



Survey report February 2007

# Managing conflict at work

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# Summary of key findings

The survey analysis is based on replies from 798 organisations employing in total more than 2.2 million employees.

## Impact of the statutory dispute resolution procedures

- In all, 59% of respondents report that their organisation changed its disciplinary and grievance procedures as a result of the introduction of the statutory dispute resolution procedures.
- Employers that have made changes to their disciplinary or grievance procedures are much more likely to have added stages than to have reduced the number of stages to go through.
- The survey findings show that only 9% of respondents believe that the statutory procedures have led to a reduction in the number of tribunals, compared with 8% who believe they have had the opposite effect.
- Three-quarters of respondents don't think that the statutory procedures have had any effect on the number of tribunal claims.
- About one in ten (11%) of employers report that the statutory procedures have made tribunal hearings more complex, with just 3% believing tribunal hearings have become less complex.
- Just under a fifth (18%) of respondents say the statutory procedures have led to an increase in the number of formal disciplinary cases, with only 3% identifying a decrease.
- Over a quarter (28%) of employers believe the statutory procedures have led to an increase in the number of grievance cases, compared with just 1% thinking the opposite.
- About a quarter of respondents (24% and 26% respectively) say they feel the statutory disciplinary and grievance procedures are either complex or very complex to apply.
- The survey finds that a positive net balance of HR professionals believe individual employment disputes are less likely to be resolved informally since the introduction of the statutory procedures.

## Training to manage conflict at work

- Almost 80% of respondent organisations provide training in the use of disciplinary and/or grievance procedures.
- In organisations that provide training in the use of disciplinary and/or grievance procedures, 86% train their line managers, 71% train their HR staff and 10% provide training for all employees.
- Just over half of organisations use training to support the resolution of individual employment disputes.
- Among organisations that provide training to support conflict resolution at work, 72% train their line managers in conflict management/resolution skills, and 58% train HR practitioners in these skills.

## Mediation

- Only 30% of employers train any employees in mediation skills. This is much more common among public services organisations (53%) than among employers in the three other main sectors – particularly manufacturing and production (15%).
- One in four respondent organisations used internal mediation (using members of staff trained in mediation skills) to resolve individual employment disputes in the last 12 months.
- About a fifth of respondents report that their organisations used external mediation services (for example, ACAS) to resolve individual employment disputes in the last 12 months.
- The survey provides some evidence that organisations that provide mediation training receive fewer employment tribunal claims. Organisations providing mediation training to employees received on average 3 employment tribunal claims in the last 12 months, compared with an average of 3.5 claims received by organisations that don't provide such training.

### Formal disciplinary and grievance cases

- There were 18 formal disciplinary cases a year per average respondent organisation employing 2,847 members of staff. This equates to a ratio of one disciplinary case a year to every 158 members of staff. Public services organisations are significantly less likely to have disciplined their employees than employers in the other main sectors, with a ratio of one disciplinary case a year for every 364 employees.
- There are on average eight grievance cases a year per organisation, which equates to a ratio of one grievance case for every 355 employees per average respondent organisation employing 2,847 employees. Employees in not-for-profit organisations and in manufacturing and production raise proportionately more grievances than those working in private services and public services.
- Employers spend an average of 13 days in management and HR time on each disciplinary case.
- Managing grievances takes on average nine days per case in management and HR time.
- Organisations employing between 51 and 250 employees have to manage an average of 6 disciplinary cases and 2 grievance cases a year.

### Employment tribunal claims

- Respondent organisations received on average 3.1 employment tribunal claims in the last 12 months.
- A greater proportion (17%) of respondents said that the number of employment tribunal claims their organisation had received had increased in the last 12 months compared with those that identified a decrease (14%). However, 57% of respondents reported no change.
- The survey shows that, almost without exception, and regardless of factors such as sector or size of organisation, there are more tribunal claims among organisations that recognise trade unions for collective bargaining purposes.

- Organisations spend on average 15 days in management time, HR time and in-house employment lawyers' time preparing for an employment tribunal hearing.
- Taken together, employers spend on average a total of 351 days of HR and management time a year dealing with disciplinary and grievance cases and responding to tribunal claims.
- The average costs associated with employment tribunal claims come to almost £20,000 per respondent organisation each year.

### Causes of conflict at work

- General behaviour and conduct issues are rated as the most common causes of disputes at work, followed by conflicts over performance, sickness absence and attendance, and relationships between colleagues.
- Respondents also identify theft and fraud, bullying and harassment, as well as sex discrimination and equal pay issues as among the most frequent causes of conflict.
- Performance issues are rated more highly as a frequent cause of conflict among private services and not-for-profit organisations, compared with the other two main sectors and, in particular, public services employers.

### Sources of advice for UK employers in managing employment disputes

- Two-thirds of respondents report that their organisation's use of the HR department to manage disputes at work had increased in the two years since the introduction of the statutory dispute resolution procedures.

# The impact of the statutory dispute resolution procedures

The survey shows that the statutory dispute resolution procedures have not had their intended effect of reducing numbers of employment tribunal claims but instead have contributed to an increase in the number of formal disciplinary and grievance cases.

A surprisingly high proportion of employers changed their disciplinary and/or grievance procedures as a result of the introduction of the statutory procedures in October 2004.

This is most likely to be the case among the smallest employers, with 50 or fewer employees (65%), and among the very largest organisations, with workforces in excess of 10,000 people (78%).

In all, 59% of respondents report that their organisation changed its disciplinary and grievance procedures as a result of the introduction of the statutory dispute resolution procedures.

From a sector perspective, not-for-profit organisations are most likely to have made changes to their disciplinary processes. See Table 1.

Table 1: Percentage of organisations that changed their disciplinary and grievance procedures as a result of the introduction of the statutory dispute resolution procedures

	Sector					Number of employees						
	Total	Manufacturing and production	Private services	Not-for-profit organisations	Public services	50 or fewer	51–250	251–500	501–1,000	1,001–5,000	5,001–10,000	More than 10,000
Yes	59	59	56	63	62	65	59	50	60	60	64	78
No	41	41	44	37	38	35	41	50	40	40	36	22

The statutory dispute resolution procedures came into force in October 2004 and set out minimum three-step disciplinary and dismissal and grievance procedures. They were implemented under the Employment Act 2002 (Dispute Resolution) Regulations 2004.

Under the statutory disciplinary and dismissal procedure, an employer must:

- 1 Set out in writing the grounds of the matter being considered for disciplinary action and invite the employee to a meeting to discuss the issue.
- 2 Hold a meeting with the employee to discuss the disciplinary matter and then notify the employee of the decision and their right to appeal.
- 3 Where requested, invite the employee to attend a further meeting to allow the individual to appeal against the decision.

Under the statutory grievance procedure:

- 1 The employee must send a statement to the employer setting out the circumstances of their grievance in writing.
- 2 The employer must invite the employee to attend a meeting to discuss the matter and subsequently inform the employee of the decision and of their right of appeal.
- 3 If the employee wishes to appeal against the employer's decision, they must inform the employer, who must invite the employee to attend a further meeting to consider the appeal.

The Regulations also established a modified two-step procedure to be used where an individual has already been dismissed or left the organisation.

