



Does your company consult and cooperate with employees or their representatives, including allowing employees to be represented by trade unions or other workers' groups?

Rationale for question

Consulting with employees, distinct from simply informing them of a decision, involves managers discussing an issue of mutual concern with employees and taking account of their views prior to making a decision.

There are certain legal requirements in many countries regarding employee consultation and collective bargaining. In the UK, the [Information and Consultation of Employees \(ICE\) Regulations](#), currently applicable to companies with 50 or more employees, require employers to consult employees on specific issues, including 'decisions likely to lead to substantial changes in work organisation or in contractual relations', such as redundancies and transfers.

Beyond legislation, effective communication and consultation is important in maintaining good workforce relations and improving organisational performance. Management has the ability to make better decisions through employee input. As a result of contributing to

decision-making, particularly in situations that affect their interests, employees will have greater acceptance of organisational change, increased job satisfaction, improved performance and greater trust of management with the knowledge that they would be consulted before major changes.

Although all organisations have a need to consult with workers, they will have different methods of accommodating consultation. Large organisations may have developed structures for this purpose, such as standing work councils/committees where employees (or their representatives) and employers may discuss issues of concern. Small organisations usually have more informal methods. Options for both large and small organisations are one-on-one meetings, group meetings, and electronic communication (e.g., e-mails and online questionnaires). Consultation may take place directly with an employee, or indirectly through an elected employee representative, either union or non-union. Indirect consultation is more common in large organisations.

Topics for discussion may include:

- business performance and operations;
- competition and employment trends;
- redundancies and workforce changes;
- remuneration and contractual terms;
- marketing developments;
- corporate plans;
- company policies;
- environmental issues; and
- health and safety issues.

Defining terms

[Advisory, Conciliation and Arbitration Services](#) (Acas)

defines 'consultation':

Consultation is the process by which management and employees or their representatives jointly examine and discuss issues of mutual concern. It involves seeking acceptable solutions to problems through a genuine exchange of views and information. Consultation does not remove the right of managers to manage - they must still make the final decision - but it does impose an obligation that the views of employees will be sought and considered before decisions are taken.

'Other workers' groups' refers to the fact that there are other forms of representation besides external trade unions. These include internal employee unions and temporary groups that arise to address a particular issue.

Primary and Secondary answer requirements

ANSWERING YES

Companies must:

1. state their number of employees;
2. describe how they consult, as defined above, with employees or their representatives, including whether the means are formal or informal;
3. mention how often consultation takes place; and
4. confirm that employees have the option of joining a trade union or other workers' group, if desired.

Multi-national companies must also:

5. mention if their employee consultation practices differ from one country to another;
6. explain any differences; and
7. confirm that they consult and cooperate with employees or their representatives in all countries of operation, even if legal standards differ in certain countries.

Companies may:

1. mention some of the issues that are the subjects of consultation; and
2. explain how they encourage worker participation in decision-making.

ANSWERING NO

Companies must:

1. explain why they do not or cannot answer YES to this question, listing the business reasons, any mitigating circumstances or other reasons that apply.

Companies may:

1. describe any relevant employee communication and consultation, even if they do not meet the specifications for answering YES; and
2. mention any future intentions regarding this issue.

ANSWERING NOT APPLICABLE

Companies must:

1. confirm that they are made up of directors only and have no employees.

DON'T KNOW is not a permissible answer to this question.

NO ANSWER YET is only permissible under extraordinary circumstances and then for only a limited period.