



# **Measuring the Value and Impacts of Acas**

**2014**

**Acas Research and Evaluation Section**

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## CONTENTS

1.	INTRODUCTION: THE PURPOSE OF THIS PAPER	4
2.	THE ACAS BUSINESS MODEL: INTEGRATION OF SERVICES	5
2.1	Acas services and business volumes	5
2.2	An integrated service	6
3.	THE VALUE OF ACAS SERVICES	9
3.1	Measures of independence and impartiality	9
3.2	Evaluation approaches and key measures	11
3.2.1	<i>Collective conciliation</i>	12
3.2.2	<i>Individual conciliation in Employment Tribunal cases</i>	13
3.2.3	<i>Pre-claim Conciliation</i>	14
3.2.4	<i>Helpline</i>	15
3.2.5	<i>Workplace projects</i>	16
3.2.6	<i>Open access training</i>	17
3.2.7	<i>Integrated evaluations</i>	18
3.3	Economic impact	19
3.3.1	<i>Approach</i>	19
3.3.2	<i>Estimates on economic impact – 2010/11</i>	21
3.3.3	<i>Evaluation of other services</i>	23
Annex A	Statutory Duties	24
Annex B	Methodological approach in BIS PVP reports compared with the Meadows evaluation	25
Annex C	Survey Response Rates	26
	Bibliography	27

## 1. INTRODUCTION: THE PURPOSE OF THIS PAPER

This report provides evidence on the value and impact of Acas based on feedback from stakeholders and analysis of a range of evidence on Acas activities and their impact. The underlying data derive from service evaluations undertaken by independent research agencies, in addition to Acas management information. These data were originally collated for a Triennial Review of Acas, which, as with all Non Departmental Public Bodies (NDPBs), is subject to having its function, form and governance reviewed at least every three years.

As this report is based on the 2013 Triennial Review of Acas, which collected data in late 2012, service volume data from the 2010/11 financial year is used throughout. This allowed an assessment of impacts to be made on the most recently available full year of data at the time of writing.

Acas regularly evaluates its services and, since the Triennial Review evidence was collected in 2012, more recent evaluation data has been produced for several of the Acas services at issue in this paper. The updated survey findings can be found in stand-alone research papers published on the Acas website<sup>1</sup>.

After a brief introduction to Acas services and Acas' integrated business model, the paper presents evidence on:

- customer perspectives on the impartiality and independence of Acas,
- the impacts of Acas services including customer satisfaction, the value of the information provided, the assistance it offered in dispute resolution, and wider workplace improvement, and
- an economic impact assessment of Acas.

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<sup>1</sup> [www.acas.org.uk/researchpapers](http://www.acas.org.uk/researchpapers)

## 2. THE ACAS BUSINESS MODEL: INTEGRATION OF SERVICES

### 2.1 Acas services and business volumes

The Acas business model provides a range of integrated services which reflect both its specific statutory duties<sup>2</sup> in respect of dispute resolution, and the general statutory duty 'to promote the improvement of industrial relations'. Alongside resolving overt disputes, Acas promotes effective conflict management and good employment relations through its advisory services, all of which aim to reduce the level and impact of conflict in the workplace, and to promote good practice and behaviours. Acas' services correspond to the organisation's mission, 'to improve organisations and working life through better employment relations' and is reflected in the corporate objectives as set out in the *Corporate Plan 2011-15*.

The main Acas service areas addressed in this paper are:

#### *Dispute Resolution:*

- Pre-claim conciliation: conciliation provided by Acas prior to Employment Tribunal (ET) claims ( 'PCC')
- Conciliation in ET claims – known internally as 'individual conciliation' – conciliation offered to the vast majority of claims once applications have been submitted to the Employment Tribunal
- Conciliation in collective disputes - conciliating in industrial disputes to prevent strikes and other collective action and to address areas of collective action

#### *Helpline:*

- A national telephone Helpline – responding to calls from employers, employees and their representatives

#### *Good Practice Services:*

- Largely fee based training on a range of employment relations matters – provided both via open access events, and tailored to meet the specific needs of individual workplaces
- 'Workplace projects' – an umbrella term to cover both charged and uncharged projects (the latter referred to as 'advisory work') conducted in workplaces. The focus is on business support, improving employment relations, building trust, and developing management, employee and representative capabilities
- Website and publications – Acas produces a range of good practice guidance – which can be downloaded or obtained in hard copy. This includes the Acas Codes of Practice, and accompanying on-line tools.

#### *Business volumes in 2010/11*

In 2010/11 Acas provided collective conciliation in response to over 1,000 collective disputes, and a further 31 cases were referred for collective arbitrations and dispute mediation. In relation to responding to individualised disputes, 74,620 net Employment Tribunal cases were received covering a total of 166,792 jurisdictions. (Acas received 95,279 gross claims from the Employment Tribunal Service (ETS), but, unlike the ETS, in a "multiple" case<sup>3</sup> Acas counts this as one net case and hence the net figure is considerably lower than the gross.) Slightly fewer than 18,000 cases were referred for pre-claim conciliation; and there were over 200 (charged) mediation cases. In addition Acas settled 23,875 potential tribunal complaints regarding equal pay against local authority employers in the ongoing disputes over the single status pay agreement.

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<sup>2</sup> See Annex A for a full list of statutory duties

<sup>3</sup> A multiple case is one in which a number of claimants with the same representation lodge a claim against the same employer on the same grounds.

In 2010/11 Acas' National Telephone Helpline responded to around 950,000 calls on a wide range of topics, the most common being 'discipline, dismissal and grievance (32 per cent), plus a further 2,500 specific to equality matters. In the same period, 220 in-depth workplace projects<sup>4</sup> (88 fee-waived and 132 charged) were conducted which involved Acas working jointly with managers and employee representatives inside workplaces to bring about an improvement in relationships and workplace performance. More than 1,000 open access training events were held, attended by over 13,000 delegates; and a further 1,000 bespoke training events took place inside workplaces, many of which involved managers and employee representatives working jointly. Acas also produces an array of publications. Around 150,000 hard copies of Acas guidance publications were issued; and there were 1.5 million downloads of Acas guidance from the website. Annually, there are approximately four million visitors to the Acas website which, beyond publications, also houses a range of general guidance, e-learning and diagnostic tools.