### Changes made to disciplinary and/or grievance procedures

Employers that have made changes to their disciplinary or grievance procedures are much more likely to have added stages than to have reduced the number of stages to go through.

Among organisations that made changes to their disciplinary and grievance procedures, 58% had added more stages to their disciplinary procedure and 63% had added stages to their grievance procedure.

Just 23% of respondents said their organisation had reduced the number of stages in the disciplinary procedure, while 19% had reduced the number of stages in their grievance procedure.

Manufacturing and production organisations are the most likely of the four main sectors to have added stages to their disciplinary procedures, and private services sector firms are most likely to have added stages to grievance procedures.

A greater proportion of not-for-profit organisations reduced the number of stages in their disciplinary procedures compared with employers in the other sectors, while public services sector organisations are most likely to have reduced the number of stages in their grievance procedures.

In terms of size of organisation, a significantly higher proportion of companies employing 50 or fewer people added stages to their disciplinary procedures (73%), compared with larger organisations, particularly those employing more than 10,000 people (42%).

Additional stages are most likely to have been added to grievance procedures among organisations employing 51–250 people (72%).

A reduction in the number of stages in disciplinary and grievance procedures is generally more common among organisations employing more than 500 people. See Table 2.

Table 2: Percentage of organisations that added or reduced the number of stages in their disciplinary and/or grievance procedures in response to the introduction of the statutory dispute resolution procedures

	Sector					Number of employees						
	Total	Manufacturing and production	Private services	Not-for-profit organisations	Public services	50 or fewer	51–250	251–500	501–1,000	1,001–5,000	5,001–10,000	More than 10,000
More stages added to disciplinary procedure	58	64	63	52	46	73	66	56	43	52	58	42
More stages added to grievance procedure	63	64	67	61	57	62	72	58	57	54	67	54
Reduction made in the number of stages in disciplinary procedure	23	23	16	36	27	16	23	25	27	21	8	27
Reduction made in the number of stages in grievance procedure	19	15	14	20	32	20	12	15	23	29	25	23

### Impact of the statutory dispute resolution procedures on employment tribunal claims

The statutory dispute resolution procedures were introduced to encourage more conflicts to be resolved internally within organisations and to help reduce the burden on the employment tribunal system. However, the survey findings show that only 9% of respondents believe that the statutory procedures have led to a reduction in the number of tribunals, compared with 8% who believe the procedures have had the opposite effect. Three-quarters of respondents don't think that the statutory procedures have had any effect on the number of tribunal claims.

About one in ten (11%) of employers report that the statutory procedures have made tribunal hearings more complex, with just 3% believing tribunal hearings have become less complex. A quarter of respondents don't

believe the statutory procedures have had any effect on the complexity of tribunal hearings.

There is little meaningful statistical variation in the survey findings, from either a sector or size of organisation perspective, on the impact of the statutory procedures on the number of tribunals or their complexity.

### Impact of the statutory dispute resolution procedures on numbers of disciplinary and grievance cases

The survey shows that the introduction of the statutory procedures has had a greater impact on the number of disciplinary and grievance cases than on the number of employment tribunal hearings.

Just under a fifth (18%) of respondents report that the statutory procedures have led to an increase in the

number of formal disciplinary cases, with only 3% identifying a decrease. Just over seven in ten respondents don't think the statutory procedures have had an impact on the number of disciplinary cases.

The statutory procedures appear to have contributed to an even more significant increase in the number of formal grievance cases.

In all, 28% of employers believe that the statutory procedures have led to an increase in the number of grievance cases, compared with just 1% thinking the opposite. Four in ten respondents report that the introduction of the statutory procedures has had no impact on the number of grievance cases.

There is little difference in the views between the sectors, but larger organisations are typically more likely than smaller employers to believe that the statutory procedures have led to an increase in both formal disciplinary and grievance cases. In all, 29% of organisations with 10,000 or more people identify an increase in disciplinary cases, compared with just 15% among employers of 50 or fewer members of staff. More than half of the respondent organisations employing more than 10,000 people believe the statutory procedures have resulted in more grievance cases, in contrast to just 10% of organisations with 50 or fewer employees.

### **Applying the statutory disciplinary and grievance procedures**

The survey reveals mixed views on how complex or simple the statutory disciplinary procedures are to apply in practice.

Almost a quarter of respondents report that the statutory disciplinary procedure is complex (22%) or very complex (2%) to apply. But a slightly higher proportion of respondents say they find the statutory disciplinary procedures simple (27%) or very simple (1%). Just under half of those surveyed say they find the statutory disciplinary procedures neither complex nor simple.

There is little significant variation between the sectors, but size of organisation has an impact on respondents' views. Respondents in the smallest organisations, employing 50 or fewer, and those in the largest, employing more than 10,000, were most likely to say that the statutory procedures are complex and least likely to regard them as simple. This may well be because the smaller organisations are least likely to have significant HR support to help them comply with the statutory procedures, and the largest employers have to cope with the greatest numbers of disciplinary cases.

About a quarter of respondents report that the statutory grievance procedure is complex (23%) or very complex (3%) to apply in practice. But a slightly higher proportion of respondents believe the statutory grievance procedure is either simple (27%) or very simple (2%) to follow. Just under half of respondents say the statutory grievance procedure is neither simple nor complex.

There is little statistical variation from a sector perspective in terms of respondents' views on the complexity of the statutory grievance procedure. Once again, the smallest employers, with 50 or fewer employees, and the largest, of more than 10,000, are most likely to regard the statutory grievance procedure as either complex or very complex.



## Case study

West Midlands Police began to revise its grievance procedure shortly before the statutory dispute resolution procedures came into force, in order to ensure that police officers and civilian staff were subject to the same three-stage process. Prior to the change, police staff members had an extra appeal stage. Andrea Pili, Employee Relations Adviser, said the decision was made at the time to change the language around grievances so that it became less negative and more focused on resolving the issue than on establishing blame. The process is now called the Resolution Procedure and individuals using it raise submissions, identifying their desired outcome.

The new procedure was introduced following eight months of consultation with the Police Federation, the Police Superintendents' Association, trade unions, the Black and Asian Police Association and the Rainbow Forum, which represents gay and lesbian staff and transsexuals.

Pili doesn't believe the statutory procedures have had an impact on the number of disciplinary cases in the organisation, though she thinks it has led to an increase in the number of formal grievance cases because of the ambiguity in the legislation over what constitutes a grievance letter.

### Employee grievances and legal advice

The survey asked respondents how far they agree or disagree with the statement: 'We are now more likely to take legal advice when an employee submits a grievance since the introduction of the statutory grievance procedure.'

More than four in ten respondents agree (35%) or strongly agree (7%) with the statement, while just over

two in ten (22%) respondents neither agree nor disagree. A total of 37% disagree (34%) or strongly disagree (3%).

Smaller organisations, employing 50 or fewer, are significantly more likely to agree (52%) or strongly agree (12%) with the statement than larger employers.

See Table 3.

Table 3: Percentage of respondents agreeing/disagreeing with the statement: 'We are now more likely to take legal advice when an employee submits a grievance since the introduction of the statutory grievance procedure.'

