



The role of information and consultation in the prevention of industrial tensions and conflicts and the improvement of social partnership at company level

Infpreventa VS/2013/05/07

The experience and practice in Cyprus

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I. EXECUTIVE SUMMARY

Throughout this paper, which was conducted in the framework of the Project Infpreventa¹ it has been the aim to try to identify the degree under which the directive on Information and Consultation is implemented and whether such implementation has any impact in the Collective Bargaining Agreements or the disputes that arise in the workplace.

At the same time it is equally important to investigate whether this legal framework has played a role in avoiding or solving problems and labour disputes.

In Cyprus the Information and Consultation Directive has become legislation in 2005 in line with the Cyprus responsibilities related to full implementation of the Acquis, and the Law provides for a clear definition of Information and Consultation stating that it is Implemented in companies with 30 employees and more.

¹ Infpreventa VS/2013/05/07. Partners in the Project: Confederation of Independent Trade Unions in Bulgaria (KNSB/ CITUB), Bulgarian Industrial Association (BIA), Istituto di Ricerche Economiche e Sociali (IRES), Italy, Irish Congress of Trade Unions (ICTU), Royal Holloway University of London (RHUL), Cyprus Workers' Confederation (SEK).

Moreover the law states that Information and consultation involves the following grounds:

- Financial condition of the company and prospective future developments
- Developments related to employment issues

- Developments related to work organization/collective bargaining agreements

The survey was concluded at the end of August and it focused on 4 sectors of the economy, Tourism, Financial, Industry and Transportation, mainly because these sectors have been greatly affected by the economic crisis and also because there have been some major changes in some company structures in either sectors in the form of mergers, acquisitions, transfer of undertakings etc.

The Survey also focused on Employees (Shop-Stewards), Employers/HR Managers, Organizing Officers (TU Officials-enterprise level), TU Federations General Secretaries (in related sectors) and Employers' Associations representatives, in order to get their perspective and experience in the implementation of I&C at the workplace.

Additionally this process has enabled researchers to distinguish between theory and practice as well as between perception, knowledge and application.

Based on an overview of the results that will be discussed in more detail throughout this analysis, the following conclusions have been reached, presented as primary remarks in order to construct a complete picture regarding the final outcomes.

- Economic crisis, high unemployment and employment uncertainty, mistrust on institutions etc. are some of the issues prohibiting responders to the survey, in providing adequate information
- Lack of awareness regarding the existence of the law
- Based on this lack of awareness on what constitutes information and consultation, depending on the respondent can be either misunderstood or appreciated in a different manner
- It is quite obvious that the right to information and consultation and the correct process to information and consultation is perceived differently from the management part, which is the part making the decisions rather than the employees which is the part called to implement the decisions.
- It seems that there are companies implementing provisions of the Information and Consultation law in much more depth, without even knowing that such practises fall within the framework of the law (some of these practices will be discussed as best practices in the national report).

Furthermore regarding the response the following general conclusions have been reached:

- There is a general trend that the right to Information and Consultation supplements the role of TU
- Most of the employers have responded that there is unofficial information and consultation taking place regarding all the elements of information and consultation
- All responses from employers agree that Information and Consultation helps in the productivity, competitiveness and company management of an organisation
- We can conclude from the data the information and consultation that took place during or prior to a merger seems to have been helpful (it was used as a tool in achieving smooth conclusions and implementation of decisions)
- Based on the above the same is evident in avoiding disputes during the period that the mergers were executed
- Overall it seems that all the parties involved consider the right to information and consultation to be of utmost importance for the future enhancement of social dialogue and all the parties should work in the direction of the correct implementation of information and consultation
- The threat surrounding the lack of awareness around the information and consultation rights should be guiding principle for the partners of the project, so as the final results reach the right respondents (ETUC and its affiliates), whom will undertake political involvement so as these rights are fully implemented on an EU level

II. INFORMATION AND CONSULTATION LEGAL FRAMEWORK

It is essential to highlight the fact that ‘human nature does not change, but when nations and [people] accept the same rules and the same institutions to make sure they are applied, their behaviour towards each other changes. This is a process of civilisation itself’². In this context and framework, information and consultation directives becomes important in promoting industrial democracy and workers’ involvement, although neither the employers nor the employees responded adequately to its implementation³.

The reasons differ, including the need for further improvements in the legislation in order to become more supportive in promoting democracy at work by strengthening workers’ involvement. Moreover, as indicated by the ETUC, ‘horizontal standards on information, consultation and workers’ board level participation would address the gaps, loopholes and inconsistencies in the EU acquis, reducing incentives for abuses

² Ryan S. (1990), *Ethnic Conflict and International Relations*, Dartmouth, Aldershot, p. 68.

³ Hall M. (2005), *How are employers and unions responding to the Information and Consultation of Employees Regulations?* Warwick papers in industrial relations no 77.

and circumvention'⁴. Additionally, it seems that there are different reasons among social partners regarding the implementation of the legislation, since employers are more sceptical in ruling industrial relations by legal arrangements and at the same time, trade unions are afraid of the negative effects on their role.⁵

Despite these however and the need to discuss further improvements to be made, information and consultation legal arrangements support industrial relations ruling and complement industrial peace and democracy.

Since social dialogue helps in improving risk anticipation, making work organisation more flexible, the EU Directive⁶ on information and consultation plays a key role in promoting social dialogue and industrial relations.

The Directive sets minimum principles, definitions and arrangements for information and consultation of employees at the enterprise level within each member state. Given the range of industrial relations practices across the member states, they enjoy substantial flexibility in applying the Directive's key concepts and implementing the arrangements for information and consultation.

Following the Directive itself, information and consultation are required on:

- the recent and probable development of the undertaking's or the establishment's activities and economic situation
- the situation, structure and probable development of employment within the undertaking or establishment and any anticipatory measures envisaged, in particular where there is a threat to employment
- decisions likely to lead to substantial changes in work organisation or in contractual relations

Despite the fact that industrial relations in Cyprus are highly tripartite⁷ following solid structures of social dialogue, the introduction of the certain legislation was necessary and important since the voluntary system of industrial relations could not accommodate the legal aspects included in the Directive.

⁴ ETUC, Towards a new framework for more democracy at work, Resolution adopted by the Executive Committee, October 2014.

⁵ Hall M. (2005), How are employers and unions responding to the Information and Consultation of Employees Regulations?, Warwick papers in industrial relations no 77.

⁶ Directive 2002/14/EC, establishing a general framework for informing and consulting employees in the European Community.

⁷ Especially at the time (10 years ago) collective agreements were covering more than 65% of the labour force and social dialogue was more important both on national as well as on sectoral level.

Cyprus followed different stages in implementing the Directive since June 2005 when it was first introduced. Currently⁸, the legislation applies to enterprises employing at least 30 employees, although it was expected to cover no more than 3% of the total number of enterprises which according official statistics, 97% employees less than 20 employers. Thus it is well understood that the prospects of adequate implementation of this legislation are very limited.

However, it should be stated that many arrangements lying in the shear of information and consultation have been already agreed among social partners in an attempt to deal with problems created as a result of the on going financial crisis⁹.

