



BUILDING TRUST

New Zealand Customs Service

Management-union relationships and employment agreement negotiations at New Zealand Customs were bedeviled by mistrust and acrimony. Aided by the Partnership Resource Centre, management and unions have turned the situation around. Their headline achievement was cutting the time spent at the negotiating table by more than 75 percent.

- Improvements in organisational efficiency
- Reduced transaction costs
- Greater effectiveness
- Fewer and less serious workplace disputes

TURNING POINT

The 2005 collective employment agreement between New Zealand Customs and unions representing more than three quarters of staff proved to be a turning point for relationships between management, unions and staff at the department.

Against a backdrop of historic mistrust and confrontation between the unions and Customs management, 18 months of negotiations were needed to reach agreement. In 2002 the parties finally settled after seven years.

Adding to stresses and strains were fundamental changes in the way Customs worked as the result of global events such as 9/11. This led to an influx of new and young staff, the introduction of new technology and a new management style which contributed to a change in the culture and dynamics in the organisation.



“All parties were frustrated with how things were and wanted some stability and certainty,” a management representative says.

This realisation spurred the parties to include in the 2005 employment agreement the go ahead for a management-union Forum based on a recognition by all parties that “their interests are mutually dependent”.

The Partnership Resource Centre was invited to support the Forum by helping shape its rules of engagement, ensuring a focus on solutions and providing feedback and guidance. The parties saw the Centre as an external facilitator with ‘no agenda’.

The success of the Forum, and the presence of a new spirit of cooperation and openness, was underscored in the next employment agreement

talks which began in 2008 – they were over in four months.

For management, the unions and staff this was seen as the ultimate signal of change.

The Forum “set the scene for how everyone treated each other (during negotiations),” a union representative said.

Many issues that would have held up previous negotiations had also been thrashed out in the Forum before negotiations began. “...it was virtually moving over from the Forum to the negotiations reasonably seamlessly. It wasn’t spending the first two months arguing about where people are going to be sitting at the table.”

All parties described the negotiations as relatively calm, respectful and amicable.



STABILITY AND ENJOYMENT

Management, unions and staff all say that since 2005 there had been a significant improvement in relations which has translated into a more stable and enjoyable work environment. They view the Forum as the mechanism for changing mindsets.

Management say they also saw the forum producing:

- Improvements in organisational efficiency, for example reduced transaction costs
- Greater effectiveness, for example in the ability to develop and implement policies and initiatives such as alcohol testing in the workplace and flexible working arrangements
- Fewer and less serious workplace disputes resulting in a reduction in the amount of time and resources needed to deal with disputes.

THE BENEFITS

While the partnership at Customs is still in its infancy, a review by consultants Martin, Jenkins and Associates said the enthusiasm and support among management, unions and staff was a strong indicator of the partnership's success.

It found the partnership had been successful in achieving its short and medium term outcomes. In the short term:

- Establishing communications channels between management and unions
- Greater accountability and process ownership
- Providing participants with new skills and understandings.

In the medium term:

- The successful negotiation of the 2008 collective employment agreement
- Changing management and union attitudes
- Introducing greater trust and transparency.

"We have improved the speed with which we work through operational issues," a manager says "We get far fewer letters from lawyers, so we don't waste time on that and we have developed policies and consulted on them much more effectively."

Unions say they are more comfortable in the current environment and are able to 'just pick up the phone' and discuss issues informally with management before they escalate.

They also saw the Forum as an opportunity to gain access to senior management and gain insights into their thinking.

Staff also report a noticeable improvement in relations between management and unions and between the unions themselves, especially in association with negotiations. These changes have had a positive impact on the working environment.

These are seen as huge achievements when compared with the history of management and union mistrust.

The review says demonstrating the cost-effectiveness of the partnership is complex and presents additional challenges for a service organisation like Customs.

"In our view the commitment to continue the forum and investment of staff time from all parties can be seen as a clear signal of its perceived value and effectiveness.

"...there's no going back."

With the Forum operating well the Partnership Resource Centre no longer provides external support with responsibility passing to the parties allowing them to take ownership of the Forum and its processes.

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BEFORE PARTNERSHIP	AFTER PARTNERSHIP
Collective employment agreement negotiations tense, time consuming, unproductive and stressful	2008 negotiations 'smooth and stress free'; completed in 4 months compared with 18 months previously
Unions sense that 'management was out to undermine them'	Increased trust between management and unions
Information flows one way	More open and transparent communications between management and unions
Delays in dealing with issues; union representatives feel they have no mechanism to address issues; staff bypass management and talk to union representatives	Parties bring issues to the table early; a union-management Forum set up with regular meetings; union representatives 'just pick up the phone'
Adversarial relationships; 'them and us' culture	Cooperative and solutions-focused discussions; less confrontation and more respect; less use of lawyers
Focus on historical and party specific issues	Forward looking discussions; focus on information and issues rather than personalities

PARTNERSHIP RESOURCE CENTRE

What is the PRC?
 Workplace partnerships programmes increase productivity, innovation and efficiency by helping create constructive relationships between employers and workers.
 The Partnership Resource Centre assists businesses and unions to identify long-term mutual interests and put in place programmes that ensure the businesses and their workers thrive.

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PCA11B33 NOV 08