	Number of employees							
	Total	50 or fewer	51-250	251-500	501-1,000	1,001-5,000	5,001-10,000	More than 10,000
Strongly agree	7	12	8	7	5	3	4	6
Agree	35	52	35	35	37	29	18	28
Neither agree nor disagree	22	15	20	26	18	28	36	17
Disagree	34	21	35	29	38	36	43	44
Strongly disagree	3	0	2	4	3	4	0	6

### Informal conflict resolution

The survey reveals that respondents believe individual employment disputes are less likely to be resolved informally since the introduction of the statutory procedures. In all, 29% of respondents think this is the

case, compared with 24% who believe disputes are more likely to be resolved informally as a result of the Regulations. Just under half of employers think the statutory procedures have made no difference in this area.

### Case study

Law firm Cobbetts LLP invests in training for line managers and its HR team to help ensure that disputes at work are managed properly. The Leeds, Manchester and Birmingham-based firm uses teams of external consultants to provide training to its HR team amongst other teams on the use of its discipline and grievance procedure and they trickle down the training to anyone with line management responsibility. Members of the HR team also provide one-to-one coaching and advice to line managers on disciplinary and grievance issues on request. In addition the company provides conflict management training for HR and line managers to give them the soft skills necessary to encourage them to step in and manage disputes informally before they reach the formal disciplinary or grievance stage. Ronald Drake, an employment team partner and one of the firm's principals, said mediation skills can give managers much more confidence when dealing with conflict at work.

The firm also has a number of senior solicitors who are trained as mediators and can provide internal mediation and training where it is requested. All members of staff are given equal opportunities training.

Drake does not believe the statutory dispute resolution procedures have had an impact on the number of disciplinary and grievance cases or on the number of tribunal claims, which though originally appeared to reduce nationally, now appear to be increasing in number.

However he does think that changes need to be made to help the statutory disciplinary and grievance procedures dovetail more effectively with the rules governing employment tribunal procedures.

'The problem was that the introduction of the dispute resolution Regulations came into effect at the same time as changes in the rules for employment tribunal procedure and the two don't sit as well together as might have been hoped,' he said.

# Training to manage conflict at work

Most employers provide training in the use of disciplinary and grievance procedures but only about half provide more general conflict resolution training.

## Training in the use of disciplinary and grievance procedures

Almost 80% of respondent organisations provide training in the use of disciplinary and/or grievance procedures.

This is most likely to happen among public services organisations (82%) and least likely among private services sector companies (74%).

Just 57% of businesses with 50 or fewer people provide training in the use of disciplinary and/or grievance procedures, but this rises to 96% among organisations with 5,001–10,000 people. See Table 4.

In organisations that provide training in the use of disciplinary and/or grievance procedures, 86% train their line managers, 71% train their HR staff and 10% provide training for all employees. See Table 5.

Table 4: Percentage of organisations providing training in the use of disciplinary and/or grievance procedures

	Sector					Number of employees						
	Total	Manufacturing and production	Private services	Not-for-profit organisations	Public services	50 or fewer	51–250	251–500	501–1,000	1,001–5,000	5,001–10,000	More than 10,000
Yes	79	85	74	77	82	57	73	81	90	87	96	94
No	21	15	26	23	18	43	27	19	10	13	4	6

Table 5: Percentage of staff trained in the use of disciplinary and grievance procedures

	Sector					Number of employees						
	Total	Manufacturing and production	Private services	Not-for-profit organisations	Public services	50 or fewer	51–250	251–500	501–1,000	1,001–5,000	5,001–10,000	More than 10,000
Line managers	86	88	86	83	84	63	81	89	88	95	92	82
HR practitioners	71	76	70	61	75	51	66	71	79	77	81	82
All employees	10	9	9	17	8	23	15	7	4	5	4	9

Respondents were asked to rate how effective their line managers are at resolving workplace disputes informally (that is, before the dispute escalates to the use of the formal disciplinary or grievance procedures).

Nearly 30% of respondents rate their line managers as good in managing conflict at work informally, although only 3% believe their line managers are excellent in this respect.

Just over half of respondents rate their line managers as average when resolving workplace disputes informally, while under a fifth rate them as poor.

Manufacturing and production and private services sector employers are most likely to rate their line managers

positively in terms of their ability to resolve disputes informally, and those in the not-for-profit and public services are least likely to rate them in this way.

Nearly a quarter of public services respondents rate their managers as poor when it comes to resolving disputes informally, compared with just 12% of respondents from manufacturing and production organisations.

Respondents from organisations employing up to 500 people are significantly more likely to rate their line managers as good or excellent when it comes to informal dispute resolution than those from larger organisations. This may be because managers in smaller organisations are likely to manage smaller teams and are able to build closer relationships with the people they manage. See Table 6.

Table 6: How employers rate their line managers in terms of their ability to resolve disputes informally

Percentage rating line managers as...	Number of employees							
	Total	50 or fewer	51-250	251-500	501-1,000	1,001-5,000	5001-10,000	More than 10,000
Excellent	3	7	4	0	1	2	0	0
Good	29	39	32	33	26	20	11	19
Average	53	40	53	53	50	60	68	58
Poor	16	15	11	15	24	18	21	22

### Conflict resolution training

Just over half (51%) of organisations use training to support the resolution of individual employment disputes. Almost two-thirds (64%) of public services organisations provide training in this area, in contrast to under half (45%) of manufacturing and production organisations.

Employers with 50 or fewer members of staff are least likely to provide training to support conflict resolution (39%) and organisations with 10,000 or more employees are most likely to do so (71%).

### Types of training provided

Among organisations that provide training to support conflict resolution at work, 72% train their line managers in conflict management/resolution skills and 58% train HR practitioners in these skills. Overall, only 37% of respondent organisations provide training for their line managers in conflict resolution skills, in spite of their central role in resolving conflicts at an early stage and preventing disputes from escalating.

Just over half of employers investing in training in conflict resolution, train employees in dignity or respect at work policies or behaviours, and 57% provide equal opportunities training for employees. See Table 7 for a breakdown by sector and size of organisation.

Table 7: The types of training being delivered by organisations to support the resolution of individual employment disputes

	Sector					Number of employees						
	Total	Manufacturing and production	Private services	Not-for-profit organisations	Public services	50 or fewer	51–250	251–500	501–1,000	1,001–5,000	5,001–10,000	More than 10,000
Training for line managers in conflict management/ resolution skills	72	80	73	67	68	66	67	82	75	75	64	67
Training for HR practitioners in conflict management/ resolution skills	58	61	56	55	60	45	54	57	60	63	64	75
Training for employees in dignity/respect at work policies and/or behaviours or similar	52	47	46	57	62	38	43	48	51	63	86	67
Training for employees in equal opportunities	57	37	46	69	78	48	49	54	54	63	71	88

## Case study

A focus on the development of leadership skills is central to the Royal & SunAlliance's approach to preventing and resolving conflict at work.

The company, which employs 10,000 in the UK, has developed a Leadership Pathway training programme to ensure that its leaders (anyone with people management responsibilities) have the necessary skills and knowledge to manage conflict effectively. The company does not use the term 'manager', preferring instead 'leader', as this better describes the behaviours it is looking to promote.