Finally, it should be highlighted that, the term ‘employees’ representatives’, refers to trade union representatives as indicated in national legislation and practice, since no other definition arrangements are in place.

Although it should be expected that as a result of the financial crisis and as part of arrangement made in order to accommodate the needs of the labour market, the existing legislation on information and consultation would have been taken into consideration, there is no indication that this have been the case. On the contrary, any arrangements were made in the framework of existing collective agreements and following the traditional way of negotiations.

III. CURRENT DEVELOPMENTS IN THE CYPRUS ECONOMY- A BRIEF OVERVIEW

Since the second third of 2011, the Cyprus economy follows negative indicators of growth resulting to a constant closure of small and medium enterprises and an increase of unemployment rates (14.522 in 2008 to 70.831 by the end of 2013).

As a result of the consequences created by the financial crisis and the wrong handling by the then Government, Cyprus became initially under the supervision of the EU in July 2013 and lost access to international markets in 2011. Inevitably, the Country applied to the European Stability Mechanism for financial support in June 2012, leading to a Memorandum of Understanding¹⁰ (MoU) agreed with the Troika for the period 2013-2016.

The MoU aims in promoting three main goals, namely:

1. Re-enhancing the financial capacity of the Cyprus banking sector and the trust of depositors and markets, as well as restructuring and decreasing the size of financial institutions and improving monitoring procedures and authorities.

⁸ Since March 2008.

⁹ However, this is the case where collective agreements are in place in an attempt to reach consensus and support industrial peace.

¹⁰ 9 billion Euros deriving from the European Stability Mechanism and 1 billion Euros from the International Monetary Fund (IMF).

2. Promoting the improvement of public finance in order to be able to minimize public debt by 2016.
3. Implementing restructuring reforms in improving competitiveness of the economy in order to achieve viable and balanced growth.

According to the official figures of the Cyprus Ministry of Finance¹¹, the economy in 2014 will present a negative growth rate (-4.2% of GDP) and unemployment will be increased reaching 17.6% of the labour force compared to 15.9% in 2013.

As regards both public deficit and public debt, they will reach -5.4 of GDP and 111.5% of GDP respectively.

Moreover, it is estimated that prospects related to the Cyprus economy will be slightly improved in 2015¹². Growth rate is expected to reach 0.4% of GDP and unemployment will be decreased at 17%. As far as 2016 is concerned¹³, it is estimated that growth rate should reach 1.6% of GDP and unemployment will decrease even further at 15.8% of labour force.

IV. SOCIAL DIALOGUE IN CYPRUS

It should be highlighted and stressed out that, the Troika acknowledged the role of social partners and social dialogue structures and culture since its initial arrival on the island and during its first meeting with trade unions. However, it is worth mentioning that these tools were not fully taken into consideration and meetings with social partners are taking place in a rather informal and limited way.

Moreover, it is true that since the arrival of the Troika, social dialogue itself has been undermined even on issues which are not directly related to developments influenced by the Troika, since there is a general attitude and believe that the Troika itself is controlling every single development. This new approach however, minimizes the role of social partners and might create a new culture which will drive industrial relations to a dangerous path minimizing democratic ruling of industrial relations and finally the prospects of improving information and consultation itself.

Until 1960, Cyprus was a colony of Great Britain and the colonial authority was controlling the whole spectrum of the economy. Labour relations were restricted in collective negotiations; an element appeared however, close to the late years of colonial rule, something which constituted the main reason for frequent clashes.

Cyprus became an independent state in 1960 with the establishment of the Cyprus Republic and in 1962, the new state, having the unanimous approval of all social partners, established

¹¹ Included in the economic analysis report published by the Economics and Statistics Department of SEK (December 2014).

¹² Ibid.

¹³ Ibid.

the “basic agreement in solving labour disputes”, which was the preamble of the “Labour Relations Code” which is still in force today. Thus, since the establishment of the Republic of Cyprus, social dialogue was developed, accepted and implemented, in the framework of tripartite cooperation (state, trade unions and employers).

The practice followed by the government, is based on the philosophy of joint, together with the social partners, determination of its policy. Additionally, the government normally adopts the agreements reached between the trade unions and the employers’ organisations.

Social dialogue is also respected by the Parliament, being advised by the social partners on all important issues of their interest, adopting when possible, their agreements reached between the social partners and the government. The Parliament also ratifies without any amendments, all proposed legislations which derive through social dialogue.

It would be indicative regarding the role of social dialogue and social partners, to mention that the whole harmonisation process in labour relations issues was examined and co-decided amongst social partners, through established technical committees which were responsible for finalising the proposed legal texts which were eventually approved by the Cyprus Parliament.

The Industrial Relations Code which was signed in 1977 recognises the right to organising, both for the employees, as well as for the employers, stressing out the importance of collective bargaining and joint consultation in the spirit of good faith and trust. It is also confirmed that the main way of determining salaries and wages, as well as terms of employment, is through free collective bargaining, indicating also ways and procedures in solving any disputes.

It would not be an exaggeration to state that social dialogue’s principle in relation to the tripartite nature of the Industrial Relations Code, has contributed extensively to achieving and maintaining conditions of long lasting industrial peace. It would also be important to state that the Industrial Relations Code has no legal validity or status, since it forms a gentlemen’s agreement which however has been traditionally accepted and respected by all parties involved in the implementation of industrial relations in Cyprus¹⁴.

• **IV.1 SOCIAL PARTNERS’ ORGANISATIONS**

Cyprus has a long tradition of strong workers’ and employers’ organizations and over 60% of the workers are organized in trade unions. The Industrial Relations Code recognizes the freedom of association of both workers and employers, stressing the importance of collective bargaining and joint consultation in good faith.

It also verifies that the basic way for the determination of wages and conditions of employment is free collective bargaining and it sets procedures for the settlement of various kinds of disputes. It would not be an exaggeration to state that the principle of social dialogue in accordance with the tripartite Industrial Relations Code, have contributed to the achievement of a long-run industrial peace.

¹⁴ The system of industrial relations in Cyprus is considered to be a model in application, by the ILO.

Unions in Cyprus are mainly organized by industry, not by occupation and belong to strong federations or confederations, the most significant being:

The Cyprus Worker's Confederation – SEK (affiliated to I.T.U.C and E.T.U.C)

The Pancyprian Federation of Labor – PEO

The Democratic Labor Federation – DEOK

Four trade union groups bargain independently with the government, concerning the public sector:

- PASYDY (civil servants)
- POED (elementary school teachers)
- OELMEK (high school teachers)
- OLTEK (technical school teachers)

Additionally, bank employees are organised in their own independent sectoral trade union, namely ETYK, which negotiates collective agreements together with the Banks Association.

It would also be important to note that trade unions in Cyprus have a high level of cooperation amongst them, in relation to labour issues. It worth mentioning that despite their differences on ideological and not only level, SEK and PEO have a satisfactorily close cooperation on labour issues, in relation to the renewal of collective agreements (negotiating and concluding), as well as regarding the undertake of collective actions when this is considered to be necessary.

