low percentage of workers in Wyeth perceiving call-ins to be a problem reflects the very low level of reserve hours worked there, as identified in the case study. While Cara Partners had the highest percentage of workers who believed call-ins caused problems, it should be remembered that these workers believed problems occurred only ‘sometimes’ or ‘rarely’.

Table 7.11: Call-ins as a Source of Problems

	Cara Partners	Wyeth	Aughinish
Call-ins as a source of problems	83.3%	27.6%	54.1%
n=	18	76	74

A small number of workers claimed ‘other’ factors caused most of the problems with AH (two workers in Cara Partners, 32 in Wyeth and 15 in Aughinish). Among the typical reasons identified in Wyeth were:

‘Interpretation of agreement’ (Worker 24).

‘Banked hours⁹¹’ (Worker 25).

‘Sick cover’ (Worker 60).

Again the issues with working reserve hours in Aughinish were highlighted in comments from workers including:

‘Call-ins were used for absence/sickness/holiday/bereavements etc. Now the company want to call us in for planned work’ (Worker 144).

⁹⁰ This percentage represents a very small number of workers as only 18 workers in Cara Partners answered this question.

⁹¹ The practice of ‘banking’ hours was identified in the case study as one of the difficulties with AH in Wyeth (see chapter six).

‘Being abused, not as agreed’ (Worker164).

‘To use hours – only in the last six months’ (Worker196).

‘When not used as per agreement’ (Worker 201).

‘Told to work hours to impress owners/not plant requirements’ (Worker 140).

This comment from Worker 140 is particularly insightful around the use of reserve hours in Aughinish. It shows that workers’ perceptions in relation to managements’ actions can also be very accurate. The use of reserve hours in Aughinish is a source of frustration for workers as they recognise it is only being done to impress the new owners.

Workers were also asked their opinions on how difficult it was to resolve problems when they did occur. In Cara Partners, most workers (61.1%) believed that when problems arose they are ‘resolved quite easily’ while 38.9 per cent believed they are ‘only resolved with some difficulty’. No one in Cara Partners believed problems were ‘only resolved with a lot of difficulty’. In Wyeth, 38.7 per cent of workers believed problems were ‘resolved quite easily’ while 50.7 per cent believed they were ‘only resolved with some difficulty’ and 10.7 per cent believed they were ‘only resolved with a lot of difficulty’. In Aughinish, the figures show that 31.1 per cent believed problems were ‘resolved quite easily’, 51.4 per cent believed problems were ‘only resolved with some difficulty, while 17.6 per cent believed they are ‘only resolved with a lot of difficulty’. Again, Aughinish had the highest percentage of workers who perceived difficulties around AH i.e. resolving problems when they occur.

The results show that, as well as benefits, AH can cause problems for workers. In order to examine workers perceptions of the significance of these problems, workers were also asked how much of a concern these problems around AH were for them. Workers who identified problems with AH were unlikely to see these problems as a major concern. The results show that 56.6 per cent of these workers (overall) view these problems as ‘some concern’; while 24.1 per cent (overall) believe they are of ‘little concern’. Only 18.1 per cent of workers said that these problems were of ‘major concern’ to them. No workers in Cara Partners believed problems were of ‘major concern’ while 17.1 per cent of workers in Wyeth and 23.6 per cent of workers in Aughinish felt this to be the case. Most of the problems with AH are around call-ins

and workers perceived few problems around pay, pension and sick pay. Despite these problems, qualitative comments from certain workers confirm a preference for AH over other systems of work:

‘Even though we seem to have general problems, it is a much better system than not having it at all’ (Worker 59).

‘It has generally been a positive experience with more advantages than disadvantages’ (Worker 18).

Perceived Problems with Other Workers

Workers were also asked ‘how often does AH cause problems between you and other workers?’ A total of 76 per cent of all workers claimed that AH caused problems between them and other workers either ‘rarely’ (35.5%) or ‘never’ (40.5%). 21 per cent claimed AH caused problems ‘sometimes’ and qualitative comments explain these problems mostly relate to call-ins and cover for sick leave. The Cara Partners case study identified the ‘silo’ effect of AH as a minor problem between workers. This was also identified by one of the workers in Aughinish who claimed AH has ‘segregated the unionised workforce’ as ‘the system introduced put every group on different work patterns therefore individualising each group’ (Worker 190). No other workers in Aughinish identified this as a problem, however it is interesting that Worker 190 perceived AH to have this effect as management and union officials in Cara Partners also referred to this, albeit as a minor problem. In the three companies studied for this research, the majority of problems with AH occur due to the operation of AH rather than any issues between workers as a result of AH.

Relationships and Workplace Partnership

Research question five seeks to examine any links between AH and workplace relationships, including any evidence of workplace partnership in the companies studied. It is clear from the case studies and interviews that management and trade union representatives believe that relationships improved following the introduction of AH in the three companies⁹². This is evident from the reduction in the number of grievances noted in all three companies and comments from management about the reduction in the amount of time they now spend on industrial relations issues

⁹² This chapter concentrates on the three successful cases of AH therefore Coca Cola is not included.

compared to in the past. In order to determine workers' perceptions around relationships and, in particular, to establish any perceived changes in relationships that occurred since the introduction of AH, a number of questions exploring these topics were asked. It is important to differentiate between relationships between *workers* and management and between the *trade unions* and management. The survey also sought to explore workers' perceptions on the effect of AH on the role of trade unions within the companies studied. Question 15 asked workers

‘As a result of AH, have relations between workers and management in your company changed⁹³?’

The results show the following:

Table 7.12: Have Relations Changed Between Workers and Management?

Have relationships changed:	Cara Partners	Wyeth	Aughinish
Yes	68.8%	64%	85.9%
No	31.2%	36%	14.1%
n=	16	75	71

A large proportion of workers in each of the companies believed that relations had changed as a result of AH. This was particularly evident in Aughinish where 85.9 per cent of workers claimed relations had changed. Of course this can mean that relations changed for the better (as suggested by management and trade union representatives), but may also mean that workers perceived that relations have changed for the worse. Therefore, question 16 explored workers' opinions on this issue further by asking workers ‘in what way have relations changed?’ Management and union interviewees perceived that relations changed for the better as emphasised by the following quotes:

‘Our relationships are much better now, we get on much better’ (Operations Manager A, 2007).

‘I think the relationship ... has improved both between management and employees and management and the trade unions compared to what we had years ago’ (HR Manager B, 2008).

‘You can see how the AH has created that sort of maturity in relation to industrial relations issues’ (TEEU Official C, 2008).

⁹³ Workers were also given a option to tick ‘don’t know’ for this question and these responses are treated as legitimate missing in SPSS, thus the number of responses for this question is smaller than the total number of responses received. Some respondents may have deselected themselves from answering if AH was introduced a long time ago.

The results of the worker survey show the following:

Table 7.13: In What Way Have Relations Changed?

Relations are:	Cara Partners	Wyeth	Aughinish
‘Much better than they were before’	18.2%	11.8%	19%
‘Somewhat better than they were before’	63.6%	74.5%	28.6%
‘Somewhat worse than they were before’	18.2%	13.7%	30.2%
‘Much worse than they were before’	0%	0%	22.2%
n=	11	51	63

Table 7.13 shows that the majority of workers in Cara Partners and Wyeth think that relations are ‘somewhat better than they were before’ (63.6% in Cara Partners and 74.5% in Wyeth) while a further 18.2 per cent in Cara Partners and 11.8 per cent in Wyeth believed relations are ‘much better than they were before’. A small percentage of workers in Wyeth (13.7%) believed that relations are ‘somewhat worse than they were before’, while a slightly higher percentage (18.2%) of workers in Cara Partners believed this to be the case. No workers in either of these companies believed relations were ‘much worse than they were before’.

The picture in Aughinish is quite different, with only 28.6 per cent of workers believing relations were ‘somewhat better than before’ and 19 per cent claiming they are ‘much better than they were before’. The largest percentage of workers in Aughinish ticked the category ‘relations are somewhat worse than before’ (30.2%). Aughinish was the only company where workers believed relations were ‘much worse than before’ (22.2%). It is not possible to determine how workers interpreted the term ‘than before’ in this question. Therefore, workers may be referring to a time before AH was introduced or, in the case of Aughinish the time when AH were working well and before difficulties began to arise with AH. If it is the latter, the results again reflect the impact the difficulties occurring in Aughinish at present have on workers’ responses. Recent changes in ownership and increased pressure on management to use more reserve hours are having an impact on relations between workers and management. The findings from question 16 certainly do not reflect the type of responses one would expect from workers in a company where high-level workplace partnership has been reported to exist. These findings reinforce the suggestion in

chapter six that workplace partnership is now under pressure, as workers see the gains from AH being diminished due to the increased use of reserve hours.

In order to explore the issue of workplace partnership further (in all three companies), workers were asked for their opinion on the effect AH has on relationships between management and unions in their respective companies. Question 17 asked

‘In your opinion, what effect does the existence of AH have on relationships between management and unions in this company?’

There were mixed views in relation to workplace partnership among the representatives interviewed. Most interviewees in Wyeth (both management and union) suggested that the relationship training that took place in advance of introducing AH played an important role:

‘I honestly and firmly believe if we had not gone down the route of partnership and team-building ... it [AH] would not have come in’ (SIPTU Shop Steward B, 2008).

‘AH wouldn’t be in this factory without relationship training’ (Unite Shop Steward B, 2008).

‘I think it was crucial ... what it did was it gave both groups an opportunity to look at problems from the other peoples’ perspectives’ (HR Manager B, 2008).

However, one trade union representative identified the relationship training and attempt to move to partnership as a negative:

‘I felt for a while that it was actually a disadvantage ... I was a negotiator and I was trying to convince my people that this was the way to go and they didn’t trust the company and they saw this [relationship training] as a tool to brainwash you’ (Unite Shop Steward C, 2008).

In relation to whether or not partnership now exists in Wyeth, the general sense from interviewees was that it does not and while representatives recognised that relationships had improved, there was not a strong sense that partnership is a feature of working life in Wyeth:

‘It’s not partnership, certainly not. Unfortunately, no it’s not’ (SIPTU Shop Steward B, 2008).

‘I don’t think you’d call it partnership. I don’t know what you’d call it’ (Unite Shop Steward C, 2008).

From senior managements point of view, it's a priority to have a partnership with our people ... I would say it's probably not as good as we want it to be, it has its ups and downs like any partnership, but it's light years from where we were' (HR Manager B, 2008).

'It only works to an extent, there's still stuff out there that in my view, the company are still not fully comfortable with doing the whole partnership thing' (Unite Shop Steward B, 2008).

It was suggested by a number of trade union interviewees (not all from within Wyeth) that one of the difficulties with sustaining partnership is when there is a change in management:

'If you get a change in the guard at management level from the people who were instrumental in negotiating it [AH], you can have a problem' (TEEU Official C, 2008).

'The difficulty I have now at the moment is a lot of those managers have since left and the ball has been dropped in relation to partnership' (SIPTU Shop Steward B, 2008).

'The area that I would have always had concerns about and still have concerns about is that the management roles change' (SIPTU Shop Steward A, 2008).

Some interviewees questioned the need for partnership and while recognising that partnership may be useful when introducing AH (a means to an end), it is not required to sustain AH:

'Personally I don't see it [partnership]. I see this was a means to an end ... I do not see partnership as a viable proposition at all. I don't believe the management have any interest in us being partners with them' (SIPTU Shop Steward A, 2008).

'You don't require partnership to work AH because to me it's driven by the teams that work it and if there's a good relationship among the teams themselves ... you don't need to be in partnership with anybody' (SIPTU Shop Steward A, 2008).

In Cara Partners, it was also recognised that relationships had improved, but that this had not led to partnership:

‘There still is that divide, there still is management and there are still the workers side ... but having said that the working relationship is there but I wouldn’t go so far as to say it’s a partnership arrangement’ (SIPTU Official B, 2008).

It was noted in chapter three that partnership is difficult to define and so the term ‘partnership’ in the questionnaire is left open to workers’ broad interpretation as the focus of the thesis is on actors’ perceptions of partnership. A limitation of this question is that workers may have ticked more than one box, as some of the options may not be mutually exclusive and workers were not specifically directed to only tick one choice. This was only identified subsequent to the survey being conducted. If more than one option was ticked (as occurred in a very small number of responses) both responses were included in the analysis of the results.