## **2.2 An integrated service**

The Acas business model is built around the provision of a suite of services, and the concept of an integrated offer. Service integration operates in a number of key ways.

First are the direct referrals made by Acas advisers, or sometimes upon the initiatives of the service users themselves, with customers moving from one service to another. So a call to the Helpline may lead to a direct referral to the PCC service; or a caller might self-refer to the website to seek further information on Acas or its services. The website itself acts as a conduit for directing potential users to information that is most relevant to them, but also to services that might be appropriate; and 'e-communication' newsletters are also distributed regularly from Acas National and the regions, signposting the information and training. Box 1, which summarises the findings of an interview with one of Acas' customers who has accessed Acas' support in a number of different ways, illustrates the interconnectedness of these services.

Second, a party might use one or a number of Acas services, and as a result of the experience decide to refer back to Acas for further assistance on a subsequent issue (these might be considered as 'repeat customers'). There is evidence that a wide range of reasons contribute to repeat use of Acas. First where prior experience was positive and the user gained trust in the organisation they may revisit the service - this might be because of the expertise it provided, for instance on a given subject or methodology it used (for example in approaching a conflict or the way it ran a workshop). Sometimes the trust and confidence is rooted in an individual Acas adviser. Perhaps most important is the 'brand' – that customers will repeatedly use Acas as it offers precisely the kind of impartial service that is not available elsewhere, and has a positive reputation for its achievements in this respect (see section 3.1 for evidence on this issue).

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<sup>4</sup> These in-company support packages are marketed and referred to externally as 'business solutions'.

### **BOX 1: Customer journey**

A 20 year old food manufacturing organisation with a small number of plants in the UK, this organisation has grown considerably recently having been acquired by a larger, European operation. It currently employs in around 1,200 employees, around half of whom are trade union members.

The business' association with Acas dates back to the drafting of its recognition agreement. Acas undertook the membership check which resulted in the recognition agreement. Part of the agreement involved reference to Acas 'pendulum' or 'binding' arbitration in the event that pay disputes could not be resolved locally. The current HR manager, who was on the recognition working committee, recalled the rationale for Acas inclusion in the agreement:

*"We needed an independent person to look into it and both parties had agreed that's what was needed... it was just somebody independent who is not going to be biased, and we were quite happy to choose somebody from Acas because obviously the Acas philosophy is to be neutral at all times."*

In early years following recognition, annual wage reviews tended to lead to conflict with referral to arbitration, with Acas being called in to set-up the terms of reference for arbitration. This pattern has ceased, but help from Acas has continued in other forms.

First, the organisation had used Acas collective conciliation – most notably where an impasse had been reached during a triennial review of the recognition agreement. Successful use of conciliation also occurred in response to a dispute about outstanding pay; Acas conciliators helped with the drafting of a compromise agreement that was deemed by the organisation to have been a commercially satisfactory result.

The company has also used Acas individual conciliation in ET claims – in most cases this being deemed to have been successful. As well as dispute resolution, the organisation has made good use of the Acas advisory services. Ongoing use has been made of Acas' workplace training on discipline and grievances, with half a dozen sessions over the last four to five years – deemed by the HR manager to have been very useful in helping managers become more specialist, self-reliant employment relations practitioners:

*"There's a huge change in culture from the day when we first started. I remember from when I first came, everything should be dealt with by HR. They're now slowly taking ownership of the process and that has been helped by Acas training as well and of course experience over the years."*

More informal use has been made of Acas advisory booklets, the Acas website – routinely used for points of legal clarification – and also its Helpline, similarly referred to where members of the HR team have been unsure about their statutory obligations. The company's ad hoc usage of its advisory services were attributed to positive perceptions of what the HR manager called 'the Acas philosophy' – that is to say its independence and objectivity.

Third, the boundaries between categories of services are blurred. Individual disputes (particularly where they involve trade union officials) can have collective implications. So where several individuals file an ET claim that relates to the same organisation and issue, their disputes are likely to relate to an underlying collective issue (current, large scale equal pay cases in the public sector are the clearest demonstration of this). The boundary between the need for dispute resolution and improving practice can also be opaque. A collective case may lead 'naturally' or as a result of the conditions of the agreement, to the need for more in-depth advisory work – for instance in embedding a new recognition agreement, or training members of a new employee forum. Sometimes the relationship between dispute resolution and good practice is more subtle, with messages and information conveyed by the advisers and conciliators during a dispute informing employer and employee thinking around their behaviour and practices, for the future (see discussion in Dix and Oxenbridge, 2005). Finally, it is also likely to be the case that, as well as having a value in themselves, the Helpline, training services and in-depth projects in workplaces also give an up-to-date insight into current issues inside the workplace that can be fed back to other parts of the business (Meadows, 2007).

### Staffing model and integration

A further dimension of the integrated Acas business model is the organisation's approach to the staffing of its services. This is important since it brings a series of benefits, in terms of flexibility, succession-planning and knowledge transfer. Meadows in her report on the NIESR review of the economic impact of Acas services made an analogy between Acas and the Fire Service:

*"Like Acas a large proportion of the time of fire service personnel is spent in training and preventative work. The Fire Service undertakes inspections and provides advice to businesses and households. Acas undertakes training and consultancy activity aimed at promoting more positive relationships at work as a means of preventing potentially costly conflicts, some of which may lead to disputes involving industrial action. Nevertheless the organisation needs to have the skills and expertise available at short notice to resolve industrial disputes, in the same way that the fire service needs to have people available to fight fires." (Meadows, 2007)*

This model is one which is most explicitly followed by Acas in the resourcing of its collective conciliation and advisory work. These activities are undertaken predominantly by staff in Acas Grade 8 (SEO) posts, the majority of whom combine conciliation and advisory roles. This provides the Service with the flexibility to respond quickly to employment relations "fires"; while in the meantime engaging in preventative activity which should in the long-term reduce the level of escalated industrial conflict. In addition, customer contact with Acas staff in their preventative role can serve to build the trust which is essential for collective conciliation. However the synergy between services at a resourcing level goes well beyond this.

On the dispute resolution side, Helpline and fast track conciliation roles have been combined with Helpline advisors having a role in conciliating what are seen as the more straightforward Employment Tribunal cases (known as fast track conciliation)<sup>5</sup>.