When it comes to general social or economic issues which affect the workers either directly or indirectly, it goes without saying that SEK, PEO and PASYDY discuss the situation amongst them and they decide on whether it is necessary to call for a national trade union meeting (in which all unions do participate), in order to be able to take collective decisions.

Employers are organized in the following industrial associations:

The Employers' and Industrialists' Federation – OEV (affiliated to I.O.E and U.N.I.C.E)

The Cyprus Chamber of Commerce and Industry – KEVE (affiliated to U.E.A.P.M.E and Eurochambers)

Trade unions have pursued their aim to help the workers in three main ways:

1. By participating in the formulation of government policy through advisory committees and boards
2. By influencing public opinion
3. By collective bargaining for conclusion and implementation of collective agreements

The main aims of employer associations in Cyprus are the following:

1. To defend and promote the system of private enterprise and free economy

2. To promote economic and industrial development
3. To safeguard and promote the interests of their members

The policy of the Government of the Republic of Cyprus concerning industrial relations, promoted and implemented by the Ministry of Labour and Social Insurance, consists in the promotion of sound industrial relations as well as the maintenance of industrial peace.

The primary role of The Government is to secure an acceptable balance of power between workers and employers and industrial relations policy is pursued through:

1. The safeguarding of the freedom of association
2. The encouragement of the growth of strong worker and employer organizations and the fostering of tripartite cooperation
3. The promotion of free collective bargaining
4. The establishment of institutions and procedures for the prevention and settlement of labour disputes
5. The provision of technical assistance and advice to organizations and individuals

• **IV.2 THE INSTITUTIONAL FRAMEWORK**

The system of managing industrial relations in terms of labour and social security, is also highly tripartite and this kind of tripartite cooperation is achieved through a network of advising bodies, committees and boards, both permanent as well as ad-hoc.

This network, deals with various labour and social issues, as for example, employment, working conditions, vocational training, health and safety at the workplace, as well as social security and welfare.

Moreover, bipartite relations are very important in Cyprus and collective bargaining (in sectoral and enterprise level) is considered to be the backbone of the industrial relations system, since the majority of employment terms and conditions are determined by collective agreements.

• **IV.3 TRIPARTITE COOPERATION**

Social dialogue in Cyprus constitutes a longstanding and well established practice between the government, the employers and the trade union organisations, having set the framework and the basis of national social and labour policies. Social dialogue has been accepted by all parties involved, since its very beginning in the early 60's.

Cyprus has a long tradition of strong trade union and employers' organisations and as it has been already mentioned, over 60% of the labour force is organised in trade unions.

The system of industrial relations and the process of solving disputes as it is determined in the Industrial Relations Code, have contributed in maintaining the existing industrial peace in Cyprus. It is obvious that the existing system has been implemented in a very successful way. This was the result of the respect shown by the social partners towards the Industrial Relations Code on one hand and on the other, due to their responsible attitude in relation to the faithful implementation of collective agreements being the result of free collective

bargaining, not forming a legal document, without this meaning that there were no minor exemptions to this successful practice.

Various tripartite advisory bodies are established in the framework of social dialogue¹⁵, most important of which, are the Labour Advisory Board and the Economic Consultative Committee. A very recent development was the establishment of the National Employment Committee¹⁶ which has prepared the National Action Plan for Employment. Some other committees function in an advising way to the government's ministers, as for example on issues related to health and safety and education.

The Labour Advisory Board consists of government representatives, representatives from the trade unions and the employers' organisations and it meets regularly following a specific agenda. This Board advises the Minister of Labour and Social Security on issues related to social security, social protection, social welfare, working conditions, vocational training, health and safety etc. The majority of its proposals normally become either a labour policy or legislation.

The Economic Advisory Committee meets on annual basis and it is chaired by the Minister of Finance. This Committee consists of trade union representatives, employers' representatives, as well as of other officials and institutions, as for example, the Minister of Trade and Industry, the Minister of Labour and Social Insurance, the head of the Central Bank and some independent experts. During the meetings, a dissemination of information regarding all aspects of the Cyprus economy is made, different ideas are also exchanged and finally there is consultation on the future design for the establishment of an improved economic environment.

In the framework of the same philosophy, the National Employment Committee undertakes and deals with issues related to the promotion of employment on national level, the improvement of vocational training programs as well as of the workers' access to such programs, the tackling and elimination of unemployment, the safeguard of equality and the elimination of any kind of discrimination and in general terms, it aims at creating a working environment in which there will be as little problems as possible.

Finally, a number of ad-hoc committees are established according to the developments and specific needs, in order to be able to discuss and work on the various issues in the framework of tripartite cooperation.

It would be equally important to mention that social dialogue constitutes one of the main issues of European social and employment policy, aiming at creating the prospects for directing it towards the civil society¹⁷.

¹⁵ Economic growth, employment, productivity, competitiveness, development strategy, inflation are only a few of the topics and issues discussed and promoted in the framework of institutional tripartite cooperation.

¹⁶ Following the accession of Cyprus to the E.U.

¹⁷ It is highlighted that, the E.U has recognized long ago that the successful confrontation of change and development requires the increased participation of the social partners in the preparation of the measures under consideration at Union and national level and stronger cooperation between employers

Having this in mind and as a result of this prospect, it is important that Cyprus has already established solid foundations and mechanisms for further promotion and strengthening of tripartite cooperation in solving problems in good faith and consensual approach¹⁸.

• **IV.4. VOLUNTARY AGREEMENTS AMONG PARTNERS**

The social partners engage in free bipartite negotiations and conclude collective agreements voluntarily. The Industrial Relations Department of the Ministry of Labour & Social Insurance provides, when requested, conciliation services or refers the case to voluntary arbitration for the settlement of industrial disputes.

The modalities observed for the submission of claims by either of the social partners, the steps followed for negotiations and the rules governing the declaration of a dispute and the decision for a strike are described at length in the Industrial Relations Code.

As indicated already, collective bargaining is not formally regulated. Nonetheless, it is the accepted way for determining salaries, hours of work and generally the terms and conditions of employment.

In addition to the Industrial Relations Code, reference needs to be made to the national sectoral or branch agreements negotiated and signed by workers and employers organisations¹⁹, as well as to a substantial number of collective agreements concluded at the level of the enterprise.

The most common topics subject to sectoral and company agreements are: Recruitment, probationary period, hours of work, overtime, salaries & wages, salary increases, cost-of-living allowance, other allowances and bonuses, rules for travel and transportation, holidays, medical fund and sickness leave/benefits, provident fund, dismissals, workers' councils, contribution to trade unions (check-off system), settlement of disputes, duration of collective

and workers organizations (European Social Policy, European Commission COM94 (333), Brussels, 27 July 1994, as appears in Sparsis M, Tripartism and Industrial Relations (The Cyprus Experience), Nicosia 1998

¹⁸ The joint framework agreement signed by social partners regarding the full application of the COLA allowance in the private sector in an attempt to secure industrial peace by respecting existing collective agreements, serves as the most recent and successful example of social partners' cooperation. It worth mentioning that since Troika became a major actor in influencing socioeconomic policy and industrial relations, the COLA allowance is freeze and arrangements regarding its calculation to be applied after 2016 are still pending regarding the private sector, whereas such calculation is indicated in the MoU regarding the wider public sector. According to the arrangement, the COLA allowance will be calculated according to the economic growth in the third and fourth quarters of each year and it will be offered once a year at 50% of its calculated value. The last arrangement is not approved by trade unions, thus the issue regarding the private sector is yet pending.