The results from the worker survey show the following:

Table 7.14: Effect of AH on Relationships between Management and Unions

	Cara Partners	Wyeth	Aughinish
Promotes a partnership relationship between the two	27.8%	25%	31.6%
Causes greater conflict/problems between the two	16.7%	10.9%	11.4%
Causes less conflict/problems between the two but not partnership	33.3%	34.8%	10.1%
Causes unions to be too much on managements’ side	0%	4.3%	38%
Has no effect on relationships between the two	11.1%	18.5%	7.6%
Other	11.1%	6.5%	1.3%
n=	18	92	79

The findings show a similar percentage of workers in each company believed that AH ‘promotes a partnership relationship between the two’ (27.8% in Cara Partners, 25% in Wyeth and 31.6% of workers in Aughinish). The percentage of workers in Cara Partners who believed a partnership relationship was promoted by AH is remarkable, given that no emphasis was put on partnership in this company and AH was, in fact, introduced in a mostly distributive way. It is notable that Aughinish has the highest percentage of workers from the three companies that believe AH promotes partnership. This shows that a number of workers in Aughinish still believe a

partnership relationship exists despite recent difficulties. In both Cara Partners and Wyeth, workers are more likely to claim that AH ‘causes less conflict/problems between the two, but not partnership’ (33.3% in Cara Partners and 34.8% in Wyeth), than to claim AH promotes partnership. This is synonymous with the comments from interviewees in both these cases.

The findings show a stark contrast between workers in Aughinish and workers in the other two companies⁹⁴ in relation to the third option in answering this question. A significantly higher proportion of workers in Aughinish (38% compared to 0% in Cara Partners and 4.3% in Wyeth) believed that AH ‘causes unions to be too much on managements’ side’. Those conducting studies of workplace partnership typically ask workers about ‘them and us’ i.e. is there a significant division between management and workers (see for example D’Art and Turner, 2002). In Aughinish, some workers perceive that the trade union has moved too much in the direction of ‘them’. The traditional role of the union in terms of representing its members’ interests is perceived by some workers as being eroded, as they believe unions are now ‘too much on managements’ side’ rather than on workers’ side, as is their long-established role.

It would be wrong to conclude that partnership in Aughinish has led to trade unions there not fulfilling their traditional role. It may be that unions see the increased use of reserve hours as necessary in Aughinish, given the current climate, and that this is the reason they are not disputing this with management. Just as management in Aughinish received tacit support from the unions to make the initial changes that were needed to bring the company back from crisis in the early 1990’s, they could now be receiving support to operate AH to the satisfaction of the new owners. It may also, however, reflect a constrained choice for unions given the current situation at the plant.

In Wyeth, while management put emphasis on developing a partnership approach to working, and significant resources were invested in relationship training, workers do not perceive partnership to be a feature of working life in the company. In fact, the highest proportion of workers in Wyeth (34.8%) believed that AH ‘causes less conflict/problems between the two but not partnership’. In Cara Partners, this was also

⁹⁴ A chi square test shows a significance of .000 between the two variables – respondent company and workers’ responses to question 17.

the case with 33.3 per cent of workers believing that AH caused less conflict but not partnership. The findings demonstrate that partnership does not necessarily accompany successful AH agreements, but that AH does allow for a reduction in grievances between workers and management and thus less conflict between management and unions. Indeed, high-level partnership between trade unions and management can be seen as working against workers if they believe their unions are 'too much on management's side' as in Aughinish. The findings also demonstrate the instability of partnership when it encounters challenges or when benefits from the driver of partnership - the mutual gains in AH - begin to diminish for either side. In other words, previous studies suggest partnership was quite evident in Aughinish for a number of years when both management and workers were benefiting from AH. Now that workers are beginning to see their gains diminish, there is a perception that partnership is either eroding or working against workers' interests. Some general qualitative comments from workers made reference to the instability of partnership:

'AH does not cause partnership' (Worker 24).

'At the onset of AH in Wyeth, partnership learning played a major role. This has changed, mainly due to changes at management level' (Worker 25).

In Aughinish, general comments from workers again emphasised workers' concerns with how management are now considered to be changing aspects of the agreement and trying to operate outside of what was initially agreed:

'AH was a very positive development and should not be tampered with by the requirement to schedule AH as is presently being tried' (Worker 125).

'At the moment the company wants us to work reserve hours to justify paying us for them. This is mean spirited and not in line with the ethos of the agreement – win-win' (Worker 129).

'AH has worked well for both company and employees to date. With added pressure on the company, they now would prefer if we worked more of reserved hours. This is not part of the agreement and is against the principle of AH agreement' (Worker137).

'They [AH] would be ok if they were being implemented in the spirit of the original agreement' (Worker 141).

Summary

The findings from the survey of workers show that generally, workers perceive that AH impacts positively on them. This corroborates the views of the management consultant and trade union and management representatives. Workers cite better or more stable pay, reduced hours of work and better ability to plan (both finances and time off) as the key benefits of AH. A significant majority of workers in all three companies would vote to 'keep AH', with only very small numbers claiming they would 'get rid of AH' (although this number is higher in Aughinish than it is in the other two companies). A key benefit for workers arises as these AH agreements emphasise minimising the use of reserve hours and therefore workers benefit from a reduction in time spent at work. Even where workers claim that AH decreases what they can potentially earn the vast majority are satisfied with AH. Workers in all three companies also claimed satisfaction with pension, job security and control over work. In Aughinish, the recent increased use of reserve hours has proven to be a significant source of dissatisfaction with a number of workers.

In general, workers did not perceive significant problems with the operation of AH, with most workers believing that these occurred only sometimes, rarely or never. When problems do arise over AH, call-ins were cited as the main source of these problems. Workers did not perceive that AH caused problems between the workforce and other workers.

Most workers perceived that AH caused a change in relationships between themselves and management and generally, this was seen to be a positive change. However, workers in both Cara Partners and Wyeth emphasised that while AH caused fewer problems and conflict between management and unions in their respective companies, it did not lead to partnership between the two. In Aughinish, where the company has been considered an exemplar of workplace partnership for a number of years, a number of workers now believe that their unions are too much on managements' side. The findings from the survey of workers gives weight to suggestions made in chapter six that partnership in Aughinish is now under pressure, given that the gains from AH for workers are beginning to diminish. Workers' opinions also reinforce the point that it is the change in ownership and changes in the external environment that has put pressure on management to try to alter the way AH work.

Finally, a key point arising from this chapter is the reliability of representatives' opinions in relation to how AH affects workers. The results of the worker survey across all three companies closely match the opinions of both management and union representatives interviewed across a range of issues. Representatives were able not just to identify workers' perceptions of AH generally, but also highlighted key areas of benefit for workers. Furthermore, the opinions of representatives in Auginish were very sensitive to how changes in the company had affected workers' views of AH.

CHAPTER EIGHT - THE SUCCESS AND LIMITATIONS OF ANNUAL HOURS: A SYNTHESIS FROM THE RESEARCH FINDINGS

Introduction

This chapter revisits the research questions and summarises the key findings for each of them. The research map in the methodological chapter showed the range of methodologies employed and which research questions each informed. The three previous chapters presented the findings from each methodology in turn. This chapter now draws together the key results in relation to each of the research questions. The results of the research are discussed by referring to the literature across the three broad categories of management, academic and public policy literature identified in chapter three and in relation to negotiating theory and the systems model explored earlier in the thesis. Comparisons are also made between the results of this study and previous research.

The chapter draws on results from all of the methodologies employed; however, the implications of the results differ. The results from the case studies and the survey are not statistically generalisable, as noted in the methodology chapter; however, these results are theoretically generalisable to the wider population. Therefore, where specific inferences are drawn from these methodologies, they relate to the companies and workers studied. However, in the final policy implications section, the wider implications are considered. During interviews with trade union representatives, a management consultant and management, interviewees spoke not just of their direct involvement with a particular case but also their broader experience of AH. It was noted in the methodological chapter that, as Ireland is a relatively small country, industrial relations practitioners involved in AH agreements tend to have a ready knowledge of developments in this area. It was also noted that, as AH is such a niche area in Irish industrial relations that those most knowledgeable and most experienced in this area were identified through networking. Interviewees provided rich information, not just on AH within specific companies but on AH in a broad range of companies in Ireland, which they had experience of. Thus, inferences drawn from the interview data are generalisable, particularly when corroborated by findings from the

other methodologies adopted. The opinions of interviewees were also shown to be extremely reliable in relation to the benefits of AH for workers, as they were strongly corroborated by the results of the worker survey. Representatives had knowledge, not just of workers general views of AH, but of the elements of AH that workers value. Furthermore, representatives' views were sensitive to changes in the environment in Aughinish and how these might affect workers' opinions. Therefore, interviewees' comments on AH can be considered to have a high degree of reliability in this respect.

AH – A Working Time Revolution?

In the early 1990's the management literature lauded the benefits of AH for employers and workers and some predicted AH would fuel a working time revolution (for example, Mazur, 1995). Research question one sought to explore the extent of AH in Ireland and evidence from the database shows that AH is not widespread in Ireland (albeit it is concentrated in process industries) and no such revolution has occurred. Comments from interviewees further suggest that it is unlikely many more agreements will be introduced; comments that are supported by the declining number of AH agreements adopted in recent years. These findings broadly parallel developments in the UK where, despite predictions of widespread take-up of AH in the early 1990's, AH is not a system of working that has become common. While the take-up of AH in Ireland is limited it is, in fact, more widespread than suggested by previous research (Murphy and O'Reilly, 1997; Dobbins, 2003; Kouzis and Kretsos, 2003). When compared with the UK, for example, the number of companies in Ireland that have adopted AH is proportionately greater than the number adopted in the UK. The UK economy is far larger the Irish one and, if the difference in the size of both economies is taken into account, then the 66 establishments that have introduced AH in Ireland represents a much higher proportion than the 276 companies identified by Gall and Allsop (2007) that have introduced it in the UK (see also Wallace and White, 2007b).

Why is AH not More Widespread?

Given the limited diffusion of AH in Ireland, a key question is, why is AH not more widespread? The UK academic literature suggests a number of reasons why AH has not diffused there; however, these cannot explain its limited take-up in Ireland. In particular, Gall and Allsop's (2007:801) suggestion, that the limited take-up of AH agreements in the UK is due to 'an increasing understanding of the drawbacks for

employers and employee dissatisfaction' most certainly cannot explain its limited diffusion in Ireland. The evidence from this research is that, in an Irish context, both employers and employees tend to benefit from AH, particularly where agreements specify that both sides should endeavour to minimise the use of reserve hours. This is evident from the limited numbers that have abandoned AH, comments from interviewees that AH tend to be retained and strengthened in Irish organisations and findings from the cases studied. Blyton (1995) suggests that limited knowledge of AH in certain sectors explains why it has not become more widespread in the UK. However, this is unlikely to explain its limited take-up in Ireland. Lack of knowledge of AH was not identified by any interviewees as a reason for its limited take-up. Rather, issues such as the suitability of AH within certain contexts and the availability of alternatives were identified as helping explain the limited take-up of AH agreements.

Wallace and White (2007a) use the term 'exceptionalism' to refer to the limited diffusion of AH. They suggest that, while it is clear AH has the capacity to deliver real and substantial mutual gains, it has limited application as 'at a minimum, structural factors, such as the presence of high overtime and the possibility of operating without it, must be right in order for the system to be used' (Wallace and White, 2007a: 20). Structural factors are fixed and relatively unchanging⁹⁵ features of a company, as outlined in the systems model in chapter three. They include the industry within which the company operates, the production system employed, whether demand is subject to seasonality, sunken capital costs, levels of overtime worked, and critically, whether a company can operate without overtime. Other non-structural factors that also affect the introduction and operation of AH are the objectives and actions of the industrial relations actors, the process by which AH is introduced and the outcomes of AH, as identified in the systems model. Structural factors also play a key role in determining the extent of available alternatives to AH for management. For example, high sunken capital costs, as in Aughinish precluded relocation to a cheaper economy. This chapter examines the role of structural factors in explaining the limited take-up of AH and explores the role of both structural and non-structural factors in the introduction and operation of AH. Table 8.1, drawing on

⁹⁵ The operation of overtime is an exception to this, as it is a structural factor that can change.

the range of possible factors identified in the systems model, lists the key structural, process and other factors that were found to influence the introduction and operation of AH in this research.

Table 8.1: Factors Influencing the Introduction and Operation of AH

Structural	Process	Other
Industry company operates in	Unilateral action	Mutual gains
Production system	Integrative Bargaining	Losses for either party
Level of overtime / ability to operate without overtime	Distributive Bargaining	Revised work organisation
Seasonality	Workplace Partnership	
Sunken capital costs		
Availability / absence of alternatives		

A comparison of the case studies highlights the role of suitable structural factors in determining the possibility of AH to succeed. While all four cases had high levels of overtime prior to the introduction of AH, Coca Cola was unable to operate without high levels of overtime following the introduction of AH. This was due to both an increase in demand for the product and the allocation of additional business from the parent company and meant all the reserve hours being used up. The use of all the reserve hours can be seen as management attempts to extract a disproportionate amount of the gains of the system for themselves while workers suffered a loss in the form of decreased earnings without any corresponding decrease in hours⁹⁶. In Aughinish, Cara Partners and Wyeth, all three companies were able to operate without the previously high levels of overtime, which meant only a small proportion of reserve hours were used in these companies. Low use of reserve hours was possible as workers had an incentive to look for ways to work smarter. In all three companies, the importance of low use of reserve hours was recognised in the company agreements and both sides specifically agreed to endeavour to keep the use of reserve hours to a minimum. In Cara Partners, when an unanticipated increase in demand occurred it was dealt with through a productivity agreement rather than using reserve hours. Thus, the low use of reserve hours ensured gains were delivered to workers, thereby

⁹⁶ Workers made limited attempts to make AH work in Coca Cola which contributed to the company's inability to operate without overtime.

distinguishing the operation of AH in these three companies from Coca Cola. Of course, management also gained in terms of improved productivity and efficiency from workers who had an incentive to ensure use of reserve hours remained low.