The Leadership Pathway programme provides a suite of development solutions covering a wide range of areas, including leading for performance and managing people. The Leadership Pathway also includes training in coaching to ensure its leaders act as coaches to their teams, and places an emphasis on developing individuals and improving their performance

(continued)

## Case study (continued)

There is also a range of Employee Relations Essentials training modules that cover areas such as employment law, recruitment, the use of disciplinary and grievance procedures, dealing with disciplinary situations and working with the recognised trade union, Amicus.

Leaders have access to a wide range of support including a helpline to HR advisers based at the company's centralised HR support function, People Place, in Liverpool. All policies and procedures are on the firm's intranet, as well as frequently asked questions. All leaders are sent the Royal & SunAlliance electronic magazine, *Insight*, which keeps them up to date with changes to company policy or legislation.

In addition, Royal & SunAlliance has developed a new dignity at work policy to ensure that individuals who feel they are harassed or bullied are given the necessary support and any incidents are investigated in an appropriate and timely manner.

The policy is underpinned by 18 dignity at work advisers, who are internal appointments and mainly recruited from within the HR department. The advisers, who have to balance their dignity at work responsibilities with their everyday jobs, are also trained to act as investigators. The advisers have helped ensure individuals' concerns or complaints are dealt with quickly and, where possible, informally.

Another area where the company is taking action is problem assessment through the development of a new well-being training programme to help leaders recognise and take action to manage employee problems and prevent stress. The programme includes the use of an in-house video, which shows people in the company carrying out role plays demonstrating the sorts of situations that create problems and the symptoms that people are likely to exhibit if they are suffering from stress.

Brenda White, HR business partner at Royal & SunAlliance, said the company had not been particularly affected by the introduction of the statutory dispute resolution Regulations. The company's disciplinary procedure, which has been developed in collaboration with Amicus, includes an informal stage, as well as three formal stages. The informal stage is designed to prevent disputes escalating to the formal process and provides an opportunity for both frank discussion and agreement over what steps need to be taken to resolve the matter. Wherever possible, performance, attendance or behavioural issues are tackled informally to try and remedy employee problems through a candid discussion around the employee's shortcomings and a clear indication of improvements which must be made. If this process fails to correct matters, then the formal stages with accompanying written warnings are invoked. The training for leaders in the handling of performance, conduct and absence issues is a joint process conducted with the active participation of Amicus representatives. Royal & SunAlliance has been used as a case study by the Department of Trade and Industry for consultation and engagement of staff representatives. The company is also developing a programme for its junior team leaders to equip them with the necessary skills and knowledge to hear formal hearings.

White said the company's emphasis on leadership development helps create a work culture where conflicts are managed proactively and the formal procedures are used only when informal measures have not resolved the conflict (with the exception of gross misconduct). 'Our leaders are encouraged to nip any potential conflict in the bud wherever possible, and understand that they are accountable and responsible for taking action. We place an emphasis on having adult-to-adult conversations across the company where people have open and honest discussions as part of our performance management culture.'

# Mediation

Less than a third of employers train any employees in mediation skills, even though organisations that provide such training typically receive fewer employment tribunal applications.

Only 30% of employers train any employees in mediation skills. Training in mediation skills is much more common among public services organisations (53%) than among employers in the three other main sectors – particularly manufacturing and production (15%). Smaller organisations are also less likely than larger ones to train members of staff in mediation skills. See Table 8.

The survey asked employers that train staff in mediation skills which categories of employees they typically trained.

More than a third of employers train senior managers in mediation skills, 43% train middle and line managers and 68% train HR staff. Just under 30% of respondent organisations train other categories of staff in such skills.

Manufacturing and production organisations are more likely than the survey average to train senior managers and HR practitioners in mediation skills. Public sector organisations are least likely to train senior managers but most likely to train ‘other’ categories of staff. See Table 9.

Table 8: Percentage of organisations that train any members of staff in the use of mediation skills

	Sector					Number of employees						
	Total	Manufacturing and production	Private services	Not-for-profit organisations	Public services	50 or fewer	51–250	251–500	501–1,000	1,001–5,000	5,001–10,000	More than 10,000
Yes	30	15	21	28	53	21	21	16	33	39	57	52
No	70	85	79	72	47	79	79	84	67	61	43	48

Table 9: Categories of employees trained in mediation skills

	Sector					Number of employees						
	Total	Manufacturing and production	Private services	Not-for-profit organisations	Public services	50 or fewer	51–250	251–500	501–1,000	1,001–5,000	5,001–10,000	More than 10,000
Senior managers	34	46	45	43	24	50	48	33	14	32	25	31
Managers	43	39	48	29	46	17	41	33	29	52	38	62
HR staff	68	85	68	64	67	33	67	56	71	81	38	85
Other staff	28	8	13	21	40	33	15	56	10	33	50	23

The survey provides some evidence that organisations that provide mediation training receive fewer employment tribunal claims. Organisations that provide mediation training to employees received on average 3 employment tribunal claims in the last 12 months, compared with an average of 3.5 claims received by organisations that don't provide such training.

This trend is repeated across all of the four main sectors, apart from manufacturing and production organisations. See Table 10.

There also appears to be a link between mediation training and fewer employment tribunal claims when

size of organisation is taken into account. Organisations with up to 1,000 employees report comparatively fewer employment tribunal claims than organisations of comparable size that don't provide such training. Organisations with more than 10,000 employees and providing mediation training report about a quarter of the number of tribunal claims received by organisations of this size that don't invest in this sort of training.

However, organisations employing between 1,001 and 10,000 employees that provide mediation training receive marginally more claims than those not providing training. See Table 11.

Table 10: Relationship between employee mediation training provision and numbers of employment tribunal claims, by sector

	All sectors		Manufacturing and production		Private services		Not-for-profit organisations		Public services	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
Organisations train any employees in mediation skills										
Number of tribunal claims in the last 12 months	3	3.5	1.8	1.2	2.6	4.1	0.7	0.9	4.6	8.9

Table 11: Relationship between employee mediation training provision and numbers of employment tribunal claims, by size of organisation

	Number of employees													
	50 or fewer		51–250		251–500		501–1,000		1,001–5,000		5,001–10,000		More than 10,000	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
Organisations train any employees in mediation skills														
Number of tribunal claims in the last 12 months	0.0	0.3	0.2	0.3	0.5	1.0	0.8	1.5	3.6	3.3	7.8	6.9	24.0	105.0



One in four respondent organisations used internal mediation (that is, using members of staff trained in mediation skills) to resolve individual employment disputes in the last 12 months.

Public services organisations are, by some way, the most likely of the four main sectors to have used internal mediation in the past year, with nearly half of employers in this sector having done so. About a fifth of not-for-profit and private sector services organisations used internal mediation in the past 12 months. Just 15% of manufacturing and production employers used internal mediation in the same period.

Not surprisingly, smaller organisations are significantly less likely to use internal mediation than larger organisations. See Table 12.

About a fifth (21%) of respondents report that their organisations used external mediation services (for example, ACAS) to resolve individual employment disputes in the last 12 months. This is most common among public services organisations (35%) and least common among employers in the private services sector (14%).