¹⁹ Collective bargaining at these levels is invariably conducted by SEK, PEO and OEB, with few exceptions where other actors are also added.

agreement and submission of new claims. In addition, subjects that may be specific to the sector concerned.

Co-ordination is usually accomplished at summit meetings of the bodies concerned. As the same organisations are the principal actors at the different levels where collective bargaining occurs, co-ordination is not difficult to achieve. This does not mean that claims are identical. Tactical moves may be engaged by the parties which differentiate targets from one sector or from one level to the other.

Collective agreements – whether sectoral or company - are not legally binding.

Consequently, signatories are not liable to sanctions neither are collective agreements legally impossible on the whole sector. The voluntary nature of collective agreements does not make them toothless. On the contrary, they are forceful instruments, which people respect and which provide yardsticks of expected behaviour by union members and examples to follow and improve in time.

Workers are convened to assemblies by the council of the sectoral branch of a trade union whenever major decisions are to be taken, e.g. submission of claims, deciding the course of action in the case of a labour dispute or for endorsing the conclusion of a collective agreement.

A secret ballot must be taken for a strike to be legal and for a number of administrative matters, including the name of the trade union, affiliations, election of officers, amendment of constitution, dissolution.

The duration of a collective agreement is a negotiable subject. Sometimes, longer duration is made conditional on the acceptance of a claim and vice-versa. However, the usual practice is for collective agreements to extend over a period of two to three years, irrespective of the level at which they are concluded.

The white collar employees of the central government are organised in the Pancyprian Public Servants Trade Union (PASDYD) with which the Government negotiates over all terms and conditions of employment in the public service.²⁰

• **IV.5 WORKERS' PARTICIPATION**

Workers' participation in decision making - the type of participation of the German model as it had started in the coal and steel industry - does not exist in Cyprus. However, work councils do exist and function in a quite satisfactory way.

Representatives of workers from among themselves are normally participating in work councils, alongside with representatives of management. Main subjects with which work councils deal are: safety and health, production systems, rosters of working time, discipline and personal complaints. Trade union representatives from outside the company's personnel do not participate at this level of discussions. However, they are indirectly involved in the proceedings.

²⁰ Collective bargaining between the Government and PASDYD operates through the Joint Staff Committee, which functions under rules approved by the Council of Ministers.

A law has been passed in order to harmonise our legislation with the EU Directive 91/533/EEC on the obligation of the employer to inform the employees on the terms of the employment contract or the working relationship. The Law determines the elements of information to be provided, additional elements for employment abroad, ways in which information must be provided, the time this has to be done, persons covered and those exempted and sanctions. The Law came into force in July 2000.

An additional law was passed in June 2002 on the establishment of European Works Councils in Community-scale undertakings and groups of undertakings for the purposes of informing and consulting employees. This law brings our legislation in line with EU Directive 94/45/EC as amended by Directive 97/74/EC.

Further legal framework complementing information and consultation in an obligatory manner has been included in the national legislation, namely the law of 2001 regarding collective dismissals (in line to Directive 98/59/EC), the law of 2000 to 2003 regarding the safeguarding and securing of employees rights during the transposition of enterprises (in line to Directive 2001/23/EC), as well as the 2011 legislation on the establishment of European Works Councils (in line with Directive 2009/38 EC)²¹. Most importantly, the general legal framework of 2005 for employees' information and consultation (in line to Directive 2002/14 EC) promotes these rights in a more specific and advanced way²².

It worth highlighting the fact that, trade unions should take advantage of the existing legal framework, in order to face new challenges, tackle existing problems and face new prospects in a positive manner, in an attempt to promote workers' interests on one hand and to improve working environment on the other in such a way that all parties involved will be mutually benefited.²³

- ***IV.5.1 Worker representation bodies at workplace level***

There is no legal, institutional or societal hindrance to freedom of association. Workers act collectively not only through their trade unions for the improvement of their earnings and conditions of work, but also at the workplace for the promotion of safety and health and for matters of work organisation, discipline or the implementation of the collective agreement.

- ***IV.5.1.1 Right to elect or nominate one's own representatives***

There are no "company unions" in Cyprus. Workers are free to nominate and elect their own representatives. They do so outside working hours at assemblies convened by their union

²¹ The recast Directive improves the existing legislation in terms of a clearer definition of information and consultation and it provides an advanced role for trade unions.

²² However, it should be stressed out that, due to the small size of enterprises in Cyprus, this legal framework on information and consultation has limited application.

²³ It is important to state that currently, a new legal framework is in front of the Parliament regarding the safeguarding of employees representatives to enter the enterprise premises without prior permission.

outside the premises of the enterprise or, with the employer's permission, at the workplace and/or within working hours.

- ***IV.5.1.2. Right to hold assemblies or call a referendum on agreements***

Specifically for the adoption of a collective agreement that has been agreed upon by their trade union, workers are convened to assemblies or invited to express their decision or opinion by referendum. This is an unquestioned right; the workers systematically preserve and practice.

- ***IV.5.1.3 Permission and leave for trade union reasons***

Workers representatives at the workplace are afforded facilities to carry out their trade union functions, including permission to leave for trade union reasons. These facilities stem from Convention No. 135 on "Protection and Facilities to be Afforded to Workers' Representatives in the Undertaking", which Cyprus has ratified, as well as from provisions in the Trade Unions Law and the Termination of Employment Law.

- ***IV.5.1.4. Anti-discriminatory rules/ Specific guarantees for trade union representatives***

The Constitution of the Republic, the Trade Unions Law, the Termination of Employment Law and ILO Conventions that have been ratified strictly forbid discrimination or disciplinary measures on grounds of trade union activity. On the contrary, workers' representatives are, in accordance with the above cited legislation and ILO Convention No. 135, afforded appropriate facilities which enable them to carry out their functions.

In exceptional cases (public utilities and the banking industry), the chief trade union spokesman and negotiator remains on the payroll of the enterprise which had employed him/her before being elected as trade union spokesman.

V. DETAILED ANALYSIS OF THE SURVEY

- **V.1 EMPLOYERS**

All the employers that have responded to the questionnaire were either general managers or HR managers in the enterprises that took part in the survey. They represented a number of organisations from the whole economy. In particular, they were representing the banking sector, the public transportation, the hotel and the manufacturing sector. These sectors were mainly selected because they were highly affected following the economic crisis in Cyprus after 2008. Furthermore these sectors were selected because there are cases under which transfers, acquisitions and mergers have taken place and at the same time they set characteristics which create prospects for development and growth.

Prior to our analysis we must make clear that Information and Consultation (I&C) is not implemented in the way that the legislation specifies. It seems that there are cases where the I&C is implemented at a higher level than what the law specifies and in some other cases it is implemented at a much lower level. What is striking and worth highlighting is the fact that even when I & C principles are implemented, there is general lack of knowledge of the legislation existence and their responsibility in its application. Following the analysis of the responses, it seems that all of the employers tend to agree that I & C works in a supplementary to the traditional view of employee representation at the work place. At least in 80% of the employers' responses where some sort of I&C is implemented, agree that it works in a supplementary way. It is important to note that even in one case that the employer stated that no I&C is implemented, the employer still stated that it will work in a supplementary way.