The type of industry within which a company operates is another important structural factor that can facilitate or impede the introduction of AH. The database shows that AH is overwhelmingly concentrated in process, rather than assembly companies in Ireland, suggesting that process industries are best suited to AH⁹⁷. Bell and Hart (2003) suggest seasonal industries are also suited to AH, however, it is clear that a combination of suitable structural factors is necessary for AH to succeed. Coca Cola operated in both a process and seasonal environment; however, these conditions alone were not sufficient to ensure the success of AH. The ability to operate without overtime is, arguably, the most critical structural factor in enabling AH to deliver gains to both management and workers and thus be deemed successful.

A further reason for the exceptionalism of AH is the availability or absence of alternatives for both employers and workers. Insights from negotiation theory, as discussed in chapter three highlight the importance of alternatives. The case studies and interviews⁹⁸ with representatives indicated that AH is sometimes introduced (in Cara Partners for example) as a response to crisis situations. Even if a crisis situation does not exist, interviewees, referring to AH generally, identified that there is usually some catalyst to prompt the introduction of AH. In the absence of a crisis or catalyst to move to AH, there may simply be little incentive for companies to disrupt the *status quo* and overtime may be sufficient to meet the need for any temporal flexibility in the organisation. Blyton (1995:23) identified this over a decade ago, 'the presence of overtime may have actually inhibited any managerial search for other forms of temporal flexibility'.

Companies that introduce AH also have limited alternatives while alternatives do exist for companies who do not introduce AH. These include relocating to a different

⁹⁷ This is not to say that AH are only found in process environments, however, as the Garrett (Honeywell) company in the database provides a counterexample of AH operating in an assembly environment. Of course, further research would be necessary to establish the extent of the success of AH in this company.

⁹⁸ As noted in chapter four, while the interviews were used to construct the case studies, other interviews were also conducted which provided information on AH generally.

country, employing cheaper labour or simply doing business as normal. If these alternatives deliver superior outcomes, this negates the need for companies to consider AH. In the three successful case studies examined for this research, there were limited alternatives available to management. For instance there was a need to retain qualified labour and so replacement of workers with cheaper (e.g. migrant workers) was not an option⁹⁹. The absence of alternatives and the presence of suitable structural factors can explain why AH was introduced in all three.

In addressing question one, the trade unions that are involved with AH agreements in Ireland were identified. The findings show that the breadth of trade union involvement is quite narrow with only ten unions involved out of approximately 45 in the country and SIPTU and the TEEU being the main unions involved. While a number of writers note that AH are primarily found in unionised environments (Arrowsmith, 2007; Gall and Allsop, 2007; Bell and Hart, 2003), the database shows that AH is exclusively found in unionised environments in Ireland. A potential theoretical explanation for the concentration of AH in unionised companies is that in non-unionised companies there is more scope for management to engage in unilateral action, such as employing contractors for example, without organised worker resistance and so negotiation of AH is not necessary. This again highlights the importance of availability of alternatives.

What Drives and Constrains AH?

Research question two investigated why companies introduce AH. Analysis of the case studies and comments from interviewees for this study highlight the elimination of overtime as a key driver for introducing AH. This is consistent with both the management and academic literature (Blyton, 1995; Gall, 1996; Heyes, 1997; Pasfield, 1999; Bell and Hart, 2003; Essery, 2004; Arrowsmith, 2007). This research sought insights into why companies seek to eliminate overtime and move to AH. While a key driver for companies was to abolish the direct costs of overtime i.e. premium payments, the elimination of other, associated costs, was also identified as important in the three successful cases studies. For example, management identified the inefficiency created by an overtime culture, where workers have no incentive to

⁹⁹ This occurred in a number of industries in Ireland, including construction, catering and hotels during the boom years.

improve efficiency, as this would reduce their potential earnings, as a key problem they sought to address through AH. The level of grievances and industrial relations issues that accompanied overtime were also viewed as an indirect cost by management. The findings demonstrate that the limitations and inefficiencies of overtime, identified in chapter two and which set AH in context in relation to broader issues around hours of work, can drive companies to examine AH as an alternative. However, it must be noted that overtime must be amenable to being removed for AH to be successful. This means that in order for overtime to be eliminated, it must be possible for the company to operate without the high levels of overtime that tend to precede the introduction of AH. This is possible if much of that overtime is ‘manufactured’ by workers (in order to sustain earnings). AH reverses the incentive for workers and they can look for ways to get the job done more efficiently. Without the incentive provided by AH, it is generally not possible for management to minimise overtime. This is because management may not know the exact causes of overtime, as demonstrated in the Aughinish case where only workers knew the causes of overtime and shared this with management only once they had an incentive to do so. Furthermore, where overtime is institutionalised, it is difficult for both management and workers to minimise it as it has become the ‘norm’.

Further drivers or constraints of AH include external factors such as changes in the competitive environment and changes in demand. These were notable in providing an impetus to introduce AH in all four companies studied. In the absence of any changes in these factors, then there may be little incentive to disrupt the *status quo* and move to AH. Changes in the competitive environment or changes in demand may require immediate attention if, for example, there is a real possibility of the closure of the company, as in the ‘burning platform’ situation identified in Cara Partners. In Wyeth, changes in the competitive environment did not need urgent attention and no ‘burning platform’ existed but longer-term competitive concerns nonetheless provided a catalyst for the gradual move to AH.

The case studies and interviews show that typically, AH is introduced as part of a wider restructuring initiative and can be used to accelerate other changes in the organisation. Again in an effort to reduce costs, AH was accompanied by redundancies in all the companies studied. In the cases studied, other changes also

accompanied AH such as changes in shift working, the introduction of team-working and an attempt to improve relationships. Major effort was put into improving relationships, both before and after the introduction of AH, in Aughinish and Wyeth, with both companies emphasising a move toward workplace partnership. The case studies therefore are consistent with recurring suggestions that AH can act as a springboard for introducing broader change in the organisation (Mazur, 1995; Gall, 1996; Pasfield, 1999; Rodriguez, 2003; Stredwick and Ellis, 2005).

While the discussion so far has focused on the factors that may drive or constrain management to move to AH, the drivers and constraints for trade unions and workers in agreeing to AH also deserve consideration. For unions, it is the potential gains AH can offer that drives them to at least engage in discussions on AH with management. If no possibility of gains is perceived then this can lead to trade union opposition to AH and thus constrain its introduction. If the possibilities for gains are limited and the alternatives available are preferable, this may also constrain the introduction of AH. While a degree of worker suspicion of AH often occurs during discussions on AH, trade union support for AH can act to persuade workers to accept AH. Trade union officials and shop stewards played a key role in convincing workers of the potential benefits of AH in Cara Partners and Wyeth. A review clause, which is included in most agreements, gives workers a safety net that, if gains do not materialise, they can opt out of such agreements. Interviewees noted, however, that this rarely happens as, once AH becomes established in a company, and delivers gains to workers, they rarely seek to opt out of such arrangements. Indeed it would be irrational for them to do so and the evidence is that workers rationally evaluate the benefits or costs of AH to them and act accordingly. In Aughinish, Wyeth and Cara Partners benefits meant workers sought to make AH work, in Coca Cola the high costs of AH to them meant workers did the opposite.

What Sustains AH?

A central objective of this research was to examine the extent to which AH agreements are successful and the factors that contribute to success or failure. The findings provide substantial evidence that overall AH agreements enjoy a high degree of success in Ireland. The database shows that the majority of AH agreements that are introduced in Ireland endure, with only a very small number of companies abandoning

AH following its' introduction. This suggests a broad degree of satisfaction for the parties to such agreements as management and unions have only sought to revert to standard hours arrangements in rare occasions. The success of AH is further demonstrated by the exceptionally positive views of trade union and management interviewees toward it; views that were corroborated by the overwhelmingly positive responses from workers in the survey (albeit these workers views were limited to the three companies studied).

The research provides strong evidence that AH is considered to deliver mutual gains. The findings support suggestions in both the management and academic literature about the capacity of AH to generate mutual gains. Gains for workers include stabilised salary, increased job security, more control over work and improved work-life balance. Gains for management include increased efficiency and productivity, fewer grievances, less time spent on industrial relations issues, the ability to budget costs, reduced absenteeism and more plant up time (D'Arcy, 1998; Bell and Hart, 2003; Kouzis and Kretsos, 2003; Rodriguez, 2003; Arrowsmith, 2007). Thus, a key and important finding is that it is the potential for mutual gains that prompts the introduction of AH and that it is the reality of the gains generated by AH that sustain it.

If a party does not gain from AH, there is no rational incentive for that party to continue with it. For workers, the low use of reserve hours, in particular, was shown to be an important gain. In Coca Cola, no gains from AH materialised for general workers as the increased demand (combined with the fact that management reduced the workforce too much) meant that reserve hours were used up too quickly. In fact there were losses to workers, as the decrease in earnings was not compensated by a decrease in the number of hours worked. Ironically, the collapse of the AH system actually created gains for workers as management had to pay to buy-out the system. When AH is being considered or introduced by companies, the use of reserve hours is generally one of the aspects of which workers are most cynical. These fears are usually allayed once AH become embedded in the company and gains delivered. This extended beyond the case study companies as interviewees indicated that, in their experience, seeing the system work led to acceptance among previously sceptical workers – an example of the demonstration effect.

The gains from AH for workers and management are susceptible to both internal and external influences and the extent of such gains may differ depending on the company. High-level mutual gains were evident in Aughinish for many years which sustained the AH system. In Coca Cola, although gains for management and craft workers were merely low level gains, they were still sufficient to allow AH be sustained for craft workers.

The public policy literature suggests that workplace partnership plays a central role in delivering gains to workers (see for example NCPP, 2002; IBEC *et al*, 2000). The case studies indicate, however, that the process of introducing AH was much less important in determining its success and sustainability, than the outcomes generated, albeit some industrial relations actors perceived a collaborative or problem solving approach assisted in realising these outcomes. In Aughinish and Wyeth, much emphasis was put on developing workplace partnership and focusing on integrative bargaining when negotiating AH. In Cara Partners, AH was introduced mostly through traditional distributive collective bargaining. The outcomes of AH in Cara Partners are much the same as outcomes in Aughinish and Wyeth. Workers demonstrated high levels of satisfaction with AH, relationships improved and management benefited from improvements in productivity, reduction in grievances and stabilised costs. The results of this study show that AH can, in fact, be introduced in a variety of ways and still prove successful. Methods of introducing AH extend along a continuum from purely distributive bargaining to a highly integrative process. While highly distributive bargaining can be destructive, as in Coca Cola, the case studies show that integrative bargaining is not an essential requirement for the introduction of successful AH. Despite the largely distributive way in which AH was introduced, workers in Cara Partners now demonstrate higher levels of satisfaction with AH than workers in Aughinish. This is because workers in Aughinish perceive a diminution of gains from AH given the increased use of reserve hours, albeit this diminution is not perceived by workers as sufficient incentive to seek abolition of the system entirely. In fact, the majority of workers in Aughinish still support AH.

The Coca Cola case, in particular, demonstrates the relative significance of the outcomes generated by AH compared to the process of introducing it in determining the success of AH. In this case, AH were introduced in a highly distributive fashion,

in fact, almost at the 'point of a gun' and encountered worker opposition from the start. Yet, while the system was unsuccessful among general workers, it was retained for craft workers in Coca Cola. 'What was crucially different, however, was that mutual gains were realised [for craft workers], through the ability of the company to employ contractors. Thus management gained flexibility while workers were able to work much shorter hours in return for a guaranteed high and stable salary' (Wallace and White 2007b: 13). Therefore, the outcome of gains from AH was sufficient to see the system retained for craft workers. As noted in chapter six, general workers did not see any gains from AH, as all the reserve hours were used and so benefits that had been promised, such as increased leisure time did not materialise. As Wallace and White (2007b:13) note 'workers continued to have to work long hours but now without the additional overtime payment'.

This is not to say that the process of negotiating AH is unimportant in the introduction of AH and the subsequent success or failure. There are different perceptions of the process of negotiating AH. For example, some interviewees in Wyeth claimed that AH would never have been introduced there had it not been for the relationship training that workers and management engaged in prior to its introduction. Others claimed that AH would still have been introduced but it might have taken longer. One shop steward suggested it, in fact, hindered negotiations, as workers did not trust management and they felt, as a union representative, he should not have engaged in the relationship training.