The integration of Acas also means that the organisation can benefit from staff skills acquisition in junior roles, which makes them valuable recruits into senior positions in different services. So, for example, the Helpline offers a recruitment pool for individual conciliation (IC) and Grade 9 (HEO) staff in IC and training often move into Grade 8 operational roles to conduct advisory and collective dispute resolution tasks. An analysis of Acas data for staff currently in post suggests that around half of staff currently in Grade 9 operational roles previously held a Grade 10 position.

Finally, the co-location of the range of different Acas services within Acas' devolved regional structure has the benefit of allowing particular services to benefit from the expertise of Acas staff in other service areas. For example it means that senior advisers, trainers and collective conciliators have access to up-to-date employment law knowledge which is a requirement of Helpline and individual conciliation roles. They can draw on that knowledge when advising clients on employment law issues, or alternatively ask a relevant colleague to talk to the client directly. Similarly, colleagues' experiences of handling difficult workplace issues bring alive the material delivered by Acas trainers.

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<sup>5</sup> These comprise claims made under wages act, redundancy pay and breach of contract jurisdictions.

### 3. THE VALUE OF ACAS SERVICES

#### 3.1 Measures of independence and impartiality

This section considers the evidence from customers in relation to their perspectives on Acas services. Whether charged or uncharged, whether relating to dispute resolution or prevention of disputes, there is an expectation among customers that the service will reflect the organisation's established reputation for impartiality and independence:

"People are coming to Acas for the very same reasons that they come for help when they are in a dispute – they want to know that the help they are being given is independent and impartial. Crucial here has been Acas' staff extensive practical knowledge and experience of employment relations that comes from direct local involvement in workplaces across the country" (Sisson and Taylor, 2006).

#### Qualitative and quantitative evidence

The meaning and significance of impartiality and its association with Acas was explored in depth in qualitative research<sup>6</sup> with users and "aware" non-users of Acas. Initial, unprompted questioning established that key words associated with Acas were *neutral, impartial, reliable, reputable, helpful, knowledgeable, worthy, trustworthy, and positive*. Impartiality was not only portrayed as a key characteristic of Acas, but above all others was the attribute seen as being most central to Acas' role:

*"They couldn't do the job if they were biased, people wouldn't talk to them."*

– Employees in large businesses, non-users, Glasgow

*"They've got to be impartial and independent, that's what they're about. If they're not, they can't do their job."*

– Employers in small/medium businesses, aware non-users of Acas, Manchester

Acas' "reputation" lies at the heart of its use by employers and employees. Arguably this reputation is built upon Acas' role in high profile dispute resolution. An Ipsos MORI omnibus poll (2008) showed that 89 per cent of respondents who said they were aware of Acas correctly identified the role of the Service as 'sorting out disputes between employers and trade unions', and 88 per cent that Acas 'can help individuals and employers involved in an ET case reach agreement'. Meadows (2007) took this argument further, posing the question "of whether advisory and preventative services would be able to achieve the same impact without the positive reputation generated by the conciliation services".

The centrality of Acas' "reputation" is indicated in a range of data:

- For instance, in the most recent survey of Acas workplace projects customers, the most common reasons given by management representatives for using Acas were "Acas' advice being independent of management/ Trade Unions" (41 per cent), "good experience of Acas in the past" (34 per cent) and "Acas' good reputation" (23 per cent)<sup>7</sup>.

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<sup>6</sup> The research was undertaken for Acas by Cragg, Ross Dawson and involved ten focus groups.

<sup>7</sup> *An integrated evaluation of Acas Workplace Projects*, Andrea Broughton, Daniel Pearmain and Annette Cox (Institute for Employment Studies) Ref 1/10.

[http://www.acas.org.uk/media/pdf/1/1/An\\_Integrated\\_Evaluation\\_of\\_Acas\\_Workplace\\_Projects.pdf](http://www.acas.org.uk/media/pdf/1/1/An_Integrated_Evaluation_of_Acas_Workplace_Projects.pdf)

**BOX 2: The importance of independence and impartiality: evidence from case study following Acas collective conciliation in Milford Haven Port Authority**

[www.acas.org.uk/media/pdf/5/q/Case\\_Study\\_-\\_Milford\\_Haven\\_Port\\_Authority](http://www.acas.org.uk/media/pdf/5/q/Case_Study_-_Milford_Haven_Port_Authority)

“The one thing we do know is that the union as well as ourselves recognise that Acas do fulfil the function [of acting impartially], and I think the union does recognise that if there’s an impasse, there is at least somebody else that they can go to in order to look at the issue and find a solution...if somebody were more on the management or union side, that would actually be destroyed ...”

One senior manager summed up his expectations of conciliation: ‘to help finding a solution by seeing whether or not there was some common ground’ and seeking to ‘bring the two parties closer together’.

Managers described their expectations of Acas: “I think they certainly are not supporting management or representing one side; I think they’re just interested in resolving the dispute, which is trying to achieve a win-win for both sides. They are about remaining impartial throughout and not imposing their opinion regardless of if they think one side has a better case”. (Manager, HR)

“If you’ve got somebody who’s skilled and experienced, people who know about it, they can actually pull both parties, inch them together so that they can focus on perhaps initially the issues that they agree on, and then how are you going to deal with the issues you can’t agree on.” (Manager)

In independent customer surveys, Acas staff are consistently rated highly in terms of the impartiality with which they deliver their support and advice:

- In the 2011 survey of the individual conciliation service users, research participants were asked whether they felt that the conciliator took either party’s side. The results would suggest that most customers perceive conciliators as impartial: a minority said that either the conciliator had taken the claimant’s side (16 per cent) or the employer’s side (nine per cent)<sup>8</sup>.
- In the evaluation of the first full year of the PCC service, 73 per cent of customers felt that the conciliator had been even-handed in handling their case<sup>9</sup>.
- In the 2007 survey of employer and trade union representatives who had used the collective conciliation service, 93 per cent of participants rated the impartiality of their conciliator as ‘good’ or ‘very good’.
- Staff providing information and guidance are similarly valued: Acas Helpline advisers and those who provide more detailed face-to-face advice are also overwhelmingly seen to take an impartial stance. In 2011, 9 in 10 users of the Acas in-depth advice service (93 per cent) said that the advisor had “maintained an impartial stance”<sup>10</sup> and 93 per cent of participants in the October 2009 Helpline survey agreed that the Helpline adviser had “presented the information in an impartial way”. This was reinforced in the qualitative research from the same study:

<sup>8</sup> *Service user perceptions of Acas’ conciliation in Employment Tribunal cases 2010*, Acas Research and Evaluation Section and Infogroup/ORC International, Ref 02/11.

