



# A BRIEF HISTORY OF INDUSTRIAL RELATIONS IN IRELAND

## INTRODUCTION

Industrial relations commonly denotes the relationships between management and employees. Trade Unions are organisations representative of employees. They first emerged in large cities such as Dublin, Cork and Belfast around the time of the Industrial Revolution.

Some examples today include the Service, Industrial, Professional and Technical Union (SIPTU) and the Irish National Teachers Organisation (INTO).

Bunreacht na hÉireann (The Irish Constitution) guarantees the right of citizens to form associations and unions, but it also allows the State to enact legislation to regulate and control this right in the public interest. It does not impose an obligation on anyone to join such associations.

This case study will provide an overview of the main industrial relations channels in Ireland and the major services provided by the Labour Relations Commission. It will help you understand how important it is to foster good relations in business and public services, how conflict-resolution is crucial to harmonious working environments, and how communication contributes to daily business and service operations.

## SETTING UP THE FRAMEWORK FOR INDUSTRIAL RELATIONS CONCILIATION AND MEDIATION

The Labour Court and its Conciliation Service were established under the Industrial Relations Act 1946 to conciliate and adjudicate on industrial disputes. In the 1970s, there were frequent official and unofficial disputes between employers and trade unions and between trade unions themselves. Strikes in essential services such as the Electricity Supply Board (ESB), the commercial banks and public transport were common from 1972 to 1980 when strike activity was at its highest level since the establishment of the State. This affected productivity and made working relations difficult. This also impacted on international trade - it gave Ireland a negative image abroad as a location for foreign direct investment (FDI).

In 1978, the Minister for Labour established the Commission of Inquiry on Industrial Relations to identify and address issues causing industrial unrest. Its 1981 recommendations made way for a Labour Relations Commission to resolve disputes through dialogue and conciliation separate from the Labour Court. The Industrial Relations Act 1990 provided for the establishment of the Labour Relations Commission in 1991.

The principal fora for resolving industrial relations disputes are:

- The Labour Relations Commission (LRC):** The LRC promotes the development and improvement of Irish industrial relations policies, procedures and practices through the provision of appropriate, timely and effective services to employers, trade unions and employees.
- The Employments Appeal Tribunal:** This semi-legal forum hears disputes over individual entitlements under legislation including dismissal, notice, payments, and maternity entitlements, along with appeals from decisions of Rights Commissioners under certain legislation, including the Unfair Dismissals Acts 1977-1993. It is made up of an independent chairperson and vice-chairpersons and employer and worker nominees.
- The Labour Court:** Established in 1946, the Labour Court consists of a chairperson, deputy chairpersons and ordinary members representative of employers and workers. The LRC can refer unresolved disputes to the Labour Court for investigation. Disputes can also go directly to the Labour Court if the LRC does not get involved. Appeals from Rights Commissioners depending on the legislation and matters under other statutes are also heard by the Court. When the Court investigates a dispute it usually issues recommendations and the terms on which it should be settled. In most cases, the Court's recommendations are not legally binding.

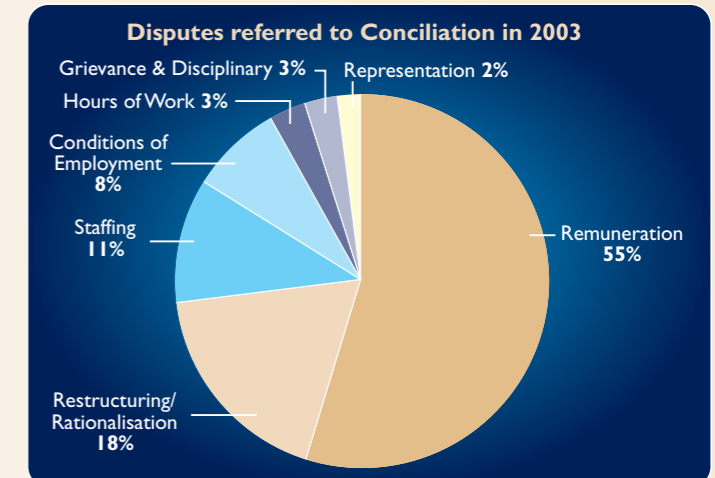
## THE LABOUR RELATIONS COMMISSION (LRC)

The LRC provides specific services to promote positive industrial relations in Ireland.

1. An Industrial Relations Conciliation Service
2. A Rights Commissioner Service
3. An Advisory, Development and Research Service.

The LRC also provides assistance to Joint Labour Committees and Joint Industrial Councils. It undertakes other activities including:

- Review and monitoring of developments in industrial relations
- Preparation of codes of practice relevant to industrial relations
- Industrial relations research and publications
- Seminars/conferences on industrial relations or human resource management issues.



