



**Human Resources in the Recession:
*Managing and Representing People at Work in Ireland***

by

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Rationale and Scope

Scope of Study

Survey of 444 employers

Focus groups involving 30 HR managers

Focus groups involving 17 trade union officials

Six case studies of good practice in responding to the recession

Irish Life and Permanent, Sherry FitzGerald, Dublin Airport Authority

Superquinn. Medtronic, Ericsson

Focus of Study

Focus: how the recession has affected the conduct of HRM and union representation

The Recession, HRM and Trade Unions

3 Scenarios in the Literature:

1. The recession as harbinger of HR cataclysm or a new 'marketized' employment model
2. The recession as a 'shot in the arm' for HR and a catalyst for high-commitment HR transformation
3. The recession as contributor to eclectic change in HR practice

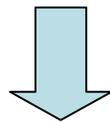
Survey Results: HR Response Practices

Balance Between Cost Reduction and Maintaining Motivation & Commitment

HR Practices

'hard' HR practices

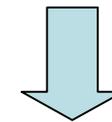
- curbs on pay & bonuses
- headcount reductions
- cuts in working time
- curbs on recruitment & promotion
- productivity measures



direct cost
reduction

'soft' HR practices

- communications
- engagement & involvement
- training, talent management & staff redeployment
- larger pay cuts for higher-paid
- in-sourcing work



Maintain motivation
& commitment

HR Response Programmes

- Multi-stranded hard HR retrenchment programmes adopted in about 1 in 2 workplaces & similar incidence of mainly pay-freeze focused response programmes
- But employers in general seeking to balance hard and soft practices:
 - 7 out of 10 firms combine hard retrenchment programmes with a range of soft HR practices that include more emphasis on communications, employee engagement measures and the involvement of employees in developing response measures
 - 3 out of 10 firms combine hard retrenchment programmes primarily with more emphasis on communications

Most Effective HR Practices

- When asked to identify the most effective HR practices in managing the recession, most frequently identified were:

communication & information disclosure

efficiencies and cost control

engagement & consultation

- These practices also among those strongly associated in focus groups and case studies with 'good human resource management' in the recession

Role & Influence of HR Function

- HR functions 'leaner' but radical restructuring not prominent
- Influence of HR has increased significantly
- 'Business partners and working the pumps'

Relations with Trade Unions

- The majority of firms appear to consider the participation and contribution of unions during the recession in a fairly positive way.
- More than six out of ten firms stated that they had actively engaged with unions in developing HR options with which to respond to the recession
- Almost six out of ten firms disagreed that the actions required to respond to the recession have been so urgent that there has been little time to consult or negotiate with trade unions.

Attitudes to Trade Unions

- Equal numbers of respondents indicated that the unions had and had not impaired the firm's response to the recession by insisting on protracted and detailed negotiations
- More respondents believed that unions have been realistic and constructive in engaging with the business in response to the recession (46 per cent), than not (31 per cent)

Influence of Trade Unions

- Unions however, do not appear either to have been able to exert much leverage on managements' favoured measures for responding to the recession:
 - only a very small number of firms (5 per cent) agree that unions persuaded the business to change measures initially decided on to address the recession (e.g. from redundancies to short-term working)
 - a similarly small number (6 per cent) stated that unions had secured agreement on financial 'claw-backs' for their members when business conditions improve

Trade Unions in the Recession

- Little survey evidence of employers by-passing or marginalizing union representation.
- Low incidence of trade unions' preferred 'high-road' restructuring plans
- In many cases, the sheer scale of the recession has meant that trade unions could do no more than acquiesce to managerial priorities
- The position of trade unions is weakened further by subdued and compliant employees, fearful for their jobs, pensions and livelihoods.

Human Resources in the Recession: Some Key Conclusions

- Employers commonly adopting multi-stranded HR response programmes geared to reducing payroll costs but also seeking to preserve motivation and commitment
- Leaner but more influential HR functions
- Unions facing unprecedented challenges
- Is the recession breaking the mould of established patterns of work and employment?