[http://www.acas.org.uk/media/pdf/7/b/Service\\_user\\_perceptions\\_of\\_Acas'\\_conciliation\\_in\\_Employment\\_in\\_Employment\\_Tribunal\\_cases\\_2010.pdf](http://www.acas.org.uk/media/pdf/7/b/Service_user_perceptions_of_Acas'_conciliation_in_Employment_in_Employment_Tribunal_cases_2010.pdf)

<sup>9</sup> *Evaluation of the first year of Acas’ Pre-Claim Conciliation service*, Acas Research and Evaluation Section and Infogroup/ORC International, Ref 08/10. [http://www.acas.org.uk/media/pdf/t/k/08-10\\_Evaluation\\_of\\_the\\_first\\_year\\_of\\_Acas-Pre-Claim\\_Conciliation\\_serviceaccessible-version-Nov-2011.pdf](http://www.acas.org.uk/media/pdf/t/k/08-10_Evaluation_of_the_first_year_of_Acas-Pre-Claim_Conciliation_serviceaccessible-version-Nov-2011.pdf)

<sup>10</sup> *An evaluation of the Acas in-depth advisory service*, Derek Mitchell and Wendy Mitchell (Alpha Research Ltd), Ref: 04/10 [http://www.acas.org.uk/media/pdf/g/6/An\\_evaluation\\_of\\_the\\_Acas\\_in-depth-accessible-version-Nov-2011.pdf](http://www.acas.org.uk/media/pdf/g/6/An_evaluation_of_the_Acas_in-depth-accessible-version-Nov-2011.pdf)

*"I think they are impartial because when you tell them your story and they listen and then they hear what you have to say and then they say these are your rights. This is what you are entitled to."*

– Employee

*"You get both sides of the scenario; they are not just there for the employer".*

– Employer (small organisation)

*"Both times I have rung they have given me both points of view from employer and employee so they have said 'yes, you can do this but remember the employee can do X."*

– Employer (large organisation)<sup>11</sup>

Analysis of management information data reveals that around half of the organisations utilising Acas' advisory services (i.e. the system that covers workplace projects, collective conciliation, in depth advice and workplace training) are repeat service users. The importance of this positive experience in subsequent use of the service is indicated in a range of data. For example:

- The 2008 survey of customers for tailored workplace training found that, in response to an open question, over half (51 per cent) said that they had commissioned Acas because they had good experience of working with the organisation in the past<sup>12</sup>.
- Analysis of a series of surveys of users of the workplace projects service indicates that a quarter of employers cited good experience of Acas in the past as an important reason for choosing Acas. And the significance of this reason has increased over time: in the 2011 survey a third of employers (34 per cent) cited this reason<sup>13</sup>

Given the importance attributed to Acas impartiality and the integration between services established in the preceding analysis, a *prima facie* conclusion is that a threat to the reputation of impartiality of any of Acas' services, particularly those in dispute resolution area, would have a negative impact on employers' and individuals' use of and trust in Acas.

### **3.2 Evaluation approaches and key measures**

Since 1994, Acas has maintained an ongoing programme of monitoring and evaluation, exploring the vast majority of its services from the perspectives of customers: satisfaction, perceived efficiency, responsiveness, effectiveness and impacts. The evidence base comprises: regular quantitative surveys, in-depth qualitative explorations; case studies and analysis of administrative data. Making systematic use of qualitative and quantitative non-monetary evidence in the assessment of social impacts is particularly useful in capturing the views of a very diverse population (Harper and Price, 2011) and where there are diverse views across different segments of the population. Research is conducted by independent agencies and funded by Acas - alone or in collaboration with other government departments (such as the Survey of Tribunal Applications series). The Acas evaluation programme covers established services and new initiatives - for instance where new products are being piloted.

'Impact' is approached from a wide range of perspectives including social, workplace change and economic performance. Evidence is presented in section 3.3 on the economic impact of Acas services. This section focuses on evaluation outcomes for six Acas services. In each case the evaluation aims to collect (in addition to impacts of the intervention): information on

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<sup>11</sup> *Helpline evaluation 2009*, Alex Thornton and Nicholas Fitzgerald (TNS-BMRB Social Research) Ref: 03/10  
<http://www.acas.org.uk/media/pdf/o/q/0310HLevel20091.pdf>

<sup>12</sup> *Acas Workplace Training Survey 2008*, Jonny Gifford, Emanuela Carta and Annette Cox (Institute for Employment Studies) Ref: 04/08 [http://www.acas.org.uk/media/pdf/p/o/Acas\\_0408\\_WPT\\_impact\\_2008\\_v2.pdf](http://www.acas.org.uk/media/pdf/p/o/Acas_0408_WPT_impact_2008_v2.pdf)

<sup>13</sup> *Looking Back to Move Forward: Assessing the Impacts of Acas Workplace Projects*, Jon Cooper (Acas Research and Evaluation Section) Ref: 15/11.  
[http://www.acas.org.uk/media/pdf/a/o/1511\\_Looking\\_Back\\_to\\_Move\\_Forward.pdf](http://www.acas.org.uk/media/pdf/a/o/1511_Looking_Back_to_Move_Forward.pdf)

customer characteristics not available from administrative data; customer satisfaction data; and a range of data to inform the delivery of the service and the development of staff. The evidence presented in this section provides an introduction to some of the measures used in the subsequent economic impact analysis as set out in 3.3. Annex C presents achieved response rates in respect of relevant surveys for each of the six services.

### **3.2.1 Collective conciliation**

In 2010/11, 91 per cent of completed collective conciliation cases resulted in a 'successful' outcome (Acas Annual Report and Accounts 2010/11).

The evaluation strategy in respect of Acas' collective conciliation service aims to produce case level data and triangulate the views and experiences of employers; employee representatives and Acas conciliators in order to understand the impact of the conciliation process on the dispute in question and on wider employment relations outcomes.