Proponents of integrative or win-win bargaining (for example Fisher and Ury, 1983) view it as preferable to distributive bargaining, claiming it generates superior outcomes or mutual gains for the parties to negotiation. While attempts were made in Wyeth to engage in integrative bargaining, it could be argued that negotiations were characterised more by excessive accommodation by management, given the very high salaries agreed for workers there. The implications from the case studies are that the introduction of AH requires adroit handling of both integrative and distributive negotiations. This is because while AH allows mutual gains to be generated and integrative bargaining can help uncover these gains, these gains still need to be divided and thus the role of distributive bargaining is important. As Thompson (2005) notes both integrative and distributive bargaining are important in negotiations as

once the pie has been enlarged it still has to be cut up. An important finding from this research is that an integrative process of negotiation is not a prerequisite to successful AH agreements, albeit it may help make the process of introducing such agreements smoother. In all four cases studied it was the gains generated by the system of AH itself that was the dominant element in ensuring its sustainability, rather than the process by which it was introduced. The use of the systems model allowed consideration of outputs as well as processes and thus highlighted the relative significance of these factors in ensuring the sustainability of AH.

Drivers and Constraints

It is possible to divide the factors that impacted on the success of AH in the cases studied into two categories – primary and secondary drivers and constraints. The gains generated by AH were the primary drivers of the system and, if the potential to generate gains does not exist, this will act as a constraint, limiting the likelihood of its adoption and prospects for successful operation. When gains did not materialise following the introduction of AH, the system was not sustained in Coca Cola. Where gains were delivered for both management and workers, in the three other companies (and craft workers in Coca Cola) then there was a rational incentive for both to seek to continue with AH rather than revert to alternatives.

Secondary constraints include the process by which AH is introduced, middle management resistance (see Wyeth case study) and worker or union opposition. In Coca Cola for example, the highly distributive process of introducing AH was a factor in the failure of the system to deliver gains. Craft worker opposition to AH in Coca Cola was overcome but opposition from general workers was not, as gains were generated for craft workers but not general workers. In Wyeth, worker opposition from the electricians was encountered at first but the demonstration effect of the gains led them to accept it. There was initially a lack of support from some middle management in Wyeth, however, top management support for the system helped drive the move to AH. Thus in these cases, the secondary constraints were not sufficient to prevent the introduction of AH, or derail it, once it was introduced and gains materialised. The process by which AH is introduced may act as a secondary driver (as in Aughinish and Wyeth) in helping both parties recognise the potential for gains.

Nonetheless, if the potential for gains does not exist then the process of introducing AH is not sufficient to drive and sustain it.

Trade Unions – Advocates of AH?

Research question three examined the extent to which trade unions support or oppose AH and the key issues around AH for unions. The dominant view among the management and academic literature is that unions are supportive of AH agreements (Rodriguez, 2003; Wallace *et al*, 2004; Stredwick and Ellis, 2005; Arrowsmith, 2007). Gall and Allsop (2007), in part, adopt a different view, suggesting unions have limited influence over AH agreements and they are mostly introduced through management coercion¹⁰⁰. The interviews and case studies support the generally positive disposition of trade unions towards AH. Craft unions, in particular the TEEU, are strongly supportive of AH in Ireland. This is evident in the very limited number of rejections of AH proposals by TEEU members. SIPTU are also generally supportive of AH and this was evident in positive comments from interviewees. There are more cases where SIPTU workers have rejected AH or have considered it but not proceeded with it than TEEU workers. This does not suggest opposition to AH in principle from SIPTU, however, as SIPTU is one of the most prominent unions involved in AH agreements. Instead it reflects specific factors in these companies that constrained the potential of AH to deliver gains for workers. For example, in Kemek where SIPTU opposed AH it was due to their belief that the company's proposed system would reduce workers' earnings by up to 50 per cent, thus SIPTU saw no potential gain for workers (see Farrelly, 2009).

The case studies and interviews show that unions are normally involved in the design and monitoring of AH agreements in Ireland while other industrial relations actors such as consultants and third parties play a minor role. While consultants were used during the initial stages of designing AH in the three successful cases, the final agreements were a product of management and union negotiations over how AH should operate in practice. The key issues around AH for unions are in ensuring that workers benefit from AH and reap their share of the gains generated. The high degree of union involvement in the design of AH agreements in Ireland ensures the gains

¹⁰⁰ However, Gall and Allsop (2007) also note that AH are primarily found in unionised environments and include in their paper quotes from union sources that suggest benefits from AH for workers.

from AH have a chance to be equitably distributed between management and workers. Thus, the strong involvement by unions in Ireland in the design of AH and the distribution of gains may differentiate the Irish situation from Gall and Allsop's (2007) perception of limited union influence over AH agreements in the UK. This could account for possible superior outcomes for workers in Ireland as against the UK, although this would require further, more detailed comparative research between the two countries.

Interviewees identified establishing sufficient salary for workers when AH is introduced as important, although there was recognition from interviewees that workers, previously working high levels of overtime and having high earnings, would have pay reduced when moving to AH. Union representatives identified positive outcomes of AH for workers including stabilised salary, the elimination of overtime and a better work-life balance. For union officials, the introduction of AH in the three cases studied reduced the number of grievances in the companies company (particularly grievances around overtime). Just as this reduced the amount of time management needed to spend on industrial relations issues, it also reduced the amount of time union officials needed to spend on these.

Workers Opinions – Promises Fulfilled?

Research question four considered whether or not AH impacts positively or negatively on workers. The key methodology employed in dealing with question four, the worker survey, addressed the most significant gap in the literature on AH - the absence of a systematic review of direct worker opinion. The bulk of the management literature lists advantages and disadvantages of AH for workers. A key objective in this research sought to establish whether, on balance, workers perceive AH impacts positively or negatively on them. This took both the advantages and disadvantages of AH into account.

There were strong suggestions from the database, from representatives interviewed and arising out of the case studies that AH impacts positively on workers. If AH impacted negatively on workers it would be expected that more failed cases of AH would exist, as more workers would seek to revert to standard hours with overtime. While it may be considered that workers have little say in this matter, interviewees

noted that most AH agreements provide a review clause, giving workers a 'safety net' when entering into AH agreements that they can revert out of such agreements once the review period has been reached. Interviewees also noted that monitoring of agreements tends to be done on a joint basis between management and unions, thus allowing workers to have input via their representatives. These points are supported by D'Arcy's (1998) research, which found that AH is unlikely to be reversed once it is introduced. Interviewees further noted that in their broad experience, AH schemes tend to be retained and strengthened in companies once they are introduced rather than weakening.

If AH impacted negatively on workers, it would also be expected that at least union (if not management) interviewees would be less emphatic in their support of AH. However, the overall views of both management and trade union representatives were extremely positive in relation to impact of AH on workers. Nonetheless, the only definitive way to test the impact on workers was to ask them directly. The results of the survey show overwhelming support among workers for AH in all three companies, although support for AH in Auginish was somewhat lower than in the other two companies, due to recent changes to AH that have occurred there. This shows the significance of minimising the use of reserve hours in order for the promised gains of AH to materialise for workers and the importance worker gains in sustaining AH. While support for AH in Auginish was somewhat lower, it is important to note that over 70 per cent of workers still claim they would vote to 'keep AH' there. This suggests a diminishing of gains may lead to diminished worker satisfaction but as long as the gains are perceived as preferable to the alternative, workers will prefer to retain AH. The Coca Cola case shows that if no gains materialise for workers, then the AH system is unlikely to be retained.

The combined results of the survey, and evidence from other sources, demonstrate a remarkable consensus in views and a strong correlation between the findings across the mix of methodologies employed. The parallel between the opinions of workers' representatives and workers' direct opinions was notable. In addition management interviewees also showed significant insight into the overall affect of AH on workers.

Question four also explored workers' perceptions of the impact of AH on specific elements of work such as pay, hours of work and home life to establish the elements of AH that workers value. Again, the views of representatives were remarkably consistent with workers' own views. Moreover, it was not just union representatives that showed insight into workers' views but management also demonstrated a high degree of perceptiveness in relation to the elements of AH that workers value. Furthermore, management in Aughinish displayed sensitivity in relation to how changes in the external environment would affect workers' opinions.

In a UK context, Gall and Allsop (2007:810) suggest 'on balance it appears that AH works, to some considerable extent, to the detriment of employees' interests'. The findings from this research demonstrate that, in an Irish context, AH works to the benefit of workers. Workers surveyed consider that AH delivers substantial benefits to them in the companies studied. Comments from representatives also point to benefits of AH for workers in Ireland, more generally, as their experience of dealing with AH went beyond the case studies. The stability of income was identified by a significant number of workers as one of the reasons why they would vote to 'keep AH' in their company. Thus, the suggestion by Bell and Hart (2003:65) that AH 'provide less income variability compared with, say, weekly hours that include significant overtime working' is considered by workers to be delivered in practice. Other benefits of AH indicated by workers include improved work-life balance, reduced hours and improved relationships. Work-life balance, in particular, is something that workers came to value once AH became established in the companies studied

The survey also sought to establish any perceived problems with AH for workers. While workers did perceive some problems with AH, these were generally minor and related to call-ins and the operation of AH rather than problems between workers. Heyes (1997) found in his study of AH in a chemical plant that the focus of grievances changed from between workers and management to between workers, particularly in relation to absenteeism. This was because 'in the case of a forced substitution of cover [for absenteeism], workers' anger tended to be directed towards their absent team mate rather than the company' (Heyes, 1997:77). In the three cases studied for this thesis absenteeism declined following the introduction of AH. Furthermore, the management of absenteeism under AH has not led to any significant

problems between workers in any of the companies studied. Thus, any perceived problems with AH for workers tend to be trivial and of minor importance to workers.

AH, Workplace Partnership and Mutual Gains

The final research question addressed the potential link between AH and workplace relationships with a focus on the role of workplace partnership. A key finding is that good employment relations are not a necessary pre-requisite to the introduction of AH, however, relationships do tend to improve after AH is introduced. In the three successful cases studied, management and union representatives reported improved relationships following the implementation of AH. Even in Coca Cola, the poor relationship between management and craft workers was alleviated somewhat when AH was introduced. As Wallace and White (2007b:13) note ‘what was crucially different [between general workers and craft workers in Coca Cola], however, was that mutual gains were realised, through the ability of the company to employ contractors’. This meant that management gained flexibility, without any worker opposition to the employment of contractors. Previously, this would have been a major contention for workers, as they would have lost out on overtime. Thus this reduction in a source of conflict between management and workers meant alleviation of the previously poor relationship.

There are a number of reasons why relationships between workers and management improved following the introduction of AH. A key reason was due to elimination of conflict between workers and management. In particular, this reduction in conflict related to reductions in disputes over overtime. This conflict was largely of a frictional kind, that is, it arose from work organisation as opposed to the conflict which Marxists and Pluralists view as inherent in the employment relationship. The fundamental reason AH led to improved relationships in the three successful cases and Coca Cola was due to the gains it created and the incentives for parties to sustain these gains. The public policy literature suggests it is the transformation of relationships in itself that leads to gains for workers and management. For example, the NCPP (2000) in its case study on Aughinish claims ‘compared to the instability of the pre-1993 situation, this progress based on a partnership ethos ... has produced more tangible results for both the company and its employees’. In an earlier paper, Wallace and White (2007a: 9) suggested that ‘it is the mutual gains that are *generated*

by AH that lead to improvements in relationships over time'. This research provides solid evidence supporting that suggestion and shows that improved relationships occurred in all the cases studied as grievances around overtime were reduced and both parties gained from the introduction of AH.

The improvements in relationships in the cases studied ranged from minor improvements in the relationship between craft workers and management in Coca Cola to workplace partnership in Aughinish. However, it was the mutual gains generated by AH that were central in sustaining AH in all the cases studied rather than the improved relationships. Indeed the improved relationships can be viewed as an outcome of AH, a gain in itself that arises due to the reduction in conflict. Workplace partnership is not necessary to sustain AH as the Cara Partners case in particular shows. While management put much focus on developing partnership in Wyeth, there was recognition from both management and union representatives that partnership has not been sustained.

While partnership is not necessary to sustain AH, it is notable that the few exemplar cases of high-level workplace partnership that exist in Ireland tend to be accompanied by AH (see Dobbins, 2004). Dobbins and Gunnigle (2009) note partnership in Aughinish has lasted 15 years, which is somewhat remarkable in an Irish context as, despite a system of national level partnership being in existence since 1987, the diffusion of workplace partnership has been limited. Wallace and White (2007a) note the similarities between this exceptionalism of workplace partnership and the exceptionalism of AH. An important question arising from the exceptionalism of both of these is 'why, if they are superior are they not more widespread?' A key argument of this thesis is that the potential for mutual gains drives the introduction of AH and the realisation of such gains sustains AH when it is introduced. However, the capacity to generate such gains is dependent primarily on suitable structural factors. The absence of suitable structural factors means that mutual gains are not easily generated or are too insubstantial to justify a move to AH.

