

# **Code of Practice on Information and Consultation**

## **1. Introduction**

1.1 Section 42 of the Industrial Relations Act, 1990 provides for the preparation of draft Codes of Practice by the Labour Relations Commission for submission to the Minister, and for the making by the Minister of an order declaring that a draft Code of Practice received under Section 42 and scheduled to the order shall be a Code of Practice for the purposes of the said Act.

1.2 The Commission was requested by the Minister for Labour Affairs to prepare a Code of Practice to assist employers and employees in implementing the provisions of The Employees (Provision of Information and Consultation) Act, 2006.

## **2. Purpose**

2.1 The purpose of this Code of Practice is to assist employers, employees and their representatives to develop effective arrangements for communications and consultation in accordance with the provisions of the Employees (Provision of Information and Consultation) Act, 2006. The Code draws on a number of sources:

- The Employees (Provision of Information and Consultation) Act, 2006;
- The experience of the Commission drawn from the delivery of its advisory, conciliation, dispute resolution and research services;
- Consultation with the Social Partners.

2.2 The Code seeks to provide a plain explanation of the legislation. While the thrust of the Code is about effective compliance with the legislation, organisations should look at effective communications and consultation as intrinsic elements to good employee/employer industrial relations, having positive implications for performance and the workplace generally.

## **3. Employees (Provision of Information and Consultation) Act 2006**

### ***What is it?***

3.1 Essentially, the Act is about giving employees the right to information and consultation about developments in their workplaces, about, for example, issues impacting on employment, in work organisation or in contractual relationships with employees.

### ***Who does it apply to?***

3.2 It applies to any business/organisation in the public or private sector (referred to as an “undertaking” in the Act and defined as carrying out an economic activity, whether or not operating for gain) with the following minimum workforce thresholds:

- having at least 150 employees from 4 September 2006;
- having at least 100 employees from 23 March 2007;

- having at least 50 employees from 23 March 2008.

3.3 Simply put, the Act will apply, when it is fully in force by 23 March 2008, to any organisation in Ireland employing at least 50 employees.

***How is the workforce threshold calculated?***

3.4 The calculation is based during a two year period on an average of the number of employees employed in the organisation. Any employee (or a representative) can request data on the number of employees in the organisation. Employees may need information from their employer about the number of employees in the organisation – for example to find out whether the organisation comes within the scope of the legislation or to find out how many employees are required to make a valid employee request (see below). The employer is obliged to furnish this information within 4 weeks of date of receipt of the request (this can be extended by agreement).

3.5 If the number of employees falls below the workforce threshold referred to above and remains below it for 12 months, any Information and Consultation Forum established under the Act (see Section 3.3 re. Standard Rules Provisions) may be dissolved on the request of either the employer or employees.

#### **4. Process for Establishing Information and Consultation Arrangements**

***How can an information and consultation arrangement be put in place?***

4.1 It is important to note that the right to information and consultation does not operate automatically. Basically an employee request must be made by at least 10% of the employees in the organisation, subject to a minimum of 15 and a maximum of 100 employees. The Act provides that the request can be made either directly to the employer or to the Labour Court (or its nominee). Where a request is made to the Labour Court, it will then notify the employer, seek certain information that will allow it to verify the number and names of the employees who have made the request, and issue a notification confirming whether or not the request meets the employee threshold.

4.2 An employer may, at its own initiative, take steps to put in place an information and consultation arrangement. Obviously, an agreement put in place on foot of a freely entered into engagement process between employers and employees has positive benefits in terms of positive industrial relations generally including effectiveness, trust building and durability.

4.3 Where an employer is requested to put in place an information and consultation arrangement by at least 10% of its employees (see above), it is obliged to begin negotiations with the employees and or their representatives with a view to establishing arrangements. Once negotiations are entered into, there are two possible outcomes – either a negotiated agreement or the standard rules.

4.4 It is important to note that where employees make a written request for an arrangement but do not meet the minimum employee threshold, a further request cannot be made for 2 years.