Only 10% of organisations with 50 or fewer staff used external mediation services to resolve workplace conflicts in the last 12 months, compared with 22% of employers with 501–1,000 people and 50% of organisations with workforces of 10,000 and above.

Table 12: Percentage of organisations using internal mediation to resolve individual employment disputes in the last 12 months

	Number of employees							
	Total	50 or fewer	51–250	251–500	501–1,000	1,001–5,000	5,001–10,000	More than 10,000
Yes	25	9	18	21	20	42	43	61
No	75	91	82	79	80	58	57	39

## Case study

An internal mediation scheme at West Midlands Police has become an integral part of the organisation's approach to conflict management since its introduction two years ago.

ACAS won the contract to develop the scheme and policy and to train a number of internal mediators when the initiative was launched in the summer of 2004. The scheme was initially run as a pilot but was soon rolled out across the organisation after it quickly became clear that there was a strong demand for mediation to help resolve workplace disputes.

The organisation currently has 17 accredited mediators selected from across the organisation, ranging from high-ranking officers to lower-graded administrative staff. They all had to sign a declaration of interest and have their application endorsed by their manager to confirm they had the necessary skills and aptitudes and could be released at short notice to carry out their mediation duties. All applicants were then interviewed by HR, with the successful individuals being put through a five-day training course. The mediators are all volunteers.

Once disputes have been put forward for mediation, station personnel managers contact the scheme's gatekeeper, Employee Relations Adviser Andrea Pili, at central headquarters to say they have a case to be considered for mediation. If she agrees it's appropriate for mediation, she selects a mediator based at another station to become involved. Mediators receive just the names and preferred contact numbers of the parties in dispute but no further details in order to ensure the mediator's complete objectivity and impartiality.

Since the start of the initiative, there have been more than 40 referrals to the scheme, with well over half the cases leading to successful resolution and just four instances where mediation wasn't seen to have had a positive impact. Pili said the scheme had resulted in at least three employment tribunal applications being withdrawn. The mediation scheme is available as an option regardless of whether a dispute has entered the formal grievance procedure or what stage of the procedure has been reached. Pili said mediation was even used successfully after an appeal as a way to try and rebuild the workplace relationship after it had been further damaged by more formal processes.

Mediation is only one strand of the organisation's approach to managing conflict at work. The police force trains all its line managers in the use of resolution procedures and is embarking on a similar approach to managing discipline. The training is cascaded down to line managers from central Headquarters by the personnel managers based at each of the 24 police stations and specialist departments.

The training is supported by detailed guidance as well as practical hints and tips on the intranet. The guidance highlights the importance of early intervention by line managers to nip conflict in the bud and explains the relationship between disciplinary and grievance matters. Other resources include a suite of standard letters and a 'resolution log' that encourages managers to record their methodology and rationale for their decision-making. Despite the support available, Pili said that managers still don't feel confident in addressing workplace conflict:

'We find that in many cases where there is potential conflict managers don't engage early enough in a conversation with the individual or individuals involved – they shy away from sitting down and getting people to sort it out quickly and locally.'

The force also issues a 'dignity at work' letter to all staff that outlines the standards of behaviour expected and the importance of respecting others, both at work and when off duty. In addition, there are policies on bullying, harassment and equal opportunities and these are supported by various levels of diversity training, attended by staff on a mandatory basis.

# Formal disciplinary and grievance cases

Employers on average have to manage 18 formal disciplinary cases and 8 grievance cases a year. In all 89% of disciplinary cases and 86% of grievance cases are resolved without the individual(s) involved leaving the organisation.

### The number of formal disciplinary cases

The survey asked respondents how many formal disciplinary cases (that is, formal warnings through to dismissals) there had been in their organisation in the last 12 months.

On average, there were 18 formal disciplinary cases per respondent organisation. This equates to a ratio of one disciplinary case a year for every 158 members of staff. See Table 13.

Among manufacturing and production employers, there were 13 formal disciplinary cases, which equates to one disciplinary case a year for every 69 employees.

There was an average of 26 disciplinary cases in the last 12 months among private services sector organisations. This represents a ratio of one disciplinary case a year for every 119 members of staff.

There were comparatively significantly fewer disciplinary cases among public sector organisations taking into account size of organisation. On average, there were 16 disciplinary cases in each public sector organisation, which equates to one disciplinary case for 364 employees.

Among not-for-profit organisations, there was an average of six disciplinary cases in the last 12 months, representing an average of one disciplinary case for every 62 members of staff.

Table 13: Average number of formal disciplinary cases in organisations in the last 12 months

	Total	Manufacturing and production	Private services	Not-for-profit organisations	Public services
Average number of disciplinary cases per organisation	18	13	26	6	16
Number of employees in organisation	2,847	902	3,097	369	5,820
Ratio (number of disciplinary cases: number of employees)	1:158	1:69	1:119	1:62	1:364

The survey shows that the average number of disciplinary cases per year ranges from one in organisations with 50 or fewer members of staff, to 150 among organisations with 10,000 or more employees. See Table 14.

**The number of formal grievance cases**

Respondents were also asked how many formal grievance cases there had been within their organisation in the last year.

On average, there were eight grievance cases a year in each organisation, which equates to a ratio of one grievance case for every 356 employees.

Manufacturing and production organisations report an average of four grievance cases a year, a ratio of one grievance case a year for every 226 employees.

On average, there were six grievance cases in the last 12 months among private services organisations. This equates to one grievance case a year for every 516 employees.

Table 14: Average number of formal disciplinary cases per year in organisations, by size of organisation

Number of employees						
50 or fewer	51–250	251–500	501–1,000	1,001–5,000	5,001–10,000	More than 10,000
1	6	13	25	34	116	150

Among public services employers, there was an average of 18 grievance cases a year, a ratio of one grievance case for every 323 employees for an average-size organisation.

Organisations in the not-for-profit sector receive proportionally the most formal grievance applications. Employers in this sector had an average of four grievances a year, that is, one grievance case for every 92 employees. See Table 15.

Table 15: Average number of formal grievance cases in organisations in the last 12 months

	Total	Manufacturing and production	Private services	Not-for-profit organisations	Public services
Average number of grievance cases per organisation	8	4	6	4	18
Average number of employees in organisation	2,847	902	3,097	369	5,820
Ratio (number of grievance cases: number of employees)	1:356	1:226	1:516	1:92	1:323

Table 16: Average number of formal grievance cases per year in organisations, by size of organisation

Number of employees						
50 or fewer	51–250	251–500	501–1,000	1,001–5,000	5,001–10,000	More than 10,000
7	2	3	6	16	40	105

The survey shows that the average number of grievance cases per year ranges from just under one in organisations with 50 or fewer members of staff, to 105 among organisations with 10,000 or more employees. See Table 16.

## Case study

Fife Council has dramatically cut the time spent investigating staff grievances following the introduction of a new fair treatment at work policy and the employment of two fair treatment advisers. The new approach has cut the time spent investigating complaints from an average of 165 days to 25 days and has significantly reduced the number of people who are off sick as a result of the old drawn-out process.

Previously, the council had a dignity at work policy. Nominees from other service departments not connected with the dispute would undertake investigations into employee grievances. However, because these nominees lacked expertise and because of the pressure of their workloads, investigations dragged on too long.