The link between AH and workplace partnership is two-way. In Aughinish and Wyeth, an emphasis on working collaboratively prior to the introduction of AH helped facilitate the introduction of AH. In Aughinish, it was arguably, the gains

generated by AH that led management and workers to continue to work collaboratively in an attempt to generate even higher gains and workplace partnership developed further. While a similar emphasis was put on working collaboratively in Wyeth prior to the introduction of AH, this did not continue after AH became established and although gains were generated in Wyeth, this did not lead to partnership. In Cara Partners, gains were generated without any emphasis on workplace partnership either before or after the introduction of AH.

Wallace (2004:2) notes that ‘there is limited evidence for the systematic replacement of distributive bargaining with integrative bargaining’ and attributes this to the fact that distributive bargaining may suit the parties better. This is perhaps because possibilities for mutual gains in industrial relations are not easily identifiable and so there is little incentive for either management or workers to develop workplace partnership. AH is a mechanism that does generate mutual gains, and can drive workplace partnership, however, this only possible in limited circumstances. An illustration of this is provided by a quote from TEEU Official C (2008) who noted the reason for failure of workplace partnership to diffuse is due to the absence of a driver of partnership. ‘Look at all the models [of partnership] that were held up; they’re all in bits¹⁰¹, except for Aughinish because it has the driver¹⁰². However, the gains generated by AH do not necessarily lead to workplace partnership as the Wyeth and Cara Partners cases demonstrate, nor is workplace partnership necessary to sustain these gains.

A View from Workers

Opinions from workers on the effect AH had on relationships in their respective companies were more mixed than opinions on other issues connected with AH, with some workers perceiving AH promoted a partnership relationship and others claiming it led to greater conflict. Nonetheless, the general view from workers, in survey evidence from both Cara Partners and Wyeth, is that relationships have improved somewhat since the introduction of AH. In Aughinish, a larger proportion of workers (than in the other two companies studied) believed relationships had deteriorated;

¹⁰¹ The models being referred to here include companies such as Aer Rianta, where a highly developed system of workplace partnership collapsed (see Roche and Geary, 2006).

¹⁰² He noted that AH was the driver of partnership in Aughinish.

however, over a quarter of workers in Aughinish believed AH promoted partnership. Despite the differences in workers opinions around relationships in the three companies studied, the majority of workers in all three claimed they would vote to keep AH. The reasons given for this were the gains generated by AH for workers. The key point is that AH generally leads to improvements in relationships and in Aughinish workplace partnership was strengthened as an outcome of introducing AH. However, workplace partnership was not found to be necessary to sustain AH as long as workers perceive the gains of AH are superior to alternatives such as working overtime.

Significance of the Study

This research makes a number of significant contributions to existing knowledge and research on AH. The contributions of the research can be divided into the methodological contribution, the practical contribution and the conceptual and empirical contributions.

Methodological Contribution

The methodologies employed allowed for extensive, in-depth knowledge on AH in Ireland to be generated. Previous research on AH in Ireland relied largely on examination of exemplar case studies. While exemplar cases can provide useful insights into a phenomenon such as AH, reliance on such cases does not allow for any controlled comparison and thus it is difficult to objectively determine the role of different factors, such as workplace partnership, AH itself and wider structural factors in explaining the success of such cases. The use, in this research, of multiple case studies was designed to avoid the limitations associated with merely exploring exemplar cases. The Wyeth case allowed examination of a company where AH was only recently introduced while in Aughinish AH was in place for over ten years. The Cara Partners case allowed exploration of a successful case of AH where no emphasis was put on workplace partnership. This identified other factors, besides workplace partnership that were common between the successful cases. These included structural factors, the ability of the company to operate without overtime and the capacity of AH to deliver mutual gains. The Coca Cola case meant a failure case was included in the study and served to act as a type of controlled experiment. Thus, the use of appropriate comparison cases makes an important methodological contribution to the

study of AH. The cases were selected to control for certain factors and allow for a comprehensive analysis of the working of AH.

For the first time, a survey of workers' opinions on AH was carried out and this allows important insight into their views on AH in general and more importantly, the areas of AH that they value. An important methodological contribution of this thesis arises from the deployment of both qualitative and quantitative methods to study the affect of AH on workers. The use of the quantitative survey allowed the accuracy of qualitative views of managers and trade union representatives to be checked against the views of workers. The results of the worker survey, interviews and case studies show a close correlation between the findings from each. In particular, the results of the worker survey accurately correlated with the opinions of union representatives and management in relation to how AH impacts workers. Thus, a key contribution of the mixed methods was that it allowed this test of qualitative data with quantitative data. This has implications for evaluating the reliability, more generally, of the views of representatives and managers.

Practical Contribution

The thesis also makes a practical contribution and information derived from this study will prove useful, not just to researchers and academics, but also to industrial relations practitioners. For the first time, a database on the extent of AH in Ireland is available which provides an accurate reflection of the extent and distribution of such agreements. This provides a starting point for future researchers who might wish to explore AH in other companies or to explore a wider sample of management opinions of AH. At a policy level companies and unions that may be considering introducing AH can use the study to research the conditions under which AH are most likely to be successful and to become familiar with the aspects of AH that workers value and any potential difficulties with AH.

Conceptual and Empirical Contributions

The conceptual and empirical contributions are evidenced by the thesis utilising the systems model to allow a more structured analysis of the factors that may be at play in determining the suitability of AH for organisations and the circumstances under which such agreements are most likely to be successful. A key contribution is also made as

the research reports on the findings of the first survey of workers in relation to AH in Ireland. In doing so, the thesis contributes to existing debates in the literature on the impact of AH on workers and provides a more nuanced view of the circumstances under which AH are most likely to yield benefits for workers, and the aspects of AH that workers value.

The findings show that AH is likely to be appropriate where suitable structural factors exist and excess or 'manufactured' overtime exists, however, a company must be able to operate without overtime. In other words, it must be possible for workers and management to limit the use of reserve hours and not simply replace overtime with reserve hours, as occurred in Coca Cola. Limiting reserve hours and, as is often included as part of the agreement, discounting them on a quarterly basis ensures that the mutual gains of AH are realised. That is workers gain from a stable salary and spend less time at work, while management gain from improved efficiencies and stabilised costs.

While previous accounts of AH in exemplar cases focused on the role of workplace partnership and integrative negotiation, the findings of this research emphasise that the process through which AH are negotiated is only one of a number of factors that are important. Negotiation of AH agreements can be facilitated by relationship building or workplace partnership but these are not essential. Both integrative and distributive negotiation approaches are important. Integrative elements are useful in the design of any system but the disbursement of gains also requires careful handling of distributive bargaining. A key issue is a need for deep involvement of local actors (unions and management) in the design of AH rather than adoption of bespoke system offered by consultants. The thesis highlights the importance of the role of alternatives available to industrial relations actors, as suggested by negotiation theory. The alternatives available to both management and unions may influence their decision to enter into negotiations on AH and influence the power balance between the two.

The key results of the research show that the most important factor in ensuring the success and sustainability of AH was the gains generated by the system of AH rather than the process by which the system was introduced. The possibility of these gains was in turn, largely determined by structural factors. AH are likely to be successful

where real and substantial mutual gains are generated and these are distributed in a perceived equitable fashion. For workers, the low use of reserve hours is central to their perceptions of gains from an AH system. The use of the systems model makes an important contribution in identifying the key factors that contribute to the suitability and success of AH in organisations. It also identifies the limited role of other external factors such as legislation and the political system and the limited involvement of certain industrial relations actors such as employer organisations and the legal courts. It would be useful for future research to test the theory that the gains generated by AH are the most important factor in ensuring its success by examining AH in other organisations, using the systems model. The premise that the low use of reserve hours is central to workers' perceptions of gains from an AH system, would also benefit from further testing in other organisations. This would allow a test of the findings from this research that overall, AH is a niche system for organising working time and does not represent a generally applicable approach.

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Web links:

www.bnm.ie

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www.kompass.com

www.partnershiplearningnetwork.com

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APPENDIX A: INTERVIEW SCHEDULES

Interview Schedule SIPTU Official A

Pre-introduction of Annualised Hours

What were SIPTU's views on annualised hours when the idea was first mooted back in 1997?

PROBE

- Strongly in Favour
- In favour
- Open to discussion
- Against
- Strongly against

When annualised hours were first discussed in Coca Cola, approximately how many workers did SIPTU represent?

What categories of workers?

Overall, how would you assess SIPTU members' attitudes toward annualised hours when the idea was suggested?

- Strongly in Favour
- In favour
- Open to discussion
- Against
- Strongly against

PROBE

What did they see as the potential benefits?

And the potential drawbacks?

Reasons for being in favour of / against annualised hours?

The Negotiation of the Agreement.

PROBE

How long did it take from when annualised hours were first proposed to the eventual agreement?

What were the main issues that arose during negotiation?

How were these resolved?

It was reported that SIPTU rejected a Labour Court recommendation on the proposed terms of the 'Plan for Change'. Why?

Was any industrial action taken in relation to the proposed terms of the agreement?

How was this resolved?

What led employees to accept the final agreement?

It was reported that employees received a series of (12) 'goodwill payments' in return for agreement on the plan for change. On average, how much was this worth to SIPTU members at the time?

What was your view on the final agreement?

How did the members vote? Approximately how many in favour / against?

Were any other initiatives introduced in conjunction with annualised hours

PROBE

What were these? Team working? Partnership?

Redundancies? How many in total? How many SIPTU members?

SIPTU members' reaction to these?

How significant were relations between management and SIPTU at the time of introducing AH?

PROBE

Between management and SIPTU members

Did these change over time?

How?

The Operation of Annualised Hours.

What were the advantages and disadvantages of annualised hours for SIPTU members?

What was the effect of annualised hours on:

Employee leisure time?

Earnings?

What were SIPTU members' views on:

Loss of overtime

Working reserve hours?

Procedures for call-in?

Regulation of absenteeism?

Was any industrial action / 3rd party intervention taken in relation to the operation of annualised hours?

PROBE

What were the main issues in dispute?

Which 3rd party was involved – LRC, Labour Court?

How was the dispute resolved?

On balance, which of the following reflects annualised hours for SIPTU members?

- The advantages of annualised hours outweighed the disadvantages.
- The advantages and disadvantages of annualised hours were about equal.
- The disadvantages of annualised hours outweighed the advantages.

How long were annualised hours in operation for SIPTU workers in Coca-Cola?

The Abolition of Annualised Hours

Annualised Hours were abolished in Coca Cola for SIPTU workers. Why?

PROBE

Internal operation of AH

External factors

How did SIPTU members feel about this?

What was negotiated for SIPTU members when annualised hours was abandoned?

PROBE

Was any industrial action / 3rd party intervention taken in relation to the abolition of annualised hours?

What were the main issues in dispute?

What 3rd party was involved – LRC, Labour Court?

How was the dispute resolved?

What was put in place to replace annualised hours?

What were the repercussions for Coca Cola of abandoning annualised hours?

AH is still in place for craft workers in Coca Cola. Would you have any idea why it was retained for these workers?

How would you assess SIPTU members' current opinion of annualised hours?

Do you know of any other companies that have abandoned AH following their introduction?

Possibility of looking at SIPTU's files on the case or get a copy of the agreement?
Confidentiality

Interview Schedule HR Manager A

Pre-introduction of ‘Hours Usage & Payment Plan’

When did the idea of annualised hours first arise in Irish Rail?

Where did the company hear about annualised hours?

Why did Irish Rail want to introduce annualised hours?

What did they expect to gain?

Did Irish Rail want to introduce annualised hours for all workers?

Yes No

If no, what workers did they want to introduce it for?

Why?

What were management’s attitudes to annualised hours at the time?

PROBE:

Different levels of management in Irish Rail

Management in CIE company overall

Reasons for being in favour/against

What were employees’ attitudes to annualised hours at that time?

Reasons for being in favour/against

What was the trade unions’ reaction generally?

- Strongly in Favour
- In favour
- Open to discussion
- Against
- Strongly against

Why?

Negotiation of Irish Rail’s System

Irish Rail negotiated a system that was similar to annualised hours but not the standard annualised hours arrangement.

Why was this so?

PROBE

Employee / Union opposition to standard annualised hours

Standard annualised hours unsuitable – why?

Cost factors

Management preference? Why?

Other

What are the main differences (if any) with standard annualised hours arrangements?

In its' recommendation on pension in 1999, the Labour Court stated that the system "could be equated with an annualised hours agreement". To what extent do you agree with that?

The system in Irish Rail is described as an 'Hours Usage and Payment Plan' rather than annualised hours.