***What does an employee request look like?***

4.5 A request should be in writing, give the names of those making it and state the date on which it is sent. It is important to note that the request needs the validation of the workforce as regards meeting the “numbers” thresholds outlined above. Where there is a refusal to communicate information, an employee can refer a matter to the Labour Court, which may issue a determination on the matter.

***How long can negotiations go on for?***

4.6 Parties are given 6 months from the time of starting negotiations to agree an information and consultation arrangement. This period can be extended by agreement.

***What happens if an employer does not respond to a valid employee request?***

4.7 Where an employer refuses to enter into negotiations within 3 months of receiving a written request from employees (or the Labour Court), the Standard Rules provisions of the Act shall apply (see Section 3.3).

4.8 Overview – employee perspective

***I’m an employee. How do I make a request under the Act to have an information and consultation arrangement put in place?***

The process can be started by a group of employees – at least 10% of the workforce subject to a minimum of 15 employees or a maximum of 100 – making a request to the employer. However before any request is made you need to clarify that your organisation is covered by the new rules. Only if your organisation falls within the scope of the legislation and a sufficient number of you make a request, will your employer be obliged to do anything.

***How do I know if my organisation falls within the scope of the legislation?***

You need to know the numbers of people working in the organisation. You can request this information from your employer who is obliged to provide it no later than 4 weeks from date of request. The request should be made in writing and dated. The request can be made by a representative (must be employed in the organisation). If this is unsuccessful there is also the option of requesting the Labour Court to ask the employer for these details.

***I’ve confirmed that my organisation falls within the scope of the legislation. What happens next?***

A request to put in place an information and consultation arrangement must be made by at least 10% of the workforce subject to a minimum of 15 and a maximum of 100. You need to ensure therefore that you meet this threshold. You should be able to calculate this from the information provided by your employer. You should note that where a request is made but there are not sufficient numbers to do so, a further request cannot be made for 2 years. Assuming the employee threshold is met, a written request should be made to the employer. It is advisable that the request should be dated and signed to reduce any possibility of dispute.

***Who are the representatives negotiating an information and consultation arrangement?***

Negotiating representatives are chosen by the employees to represent them in discussions with the employer to draw up an agreement. They can be elected in a ballot or simply appointed by the employees without election.

***I am a union member. Will my union be my representative?***

The legislation provides that where it is the practice of the employer to conduct collective bargaining negotiations with a union or excepted body, and a union or excepted body represents at least 10% of the employees, those employees are entitled to have their own representatives on a pro-rata basis to non-union representatives.

#### 4.9 Overview – employer perspective

**I don't have an information and consultation arrangement in place. What do I have to do?**

One option is to do nothing and wait for a valid request from 10% of your workforce to negotiate new arrangements. The risk here of course is that by doing nothing you may get a valid request from 10% of your workforce essentially forcing you to negotiate on an arrangement.

You can take the initiative and negotiate on new information and consultation arrangements.

**I already have an information and consultation arrangement in place. What do I have to do?**

The arrangement in place may not comply with the requirements under the Act, for example it may not be written down, cover all employees or have been approved by the employees. Basically you need to ensure that your arrangement meets the criteria in the Act (see Section 3.2)

## 5. Options under the Act for putting in place arrangements.

5.1 The Act provides that an information and consultation arrangement can be established either by means of a **negotiated agreement**, a **pre-existing agreement** or the **Standard Rules**.

## 6. Negotiated Agreements

***What is a negotiated agreement?***

6.1 Negotiated agreements are information and consultation agreements drawn up in negotiations between an employer and employees and/or their representatives. Employees who want a negotiated agreement must make a formal request under the

legislation (see above). Employers can start the process themselves by notifying their employees that they will be doing so.

***What is included in a negotiated agreement?***

6.2 Parties are free to decide for themselves the subject matter of information and consultation along with methods and structures for delivery. Essentially parties can design an arrangement to suit their own particular requirements. Clearly, however, whatever arrangement is put in place should be workable, effective and enjoy the trust of the parties concerned.