The approach draws on periodic survey data – collected from both a telephone census of customers of the service and surveys of Acas staff; administrative data; and qualitative research including case studies. A new customer survey has since refreshed key measures but the data to which this report relates are taken from the comprehensive evaluation published in 2008<sup>14</sup>. The main findings from this study were:

#### *In respect of the dispute*

- Conciliator behaviour, rather than the characteristics of the situation they entered into, was the stronger driver of successful conciliation outcomes.
- 55 per cent of managers and 72 per cent of employee representatives said that conciliation had helped speed up the resolution of the case.
- 80 per cent of managers and 87 per cent of employee representatives said that conciliation helped them understand the other party's point of view.

#### *Skills of the conciliator*

- Multivariate analysis on a wide range of case characteristics, conciliator techniques and observed behaviours identified that conciliator skills and behaviours are far stronger predictors of successful outcomes and customer satisfaction than are the characteristics of the dispute (e.g. the employment relations environment, levels of hostility, threat of industrial action etc.).
- One of the techniques most strongly associated with successful outcomes was the conciliator's ability to deal with employment relations issues beyond the immediate scope of the dispute – i.e. to devise strategies to improve industrial relations in the organisation and better equip the parties to help prevent and deal with future conflict or problems if they arise.

#### *On wider employment relations*

- 76 per cent of managers and 78 per cent of employee representatives said that conciliation led to improved employment relationships.
- Customers also reported other benefits resulting from the support provided by Acas. These included improvements in employee morale (51 per cent employee representatives and 28 per cent managers); in working practices (32 per cent employee representatives and 21 per cent managers); and change management (27 per cent employee representatives and 27 per cent managers).

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<sup>14</sup> [http://www.acas.org.uk/media/pdf/0/0508\\_Acas\\_conciliation\\_in\\_collective-accessible-version-Jan-2012.pdf](http://www.acas.org.uk/media/pdf/0/0508_Acas_conciliation_in_collective-accessible-version-Jan-2012.pdf)

### *On satisfaction with the service*

- 89 per cent of employee representatives and 82 per cent of managers were satisfied, very satisfied or extremely satisfied with the collective conciliation service they received from Acas.
- High levels of customer satisfaction with the service were associated with the rapport conciliators built up with the parties, their availability outside of the conciliation meetings and customers perceiving them to be impartial/ neutral.

More recently a series of studies have looked separately at the attitudes and approach of trade union officers and of public sector employers to collective dispute resolution and the use of Acas<sup>15</sup>.

### **3.2.2 Individual conciliation in Employment Tribunal cases (IC)**

In 2010/11, of the potential hearing days arising from all cases received for individual conciliation, 78 per cent were saved (Acas Annual Report and Accounts 2010/11).

The evaluation approach for this service relies first on regular postal surveys of samples of individual conciliation customers<sup>16</sup>; unrepresented claimants and employers, claimant and employer representatives, conducted since 1995 and now undertaken approximately every two years. This is supplemented by data from the Survey of Employment Tribunal Applications, sponsored jointly with BIS and conducted approximately every five years. Both surveys are designed to enable a comparison of trends over time. In addition more detailed exploration of particular issues – such as differential outcomes in relation to particular customer groups – is undertaken via ad hoc qualitative studies<sup>17</sup>. Finally administrative records provide data on case and party characteristics and outcomes for all IC cases.

Some of the aims of the evaluation of IC are to:

- Rate conciliator behaviours and skills
- Gain customer views on the role of the conciliator in the dispute resolution process and outcome
- Rate satisfaction with the conciliator and conciliation service
- Explore impact on policy/practice in the workplace (employer)
- Provide guidance for staff training and service improvement and
- Collect more detailed information on the characteristics of cases and service users.

The most recent evaluation at the time of the Acas Triennial Review was conducted in 2010<sup>18</sup> and findings included:

#### *Impact on the dispute*

- An important benefit of IC is that with the help of the conciliator, a settlement can be reached by mutual agreement of both parties. In the 2010 survey, where the claim was settled through Acas, 79 per cent of survey participants were satisfied with the outcome and only nine per cent were dissatisfied. Where one or other of the parties won at the tribunal hearing, satisfaction was more polarised; where the claimant won,

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<sup>15</sup>

[http://www.acas.org.uk/media/pdf/e/2/0712\\_Public\\_sector\\_employers\\_attitudes\\_to\\_use\\_of\\_Acas\\_collective\\_conciliation.pdf](http://www.acas.org.uk/media/pdf/e/2/0712_Public_sector_employers_attitudes_to_use_of_Acas_collective_conciliation.pdf); [http://www.acas.org.uk/media/pdf/0/5/1011\\_TU\\_officers\\_and\\_collective\\_conciliation-Secondary\\_analysis.pdf](http://www.acas.org.uk/media/pdf/0/5/1011_TU_officers_and_collective_conciliation-Secondary_analysis.pdf) ; [http://www.acas.org.uk/media/pdf/s/6/0911\\_TU\\_officers'\\_preferences\\_attitudes\\_towards\\_dispute\\_resolution.pdf](http://www.acas.org.uk/media/pdf/s/6/0911_TU_officers'_preferences_attitudes_towards_dispute_resolution.pdf) ; [http://www.acas.org.uk/media/pdf/9/5/Trade\\_union\\_negotiating\\_officials'\\_use\\_and\\_non-use\\_of\\_Acas\\_conciliation\\_in\\_industrial\\_disputes.pdf](http://www.acas.org.uk/media/pdf/9/5/Trade_union_negotiating_officials'_use_and_non-use_of_Acas_conciliation_in_industrial_disputes.pdf)

<sup>16</sup> The most recent survey gave the option of on-line completion

<sup>17</sup> e.g. [http://www.acas.org.uk/media/pdf/2/0/racediscrim08\\_1.pdf](http://www.acas.org.uk/media/pdf/2/0/racediscrim08_1.pdf) ; [http://www.acas.org.uk/media/pdf/g/s/01-07\\_1.pdf](http://www.acas.org.uk/media/pdf/g/s/01-07_1.pdf)

<sup>18</sup> [http://www.acas.org.uk/media/pdf/7/b/Service\\_user\\_perceptions\\_of\\_Acas'\\_conciliation\\_in\\_Employment\\_in\\_Employment\\_Tribunal\\_cases\\_2010.pdf](http://www.acas.org.uk/media/pdf/7/b/Service_user_perceptions_of_Acas'_conciliation_in_Employment_in_Employment_Tribunal_cases_2010.pdf)

58 per cent were satisfied and 30 per cent dissatisfied. Finally, where the employer won, 55 per cent were satisfied but 40 per cent were dissatisfied.