As we have already mentioned no official I&C takes place, therefore we see from the employers' responses that the process of the I&C is implemented through the role of the Trade Unions. From the responses, we get the confirmation that indeed no I&C officially takes place since all employers' state that there is no concluded agreement on I&C, nor there is not any clause in the Collective Bargaining Agreement regarding the I&C and there are no any elected representatives in their organizations for the purposes of I&C. Therefore the role and awareness of trade union officials is yet again questionable and in similar line the priorities given towards this right by trade unions themselves, let alone employers organisations and of course the Ministry as well.

Regarding the next question which seems to be one of the most important ones, the majority of the employers (around 90% of those responding) state that I&C should be carried for all of the following:

- Economic and financial state of the organisation
- Employment trends and future developments
- Trends and changes in technology
- Working environment
- Equal opportunities and non-discrimination policies
- Job evaluation and performance appraisal
- Training and human resource development
- Policies and activities for the implementation of work life balance
- Other social policies

We must note here once again that since no I&C is carried out in the official form as it is stated by the law, the responses were merely on a hypothetical basis. It is important however that the majority of employers consider that for all of the above I&C should be carried out.

In conjunction with the above, more than half of the employers responding stated that if I&C is carried out for the scenarios stated in the previous question, they believe that

such I&C should be important for all the areas of the CLA, that it would also help the duration and the procedures of the collective negotiations and that it would definitely affect the negotiated result. The idea behind this being the fact that the more informed the employees will be the more willing they will be to accept certain issues. We need to build on the willingness to establish grounds and possibilities of win-win situations and mutual positive results.

On the same ground, the majority of responses stated that the provided information described above would greatly help in the prevention of conflicts and that the information provided would also help in the prevention of disputes and in the case that disputes arise; these practises would lead to the peaceful resolution of these disputes. However it should be stressed out the fact that normally organised employers (especially their representatives) are unwilling to rule out industrial relations following legal frameworks. Thus the certain positive response in this legislation should be approached and taken advantage of accordingly.

From the employers provided it seems that some form of I & C has taken place in cases regarding to mergers, restructuring and transformation of organisations, involving substantial changes in technology and cases dealing with the actions undertaken in conditions of crisis where there was a reduction in operations or the implementation of part time work etc.

As it has been already mentioned, no I & C as it is officially stated by the law has taken place, although all the responses suggest that the I & C that unofficially took place in the form it did, has greatly helped and has made the above case much more easy to implement. It is the perception of all the employers involved that the fact that employees were informed to the degree they were has made them more willing to accept that the organisation were undergoing and were more willing to cooperate.

Based on the same argument it seems that when employees are informed, it lead to the avoidance of disputes, again based on the fact that since employees are informed they are more willing to accept the current situations. Having said so, it should be clarified that decisions should be taken in a consensual way benefiting both sides.

Around 80% of the employers believe that the practise of I&C leads to the improvement of productivity of labour, leads to the improvement of the competitiveness of the enterprise and can help in the company's management in general. Based on these responses, the employers state that if the employees are informed through the process of I&C then the employees will be more willing to accept certain situations therefore leading to an improvement in the CLA as well as the prevention of conflicts in the workplace.

The majority of the employers responding state that indeed the CLA affect the productivity of labour, they lead to the improvement of competitiveness of the enterprise and they can help in the improvement of the company of management. In conjunction to these they state that if the employees are informed through the process

of I&C then the employees will be more willing to accept certain situations therefore leading to an improvement in the CLA and as a result to the improvement to all the aspects discussed above.

On the same line with these, the employers state that the I&C will help in the prevention of conflicts in the workplace that are related with the productivity, the competitiveness and the company management. Although the I&C is not officially implemented, employers stated that in the unofficial form it takes place, it is still helpful since the employees are informed and they can understand the situations better which helps in the avoidance of conflicts.

In all the employers questioned, it seems that there is no official written code regarding the Corporate Social Responsibility. Moreover the employers stated that the managements do not give any preference either in favour of I&C or the traditional representation, but rather that these two coexist and are equally important.

Furthermore from the responses it seems that all the employers questioned are in favour of the Trade Unions and that they have very good relations with the Trade Unions, and all of them have agreed with the right to information and consultation with the workers.

Traditional good relations of cooperation amongst the two parties, together with consensus have led to industrial peace. But economic crisis and the changes in the balance of powers (due to the drop of TU density) might lead to drastic change of the situation. Thus, we need to take advantage of the current perception in order to safeguard a process which is supported by legislation and it benefits both sides.

• **V.2 EMPLOYEES**

Before we start the analysis of the responses of the employees, we must state that all of them were elected representatives in their work places. Around 90% of the employees stated that the right to I&C would supplement the role of the Trade Unions, whereas a 10% did not agree with it since they believe that it might create a tool in the hands of the management in order to control the employees by providing one sided and misleading information. It must be stated however that the different opinion is concerning a particular work place; therefore the response might be associated with the working environment at the particular work place.

Following on and in in line with the responses from the employers, employees responses state that indeed no official I&C takes place at their workplace, therefore the process of I&C is implemented through the role of the trade unions. Some employees stated that although they have no formal I&C in place, they take part in the Employee Involvement Groups which are somehow performing I&C in an unofficial way. This was also a confirmation of the management's response that indeed in the particular workplace there are in existence and functioning Employee Involvement

Groups. This can be seen as a step beyond legal provisions and an indication that minimum legal requirements can be maximised accordingly.

The employees responses tend to agree with those of employers and we get the confirmation that indeed no I&C officially takes place since all employees' state that there is no concluded agreement on I&C, nor there is any clause in the Collective Bargaining Agreement regarding the I&C and there are no any elected representatives in their organizations for purposes of I&C.

The majority of the employees (around 90% of those responding) state that I&C should be carried for all of the following:

- Economic and financial state of the organisation
- Employment trends and future developments
- Trends and changes in technology
- Working environment
- Equal opportunities and non-discrimination policies
- Job evaluation and performance appraisal
- Training and human resource development
- Policies and activities for the implementation of work life balance
- Other social policies

Once again the responses to this question were somehow hypothetical since the employees do not have any real experience regarding the official implementation of I&C on which to base their responses, but rather are responding on what they deem important should be communicated to them on the general basis of I&C. The only disagreements we see in the responses are once again arising from one particular workplace, therefore we believe that they do not form part of the employees' trend we see, but are rather related to the working environment of the particular workplace. This leads to arguing that developments and changes in the framework of restructuring or rearranging organizations creates a climate of uncertainty or suspicion on the part of employees in those cases that they are not part or involved in the process of these changes.