***What must a negotiated agreement look like?***

6.3 Negotiated agreements must

- Identify the issues on which the organisation will inform and consult;
- Relate to all employees;
- Set out the method and timeframe by which information and consultation is to be provided, including whether it is to be provided directly to employees or indirectly through employees' representatives (address issues around number of representatives, how they will be appointed or elected, how they will serve, how they will be replaced etc)
- Set out the duration of the agreement and any renegotiation procedure;
- Be in writing and dated;
- Signed by the employer;
- Available for inspection as agreed between the parties;
- Set out the procedure for dealing with confidential information.

***What issues need to be addressed at the pre-negotiation stage?***

6.4 The following issues need to be addressed at the pre-negotiation stage:

- The appointment or election of negotiating representatives, ensuring that all employees are represented. The Act gives responsibility to the employer for arranging the appointment or election of employees' representatives. No limit is placed on the number of representatives. In organisations where it is the practice of the employer to conduct collective bargaining with a trade union or excepted body and where the union or excepted body represents at least 10% of the workforce, the employees who are members of the union or excepted body are entitled to elect or appoint their own representatives; (see Section 5)
- Informing all employees in writing of the negotiating representatives;
- Timescales and extensions;

- Dispute resolution methods.

***How can a negotiated agreement be approved by employees?***

6.5 A negotiated agreement has to be approved by the employees. This can be done by either the majority of employees who cast a preference doing so in favour of the agreement (for example by voting in a ballot) or by approval of a majority of employees' representatives (elected or appointed for the purposes of negotiations in the context of the legislation). However, the parties are also free to agree another procedure to demonstrate approval. It is important that whatever approval process is adopted, that it is confidential, transparent and capable of independent verification. There may be associated costs with a plebiscite. In this regard it is suggested that the employer should carry any reasonable costs arising.

***What happens if a negotiated agreement is rejected by employees?***

6.6 Clearly, for a negotiated agreement to be put in place, the draft would have to be amended with a view to seeking approval later. A fully inclusive negotiation process at the drafting stage wherein the employees' representatives are fully engaged in the process will minimise the possibility of rejection.

6.7 An inability to agree an arrangement ultimately will result in the Standard Rules provisions applying (see Section 3.3)

## **7. Pre-Existing Agreements**

***What is a pre-existing agreement?***

7.1 Some organisations have information and consultation arrangements already in place, which may be regarded by the parties as effective and suitable for their needs and in compliance with the legislation. The Act provides an opportunity for the parties to use such arrangements provided that these pre-existing agreements are in place by certain dates specified in the legislation. **(It should be noted that after 23 March 2008 it will not be possible to put in place a pre-existing agreement)**

***What is included in a pre-existing agreement?***

7.2 Again, as is the case with a negotiated agreement, parties are free to decide for themselves the subject matter of information and consultation along with methods and structures for delivery.

***What must a pre-existing agreement look like?***

7.3 The elements of a pre-existing agreement are similar to those that apply to a negotiated agreement.

***How can a pre-existing agreement be approved by employees?***

7.4 A pre-existing agreement has to be approved by the employees by means of the majority of employees who cast a preference doing so in favour of the agreement (there is no provision for approval by employees' representatives, as is the case with regard to a negotiated agreement). The parties are free to agree another procedure to demonstrate approval. It is important that whatever approval process is adopted, that

it is confidential, transparent and capable of independent verification. There may be associated costs with a plebiscite. In this regard it is suggested that the employer should carry any reasonable costs arising.

#### ***What are the benefits of a pre-existing agreement?***

7.5 It means that arrangements that are working well and have the support of employees can continue.

### **8. Agreements based on Standard Rules on Information and Consultation**

#### ***What are Standard Rules?***

8.1 The Standard Rules provisions are essentially a fall-back position. They only become relevant in the following circumstances:

- Where there is agreement on the part of both employees and employers to adopt them;
- Where the employer fails to initiate negotiations within 3 months of receiving a valid employee request;
- Where negotiations have failed to lead to an agreement within 6 months from start of negotiations.