- A range of measures explore Acas' influence over the progress of the dispute: in the 2010 survey, 61 per cent agreed that Acas helped parties move closer towards resolving the case; 60 per cent agreed that Acas helped get discussions started and 56 per cent agreed that Acas helped to speed up the resolution of the case.

#### *Impact on wider employment relations*

Whilst the main aim of individual conciliation is to reach a settlement of the case, in some instances, the conciliation process can offer the chance to influence employer behaviour in respect of future conflict handling. In a significant minority of cases employers *reported* that IC had an impact on relations in the workplace: 26 per cent of employers said that they made a change to policies or procedures as a consequence of the guidance they had received from Acas. In 21 per cent of cases employers reported that Acas conciliation had helped them to avoid a similar case in the future.

#### *Conciliation skills*

Conciliators deploy a range of skills as fitting to the case. Where particular skills were required:

- On the actions of the conciliator, 75 per cent were positive about the conciliator's explanation of tribunal procedures; 75 per cent said the conciliator was good or very good at outlining the law as it applied to the case; 65 per cent said the conciliator was good or very good at helping the respondent consider the pros and cons of settling the case without going to a full tribunal hearing; 65 per cent in helping the respondent think through the available options; 59 per cent in helping the respondent think through the strengths and weakness of their case.
- In addition, 70 per cent of respondents agreed or strongly agreed that the conciliator was knowledgeable and 67 per cent that the conciliator understood the circumstances of the case.

#### *Satisfaction with the service*

- Four-fifths were satisfied with the conciliation service overall; a proportion which had remained consistent between 2007 and 2010. However, there was a clear difference between representatives and non representatives – 88 per cent of representatives were satisfied, compared to 76 per cent of unrepresented parties.

### **3.2.3 Pre-claim Conciliation (PCC)**

PCC was rolled-out across Acas in April 2009. Implementation of the service was preceded by a pilot in three of Acas' offices. The pilot<sup>19</sup> and first full year of PCC were both subject to evaluation by independent researchers. Evaluation to date has been based on sample telephone surveys; focus groups of Acas staff; qualitative research with employers and employees and representatives; and analysis of administrative data. Secondary analysis of the Survey of Employment Tribunal Applications (SETA) is also used. The PCC evaluation strategy shares the aims outlined for IC evaluation above. However, given the recent introduction of the service an important focus has been on unpicking the challenges faced as the service has developed – in particular the issue of “conversion” of referrals to PCC cases; and the engagement by Acas of employers in the PCC process.

The most recent evaluation at the time of the Acas Triennial Review was the 2009/10 evaluation<sup>20</sup> and the main findings included:

<sup>19</sup> [http://www.acas.org.uk/media/pdf/0/t/0209\\_PCC\\_pilot\\_summary\\_v2\\_010709.pdf](http://www.acas.org.uk/media/pdf/0/t/0209_PCC_pilot_summary_v2_010709.pdf)

<sup>20</sup> As part of the collection of data to inform the development of the Early Conciliation service a subsequent study examined those PCC cases that subsequently become Employment Tribunal claims: [http://www.acas.org.uk/media/pdf/t/k/08-10\\_Evaluation\\_of\\_the\\_first\\_year\\_of\\_Acas-Pre-Claim\\_Conciliation\\_serviceaccessible-version-Nov-2011.pdf](http://www.acas.org.uk/media/pdf/t/k/08-10_Evaluation_of_the_first_year_of_Acas-Pre-Claim_Conciliation_serviceaccessible-version-Nov-2011.pdf)

### *Impact on the dispute*

- 44 per cent of pre-claim disputes that were referred to the conciliator were successfully resolved. Eighty per cent of those who had resolved their case through PCC felt that Acas was a factor in their decision.
- 77 per cent of all participants said that Acas involvement had been important (either very important or fairly important) in helping them decide how to proceed with the dispute.
- PCC was found to result in savings in time to employers and employees. Where the employee was able to resolve the case through PCC, they spent an average of less than one day on the dispute, compared to six days where an ET case was resolved via IC, and 10 days when a case went to full tribunal. Similarly, for employers, where they resolved the issue through PCC they spent less than a day on the dispute, compared with an average of five days spent on an ET settled case and nine days where an ET case went to a tribunal hearing.

In addition analysis of administrative data indicates that PCC referral leads to avoidance of an Employment Tribunal in 74 per cent of cases<sup>21</sup>.

### *Impact on wider employment relations*

- 28 per cent of employers involved in the process said that the conciliator had provided them with information or advice that they felt would avoid them dealing with a subsequent problem. The most common subsequent changes were to reinforce attention to existing procedures and seek professional advice before taking disciplinary action.

### *Conversion of PCC cases from referrals*

- Barriers to the acceptance of the offer of PCC were found to include: lack of understanding about Acas, PCC and employment tribunals, highlighting a need for conciliators to ensure all processes (both in terms of conciliation and the tribunal) are adequately explained; difficulty with timescales; and the preparedness of the parties to negotiate.

### *Satisfaction with the service*

- Eighty-eight per cent of participants said that they would either definitely or probably use PCC again in the future.
- Eight-two per cent were satisfied with the PCC service. Within this generally positive picture, levels of satisfaction were highest amongst representatives (92 per cent) and slightly lower among employees (79 per cent) and employers (84 per cent).

## **3.2.4 Helpline**

The Acas Helpline is evaluated approximately every two years. Callers to the Acas Helpline do so on a confidential basis and no personal details are collected. This means that for each evaluation a special sample collection process is required. Under this arrangement for a specified period of time a random sample of callers are asked if they would be prepared to take part in a survey and to provide contact details (around 60 per cent agree to do so). The resulting sample are sent postal questionnaires (more recent survey respondents have been given the option of online completion). Qualitative research amongst participants has formed part of recent evaluations; and administrative data (collected via the 'Data Capture System') provides some (limited) data on call topic; caller characteristics and the position of the call in the "dispute resolution journey".