## 1. CONCILIATION SERVICE

Conciliation is a voluntary process used to resolve disputes between parties. A neutral external professional (mediator) can encourage parties to resolve disputes when their own efforts have been unsuccessful.

The LRC's Conciliation Service assigns an Industrial Relations Officer (IRO) from the LRC as mediator to search for agreement between disputing parties. He/She acts as an independent, impartial chairperson and helps parties find an acceptable settlement for everyone involved.

The Conciliation Service is free and all employees and employers can use it, except certain persons employed "by or under the State" such as the Army, the Gardaí, the Civil Service and teachers who have their own Conciliation and Arbitration Schemes.

There are two possible outcomes of the conciliation process: resolution of the dispute or continuing disagreement.

More than 80% of all cases referred to conciliation are resolved at that level. It is most effective when the parties have already tried to resolve the dispute themselves through meaningful discussion and negotiation.

If no settlement is reached in conciliation, the parties can, and usually do, refer the dispute to the Labour Court.

### Outcomes of the LRC's Conciliation Process

- Step 1: Employers and employees avail of the Conciliation Process.  
 Step 2: Outcome of the Conciliation Process.



Step 3: Dispute Referred to the Labour Court



### CASE EXAMPLE: CONCILIATION SERVICE

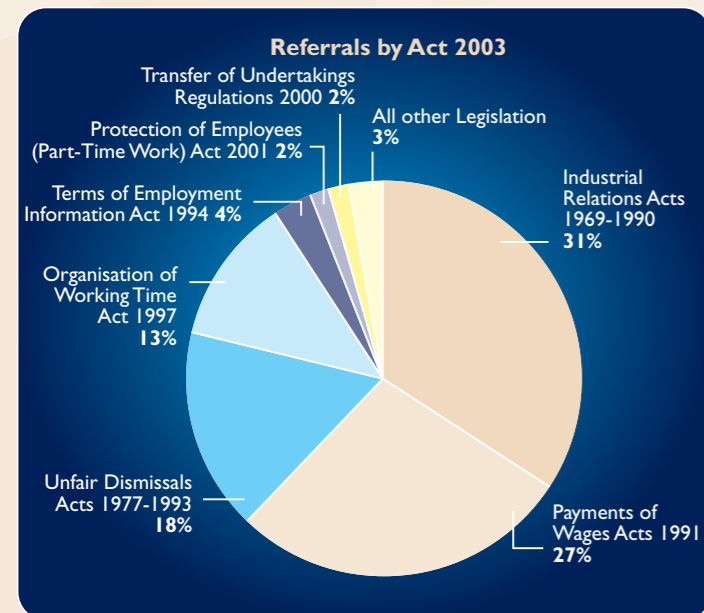
A union made a claim for a member wage increase from a company. The claim was rejected as it was in breach of the National Wage Agreement. The company proposed a gain-sharing arrangement with the union on the basis of certain changes in working practices. However, local discussion on the proposal broke down. There was disagreement on the amount of savings the company would make from the new arrangements.

The Conciliation Service of the LRC was approached and a mediator was appointed. The mediator or IRO took part in the discussions between the union and company in an impartial and independent way. First the IRO listened to both parties' assessment of the situation. Then individual meetings were held. Once the IRO understood both positions, separate and joint discussions were held. With the objective help of the IRO a mutually acceptable agreement regarding new work practices was reached. These new practices were put in place and a satisfactory gain-sharing agreement was established.

## 2. RIGHTS COMMISSIONER SERVICE

The Rights Commissioner Service is an independent service of the LRC. These commissioners investigate disputes, grievances and claims made mostly by individuals or small groups of workers under various legislation, including:

- ▶ Industrial Relations Acts, 1969-2004
- ▶ Unfair Dismissals Acts, 1977-1993
- ▶ Payment of Wages Act, 1991
- ▶ Maternity Protection Act, 1994
- ▶ Terms of Employment (Information) Act, 1994
- ▶ Protection of Employees (Part-Time Work) Act, 2001
- ▶ Protection of Young Persons (Employment) Act, 1996
- ▶ Organisation of Working Time Act, 1997
- ▶ Parental Leave Act, 1998
- ▶ National Minimum Wage Act, 2000



Rights Commissioners are appointed by the Minister for Enterprise, Trade and Employment. The LRC suggests nominees to the Minister who selects the Commissioner. Commissioners are appointed for a three-year term, which can be renewed.

Public servants such as teachers, the Gardaí, the Defence Forces and civil servants must refer employment related grievances to their appropriate Conciliation and Arbitration Scheme. However under certain Acts, such as the Payment of Wages Act, 1991, the Maternity Protection Act, 1994, Protection of Employees (Part-Time Work) Act, 2001 and the Protection of Employees (Fixed Term Work) Act, 2003, all civil and public servants have the right to refer a dispute to a Rights Commissioner.