In response, the council held a number of focus groups with the unions, dignity at work councillors and the service nominees involved in the investigations to look at ways of improving the process. This led to the development and piloting of the new fair treatment at work policy – which, effectively, combines the harassment policy and the grievance policy and procedure – and the decision to recruit two full-time specialist fair treatment advisers in early 2006.

The fair treatment policy is underpinned by a three-stage procedure consisting of one informal stage and two formal stages. Barbara Cooper, HR Team Leader for Fife Council, said the informal stage provided an opportunity to resolve disputes before they escalated: 'One of the things that we've learned is that, if you really want to get a good resolution, you do it at the front end when it's far easier to encourage compromise.'

The fair treatment advisers were recruited internally, with one coming from a planning enforcement role and the other a former trade union official. They can be called in by service managers at any stage in a dispute to provide advice and to carry out investigations. However, Cooper stressed that the management of the case still rests with the service manager.

All those who have used the process, – the complaint manager, the complainant, the alleged harasser, HR case officers and trade union officials – have been given feedback questionnaires to ensure that the new approach is working as it's supposed to. As a result of the success of the pilot, the new policy has been implemented right across the council. Cooper said a monitoring group has been set up to monitor and assess how the policy is working.

### Time spent managing conflict at work

The survey highlights how much time is spent managing conflict at work. On average, employers spend a total of 13 days in management and HR time on each disciplinary case. Public sector and not-for-profit employers spend the most time managing disciplinary issues, averaging 21 days and 15 days per case respectively. See Table 17 overleaf.

Private services organisations spend 12 days and manufacturing and production employers spend 9 days managing each disciplinary case.

In terms of how all this time is spent, respondents report that on average managers spend six days and HR staff spend seven days on each disciplinary case. About

half of the respondents also estimate that in-house lawyers devote about two days to each case.\*

Managing each grievance case takes on average nine days of management and HR time.

Again, public services and not-for-profit organisations spend considerably more time managing grievance cases than private services and manufacturing and production sector employers.

\*The time estimates don't add up to the average total time spent per case because not all survey respondents provided estimates of management, HR staff and in-house lawyers' time spent managing cases.

Respondents estimate that the time spent managing grievances is typically made up of five days of management time and six days of HR time. Just under half our respondents estimate that an average of one day of in-house lawyers' time is used.\*

\*The time estimates don't add up to the average total time spent per case because not all survey respondents provided estimates of management, HR staff and in-house lawyers' time spent managing cases.

Table 17: Time spent managing each disciplinary and grievance case, by sector and size of organisation

	Sector					Number of employees						
	Total	Manufacturing and production	Private services	Not-for-profit organisations	Public services	50 or fewer	51-250	251-500	501-1,000	1,001-5,000	5,001-10,000	More than 10,000
Average number of days spent managing each disciplinary case	13	9	12	15	21	9	9	14	15	12	18	6
Average number of days spent managing each grievance case	9	6	7	13	12	9	7	10	8	10	10	5

**Proportion of disciplinary and grievance cases that are successfully resolved**

On average 86% of all disciplinary cases are resolved internally without the individual(s) involved leaving the organisation.

This rises to 92% among manufacturing and production employers but falls to 82% among not-for-profit organisations.

The smallest employers of 50 or fewer members of staff are least likely to be successful in resolving disciplinary issues without the employee(s) involved leaving (74%). See Table 18.

Employers estimate that 89% of grievance cases are resolved internally without the individual(s) involved leaving the organisation.

Public services and manufacturing organisations are most likely to be successful in resolving grievances without the employee(s) leaving (92%), and not-for-profit organisations are most likely to lose employees when dealing with grievances (83%).

Once again, employers of 50 or fewer employees are significantly less likely than larger organisations to resolve grievance cases without the individual(s) leaving (71%).

Table 18: Percentage of disciplinary and grievance cases resolved internally without the individual(s) leaving the organisation

	Sector					Number of employees						
	Total	Manufacturing and production	Private services sector	Not-for-profit organisations	Public services	50 or fewer	51-250	251-500	501-1,000	1001-5,000	5,001-10,000	More than 10,000
Disciplinary cases resolved without individual(s) involved leaving the organisation	86	92	83	82	88	74	87	88	87	89	76	86
Grievance cases resolved without individual(s) involved leaving the organisation	89	92	86	83	92	71	90	92	88	90	83	85

# Employment tribunal claims

Organisations receive, on average, 3.1 employment tribunal claims a year and typically spend 15 days in management time, HR time and in-house employment lawyers' time preparing for an employment tribunal hearing.

Respondent organisations received on average 3.1 employment tribunal claims in the last 12 months.

Public sector organisations averaged 6.5 tribunal claims, private services sector employers received 3.4, manufacturing and production employers received on average 1.2 tribunal claims a year and not-for-profit organisations averaged 0.8 claims. See Table 19.

A greater proportion of respondents said that the number of employment tribunal claims their organisation had received had increased in the last 12 months (17%), compared with those identifying a decrease (14%). But 57% of respondents reported no change.

Overall, employers estimate that just over half of employment tribunal claims are settled before they're heard at tribunal. Of the four main sectors, private services sector organisations are most likely to settle

tribunal claims out of court (62%) and not-for-profit organisations are least likely to (45%).

Smaller employers, with up to 500 employees, settle 50% of tribunal claims or fewer, compared with larger employers, which settle more than 60% of claims.

Employers win nearly two-thirds of the tribunal claims that do go to hearing.

Public sector organisations and manufacturing and production employers win a greater proportion of cases compared with not-for-profit and private services sector employers. See Table 20.

Smaller organisations are much less likely to be successful than larger organisations, with those employing 50 or fewer members of staff winning less than a quarter of tribunal claims.

Table 19: Average number of annual employment tribunal claims received by organisations, by sector and size of organisation

Total	Sector				Number of employees						
	Manufacturing and production	Private services	Not-for-profit organisations	Public services	50 or fewer	51–250	251–500	501–1,000	1,001–5,000	5,001–10,000	More than 10,000
3.1	1.2	3.4	0.8	6.5	0.2	0.4	1	1.4	3.5	7.2	7.4

Table 20: Percentage of employment tribunal hearings won by employers

Total	Sector				Number of employees						
	Manufacturing and production	Private services	Not-for-profit organisations	Public services	50 or fewer	51–250	251–500	501–1,000	1,001–5,000	5,001–10,000	More than 10,000
65	68	59	64	72	24	51	72	83	76	87	70

### Time spent preparing for employment tribunal hearings

On average, preparing for each employment tribunal hearing takes up 15 days of management time, HR time and in-house employment lawyers' time.

Of the four main sectors, public services employers spend most time preparing for tribunals, with manufacturing and production organisations spending the least amount of time. See Table 21.

Table 21: Time spent preparing for employment tribunal hearings, by sector and size of organisation

	Sector					Number of employees						
	Total	Manufacturing and production	Private services	Not-for-profit organisations	Public services	50 or fewer	50-250	251-500	501-1,000	1,001-5,000	5,001-10,000	More than 10,000
Average number of days spent preparing for each hearing	15	12	15	14	19	8	11	17	15	18	18	15

### Costs associated with employment tribunal claims

The average annual costs associated with employment tribunals came to almost £20,000 in each respondent organisation. See Table 22.