What are the main elements of the scheme?

Is it possible to have a copy of the detailed scheme(s)?

How many agreements on AH are in the company?

Who is covered?

Are the agreements the same or different?

If different - what are the chief differences?

How was this (were they) negotiated?

PROBE

What unions were involved?

Different agreements for different employees/unions?

What about employees who were members of the ILDA?

How long did it take?

What were the main issues that arose before agreement was reached?

How were these resolved?

Which of the following elements of annualised hours does the Irish Rail system contain?

Elimination of overtime

Rostered hours averaged over a period of time

Reserve hours

Discounting hours

Pension based on annual salary

Sick pay based on annual salary

Availability of staff to be called in for additional hours without direct additional pay

Were any other initiatives introduced in conjunction with the plan?

PROBE

What were these?

Redundancies – how many?

Why were these introduced?

Operation of the System

How many workers at Irish Rail are covered under the plan?

Approximately what percentage of the total workforce is this?

PROBE

Intercity

DART

Inchicore Works (Data from Aughinish that they had expressed an interest in AH – has it since been adopted?)

What benefits, if any, have accrued from the changes to working hours?

PROBE

What were these?

Main benefits for management / for employees?

Reduction in overtime costs? By how much?

Changes in absenteeism rates? Details?

Specific benefits?

Were there any difficulties with the system once it was introduced?

What were these?

PROBE

Operational / financial difficulties

Employee concerns

Management concerns

External factors

How were these addressed?

How is the system currently working? How many of the issues are unresolved?

How would you describe management / union relations at the time of introducing the changes to working hours?

PROBE

SIPTU / NBRU / ILDA

Was it an issue in relation to introducing the changes to hours?

How is the 'Hours Usage' system managed?

PROBE

Joint Monitoring Committee

Unilaterally

Other

Have there been any changes to the system since it was introduced?

None

A few minor changes

Major review & change

Future Implications

Are there currently any plans to extend annualised hours (or similar systems) to other areas of Irish Rail?

Yes No

If yes, what areas/employees is it proposed this will apply to?

If no, why?

The CIÉ group - Do you know if annualised hours have been introduced in any sectors of Dublin Bus or Bus Éireann?

Do you know if there are currently any plans to introduce such systems in these companies?

Interview Schedule TEEU Official B & Management Consultant

Could you both briefly outline your current roles and outline your experience in dealing with annualised hours agreements?

Annualised Hours - General

Annualised Hours are credited as having originated in Scandinavia in the 1970's.

- Approximately, when did annualised hours first become established in Ireland? Probe first company to introduce them

What do you think were/are the factors, which prompt companies to investigate the option of annualised hours?

Probe – suggestion it was in response to new legislation on the regulation of working hours

(Sean) - What are the TEEU's views on annualised hours?

It has been suggested that on balance, annualised hours in Ireland reflect an employers' agenda geared towards cost reduction and productivity improvements, more so than a trade union/employee agenda.

- What are your views on this?

A number of companies have investigated the option of annualised hours but have not, as yet, proceeded with their introduction.

- What do you think are the reasons for this?
- What alternatives are available for companies?

A small number of companies in Ireland have abandoned annualised hours following their introduction.

- Why do you think this was so?

Are there any particular types of organisation that annualised hours are best suited to?

- What are these?

Are there any particular types of *employees* that annualised hours are best suited to?

Probe – mostly craft workers

Annualised hours are not widespread in Ireland.

- Do you think the potential for annualised hours in Ireland has reached its peak?

What are the potential benefits of annualised hours?

For employees

For management

What are the potential drawbacks?

Negotiation of Annualised Hours Agreements

In your experience what are the main issues/problems that arise during the negotiation of annualised hours contracts?

- Probe –Pension
- Procedure for call-ins
- Reserve hours
- Monitoring
- Discounting hours
- Elimination of overtime

What techniques are used to resolve these issues?

- By management
- By trade unions

Is it standard practice to introduce annualised hours in conjunction with other initiatives?

What are these?

How significant are relations between management and union when negotiating annualised hours?

In your experience, how long does it take from when annualised hours are first proposed to eventual agreement?

The Operation and Management of Annualised Hours

What are the main benefits of operating annualised hours?

- From a management perspective
- From a trade union / employee perspective

What are the main difficulties of operating annualised hours?

- From a management perspective
- From a trade union / employee perspective

(Sexton) What costs are involved in managing annualised hours from an employers' perspective?

Are there any implications for annualised hours if the company changes size or structure?

Are there implications for annualised hours when there are changes in management or trade union representatives within a company?

How are annualised hours contracts monitored?

Annualised hours are said to deliver mutual gains.

If this is so, how sustainable do you think these gains are over time?

Interview Schedule Operations Manager A

When did Cara Partners first introduce AH?

PROBE

How long had the company been considering AH before that?

Where did they hear about it?

Why did Cara Partners decide to introduce AH?

What did the company expect to gain?

What were managements' attitudes toward AH at the time?

PROBE

Different levels of management / Parent Company

Reasons for being in favour / against AH

What were your own feelings about AH?

PROBE

In favour / Uncertain / Against

How do you feel about AH now?

What were employees' attitudes toward AH at the time?

PROBE

Different categories of employees

Reasons for being in favour / against AH

How was AH negotiated?

PROBE

What unions were involved?

Different agreements for different employees/unions?

How long did it take?

What were the main issues that arose before agreement was reached?

How would you describe the negotiations on AH?

PROBE

Highly distributive

Mostly distributive but with some integrative elements

Equally balanced between integrative and distributive

Mostly integrative but with some distributive elements

Highly integrative

Were any other initiatives introduced in conjunction with AH?

PROBE

What were these? Teamworking? Partnership?

Redundancies – how many?

Why were these introduced?

How would you describe management / union relations at the time of introducing AH?

PROBE

Was it an issue in relation to introducing AH?

How would you describe management / union relations now?

How does AH operate in practice?

PROBE

How many core hours?

IRN reported in April 2001 that it was estimated about half of the 210 reserve hours would be worked.

Was this the case?

On average, how many reserve hours are currently worked?

What is the procedure for call-ins?

What are the advantages of AH?

PROBE

Main advantages for management / for employees

Reduction in overtime costs

Control of absenteeism

Improvements in efficiency / productivity

What are the main costs / difficulties – operational / financial?

PROBE

Employee opposition / dissatisfaction

External factors

Internal operation of AH / administration

Changes in management personnel / management's attitude to AH

Relationships with trade unions / employees

Employee issues with how AH operates in practice

Industrial action / third party intervention

Were there any difficulties in relation to the change from a 4-shift operation to a 3-shift operation?

What were these?

What are the main differences between working within an AH system compared to before?

PROBE

What's easier?

What's more difficult to manage?

Which is more efficient? Why?

Which is more cost effective? Why?

What have been the effects on production?

Is the monitoring committee still in place?

PROBE

How does this operate?

How often does the committee meet?

What are the main issues that arise?

What is managements' current opinion of AH?

PROBE

Has it delivered the benefits envisaged?

How would you rate employees' level of satisfaction with AH overall?

Possible to get a copy of the agreement?

Interview Schedule – All Other Interviewees

TEEU Official C / Managing Director / HR Manager B / SIPTU Shop Steward A, B, C, D, E, F & G / Unite Shop Steward A / Operations Manager B / Unite Shop Steward B / Unite Shop Steward C / SIPTU Official B

Annual Hours General

- When introduced? Why? Determining factors -
 - Economic factors
 - IR factors
 - Role of Head Office/local management
 - Who drove it?
 - Reaction to suggestion of AH?
- Influences
 - Where did they hear about it?
 - Influences
 - TU inspired
 - Mgt inspired
 - Other
- Management attitudes
 - Different levels
- Early trade union response/attitudes
 - Union officials
 - Shop stewards
 - Employee reactions/attitudes
 - Different groups of employees
- Planning
 - Who was involved?
 - Consultants
 - Designed in-house
 - Extent of planning
 - How long did it take?
 - Factors

Negotiation of Annual Hours

- Unions involved –
 - Different unions?
 - Differing attitudes?
 - Different agmts for different unions?
 - What are the differences?
- Main issues which arose
 - Pay, pension, output level, reserve hours, flexibility, O/T
- How long did it take?
 - How difficult?
 - What difficulties?
 - Any third party involvement - LRC, LC etc?
- Any other initiatives
 - Redundancies, partnership, production changes, team working etc.

Operation of Annual Hours

- Practical issues of AH
- Reserve hours
 - What % worked
 - At start
 - Now
 - Differences between different groups
 - Discounting hours
 - How often, what %?
 - Difficulties/issues now
- Shift working
 - Change in shifts?
 - Effects of this
 - Which more important - this or AH?
- Arrangements for
 - Call-ins, Monitoring,
- Advantages for management
 - Difficulties / disadvantages
- Advantages for employees
 - Difficulties / disadvantages
- Effects on:
 - Overtime, costs, absenteeism, productivity
- Degree of success of AH – factors affecting this
- External factors
 - Competitors, costs, exchange rate, demand
 - Effects of these on the operation of AH
- Differences between
 - Controllable / non-controllable factors
- Constraints – structural factors, financial constraints
- Relationships
 - Between management and unions
 - Management and workers
 - Differences since AH introduced
 - Any evidence of partnership
- Mutual gains
 - What are these?

Current Issues

- Managements' current opinion of AH
- Employee attitudes
- Union attitudes
 - Differing unions

APPENDIX B: WORKER QUESTIONNAIRE



UNIVERSITY of LIMERICK
OLLSCOIL LUIMNIGH

Employee Questionnaire on Annual Hours

This questionnaire is part of a study on annual (or annualised) hours being conducted by Lorraine White - Department of Personnel & Employment Relations, University of Limerick.

The questionnaire explores employee opinions of annual hours for the first time in Ireland. The study is being undertaken with the approval of trade unions and management in your company.

Important note: All answers provided are completely confidential to the researcher. A general report of the research findings will be made available to trade unions and management in the companies involved.

If you have any queries on the questionnaire or the study in general you can contact me at lorraine.white@ul.ie or phone 061-202666.

You should already have received details on how to return the questionnaire in your company. Your participation is greatly appreciated.

****Please indicate your response to each question by ticking the appropriate box****

1. Did you work in this company before annual hours was introduced?

Yes.....

No.....

2. When you first heard you were going to be working annual hours in this company, what was your opinion of it?

I thought it was ...

A great idea	A good idea	Neutral	A bad idea	A very bad idea	No opinion	Can't remember
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

3. If a vote on annual hours, as it is, in your company were held today, how would you vote?

I would vote to...

Keep annual hours

Get rid of annual hours

Not sure

4. What is your main reason for the above answer in Question 3?

5. Please indicate your level of agreement/disagreement with each of the following statements.

In my opinion...	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
a) Annual hours makes my job more secure.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Annual hours gives me more control over how I do my work.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) People are only called in to work reserve hours when really necessary.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

6. To what extent are you satisfied or dissatisfied with the following features of annual hours in your company?

	Very satisfied	Satisfied	Neutral	Dissatisfied	Very dissatisfied
a) Shift rostering.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Notice for call-ins...	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) Number of call-ins in a typical month.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

7. To what extent are you satisfied or dissatisfied with each of the following in your company?

	Very satisfied	Satisfied	Neutral	Dissatisfied	Very dissatisfied
a) Salary/pay.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Number of hours you work.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) Sick pay scheme....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) Pension.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

8. Because of annual hours in this company, I think I work ...

- more hours overall than I otherwise would
- about the same hours overall as I otherwise would } → go to Q 10
- less hours overall than I otherwise would → go to Q 9

9. Approximately how much of your additional free time do you spend on each of the following activities?

	A lot	Some	Very little	None
Working other jobs.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sport / leisure.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Housework / home maintenance..	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Childcare.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other family activities.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

10. When extra hours need to be worked, overtime is usually voluntary whereas annual hours are not. How much of a concern is lack of choice in working annual hours to you?

- Major Concern
- Some Concern
- Little Concern
- No Concern

11. In your opinion, what effect does annual hours have on your level of earnings in this company compared to an overtime system?

- Decreases what I can earn → go to Q 12
- No effect on what I can earn
- Increases what I can earn }
- Unsure / Don't know → go to Q 13

12. Which of the following statements most closely matches your view on the effect annual hours has in decreasing your level of potential earnings?

- Miss the extra money.....but glad I don't have long hours
- Miss the extra money.....and never minded long hours
- Don't miss the extra money..... and glad I don't have long hours
- Don't miss the extra money..... but never minded long hours

13. Are there any changes you would make to the annual hours system in your company?

- Yes → go to Q 14
- No → go to Q 15

14. What is the main change you would make?

15. As a result of annual hours, have relations between workers and management in your company changed?

- Yes → go to Q 16
No
Don't Know } → go to Q 17

16. In what way have relations changed?

- Relations are much better than they were before
Relations are somewhat better than they were before
Relations are somewhat worse than they were before
Relations are much worse than they were before

17. In your opinion, what effect does the existence of annual hours have on relationships between management and unions in this company?