Rights Commissioner hearings are formal but not adversarial like a court room. Each side fully presents its case using all relevant information and may provide written submissions. The Rights Commissioner issues his or her findings as either decisions or non-binding recommendations, depending on the legislation involved.

In most cases, hearings before a Rights Commissioner take place in private. A party to a dispute may object to a Rights Commissioner's investigation if the legislation being used is one of the Industrial Relations Acts or the Unfair Dismissals Acts. In this case, the applicant can ask the Labour Court or Employment Appeals Tribunal to hear the case. This right of objection does not exist under the other Acts.

A party can also appeal against a Rights Commissioner's decision, either to the Labour Court or the Employment Appeals Tribunal, depending on the relevant legislation.

### CASE EXAMPLE: RIGHTS COMMISSIONER SERVICE

A supermarket checkout operator brought a case of unfair dismissal against her employers. The situation arose when security staff searched staff one night. They found one employee with a number of grocery items in her possession and that she could produce a receipt for all the items except one packet of cigarettes.

The incident was reported to the store manager. A meeting was held between the store manager, the employee and the employee's trade union representative. The employee was suspended with full pay pending a meeting with her full-time union representative. After this meeting she was dismissed on the grounds of gross misconduct.

The dispute was brought to the LRC. A Rights Commissioner gave a statement of his findings. He outlined a number of discrepancies in the case against the employee.

In considering the evidence and events, the Rights Commissioner decided that something untoward involving the employee did happen. He considered the employee's six-year unblemished record with the employer, and concluded that a punishment less than outright dismissal would be the more correct action to take.

The Rights Commissioner recommended the employee be given unpaid suspension time and then reinstated in her job.

## 3. ADVISORY SERVICE

The LRC's Advisory Service is independent, impartial and experienced in industrial relations practice and theory. It helps employers, employees and trade unions build and maintain positive working relationships. It works in non-dispute situations.

The Advisory Service audits the industrial relations practices and procedures of an organisation if there are a broad range of problems. This is a confidential report. It includes findings and recommendations from the Advisory Service to help improve the operations of the organisation. The Service may also provide post-report monitoring and some help with implementation where necessary.



Joint working parties can be organised and chaired by the Advisory Service. These sessions bring together management and employees' representatives to agree and implement mutually acceptable solutions to improve the industrial relations in their workplace.

Preventative mediation can also be facilitated by the Advisory Service where parties anticipate future difficulties. In addition, employers and trade unions sometimes approach the Advisory Service for advice on good practice when developing grievance or disciplinary procedures or negotiating agreements.

This Service also has a Research, Information, and Information and Communications and Technology (ICT) Unit with responsibility for:

- ▶ Providing resources to staff of the Commission
- ▶ Developing and distributing publications and information to customers of the Commission
- ▶ Developing, implementing and managing the Commission's ICT strategy.

In addition, the Service has a Strategy and Standards Unit. This Unit monitors how appropriate the Commission's services are. It also monitors developments in relevant legislation and codes of practice.

### CASE EXAMPLE: ADVISORY SERVICE

A company used the LRC's Conciliation and Rights Commissioners Service consistently over a long period of time. The company agreed to consult the Advisory Service to investigate the underlying reasons for this. The union and management endorsed the proposal as they saw it as a means to sort out on-going labour relations problems in the company.

Confidential interviews took place with employees and management.

The main findings included:

- ▶ Lack of communications within the company
- ▶ Perception of a "them and us" management culture
- ▶ Feeling that management and employee negotiations were adversarial, confrontational and extremely difficult
- ▶ Line Management did not have adequate power
- ▶ Grievance and dispute procedures were largely ineffective, outdated and not always observed
- ▶ Incidence of unofficial industrial action

The Advisory Service made the following recommendations:

- ▶ A communications structure should be set up to allow the dissemination of information from management to the workforce and vice-versa
- ▶ A clear Human Resource Policy should be set up to ensure employees are treated equally and with respect
- ▶ Both sides should recognise the others right to pursue issues
- ▶ Line management should be empowered to make decisions in accordance with their defined roles
- ▶ Management and the union should review and amend grievances and disputes procedures. Such procedures should be clearly defined, brought to the attention of all managers and employees, and applied in a consistent and fair manner
- ▶ Unofficial industrial action is unacceptable and not conducive to good relationships and should be avoided

The report was circulated to all employees. The success of the process depended on each employee taking ownership of the report and getting involved.

A Joint Working Party (JWP) of management and employee representatives was established to implement recommendations. The JWP was chaired by the Advisory Service. An agreement was reached to implement the report findings in a short time-frame. Ongoing meetings were held at regular intervals until all issues were resolved.

## TASKS & ACTIVITIES

### Business

- 1 Describe the role of the Labour Relations Commission.
- 2 Why was the Labour Relations Commission set up?
- 3 What kinds of referrals accounted for the majority of disputes handled by the Rights Commissioners in 2003?



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