Table 22: Average costs (£) incurred by employers as a result of employment tribunal claims in the last 12 months

	Sector					Number of employees						
	Total	Manufacturing and production	Private services	Not-for-profit organisations	Public services	50 or fewer	51-250	251-500	501-1,000	1,001-5,000	5,001-10,000	More than 10,000
Out-of-court settlements	8,884	4,928	12,826	2,883	9,935	2,017	9,028	7,575	6,470	9,904	67,500	42,642
Compensation payments	1,553	940	1,606	162	3,923	97	822	1,040	260	2,534	13,000	20,875
Legal advice	9,408	13,030	9,600	2,755	8,677	737	3,580	5,823	9,444	14,905	58,333	148,187
Total	19,845	18,898	24,032	5,800	22,535	2,851	13,430	14,438	16,174	27,343	138,833	211,704



### Relationship between trade union recognition and employment tribunal claims

The survey shows that, on average, there are more tribunal claims among organisations that recognise trade unions for collective bargaining purposes, regardless of factors such as sector or size of organisation.

The findings reveal that, in organisations that recognise trade unions for collective bargaining purposes, there is a yearly average of 6.1 tribunal claims compared with an average of less than one tribunal claim among organisations that don't recognise trade unions.

From a sector perspective, manufacturing and production organisations that recognise trade unions have on average almost two employment tribunal claims every year, compared with just an average of 0.4 for those that recognise trade unions.

This pattern is repeated across all sectors. See Table 23.

Part of the reason for this is that organisations that recognise trade unions are generally larger than those that don't.

However, the survey shows that, regardless of size, almost without exception, organisations that recognise trade unions face more tribunal claims per year than employers that don't recognise them.

Only in organisations employing 51–250 employees are there marginally more tribunal claims on average among employers that don't recognise unions compared with those that do. See Table 24.

Table 23: Number of tribunal claims organisations received in the last 12 months, by sector

	All sectors		Manufacturing and production		Private services		Not-for-profit organisations		Public services	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
Organisations that recognise one or more trade unions for collective bargaining										
Number of tribunal claims in the last 12 months	6.1	0.7	1.9	0.4	13	0.8	1.4	0.5	7.0	1.2

Table 24: Number of tribunal claims organisations received in the last 12 months, by size of organisation

	50 or fewer		51–250		251–500		501–1,000		1,001–5,000		5,001–10,000		More than 10,000	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
Organisations that recognise one or more trade unions for collective bargaining purposes														
Number of tribunal claims in the last 12 months	1.0	0.2	0.3	0.4	1.2	0.6	1.7	1.0	4.1	1.9	7.5	4.5	80.2	23.0

# Causes of conflict at work

General behaviour and conduct issues are rated as the most common causes of disputes at work, followed by conflicts over performance, sickness absence and attendance, and relationships between colleagues.

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Respondents were asked to rank the five most common causes of conflict at work from a list of 16 possible causes, with '1' being the most common and '5' being the least common.

General behaviour and conduct issues are rated as the most common causes of disputes at work, followed by conflicts over performance, sickness absence and attendance, and relationships between colleagues. See Table 25.

Respondents also identify theft and fraud, bullying and harassment, as well as sex discrimination and equal pay issues as among the most frequent causes of conflict.

Performance issues are rated more highly as a frequent cause of conflict among private services and not-for-profit organisations, compared with the other two main sectors and, in particular, public services employers.

Attendance issues are rated highest as a cause of conflict by manufacturing and production organisations, followed by private services organisations.

Sickness absence is most likely to be rated highly as a cause of conflict by public services organisations and manufacturing and production employers.

Public services respondents rate relationships between colleagues, and bullying and harassment, as more significant causes of disputes in the workplace than respondents from the other three main sectors.

Public services organisations are also more likely to rate all forms of discrimination more highly than employers from the other sectors as significant causes of conflict.

New regulations outlawing age discrimination had only come into force shortly before the survey questionnaire was circulated, which probably explains why age discrimination wasn't cited as a common cause of disputes at work at the time of the survey.

Table 25: Common causes of individual employment disputes, ranked 1–5, where 1 is ‘most common’ and 5 is ‘least common’

All sectors	Manufacturing and production	Private services	Not-for-profit organisations	Public services
2.3 Behaviour/conduct	2.5 Behaviour/conduct	2.2 Behaviour/conduct	2.1 Behaviour/conduct	2.3 Behaviour/conduct
2.4 Performance	2.5 Attendance	2.2 Performance	2.3 Performance	2.5 Sickness absence
2.7 Sickness absence	2.5 Sickness absence	2.8 Sickness absence	2.7 Sickness absence	2.7 Performance
2.8 Attendance	2.6 Performance	2.8 Attendance	3.1 Relationships between colleagues	3.1 Relationships between colleagues
3.4 Relationships between colleagues	3.7 Terms and conditions	3.2 Sex discrimination	3.3 Attendance	3.2 Bullying/harassment
3.6 Theft/fraud	3.7 Relationships between colleagues	3.3 Theft/fraud	3.6 Terms and conditions	3.2 Attendance
3.6 Bullying/harassment	3.9 Work arrangements/conditions	3.6 Relationships between colleagues	3.6 Equal pay for equal value	3.2 Sex discrimination
3.6 Sex discrimination	4 Bullying/harassment	3.7 Equal pay for equal value	3.7 Bullying/harassment	3.5 Disability Discrimination
3.7 Equal pay for equal value	4.1 Theft/fraud	3.8 Disability discrimination	3.8 Work arrangements	3.6 Equal pay for equal value
3.8 Disability discrimination	4.3 Disability discrimination	3.9 Race discrimination	4 Theft/fraud	3.6 Theft/fraud
3.8 Terms and conditions	4.4 Age discrimination	3.9 Terms and conditions	4.1 Discrimination on the grounds of religion/belief	3.7 Race discrimination
4 Work arrangements/conditions/contract issues	4.4 Equal pay for equal value	4 Work arrangements	4.3 Age discrimination	3.7 Discrimination on the grounds of sexual orientation
4.1 Race discrimination	4.4 Sex discrimination	4 Bullying/harassment	4.7 Sex discrimination	3.7 Terms and conditions/contract issues
4.3 Discrimination on the grounds of sexual orientation	4.4 Discrimination on the grounds of sexual orientation	4.4 Discrimination on the grounds of sexual orientation	4.7 Race discrimination	4 Work arrangements
4.4 Age discrimination	4.6 Race discrimination	4.6 Age discrimination	5 Disability discrimination	4.1 Discrimination on the grounds of religion/belief
4.6 Discrimination on the grounds of religion/belief	4.6 Discrimination on the grounds of religion/belief	5 Discrimination on the grounds of religion/belief	5 Discrimination on the grounds of sexual orientation	4.2 Age discrimination

Respondents were asked to rank, from the same list of 16 types of conflict, the five that were most likely to escalate to an employment tribunal claim. See Table 26.