The most recent evaluation at the time of the Acas Triennial Review had been conducted in two phases: shortly before (January 2009) and seven months after (October 2009) the roll-out

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<sup>21</sup> Acas 2010/11 Annual Report: <http://www.acas.org.uk/CHttpHandler.ashx?id=3168&p=0>

of the enhancements to the Helpline which followed the Gibbons review changes<sup>22</sup>. This found that (based on data from both waves):

#### *Impact of the Helpline on the call issue*

- 88 per cent of respondents said that the information provided by the Helpline adviser had helped them decide what to do next and 87 found it had answered their enquiry in full.
- 23 per cent of employee callers who had been considering an ET claim decided against this course of action as a result of their call.

#### *Wider impact on employment relations*

- Around half (52 per cent) of all employers reported that they had updated or improved existing policies at their workplace as a result of their Helpline call, while one third (33 per cent) had implemented new policies.

#### *Satisfaction with the helpline*

- 95 per cent of callers stated that they were satisfied with the service they had received from the Helpline. There was an increase between the first (pre-Gibbons report changes) and second wave (post the changes) in the proportion saying that they were either extremely or very satisfied – up to 81 per cent from 75 per cent at wave 1.
- 97 per cent of callers confirmed that they would use the Helpline again in future if they had other enquiries relating to employment issues.

### **3.2.5 Workplace projects**

For workplace projects, as with collective conciliation, the evaluation strategy aims to produce case level data – mainly by collecting matched data from the leading employer, and where present employee, representatives who worked with Acas on the project. The main objectives are to collect both qualitative and quantitative data on the quality of the workplace projects service and on the processes, outcomes and impacts on business performance of this aspect of Acas' services.

A new evaluation strategy was designed for this service area in 2004, adopting the approach of a rolling survey which was intended to be carried out in a census of project workplaces. In 2008, a decision was made to change the rolling survey (largely due to resource constraints) and replace it with periodic surveys (now commissioned on approximately a four-yearly basis). For each survey<sup>23</sup>, the aim is to conduct a telephone interview with leading participants in all those projects completed over a specified 12-month period. The other main aspect of the evaluation strategy is a series of case studies conducted on an *ad hoc* basis. The most recent evaluation at the time of the Acas Triennial Review had been undertaken in the 2008/9 operational year and drew on survey data and four case studies<sup>24</sup>. Additionally, data from all the workplace project surveys conducted since 2005 have been summarised in a single report that explored trends in the service<sup>25</sup>. This cumulative analysis found:

#### *In relation to the original objective of the project*

- Six in ten management representatives said that an area of practice relating to issues addressed in the Workplace Project had been revised following the Acas project. Around half said that there had been a review of policies and procedures (54 per cent), a revision of policies and procedures (49 per cent) or an introduction of policies and procedures (47 per cent). Around a third (36 per cent) said there had been a development of a formal agreement for a consultative committee;

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<sup>22</sup> <http://www.acas.org.uk/media/pdf/o/q/0310HLeval20091.pdf>

<sup>23</sup> Surveys cover both charged for workplace projects and those that are delivered free of charge

<sup>24</sup> [http://www.acas.org.uk/media/pdf/1/1/An\\_Integrated\\_Evaluation\\_of\\_Acas\\_Workplace\\_Projects.pdf](http://www.acas.org.uk/media/pdf/1/1/An_Integrated_Evaluation_of_Acas_Workplace_Projects.pdf)

<sup>25</sup> [http://www.acas.org.uk/media/pdf/a/o/1511\\_Looking\\_Back\\_to\\_Move\\_Forward.pdf](http://www.acas.org.uk/media/pdf/a/o/1511_Looking_Back_to_Move_Forward.pdf)

- Eight in ten management and employee representatives agreed that the project helped them to understand the other party's stance and point of view better.
- Three-quarters of management representatives and eight in ten employee representatives agreed that the project helped participants to develop solutions to problem.;
- Seven in ten management representatives and three-quarters of employee representatives agreed that the project provided participants with new ways of working together.

#### *Wider organisational impact*

- Improving the relationship between management and employees is a specific objective for many Acas workplace projects but it is has been found that, even where this is not an objective at the outset, a successful Acas workplace project is likely to have a positive impact on employment relations. The range of improvements relating to employment relations identified in the surveys and the proportion of management/employee representatives citing these as resulting from the project included:
  - Improvement in levels of trust (43per cent/32 per cent)
  - Improvements in communications (56 per cent/52 per cent)
  - Improved employee morale (39 per cent/35 per cent)
  - Increased fairness for employees (37per cent/32 per cent).
- Some management representatives also reported impact on wider aspects of organisational performance. These included:
  - Quality of the service or output (20 per cent)
  - Productivity/efficiency (20 per cent)
  - Employee absence (17per cent).

#### *Satisfaction with the service*

- Overall, 92 per cent of management representatives and 93 per cent of employee representatives were either "fairly satisfied" or "very satisfied" with their workplace project, with two thirds (66 per cent) of management representatives and (66 per cent of) employee representatives being "very satisfied".
- Almost all project participants (97 per cent of management representatives and 96 per cent of employee representatives) said that they would be either "very" or "fairly" likely to recommend the service to colleagues or other professional contacts.

### **3.2.6 Open access training**

There are two main elements to the evaluation approach for Acas Open Access training (publicly-advertised events lasting from two hours to 2 or more days): an ongoing delegate feedback survey based on questionnaires distributed at the end of most training events; and a periodic follow-up survey of a sample of delegates. The feedback data is reported internally on a six-monthly basis; is analysed at trainer, event type and Acas office level; and is used to inform improvements in areas such as training venue and materials and for performance management purposes. The follow-up survey has the prime aim of exploring the longer term impact for the individuals who attended that training and on the organisations that they work for. This survey is conducted on a four/five yearly basis. At the time of the Triennial Review, the most recent survey had been undertaken in 2010 and was followed up with more detailed interviews with a sample of delegates in order to increase understanding of when and how Acas training has most impact<sup>26</sup>. Findings from the 2010 study include:

<sup>26</sup> [http://www.acas.org.uk/media/pdf/e/k/1411\\_Open\\_Access\\_impact\\_survey.pdf](http://www.acas.org.uk/media/pdf/e/k/1411_Open_Access_impact_survey.pdf)

#### *Impact of the training on delegates*

- Nine out of ten delegates (92 per cent) agreed that they had achieved a good understanding of the subject area addressed at the training.
- Eighty-nine per cent felt they were more confident in dealing with the matters relating to the course topic they had attended.
- Approximately three quarters (75 per cent) were able to deal more effectively with matters relating to the subjects addressed at the course.
- Just over three quarters (78 per cent) felt they were more able to prevent problems relating to the subjects addressed in the course.