According to the employees all the points discussed above would help the company and at all levels of CLA, as well as the procedures and duration of the CLA in a very positive way. Employees believe that when employees are informed, the process of CLA is simplified and the balances can be reached much easier, therefore helping in the process of CLA. The only disagreement stated that this process might create a tool in the hands of management for misinformation process therefore it cannot help in CLA. Once again this response arises from an employee from the same workplace that does not seem to agree with I&C, and it is indeed associated with that workplace working environment. Moving on further employees stated that the more informed the employees are, the more willing they will be in understanding certain situations where the company is in, therefore disputes might be minimised and this will help in the achievement of an overall positive result in case disputes arise.

It is quite interesting to see from the responses of the employees however that no I&C is stated to have taken place in case of acquisitions, mergers, transfers etc. The majority of employees state that in most of the cases the I&C was the follow-up of such conditions rather than being in line with progress of these situations. Here we see some sort of conflict between the responses of employers and employees, and as we can recall from before employers stated that I&C took place in almost all the cases involved.

As a result of the above employees found it difficult to respond to Questions 12 and 13, since in the majority of cases discussed in Question 11 there was no I&C taking place, therefore the employees had no data or experience so as to respond. Moving on again employees believe that if I&C is officially implemented this will help in improving productivity, the competitiveness of the company and the company management. On the same line with these, the employees state that the I&C will help in the prevention of conflicts in the workplace that are related with the productivity, the competitiveness and the company management.

The majority of employees state managements do not give any preference between I&C and traditional Trade Unions perspective. From the employees perspective there seems to be a lot of problems in the workplace arising from the economic crisis. This leads to management taking advantage of the economic crisis trying to withdraw benefits and cut down the wages of employees. Furthermore another major problem that arises is that of communication where employees state that the management does not inform them, this is also acting as a reinforcing factor for the official implementation of I&C.

Furthermore employees state that problems arise in the events of mergers where employees will become redundant. Moreover employees believe that I&C is interrelated with the other forms of industrial democracy. Depiction of fear and uncertainty, mistrust and bias are evident against management and employers and equally the other side thinks that this is the time to take advantage of this negative situation.

Employees believe that since no official I&C is implemented on which to base their responses, employers and in general organisations should be in favour of this right, since it is an important one and will help both the organisations as well industrial relations in general. They believe that the right to I&C to be correct and important and the way to be implemented should be found.

Finally all employees totally agree with the right to I&C and its implementation. They believe that trade unions play an important role, although they believe that they should adapt a much more dynamic role, they should disseminate information to employees in a much quicker manner (once more another reinforcement of the right for the implementation of I&C). TU role is crystal clear but their current ability to

respond to needs and developments with the ability to become part of the solution are questioned.

- **V.3 TRADE UNION FEDERATIONS**

All the responses refer to Trade Unions belonging to the leadership of a sectorial Trade Union Federation. Once again all the responses stated that the right to I&C would supplement the role of the Trade Unions.

Following on and in line with the responses from the employees, there are no elected employee representatives for purposes of I&C. Therefore all the I & C is implemented through the TU, although there are many cases that even the TU are not called in to be informed. Whenever the TU are called in, they usually call in the shop stewards to participate in the discussions, so in an informal process the employees take part in this informal process of I&C

Once again the responses tend to agree with the rest and from the response of the TU Federations it seems that there is no concluded agreement on I&C, nor there is any clause in the Collective Bargaining Agreement regarding the I&C and there are no any elected representatives in their organizations for purposes of I&C.

From the responses of the TU Federations, it seems that some I&C in an unofficial form again in taking place, and perhaps this is in contrast with the responses of TU officers and employees and most probably it might have to do with the fact that the Federations are having discussions at a higher company level where such information might be deemed important for reaching a conclusion of resolving a dispute. The areas under which I&C takes place are the following:

- Economic and financial state of the organisation
- Employment trends and future developments
- Trends and changes in technology
- Training and human resource development

Regarding the rest of the available areas where I&C should take place, the TU Federations stated that it would be beneficial if I&C takes place for the remaining areas as well.

The Federations state that all of the above would help the company and at all levels of CLA, as well as the procedures and duration of the CLA in a very positive way. The belief once again is that when employees are informed, the process of CLA is simplified and agreements between the parties are more likely, therefore helping in the process of CLA. Furthermore the Federations agree that I&C help in the resolution of disputes at the company level, affecting all areas of the CLA. This

proves that official arrangements are provided through the participation of TU at the highest level with lack of information regarding the general public. Lack of information, lack of interest and awareness or lack of democracy and direct contact of those involved.

Once more there is difference between the responses of the employees and the Federations, where we see that from the Federations perspective it seems that I&C has taken place (although no as the law states, in an unofficial way) in situations dealing with acquisitions, mergers, purchases of one company by another, restructuring and transformations, changes in technology and for redundancy procedures.

As we have seen before however, the employees stated than no I&C has taken place in any of the above mentioned situations. Once again this might have to do with the fact that Federations are considered a higher level of employee representation and therefore management side might be more willing to engage in I&C procedure with them.

The Federations responding state that indeed the CLA affect the productivity of labour, they lead to the improvement of competitiveness of the enterprise and they can help in the improvement of the company of management. On the same line with these, the Federations state that the CLA have an impact on the above and that I&C will help in the prevention of conflicts in the workplace that are related with the productivity, the competitiveness and the company management.

Finally all employees totally agree with the right to I&C and its implementation. They believe that the right of I&C is an important tool for the workplace and in the place that it is not officially implemented steps need to be taken for its implementation. Even in the cases it is unofficially implemented, there is always room for improvement and through the goodwill from both sides involved there is the possibility in succeeding. We need to question the possibility, that informal application of I & C provisions does not allow or postpones the prospect and ability for official promotion of this certain legislation.

- **V.4 TRADE UNION OFFICERS**

The responses from the Trade Union Officers seem to be in line with the overall responses from the employees and the Trade Union Federations, therefore once again there is the belief that the right to I&C would supplement the role of the Trade Unions.

Also once again, all the I & C is implemented through the TU, and there is no concluded agreement on I&C, nor there is any clause in the Collective Bargaining Agreement regarding the I&C and there are no any elected representatives in their organizations for purposes of I&C.

Once again since there is no official I & C taking place the TU officers state that I & C should be implemented in all of following:

- Economic and financial state of the organisation
- Employment trends and future developments
- Trends and changes in technology
- Working environment
- Equal opportunities and non-discrimination policies
- Job evaluation and performance appraisal
- Training and human resource development
- Policies and activities for the implementation of work life balance

The TU Officers also state that all of the above would help the company at the company level and at all levels of CLA, as well as the procedures and duration of the CLA in a very positive way. The belief once again is that when employees are informed, the process of CLA is simplified and agreements between the parties are more likely, therefore helping in the process of CLA. Following on, they also agree that I&C help in the resolution of disputes at the company level, affecting all areas of the CLA.

Once more there is difference between the responses of the Federations and the TU Officers, where we see that from the TU Officers perspective it seems that I&C has not taken place (although no as the law states, in an unofficial way) in situations dealing with acquisitions, mergers, purchases of one company by another, restructuring and transformations, changes in technology and for redundancy procedures.

In the same hypothetical manner the TU Officers state that I & C helps in the process of the CLA and the avoidance of conflicts at the workplace. The TU Officers also agree with the previous responses The Federations responding state that indeed the CLA affect the productivity of labour, they lead to the improvement of competitiveness of the enterprise and they can help in the improvement of the company of management.