- Promotes a partnership relationship between the two
Causes greater conflict/problems between the two
Causes less conflict/problems between the two but not partnership
Causes unions to be too much on managements' side
Has no effect on relationships between the two
Other (Please specify)

18. In your experience, how often do problems arise over the way annual hours work?

- Very Often
Often
Sometimes
Rarely } → go to Q 19
Never } → go to Q 22

19. In your opinion, what aspects of annual hours cause most of these problems?

- Pay
Hours
Pension

- Call-ins
 - Sick-pay
 - Other (please specify)
-

20. How much of a concern do these problems tend to be?

- Major concern
- Some concern
- Little concern
- No concern

21. When problems arise they are generally...

- Resolved quite easily
- Only resolved with some difficulty
- Only resolved with a lot of difficulty

22. How often do annual hours cause problems between you and other workers?

- Very Often
- Often
- Sometimes
- Rarely → go to Q 23
- Never → go to Q 25

23. In your opinion, what is it about annual hours that causes most of these problems?

24. How much of a concern do these problems tend to be?

- Major concern
- Some concern
- Little concern
- No concern

25. Are you a member of a trade union?

- Yes → go to Q 26 No → go to Q 31

26. Which trade union are you a member of?

- TEEU
- SIPTU
- Amicus (Unite)
- ATGWU
- Other (please specify) _____

27. In your opinion, how important is it to be a member of a trade union in this company?

- | | | | | |
|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Not important | Somewhat important | Neutral | Important | Very important |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

28. In your opinion, how effective is your trade union in representing your interests in this company?

- | | | | | |
|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Very effective | Somewhat effective | Neutral | Ineffective | Very ineffective |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

29. What impact do you think the existence of annual hours has on your union in this company?

- Greatly increases the role of the union
- Increases the role of the union
- Decreases the role of the union
- Greatly decreases the role of the union
- Makes no difference

30. What are your main reasons for choosing the above option?

- Fewer work related problems
- Less disciplinary action
- Fewer grievances
- More job security
- Lessened union influence / power
- Greater union influence / power
- Other Please specify

31. What is your current job?

- Professional / Management
- Electrician
- Fitter
- Technician
- Engineer
- General operative
- Clerical / Administration
- Other Please specify _____

32. Are you...?

- Male Female

33. Into which of the following age groups do you fit?

- Under 20
- 21-30
- 31-40
- 41-50
- 51-60
- 61+

34. Into which of the following categories do you fit?

- Married/ Co-habiting Would rather not answer
- Single
- Separated / Divorced
- Widowed

35. Do you have children under the age of 18 for which you have caring responsibility?

- Yes Would rather not answer
No

Any other comments you would like to make about your experience of annual hours

Thank you for your participation in this research. Your time is greatly appreciated.

APPENDIX C: QUESTIONNAIRE COVER LETTER WYETH



UNIVERSITY of LIMERICK
OLLSCOIL LUIMNIGH

Employee Questionnaire on Annual Hours

My name is Lorraine White and I am in the final year of a 4-year PhD study of annual hours in Ireland. As part of this study I am conducting a survey of employees in three companies to get their views on annual hours.

I hope to get your comments by way of a questionnaire, which will be given to Wyeth Nutritionals employees through their trade union representatives in the next week or so. There are no right or wrong answers, only your opinions. Your views will provide an invaluable contribution to the study, and I would be extremely grateful if you would take a few minutes to complete the questionnaire when you receive it. It is important that I get back as many questionnaires as possible to enable me to complete my PhD.

All answers provided are completely confidential to me and the data will be used in writing my PhD and for academic publications. A general report of the research findings will be made available to trade unions and management in the companies involved.

I would greatly appreciate it if you could assist me in my research. If you have any queries on the questionnaire, or would like more information on the study, please feel free to contact me (lorraine.white@ul.ie).

Thank you,
Lorraine

APPENDIX D: QUESTIONNAIRE COVER LETTER AUGHINISH

Re: Employee Questionnaire on Annual Hours

My name is Lorraine White and I am in the final year of a 4-year PhD study of annual hours in Ireland. As part of this study I am conducting a survey of employees in three companies to get their views on annual hours.

I hope to get your comments by way of a questionnaire, which will be given to RUSAL Aughinish employees in the next week or so. There are no right or wrong answers, only your opinions. Your views will provide an invaluable contribution to the study, and I would be extremely grateful if you would take a few minutes to complete the questionnaire when you receive it. It is important that I get back as many questionnaires as possible to enable me to complete my PhD.

All answers provided are completely confidential to me and the data will be used in writing my PhD and for academic publications. A general report of questionnaire results will be made available to management and trade unions in the companies involved.

I would greatly appreciate it if you could assist me in my research. If you have any queries on the questionnaire, or would like more information on the study, please feel free to contact me (lorraine.white@ul.ie).

Thank you,
Lorraine

APPENDIX E: DATABASE ON ANNUAL HOURS

Section A							
Source(s) of Information:	Year of introduction (approx)	Classification	Sector (Public, Private or Semi-State)	Establishments Which Have Introduced Some Form of Annual Hours	Trade Union(s) Involved:	Employees Covered by the Scheme:	Notes
IRN/Sean Heading	2000	Engineering, Manufacturing & Technology	Private	ABB Transformers (closing 2010)	TEEU	Craft Workers/Maintenance Technicians	
IRN	2007	Pharmaceutical, Chemical & Related Industries	Private	Abbott Ireland (Cavan)	TEEU	Craft Workers	
Sean Heading TEEU	Unknown	Engineering, Manufacturing & Technology	Private	Aer Lingus (Simulator Section)	TEEU	Craft Workers/Maintenance Technicians	
IRN	1997	Distributive Trades	Private	Allegro	SIPTU (MPGWU)	Warehousing, Transport and Production Workers	
Ciara D'Arcy Report / IRN	1996	Engineering, Manufacturing & Technology	Private	Aughinish Alumina	SIPTU / TEEU / AWEU	Craft Workers, Operatives	
Ciara D'Arcy Report	pre 1998	Transport	Private	Automobile Association	SIPTU	All incoming workers as of when system introduced	
IRN / SIPTU	2006	Pharmaceutical, Chemical & Related Industries	Private	BOC Gases Ltd.	SIPTU / Amicus (Unite)	Engineers / Yard men	Cited by D'Arcy (1998) as one of six companies that examined the possibility of introducing AH but then decided against it.
IRN / SIPTU	1999	Electricity and Energy	Semi-State	Bord na Mona (Energy)	ATGWU / SIPTU	Craftworkers	
IRN	2004	Other Industries	Private	Brinks Ireland	SIPTU	Security workers	
IRN/Sean Heading	1999	Food	Private	Cadbury	TEEU	Craft Workers	
Sean Heading TEEU	Unknown	Drink and Tobacco	Private	Cantrell & Cochrane (C&C)	TEEU	Craft Workers/Maintenance Technicians	

IRN / Alan O'Leary SIPTU / SIPTU	2001	Pharmaceutical, Chemical & Related Industries	Private	Cara Partners	SIPTU / TEEU	Operatives / Lab technicians / Maintenance Technicians	
Pat Guilfoyle TEEU	Unknown	Food	Private	Carberry Milk Products	TEEU	Craft workers	
IRN/Sean Heading	2002	Engineering, Manufacturing & Technology	Private	Carnaud Metal Box (Taken over by Crown Cork & Seal)	SIPTU / TEEU	General Workers, Craft Workers/Maintenance Technicians	
Aughinish Alumina / Alan O'Leary SIPTU/ Sean Heading / IRN	2004	Pharmaceutical, Chemical & Related Industries	Private	Conoco Philips	SIPTU / TEEU	Operatives, Craft Workers/ Maintenance Technicians	
SIPTU	1999	Engineering, Manufacturing & Technology	Private	Corus Service Centre	SIPTU	Unknown	
SIPTU	Unknown	Food	Private	Dairygold (Galtee Meats)	SIPTU	Craft workers	
Ciara D'Arcy Report / IRN / Sean Heading / SIPTU	1994	Engineering, Manufacturing & Technology	Private	Diamond Innovations (formerly GE Superabrasives)	TEEU / AEEU / SIPTU	Craft Workers/Maintenance Technicians, General Workers	SIPTU members were not entirely in favour of the plan but it was carried on an aggregate vote by AEEU and TEEU members. They were concerned in particular about holidays which can't be taken during rostered time off (SIPTU, 2007).
Aughinish Alumina / IRN / Sean Heading	2004 / 2006	Other Industries	Semi-State	Dublin Port	TEEU, UCATT, GMBATU, SIPTU, SUI	Craft Workers, General Workers	
Aughinish Alumina / IRN	1997	Drink and Tobacco	Private	Diageo (Guinness Dublin)	TEEU / AEEU / SIPTU / GSA (Guinness Staff Association)	All staff	
Sean Heading TEEU / IRN / SIPTU	1997	Drink and Tobacco	Private	Diageo (Gilbeys Dublin) (Baileys)	TEEU	Craft Workers/Maintenance Technicians	SIPTU rejected AH in 2001 (IRN) despite negotiations being 'almost complete' in August 2001 (SIPTU)
Sean Heading TEEU / Aughinish Alumina	1997	Drink and Tobacco	Private	Diageo (Great Northern Brewery)	TEEU	Craft Workers/Maintenance Technicians	

Sean Heading TEEU	1997	Drink and Tobacco	Private	Diageo (Global Supply - St. Francis Abbey Brewery)	TEEU	Craft Workers/Maintenance Technicians	
IRN	1997	Drink and Tobacco	Private	Diageo (Irish Ale Breweries)	SIPTU	All employees	
Ciara D'Arcy Report	pre 1998	Building, Construction & Allied Trades	Private	Du Pont	Unions present in plant but specific union unknown for this agreement	Unknown	
IRN/Sean Heading	2004	Engineering, Manufacturing & Technology	Private	Element Six (formerly DeBeers)	TEEU, Amicus AEEU	Craft Workers/Maintenance Technicians	
Aughinish Alumina / IRN	2004	Electricity and Energy	Semi-State	ESB (Moneypoint)	TEEU, Amicus, ATGWU, SIPTU	Craft Workers / General Workers	
Aughinish Alumina / IRN / Eurofound	2003	Electricity and Energy	Semi-State	ESB LoughRee Powerstation	TEEU, Amicus, ATGWU, SIPTU	Craft Workers / General Workers	
Aughinish Alumina / IRN / Eurofound	2003	Electricity and Energy	Semi-State	ESB West Offaly Powerstation	TEEU, Amicus, ATGWU, SIPTU	Craft Workers / General Workers	
IRN	Unknown	Electricity and Energy	Semi-State	ESB Aghada	TEEU, Amicus, ATGWU, SIPTU	Craft Workers / General Workers	
IRN	pre 2003	Electricity and Energy	Semi-State	ESB Poolbeg	TEEU, Amicus, ATGWU, SIPTU	Craft Workers / General Workers	
Ciara D'Arcy Report / IRN	pre 1998	Food	Private	Glanbia (Avonmore Foods)	TEEU / SIPTU	Unknown	
Ciara D'Arcy Report / Labour Court	pre 1998	Food	Private	Glanbia (Ballyraggot plant)	TEEU	Unknown	

Ciara D'Arcy Report / SIPTU	pre 1998	Food	Private	Glanbia (Inch)	SIPTU	Unknown	
IRN / Sean Heading TEEU	2000	Food	Private	Golden Vale - (Kerry Group)	SIPTU / TEEU	Milk Powder Workers (Charleville) / Craft Workers / Maintenance Technicians	
IRN / SIPTU	1999	Building, Construction & Allied Trades	Private	Gypsum Industries (Part of BPB Group)	SIPTU	Clerical staff, general workers	
IRN/Sean Heading / SIPTU	2001	Pharmaceutical, Chemical & Related Industries	Private	Hollister Overseas	TEEU	Craft Workers/Maintenance Technicians	SIPTU considered AH in 1999 and again in 2001, unclear whether introduced (Source: IRN & SIPTU)
IRN/Sean Heading	2002	Engineering, Manufacturing & Technology	Private	Honeywell (Garrett)	TEEU	Craft Workers/Maintenance Technicians	
Aughinish Alumina / IRN	2000	Transport	Semi-State	Iarnrod Eireann	SIPTU / NBRU	Engineering craft, Operatives, Signal Staff	
IRN / John Keenan IÉ	2000	Transport	Semi-State	Iarnrod Eireann DART	SIPTU / NBRU	Drivers	
Aughinish Alumina/ John Keenan IÉ	2000	Transport	Semi-State	Iarnrod Eireann - Inchicore Works	SIPTU / NBRU	Maintenance staff	
IRN/Sean Heading	2002	Communications	Private	Independent Newspapers	SIPTU (IPG), TEEU	Printers, Craft Workers/Maintenance Technicians	
Ciara D'Arcy Report / IRN / Sean Heading / SIPTU / Wallace 2002	1997	Food	Private	Irish Biscuits (Jacobs Fruitfield)	ATGWU, SIPTU, BFWAU, TEEU	Craft Workers/Maintenance Technicians / Others	Removed for new entrants in 2006 (Higgins, 2006. IRN 10)
Aughinish Alumina / Ciara D'Arcy Report / Sean Heading/ SIPTU/ Wallace 2002	1994 / 1998	Building, Construction & Allied Trades	Private	Irish Cement (Platin in Drogheda)	SIPTU, ATGWU, TEEU and AEEU	Craft Workers/Maintenance Technicians / General Operatives	