#### ***How do Standard Rules Work?***

8.2 Unlike negotiated agreements and pre-existing agreements where parties are free to devise and agree their own information and consultation arrangements (regarding for example content, methods and structure), arrangements based on the Standard Rules provisions are set out in the legislation. The key element in this is the establishment of an Information and Consultation Forum made up of employees' representatives. The Forum must be made of at least 3 but not more than 30 members. The structure of the Forum, rules of procedure, competence, expenses and practical arrangements for information and consultation are provided for. The arrangement that is set up must provide for employees' representatives i.e. it is not possible for an employer to inform and consult directly with employees.

#### ***How are information and consultation employees' representatives elected?***

8.3 It is important to note that it is only in the Standard Rules provisions of the Act where the requirements regarding the election of employees' representatives, are detailed.

8.4 Employees' representatives must be elected in a ballot, according to the principle of proportional representation, in an agreed process organised by the employer, or in the absence of an election, appointed by the employees. The employer is responsible for associated costs.

### **9. Direct Channels**

9.1 In relation to negotiated agreements and pre-existing agreements there are two core methods by which information and consultation can be carried out – either by the

provision of information and consultation direct to employees or through employees' representatives. Essentially the Act provides that employers are free to continue with arrangements that deal with employees directly – as well as indirectly through employees' representatives. However it is important that the arrangement explicitly states which method is to be used. The Act also provides that employees must be free at a later stage to exercise their right to information and consultation through employees' representatives.

9.2 The Act prescribes a mechanism for processing a request by employees from a system of direct involvement to one involving representatives including a requirement that a minimum of 10% of employees for whom the direct involvement system operates must request the change, with the minimum requirement being subject to the approval of the majority of employees to whom the direct involvement system applies. Following approval of such a request there is an obligation on the employer to arrange for the election or appointment of representatives by the employees.

## **10. Employee Representation**

10.1 Employers are responsible under the Act for arrangements providing for the election and appointment of employees' representatives. In this regard it should be noted that where it is the practice of the employer to conduct collective bargaining negotiations with a union or excepted body, and a union or excepted body represents at least 10% of the employees, those employees are entitled to have their own representatives on a pro-rata basis to other representatives.

10.2 The Act makes provision for information and consultation to be either provided directly to employees or through employees' representatives and for arrangements to be negotiated and approved by either employees or employees' representatives. This section focuses on issues arising where information and consultation is provided through employees' representatives, elected or appointed for the purposes of this Act.

10.3 With regard to employee representation, in practice there will be two main types of situation, depending on whether trade unions are recognised for the purposes of collective bargaining or not.

## **11. Employments where Collective Bargaining takes place**

11.1 Under this heading there can be a variety of patterns of trade union recognition, ranging from situations where collective bargaining is in place for the entire workforce, to situations where the union/unions represents a minority/majority of the workforce. In some instances union representation and collective bargaining coverage may be limited to specific grades and/or professions within the overall workforce. Similarly many organisations will have developed their own customs, norms and practices that reflect their particular trade union and collective bargaining structures. Given the potential diversity of employment relations arrangements that can exist it is not considered possible/appropriate for the Code to cover every potential permutation. Rather the emphasis is on outlining some general principles of good practice that can assist in ensuring that negotiated information and consultation arrangements are

viable, appropriate and genuinely representative of the whole workforce. A number of key issues of relevance include the following:

- ***Pro-rata principle:***  
The Act states that where there is collective bargaining in place, and where the union or excepted body represents at least 10% of the employees in the organisation, the union will be entitled to appoint or elect representatives (on a pro-rata basis to other employees' representatives).

Where the union represents the entire workforce, the union is entitled to elect or appoint all of the information and consultation representatives. Where the union represents less than the entire workforce (but at least 10% of the workforce) it is entitled to appoint representatives on a pro-rata basis to non-union representatives.

- ***Multi-union workplaces***  
In multi-union workplaces, i.e. where collective bargaining arrangements are in place involving more than one union (and subject to the 10% threshold being met) it is open to the unions to agree arrangements between themselves with regard to the appointment of employees' representatives.