From what they TU Officers know, it seems there are no companies that have processes of unofficial I & C. The most important problems between the employers and the employees is the gap between the management and the employees, it seems that employees do not feel to be a part of the corporate team. The employers in general seem to be negative and against the TU. The TU Officers are in favour of the I & C as far as it would be implemented in the right manner.

• **V.5 EMPLOYERS FEDERATION**

The response that follows has to do with the Cyprus Industrialists and Employers Federation (OEB).

Based on the responses, the members of OEB that the law should be implemented is about 75%, although they have no data on how many of these implemented the law in the way the law states. There are some companies however that have in place I&C

systems that are more advanced than what the law specifies, although this is unofficial in terms of the law and it stems from the culture of the organisations.

Following on, and in line with all the responses up to now, in CLA there are no provisions regarding the official process of I&C. It is believed however that this is covered through the Industrial Relations Code that refers to Joint Consultations therefore this process of I&C is somehow indirectly covered from back in the 70s when the Industrial Relations Code was implemented. This approach however is too vague and general referring to what it has been stated before in relation to the unwillingness of the employers' organisations to rule industrial relations through legislation since they prefer to deal with less strict and binding arrangements thus referring to gentlemen's agreements.

There are no officially elected representatives for the purposes of I&C but from the responses received, wherever the TU is present then I&C takes place in the unofficial way as it has already discussed, but not in the exact way the law specifies.

Moreover it seems that very few companies which are members of the OEB are MNC that have EWCs, mostly of these are banks, although this might have changed, following the structural changes that followed the economic crisis. Wherever MNC are concerned, they implement the laws exactly as these are stated therefore it is the OEB belief that MNC should be fully implementing the process of I&C.

Furthermore the Employers Federation response stated that I&C is carried for all of the following:

- Economic and financial state of the organisation
- Employment trends and future developments
- Trends and changes in technology
- Working environment
- Equal opportunities and non-discrimination policies
- Job evaluation and performance appraisal
- Training and human resource development
- Policies and activities for the implementation of work life balance
- Other social policies

Once again we see some difference between the employees and the employees federations in terms of the areas where I&C takes place whereas the employees side state that no or very little I&C takes whereas the employers side state that I&C takes place in all the areas. Is this a difference in understanding, in approach, in principles and definitions or just a need to go away? Whatever the answer, the lack of full and adequate implementation of legislation is highlighted once again.

Moving on, the Employers' Federation believes that the I&C that takes place on the above helps the company level and it is mainly helpful with issues that deal with income policies of the CLA. It is believed since if all the above is communicated to

and with the employees, then they are more willing and flexible to accept certain issues and therefore this helps in reaching a conclusion much quicker. In other words a point of balance between the parties involved is reached much easier'

Despite the above, I&C that affects the areas discussed in question 6 will have an impact on the disputes arising at a Company level and they will have an impact on all the issues where a dispute might arise, having an effect on the final result. If the employees are informed, this will help in reaching the balance without one or the other party feeling that is has been disadvantaged or has been forced to accept something that could not have afforded in the first place, therefore disputes will be minimised or they would be much more easily resolved.

Following on, the Federation states that I&C takes place in the majority of the cases mentioned in question 9. Because of this, only positive results are expected in terms of the conclusion of the CLA and the expected result. Furthermore, the I&C taking place in the situations discussed in Question 9, will have positive impact in the settlement of disputes.

Moreover once again we see the Employers Federation in line with the rest of the responses, in stating that I&C affects productivity of labour, the competitiveness of the organisation and the company's management in general.

Joint approaches in a number of issues related to the positive role of I & C should be seen as a bonus and advantage to be taken into consideration in the process of promoting full implementation of existing legislation.

It is the Federation's that in micro companies, below 5 employees, the I&C is very basic and in a non-formal basis where the employer is directly involved in the day to day running of the company and through this involvement the employer learns a lot of the issues that might affect the company. Moreover since the employees are directly involved with the running of the business because of its size, they are themselves also informed on issues that affect the company.

Although there is no clear picture, it is believed that the big companies should have something in place in terms of I&C procedures. The small size of most enterprises should not be the excuse or the answer to the lack of implementation of the legal framework since this normally serves as the employers' alibi taking advantage of the situation and the direct contact with employees which maximises the pressure against them on a more personal level.

Regarding the problems between the employers and the representatives of the employees, the Employers Federation stated that the TU can be a bit demanding at times especially regarding the timing to go into negotiations, where the employer might not be ready yet to go into negotiations. Moreover, sometimes the TU push for info that the employer might not be ready to give out and therefore they might provide

the wrong info and consultation to the employees creates turmoil in the workplace themselves.

The members of the Employers' Federation have no problem with the employee representation, as far as it does not interfere with the day to day running of the businesses.

The OEB believes that in the majority of cases the TU are responsible and reliable organisations that pursue a settlement in a mutually acceptable way although they need to be a bit more flexible at some times. Yet again, a joint definition of flexibility is lacking and even flexicurity itself might not be appropriate to fill the gap.

VI CASE STUDIES

During the course of the research there have been a couple of cases identified that it is believed to be a good practise in terms of I&C. Although even under these cases the official way of I&C is not followed, it is our belief that they constitute a very good example and it is our belief that these practises go beyond what the law actually requires. Therefore we would spend some time in discussing these two practises further. These refer to the KANIKA hotels and to another company (non-Cypriot brand name but deciding and promoting its management policies locally) that stated it did not want its name to be communicated, therefore we will refer to the practise and we will make no reference to the name of the company.

- **VI.1 KANIKA HOTELS**

The idea behind the operations of the KANIKA Hotels revolves around the concept of the KANIKA SPIRIT, which is just an acronym that refers to the core values of KANIKA: Service, Professionalism, Innovation, Respect, Integrity and Teamwork. These guidelines are clearly explained, printed and distributed throughout the whole employee population. This “compass” puts staff and management on the same track, speaking the same language and working towards the same organisational goals and employees know what it is expected from them without guesswork or assumptions.

From the above it is quite obvious that KANIKA Hotels has put in place a great emphasis on the management of its Human Resources and hence its employees. It is through this practise that they implement the tool of the **good relations committees** at every hotel. It is a process under which the management wants to be in direct communication with the employees and at the same time informing and consulting with them.

These committees take part in every hotel and they consist of a number of employees representing the staff at each hotel. They meet every month, whereas the law on I&C states that the meetings should take place every 3 months. These committees discuss

on a wide spectrum of issues and usually there is an open agenda and each member can bring up everything of concern for the employees.

Although the agenda seems to be quite informal, during these meetings, minutes are kept regarding on who participated, what has been discussed, actions taken etc. Once the meetings are over, everything that has been discussed is transferred over to Asana (a free online task manager) where everybody involved has access to. All the tasks uploaded are given priorities in regards to their implementation. The minutes of each meeting are also given to the employees that are members of these committees.