Aughinish Alumina / Ciara D'Arcy Report / Sean Heading	1998	Building, Construction & Allied Trades	Private	Irish Cement (Mungret in Limerick)	TEEU	Craft Workers/Maintenance Technicians / General Operatives	
Sean Heading TEEU / SIPTU	2002	Drink and Tobacco	Private	Irish Distillers	TEEU/ SIPTU	Craft Workers/Maintenance Technicians	
Aughinish Alumina / IRN	2005	Other Industries	Public	Irish Prison Service.	POA	All employees (Prison Officers)	
IRN / SIPTU	1999	Distributive Trades	Private	Musgraves (Supervalu/Centra)	SIPTU	All Warehouse employees	
SIPTU	pre 2001	Other Industries	Private	National Car Testing Services (NCTS)	SIPTU/ AGEMOU	All workers	
Pat Guilfoyle TEEU	Unknown	Pharmaceutical, Chemical & Related Industries	Private	Novartis	TEEU	Craft Workers / Maintenance Technicians	
Ciara D'Arcy Report	1996	Pharmaceutical, Chemical & Related Industries	Private	Organon Ireland Ltd.	Unions present in plant but specific union unknown for this agreement	Craft Workers / Maintenance Technicians	
SIPTU	1995	Drink and Tobacco	Private	Pepsi Cola Manufacturing	SIPTU	Unknown	
Sean Heading TEEU/ SIPTU	Unknown	Building, Construction & Allied Trades	Private	Premier Periclase	TEEU	Craft Workers/Maintenance Technicians	Negotiations on AH with SIPTU took place in 1996. Unclear whether introduced (SIPTU, 2007).
SIPTU	1996	Building, Construction & Allied Trades	Private	Richardson W Ltd	SIPTU	Unknown	
Ciara D'Arcy Report	pre 1998	Pharmaceutical, Chemical & Related Industries	Private	Roche Ireland	Unions present in plant but specific union unknown for this agreement	Unknown	

Ciara D'Arcy Report / IRN / SIPTU	1991	Engineering, Manufacturing & Technology	Private	Shannon Aerospace	SIPTU	Technicians	
IRN / SIPTU	1998	Pharmaceutical, Chemical & Related Industries	Private	SIFA Pharmaceuticals (now Schwarz Pharma)	SIPTU	3 cycle and 2 cycle shift workers	
Sean Heading TEEU	Unknown	Pharmaceutical, Chemical & Related Industries	Private	Schering Plough - Bray	TEEU	Craft Workers/Maintenance Technicians	
IRN/Sean Heading/ SIPTU	1998	Building, Construction & Allied Trades	Private	Tara Mines	SIPTU / Amicus / TEEU	All categories other than direct miners	
Aughinish Alumina / IRN / Sean Heading / SIPTU	2002	Building, Construction & Allied Trades	Private	Tegral Metal Forming	SIPTU / TEEU	Craft Workers/Maintenance Technicians	
Sean Heading TEEU	2003	Building, Construction & Allied Trades	Private	Tegral Building Products	TEEU	Craft Workers/Maintenance Technicians	SIPTU explored introduction of AH in 1998. Unclear whether introduced (SIPTU, 2007)
SIPTU	1995	Electronics	Private	Theo Benning	SIPTU	Unknown	
IRN/Sean Heading	2003	Building, Construction & Allied Trades	Private	Wavin Ireland Ltd.	TEEU	Electricians and Fitters	
SIPTU	Unknown	Food	Private	Wexford Creamery	SIPTU	Manufacturing, Laboratory & Transport	
Aughinish Alumina / IRN / Sean Heading	2004	Pharmaceutical, Chemical & Related Industries	Private	Wyeth Nutritionals (Askeaton)	SIPTU / TEEU / AMICUS	Operatives, Mechanical Craft Workers, Laboratory Technicians, Clerical/Administrative, Supervisory and Electricians	
IRN/Sean Heading/ SIPTU	2001	Pharmaceutical, Chemical & Related Industries	Private	Yves Rocher (Manufacturing)	SIPTU/TEEU	Fabrication Workers, Craft Workers/Maintenance Technicians	
Total				66			

Section B							
Source(s) of Information	Notes	Classification		Establishments that have abandoned Annual Hours	Main Trade Union(s) Involved:	Employees Who Had Been Covered by the Scheme:	Notes
Ciara D'Arcy Report / IRN / SIPTU	1997 - Introduced 2002 - Removed	Pharmaceutical, Chemical & Related Industries		Beckton Dickinson	SIPTU / TEEU	Shift workers	LRC involvement. Redundancies and removal of AH scheme - company wanted to eliminate AH to achieve cost savings. Return to 39-hour week with overtime (Dobbins, 2002 - IRN 20)
IRN	2006 - removed following transfer of undertakings. Had been in place 13 years.	Drink & Tobacco		Kammac Support Services (Diageo supplier)	SIPTU	All workers	Bought out - Labour Court involvement (LCR19030). Company felt overtime levels on site did not warrant an AH agreement (Higgins, 2007 - IRN 40)
Total:				2			
Section C							
Source(s) of Information	Approximate year of consideration	Classification		Establishments (or Unions Within) that have investigated / suggested Annual Hours	Main Trade Union(s) Involved (if applicable):	Main Initiators: (This data shows which party suggested investigating the option of annual hours - the company, the union or both)	Notes
Aughinish Alumina	Unknown	Transport		Aer Rianta (now changed to DAA)	SIPTU & TEEU represent workers here. No indication of which union involved here however.	Company	Visited Aughinish, no information found to suggest AH introduced.
IRN	2001	Communications		An Post	CWU	Company	Workers rejected the package and AH now off the table and will not be re-introduced (Sheahan, 2001 - IRN 34)
Aughinish Alumina	Unknown	Other Industries		Anderson Ireland	SIPTU	Company	Visited Aughinish, no information found to suggest AH introduced.

IRN	1998	Other Industries		Arcon Mines	SIPTU	Company	SIPTU said it was willing to discuss AH (as operated in Tara Mines) during pay dispute. No reference to AH reported when agreement reached (Higgins, 1998 - IRN 6).
IRN	2002	Food		Bandon Co-op (owned by Carberry Milks)	SIPTU	Company	A pay increase was agreed in return for various changes and discussions about further restructuring in certain areas which may involve the introduction of AH to ensure compliance with the working time legislation (Higgins, 2002 - IRN 34)
Sean Heading TEEU	Unknown	Pharmaceutical, Chemical & Related Industries		Baush and Lomb	TEEU	Company	Workers rejected AH proposals.
Aughinish Alumina	Unknown	Other Industries		Beaumont Hospital	Unknown	Company	Visited Aughinish, no information found to suggest AH introduced.
IRN	1997	Electricity and Energy		Bord Gáis	SIPTU	Company	The document mentions the possibility of introducing the concept of AH for employees 'in certain positions' as part of providing the required level of customer service' (IRN 17 - 1997)
Ciara D'Arcy Report	Pre 1998.	Engineering, Manufacturing & Technology		BOSE Ireland Ltd.	Unknown	Company	Cited by D'Arcy (1998) as one of six companies that examined the possibility of introducing AH but then decided against it.
IRN	1997	Transport		Bus Eireann	SIPTU / NBRU	Both	AH examined but have not been introduced (Interview HR Manager A, 2006)
Aughinish Alumina	Unknown	Other Industries		Clare County Council	Unknown	Company	Visited Aughinish, no information found to suggest AH introduced.
IRN	1998	Other Industries		Department of Defence	PDFORRA	Union	Union suggested AH but the department rejected the claim (Frawley, 1998 - IRN 39)
IRN	2005	Other Industries		Donegal Council	SIPTU / UCATT	Both	An LRC recommendation suggested the parties agree to discussions on flexible working and/or AH (Dobbins, 2005 - IRN 33)
Aughinish Alumina	Unknown	Electricity and Energy		ESB (Tarbert) (set for closure IRN 20, 2006)	Unknown	Company	Visited Aughinish, no information found to suggest AH introduced.
Aughinish Alumina	Unknown	Other Industries		Galway Corporation	Unknown	Company	Visited Aughinish, no information found to suggest AH introduced.

IRN	2002	Food		Glanbia Virginia	SIPTU	Company	The company told the Labour Court that it had tried to breach the gap between the company and the union in a pay dispute by means of an AH salary but claimed the union had failed to meet it halfway (Higgins, 2002 - IRN 10)
Aughinish Alumina / Alan O'Leary / SIPTU	Unknown	Drink & Tobacco		Heineken Cork	SIPTU	Both	Visited Aughinish, no information found to suggest AH introduced. SIPTU source also stated they were investigating the option of AH with the company
IRN	1998	Engineering, Manufacturing & Technology		IJM Engineering	BATU	Company	Workers rejected a proposal on AH and sought union recognition by BATU. The company agreed to recognition and AH were said to be the subject of discussions. (Frawley, 1998 - IRN 8)
Aughinish Alumina / IRN	2000	Communications		Irish Times	SIPTU (print & clerical) / NUJ / craft unions	Company	Visited Aughinish. The possible introduction of AH discussed but not part of final agreement (Frawley, 2000 - IRN 25 & 2002 IRN 12).
Aughinish Alumina	Unknown	Other Industries		Irish Lights (Commissioners)	TEEU	Company	Visited Aughinish, no information found to suggest AH introduced.
SIPTU	1996	Pharmaceutical, Chemical & Related Industries		Johnshon Brothers Ltd.	SIPTU	Company	AH for warehouse operative proposed. No information to suggest AH introduced (SIPTU, 2007)
IRN	2009	Engineering, Manufacturing & Technology		Kemek	SIPTU	Company	Union objected to company's proposals on AH as it claimed it would reduce earnings. Labour Court recommended that discussions begin on AH (Farrelly, 2009 - IRN 32 & LCR19623)
Ciara D'Arcy Report / SIPTU	1996	Food		Lakeland Dairies Co-Op Society	SIPTU	Company	Discussion on AH in 1996/1997 (SIPTU, 2007). Cited by D'Arcy (1998) as one of six companies that examined the possibility of introducing AH but then decided against it.
Aughinish Alumina	Unknown	Other Industries		Limerick Corporation	Unknown	Company	Visited Aughinish, no information found to suggest AH introduced.
SIPTU	1996	Pharmaceutical, Chemical & Related Industries		Merck, Sharp & Dohme	SIPTU	Both	Company and workforce examining AH (May 1996) (SIPTU, 2007)

Ciara D'Arcy Report	Pre 1998.	Engineering, Manufacturing & Technology		National Pen Ltd.	Unknown	Company	Cited by D'Arcy (1998) as one of six companies that examined the possibility of introducing AH but then decided against it.
IRN / SIPTU	2002	Communications		RTÉ	SIPTU / NUJ / craft unions	Company	Company sought changes in work practices including AH (SIPTU, 2007) IRN reported 'it was agreed that both sides should conduct further discussions on the introduction of AH... as talks at conciliation failed to reach any agreement (IRN 25 2001)
Aughinish Alumina / SIPTU	1997	Printing and Paper		Smurfit Corrugated	SIPTU	Company	Visited Aughinish to explore AH however the concept was rejected by SIPTU members (SIPTU, 2007)
IRN	1997	Other Industries		Superquinn	MANDATE	Company	This was the first time AH was proposed in the retail sector however staff rejected it (Frawley, 1997 - IRN 44)
Aughinish Alumina / SIPTU	1995	Pharmaceutical, Chemical & Related Industries		Swords Laboratories Ltd.	SIPTU	Company	Company have indicated they are in the process of investigating the introduction of AH but difficulties are anticipated (SIPTU, 2007)
Aughinish Alumina	Unknown	Engineering, Manufacturing & Technology		TFX Medical (Teleflex)	Unknown	Company	Visited Aughinish, no information found to suggest AH introduced.
Ciara D'Arcy Report	Pre 1998.	Engineering, Manufacturing & Technology		Willamette Europe Ltd.	Unknown	Company	Cited by D'Arcy (1998) as one of six companies that examined the possibility of introducing AH but then decided against it.
Total:				32			