- ***Scope***  
While the selection process of employees' representatives is likely to reflect existing union structures and collective bargaining arrangements, it is important that the representatives, elected or appointed for the purposes of this Act are genuinely representative and should seek to reflect the make-up of the entire workforce. This would be particularly important, for example, in large organisations with diverse functions and/or working arrangements (for example shift patterns).

In practice an election should be held where the number of candidates exceeds the number of positions available. Where employees' representatives are to be chosen by election, an employee should be eligible to stand as a candidate provided he or she is nominated by at least two employees or a trade union.

It would be important that the design of the constituencies for the election of employees' representatives reflects both the existing trade union structures and collective bargaining arrangements and the overall employment relations culture within an organisation. Equally, where appropriate, such constituencies should also correlate with the aforementioned pro-rata principle for union / non-union representation. While the design of the actual constituencies for election / selection of employees' representatives is a key issue, it is also important to reiterate that the overall objective is to put in place information and consultation arrangements that ultimately will be appropriate, effective and representative of the workforce as a whole.

## **12. Other Employments**

12.1 A variety of situations could apply ranging from organisations where there is no union recognition of any employee to organisations where the majority/minority of employees are recognised for collective bargaining purposes. A number of key issues include the following:

- ***Scope***  
The number of representatives should reflect the make-up of the workforce. Essentially numbers would depend on the structure/size of the organisation, and the need to ensure all areas of the employment are represented. This would be particularly important in for example large organisations with diverse functions and those with shift arrangements.
- ***Election/Appointment of Representatives***  
Representatives, whether elected or appointed, need to be genuinely representative of their constituency. Election arrangements need to be confidential and transparent. All employees in the employment should be invited to nominate either another employee with their consent or themselves for election. In practice an election should be held where the number of candidates exceeds the number of positions available. An election should be confidential, transparent and capable of independent verification. There may be costs associated with holding an election. It is suggested that the employer should carry any reasonable cost arising.

### **13. Reasonable Facilities**

13.1 The Act provides that representatives should be reasonably facilitated in carrying out their roles as employees' representatives promptly and effectively. Typically this would include the following:

- Paid time off to prepare for and attend information and consultation meetings.
- Provision of telephone, photocopying and e-mail facilities including facilities to allow for informing and consulting with employees.
- Reasonable facilities, including paid time off, to attend training courses appropriate to functioning effectively as an information and consultation employee representative.

13.2 Due regard should be given to the capability of the organisation to meet these obligations.

### **14. Protection of Employees' Representatives**

14.1 The Act provides that an employer should not penalise representatives for performing their functions under the Act (for example, by dismissal or other prejudicial treatment such as unfavourable changes in conditions of employment). The Act provides that a grievance arising in this regard can be referred to a Rights Commissioner and that a decision of a Rights Commissioner can be appealed to the Labour Court.

## **15. Responsibilities of Employees' Representatives**

15.1 When negotiating, putting in place and participating in arrangements for information and consultation, representatives (and the employer) have a duty to work co-operatively and to take into account the best interests of both the employment and the employees.

## **16. Disputes around Information and Consultation in Arrangements**

### *What happens if there is a dispute?*

16.1 Differences may arise in relation to information and consultation arrangements. As best practice it is recommended that an arrangement should make a specific provision for dispute resolution. In this regard, in the interests of positive management/employee relationships and trust development, the emphasis should be on seeking to resolve the issue internally, i.e. directly between the parties (organisations with collective bargaining in place will have dispute resolution processes in place which could be adapted).

16.2 However, parties may not be able to reach agreement at local level. In these situations the Act makes extensive provision for third party dispute resolution in relation to different types of dispute arising from the various provisions of the Act. Specifically these relate to interpretation or operation of agreements or systems of direct involvement. It is important to note the first point of referral in this regard is the Conciliation Services of the Labour Relations Commission, which gives parties an opportunity to reach agreement on the matter in contention in an informal process under the chairmanship of an independent third party. If the dispute is not resolved, it is referred to the Labour Court for recommendation or determination. Ultimately a Labour Court determination can be enforced by the Circuit Court.