Behaviour and conduct issues were identified as most likely to lead to tribunal claims – perhaps not surprising, considering these are the most common disputes at work. However, respondents report that disputes around sex, race and disability discrimination are particularly likely to escalate to tribunal claims, in spite of their comparative infrequency compared with other types of workplace conflict.

Bullying and harassment and issues around performance were also ranked highly by employers in terms of the likelihood of them leading to employment tribunal claims.

Table 26: Types of workplace conflict most likely to escalate to employment tribunal claims

All employers	
2.6	Behaviour/conduct
2.7	Sex discrimination
2.7	Race discrimination
2.8	Disability discrimination
2.9	Bullying/harassment
2.9	Performance
2.9	Terms and conditions/ contractual issues
3	Equal pay for equal value
3.2	Sickness absence
3.2	Theft/fraud
3.4	Age discrimination
3.4	Relationships between colleagues
3.5	Discrimination on the basis of sexual orientation
3.5	Discrimination on the basis of religion/belief
3.5	Work arrangements/conditions
3.6	Attendance

# Sources of advice for UK employers in managing employment disputes

Employers are increasingly relying on their HR departments and other sources of specialist advice and support to manage conflicts at work, since the introduction of the statutory dispute resolution procedures.

Two-thirds of respondents report that their organisation's use of the HR department to manage disputes at work has increased in the two years since the introduction of the statutory dispute resolution procedures. Just over half of respondent organisations have used employment law firms more frequently since October 2004, and there has been a significant increase in the use of ACAS as well as trade union representatives in the management of conflict at work. See Table 27.

Table 27: Sources of advice for UK employers in managing individual employment disputes

Employers (%) reporting change in use since the introduction of the statutory Dispute Resolution Regulations

	Increased	Decreased	Unchanged
HR department	67	2	31
In-house lawyer	27	5	68
Employment law firm	51	4	45
HR consultant	19	7	74
ACAS	36	2	62
Trade union/employee representative	40	3	57

# Background to the survey

In October 2006, 4,790 survey questionnaires were sent out to a sample of people management specialists in the UK. An online version of the survey was also emailed to 5,574 HR practitioners in the UK.

A total of 798 usable replies were received, made up of 298 paper questionnaires and 500 electronic questionnaires. The response rate was 6.2% for the paper-based mailing and 9% for the electronic version of the survey.

The questionnaire included 36 questions exploring the causes and costs of disputes in the workplace and what organisations are doing to try and manage them.

The survey questionnaire also asked a number of questions about the impact of the statutory dispute resolution procedures, which came into force in October 2004 and are due to be reviewed by the Department for Trade and Industry in 2007.

The average respondent organisation employs 2,847 employees. The breakdown by size of organisation is shown in Figure 1.

Table 28 shows a detailed sector breakdown of responses received. Overall, 23.7% of responses were from manufacturing and production organisations, 40.3% came from the private services sector, 12.1% were from not-for profit organisations and 23.8% were from the public services sector.

Figure 1: Percentage of respondents, by organisation size

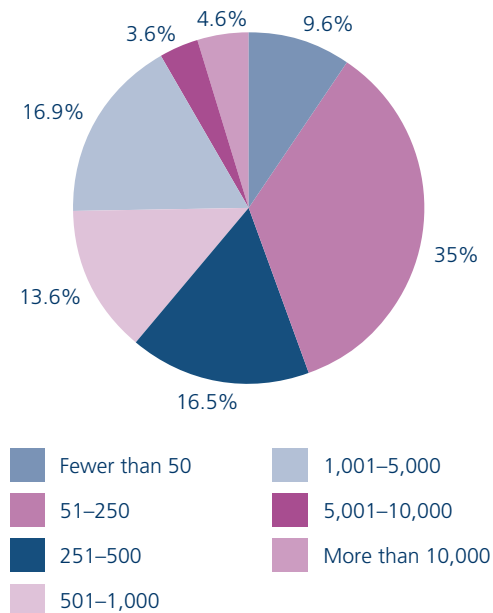


Table 28: Distribution of responses, by sector

Sector	Number of responses
<b>Manufacturing and production</b>	<b>189</b>
Agriculture, forestry	2
Chemicals, oils and pharmaceuticals	25
Construction	23
Electricity, gas and water	4
Engineering, electronics and metals	41
Food, drink and tobacco	29
General manufacturing	20
Mining and quarrying	1
Paper and printing	7
Other manufacturing/production	39
<b>Private sector</b>	<b>322</b>
Professional services	67
Finance, insurance and real estate	57
Hotels, catering and leisure	15
IT services	24
Legal and property services	7
Media (broadcasting and publishing etc)	7
Retail and wholesale	51
Transport, distribution and storage	30
Telecommunications	8
Call centres	4
Other private services	62
<b>Not-for-profit</b>	<b>97</b>
Care services	23
Charity services	34
Housing association	24
Other voluntary services	23
<b>Public services</b>	<b>190</b>
Education	38
Central government	33
Local government	41
Police	5
Fire	1
Health	41
Other public services	33

# Conclusions

One of the most interesting themes arising out of the survey findings is the indication that there has been an increased 'formalisation' in how conflict at work is managed as a result of the introduction of the statutory dispute resolution procedures in October 2004. A positive net balance of respondents report increases in the number of formal disciplinary and grievance cases since October 2004.

The survey also finds that respondents on the whole believe that disputes are less likely to be resolved informally since the introduction of the statutory procedures. And more than 40% of employers report that they are more likely to take legal advice in response to conflict at work following the introduction of the statutory procedures. A significant proportion of respondents report that both the statutory disciplinary procedure and the grievance procedure are 'complex' or 'very complex' to apply.

In addition, the statutory procedures appear to have failed in their objective to reduce the burden on the employment tribunal system, with respondents almost as likely to say that the statutory procedures have led to an increase in tribunal claims as a decrease.

A positive net balance of employers also report that the statutory procedures have led to an increase in the complexity of tribunal hearings.

Not surprisingly, in light of the developments described above, organisations are increasingly relying on their HR departments and other sources of specialist advice since the introduction of the statutory procedures.

Despite the difficulties employers report in managing conflict at work, the survey finds that only about half of organisations provide training to their managers or employees to help manage and resolve conflict at work.

Only just over a third of organisations provide training in conflict management skills to their line managers. If line managers aren't given the necessary people management skills, they will shy away from taking the initiative and stepping in to try and resolve disputes at an early stage before they escalate.

Just as puzzling is why such a small proportion of organisations invest in mediation of any description. Only 30% of organisations provide training in mediation skills to employees, even though the survey shows that organisations that provide such training typically receive fewer employment tribunal claims than those that don't.

Just a quarter of organisations report that they've used internal mediation to resolve individual employment disputes in the last 12 months, and only a fifth have used external mediation services such as ACAS.

It makes sense for organisations to consider how they can manage workplace disputes more effectively. The average employer typically faces annual costs associated with employment tribunal claims and hearings of £20,000. This doesn't include the hidden costs generated by tribunal claims such as damage to employer brand, employee morale and productivity. However, it is the huge amount of management time that disputes use up that arguably creates an even bigger problem for employers. The survey finds that respondent organisations devote on average more than 350 days in management and HR time a year in managing disciplinary and grievance cases and preparing for employment tribunal hearings.



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