This practise is going very well up to now, although there are some thoughts in providing an agenda so as to force some members of the committees to seek input from their colleagues as well. The purpose of the implementation of such a tool is to be near to the employees and to listen to them. The management does not want to be at the Headquarters and just provide directions, on the contrary they rather prefer to listen to the employees, and it is indeed a management practise that they need to be aware of whatever concerns the employees. Besides the employees, the minutes of the meeting reach the Chairman of the Group; therefore the managements of the hotels are indirectly forced to take close attention to the needs, suggestions and consultations provided by the employees.

This process provides grounds and highlights the need for promoting healthy relations at the workplace and it reaffirms the positive role that the existing legislation can play towards that direction.

This proves that such arrangements do not negatively affect the role of the T.U. but on the contrary they can be complementary.

- **VI.2 EMPLOYEE INVOLVEMENT GROUPS**

Through the Employee Involvement Groups, the Company informs, involves and consults with its people on the matters that affect them. The Company's commitment to these groups means that colleagues have the chance to voice their opinions and ideas, get answers and have their views represented when the business considers changes that affect them. This means everyone has an opportunity to positively influence the business we work in.

Every store and every business area has representatives, elected by their colleagues to represent their views. In practise this committee consists of 5 employees, two elected from the main store and 1 employee elected from the additional three stores.

The Company engages regularly with these representatives on a local level, to keep colleagues up to date with developments that affect them. The group's involvement can include discussing and debating changes that affect the employees, gathering specific feedback from colleagues, and where appropriate suggesting solutions.

This best practice proves once again that the grounds and foundations for the concrete implementation of the legislation are in place. The challenge lies amongst all the parties involved.

VII CONCLUSION

In concluding, it should be highlighted that, it is quite clear that the positive role of information and consultation is recognised by all actors in industrial relations, according to the results of the qualitative research²⁴. However, practice is yet again different from theory thus; the positive approach should be used as an element and tool to build on.

Indeed, ‘There can be no society which does not feel the need of upholding and reaffirming at regular intervals the collective sentiments and the collective ideas which make its unity and its personality’. Emile Durkheim

After all, democracy is the right to have rights, relating itself to the direct involvement of individuals and organised society in the process of designing and promoting policies and decision making at all levels and in all aspects.

Following the Maastricht Treaty in 1992, the European Union follows a more democratic institutional framework promoting the role of social partners. In this framework and following this approach, issues related to information and consultation, cooperation in employment and negotiations in sectoral or professional level are promoted²⁵.

In a similar approach, the role of institutional developments and dialogue in the E.U including information and consultation becomes central, based on the win-win consensual situation. This could lead to the promotion of industrial democracy which has led so far to the increase in productivity and responsibility of workers, having a positive influence on enterprises²⁶.

According to an ETUI recent research²⁷, workplace representation is vital since trade union members view the performance of the union to be superior to that of management on various workplace tasks. On the contrary, the management performs

²⁴ As already analysed in this current report.

²⁵ Kentro Diethnous kai Europaikou Oikonomikou Dikaiou- Aristotelio Panepistimio Thessalonikis, Koinonikos Dialogos kai Sylogikes Diapragmateusis stin Enomeni Europi, p.3, Ekdosis Sakkoula, 2001

²⁶ Karydis Ch. Viomichaniki Demokratia, Etima stin Kypro- Pragmatikotita stin Europi, Arthro stin efimerida ALITHIA, 1998

²⁷ ETUI, Tranfer November 2014, Volume 20 No 4

in superiority when such representation is not in place. In this framework, the role of information and consultation, as well as the application of the existing legislation could be seen as important and vital in order to keep a balance among the two parties.

In concluding, it would be interesting to highlight results through a SWOT analysis indicating specific points to be taken into consideration:

- *Strengths*
 - A high level of unionisation is evident in all sectors/ enterprises concerned which sets the necessary conditions for further improvements to be achieved and observed in the future
 - There are existing and established structures referring to EWC, in which workers representatives already participation and an information and consultation culture and practice which can be supportive to any further steps forward
 - There is a positive approach by employers towards the existence and well functioning of EWC which can set the right footing for information and consultation practice
 - Employees representatives are already appointed in such structures and social partners are familiar with such practices in addition to negotiations and conclusions of collective agreements
 - Long standing tradition of trade union and representation structures at the workplace complement and support the whole attempt and process, in a promising way
 - There is a well-established culture in information and consultation practice

- *Weaknesses*
 - The vast majority of enterprises in Cyprus are SMEs, meaning that the Directive does not apply due to size (it only applies in 3% of local enterprises)
 - Lack of awareness amongst social partners in promoting Legislation
 - Confusion in the general application of information and consultation practices and Legislation itself
 - There is very limited information available on the existence of the Legislation
 - There is limited trade union intervention in promoting Legislation itself
 - Existence in theory, malfunction or even abandonment in practice
 - Employees are more interested on issues related directly with their workplace
 - Interpretation problems in common approach related to definitions (i.e. information/ consultation)

- *Opportunities*
 - Problems in the economy and enterprises themselves might give boost to adequate implementation of the Legislation, although this has not been the case so far despite the fact that social partners are working together in dealing with existing problems in the labour market
 - Trade union motivation due to participation in this project/ reaffirm of priority during the last SEK Executive Committee meeting
 - The Conference in Cyprus has given employees the opportunity to participate in an information and consultation related activity
- *Threats*
 - On-going financial crisis drives employees away from trade unions and increases mistrust towards the organised society
 - Lack of information and training opportunities minimise employees motivation to participate
 - National disappointment on developments and prospects let alone European related affairs
 - Lack of motivation since information and consultation has an abstract importance, not clearly understood or identified
 - Negative approach of employers on legal arrangements in ruling industrial relations Reluctance of trade unions in promoting policies which might have a negative impact on their role

Moreover, it should be stated that, managers who follow a different mentality in industrial relations (mainly due to their experience abroad), tend to create problems as a result of a negative approach towards existing structures and culture. Thus, the legal framework could be a tool to be used in order to promote policies and practices which will be helpful and supportive towards both employees and enterprises.

Additionally, despite the fact that there is a solid definition of both ‘consultation’ and ‘information’ both in the certain legislation as well as in the recast Directive on EWC, there is a different approach, interpretation and practice among different enterprises, between employees and employers, even in trade unions, as well as among trade unions and employees. In this framework, the main problem to deal with, is the fact that both parties are not willing to “hand over” their role and importance to the legal framework. However, both trade unions and employers should realise and accept that information and consultation legislation is not a threat towards their role and importance. On the contrary, the existing legislation should be seen as a complementary tool and prospect in serving the interests of both parties in a more structured and successful way.

Finally, we need to state that, information and consultation promote democracy and dignity in employment. If that is true, then since democracy does not lead to dead-ends, admitting that there is always space for improvements and recoveries from mistakes, we could be positive and optimistic in future prospects, following V.

Schmidt's proposal for a discursive institutionalism²⁸, through which an institutionalised and well structured dialogue is promoted.

Further improvements are always welcome and helpful. Therefore, trade unions and social partners in general have another challenge to face constructively and successfully.

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²⁸ Dialogos kai metarrithmisi (Michalaki Sofia, 25/5/2009, ELIAMEP <http://blogs.eliamep.gr>)

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