## **17. Confidentiality**

17.1 The issue of confidentiality in the context of an information and consultation arrangement is significant. There can be sensitivities (or perception of sensitivities) on the part of organisations around concerns about disclosing information to employees on, for example, financial performance or strategy. The Act introduces a statutory basis for a duty of confidentiality as follows:

- Anyone who receives confidential information while participating in an information and consultation arrangement (e.g. a member of an Information and Consultation Forum, an employee representative or participant, an expert providing assistance) is bound by a duty of confidentiality not to reveal that information. Such a person may disclose information provided in confidence to employees and third parties where those in turn are subject to a duty of confidentiality under the Act.
- An employer may refuse to communicate information or undertake consultation with its employees provided it can show objectively that the information or consultation would seriously harm the functioning of the enterprise or be prejudicial to the enterprise.

***What happens if there is a dispute around confidential information?***

17.2 Disputes around, for example, breaching confidentiality, an employer refusing to communicate or consult on confidentiality grounds, may be referred directly, by an employer, employee or employees' representatives to the Labour Court for determination. The Labour Court may be assisted by a panel of experts to assist it in determining what is confidential information.

17.3 In general terms it is recommended that an information and consultation arrangement should address the issue of confidentiality in terms of clarifying relevant circumstances etc.

**18. Staff Forums/Committees**

18.1 The Act does not prescribe methods of delivery of communications and consultation (other than in regard to the Standard Rules provisions). Clearly an arrangement providing for information and consultation to be delivered through representatives will involve the establishment of an Information and Consultation Committee/Forum. As best practice it is recommended that the operating principles of the Committee/Forum should be agreed (e.g. in the form of a Charter). A number of matters have to be addressed in this regard including:

- The appointment or election of representatives/protection afforded them;
- The role/ purpose of the Forum i.e. to provide information and make provision for consultation and how this is to be provided;
- Operating procedures;
- Training of members (both employee and management representatives);
- Dealing with confidential information;
- Dispute Resolution;
- Role of experts.

**19. Some Key Principles**

- As can be seen, the Act offers parties flexibility to put in place an arrangement that best suits their needs in terms of subject matter and structure. Clearly, however, whatever arrangement is put in place should be, in the interests of a genuine communications and consultation strategy, in accordance with best practice, workable, effective and enjoy the trust of all concerned.
- Organisations should be proactive in putting in place arrangements, by looking at effective communications and consultation as intrinsic elements to good employee/employer industrial relations with positive implications for performance and the workplace generally.

- It is important to note that the Act does not prescribe any particular communications and consultation arrangements. That is entirely a matter for each organisation. An organisation has therefore the flexibility to design practical arrangements that suit its and its employees' needs.
- The importance of developing an arrangement openly, transparently and in full consultation with all parties i.e. management, employees and their representatives as appropriate, should not be underestimated. The joint development of an arrangement has major trust building benefits, will ensure a greater "buy in" and result in a more robust arrangement in the long term.
- The provision of effective and relevant training in appropriate communication and consultation skills is essential. In particular joint management/employee training can have particular benefits in terms of mutual understanding and trust building.
- Effective communications and consultation are long term commitments, requiring time for trust to develop or improve and adapt/refine whatever arrangement is put in place. Essentially what is needed is belief from all concerned in the intrinsic value of good communications and consultation to all concerned parties.

## **20. Further information and advice**

For further information and advice on any aspect of this document please contact:

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 Tel: (01) 613 6700 Fax: (01) 613 6701  
 Web: [www.lrc.ie](http://www.lrc.ie)

For further information on the Information and Consultation Act 2006 please contact:

The National Employment Rights Authority  
 O'Brien Road, Carlow.  
 Tel: Lo Call 1890 80 80 90  
 Web: [www.employmentrights.ie](http://www.employmentrights.ie)

**Note:** All legislation, both Acts and Statutory Instruments, cited in this Code of Practice are available from [www.irishstatutebook.ie](http://www.irishstatutebook.ie) or [www.entemp.ie](http://www.entemp.ie)