#### *Impact of delegates' training on delegates' organisations*

- Nearly two thirds (64 per cent) of delegate had reviewed one or more policy or practice since attending the training; over half (53 per cent) had revised one or more policy or practice; and just under a quarter (23 per cent) had introduced one or more new policy or practice.
- The majority (80 per cent) reported that the training had led to improvements in at least one of the following areas: communication within the organisation; relations between management and employees; leadership and management skills of managers; staff absence.

#### *Satisfaction with the training*

- The majority of all delegates (93 per cent) were either very satisfied or fairly satisfied with the training they had received.

### **3.2.7 Integrated evaluations**

Where feasible, the Acas Research and Evaluation Section takes a holistic approach to reviewing the impact of Acas services. In these cases a range of the kinds of data set out above is brought together. Examples of integrated evaluations are set out below.

#### *Dispute resolution post-Gibbons*

An important example of this was in the publication of the report evaluating Acas' contribution to the post-Gibbons dispute resolution agenda. The framework for evaluation reflected the objectives of the Gibbons review and explored the services provided by Acas to promote early conciliation via pre-claim conciliation cases channelled through the Acas Helpline; and a revised Code of Practice on Discipline and Grievance handling. The report<sup>27</sup> also set out the evidence base on mediation, generated by Acas over recent years.

#### *The relationship between collective conciliation and workplace projects*

RES researchers have used quantitative and qualitative evaluation data to explore the relationship between collective conciliation and what were then known as advisory projects. The resulting report<sup>28</sup> highlighted customers' perceptions of Acas interventions, and examined Acas' role in helping employers and employees to develop strategies for handling conflict and improving workplace effectiveness.

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<sup>27</sup> <http://www.acas.org.uk/media/pdf/6/6/The-Dispute-Resolution-Regulations-two-years-on-the-Acas-experience-accessible-version-December-2011.pdf>

<sup>28</sup> <http://www.acas.org.uk/media/pdf/1/q/0104-coming-to-the-table-accessible-version-July-2011.pdf>

### 3.3 Economic impact

#### 3.3.1 Approach

The methodology for measuring the impact of Acas has been developed iteratively. Since the inception of the evaluation programme, quantitative customer surveys, qualitative research and additional case study research on individual Acas services have been used to generate an understanding of the outcomes and impacts associated with Acas' services. These were refined over a period of time. 2007 saw the first full-scale development of a methodology to monetise these impacts – devised by independent economist Pamela Meadows of the National Institute for Economic and Social Research (NIESR) and reported in the NIESR report that year. The model, with its focus on individual services aggregated to create an overall cost benefit ratio, based on independent survey and other evidence, was further refined by economists at the Department for Business, Innovation and Skills (BIS) in the 2010 Public Value Programme (PVP) assessment of Acas<sup>29</sup>. The PVP adjusted some of the inputs, rather than the overarching approach.

The overall method for assessing economic impact in the 2013 Triennial Review was unchanged from the BIS PVP report to HMT in 2010, and so is still built on the method devised by Meadows in her 2007 review. Rather than an overhaul of the methodology, the estimates were updated by using more recent Acas business volumes for the year 2010/11 and these are presented in Section 2.1. Using this method, areas of activity are considered separately, but the centrality of the interdependency of services should not be forgotten (see section 2.2, Meadows, 2007).

#### The counterfactual

The estimates of impact set out here focus on outcomes that follow Acas interventions. Acas faces a particularly difficult set of challenges in estimating the counterfactual – that is to say, whether the outputs/outcomes would have occurred without Acas. This is because the statutory nature of its services and the voluntary nature of Alternative Dispute Resolution (ADR) make it particularly difficult to create comparable control groups that do not receive the Acas treatment (and which might approximate the counterfactual). In addition, analysis of preventative services, and services which are geared towards an early resolution of problems, carry an inherent uncertainty since they need to capture a measure of 'what would have happened' in the absence Acas.

In the main, analyses which isolate control and treatment groups are not used in Acas. This is not to say that there have been no instances in which evaluations have included an element of 'control'. Controlled experiments have been carried out in relation to practice – an example is where analysis captured the impact of changing the timing of Acas dispute resolution interventions in order to identify differing outcomes on parties to tribunal claims (see Acas research papers 05/04 and 08/04). In this instance, in essence, no parties were denied Acas services – they simply received the treatment over different time frames. Clearly, developing a counterfactual through control groups is appropriate and feasible, but only in certain circumstances in Acas' work<sup>30</sup>.

In the absence of such opportunities, methodologies have focussed on two main approaches. First is identification of particular (usually negative) outcomes, including costs, that would have been incurred in the absence of Acas. For instance, the Survey of Employment Tribunal Applications 2008 (SETA 2008) is a primary source of identifying the 'cost' of Tribunal applications and hearings: how patterns of representation alter at different stages in a case; the implications for management time and emotional costs for all parties; the patterns of

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<sup>29</sup> The 2010 BIS PVP report to HMT summarised the 2005/6 NIESR economic impact assessment of Acas. It gives the full BIS update of the economic impact of Acas for 2007/08 and sets out the method on which the 2013 assessment has been based.

<sup>30</sup> Much of the thinking in this section derives from an Acas-commissioned review of all aspects of measuring the counterfactual undertaken by Professor Peter Urwin, (University of Westminster).

reinstatement; and job success according to different case outcomes. These variables used in the evaluation of Acas are important for constructing a counterfactual and can provide a good approximation of the 'additionality'<sup>31</sup>.

Second, the surveys attempt to identify causality as a proxy for the counterfactual. Where feasible, self assessment of the influence of Acas is explored with respondents asked to rate the extent to which Acas was perceived to contribute to the outcome of a case and the extent to which a change in workplace organisation could be attributed to the Acas intervention. It is recognised that this approach can provide a relatively weak measure of causality. In response, Acas has been exploring the potential for strengthening self assessment approaches. However, there are concerns about the use of self assessment, as argued by Chivite-Matthews and Thornton, 2011; and Collins and Balarajan, 2011). In particular, there are concerns that:

- First, survey respondents need to be able to (readily and realistically) quantify outcomes and impacts of programme participation and so it is important to identify an individual who has a good understanding of (i) the nature of the treatment and (ii) the range of potential costs and benefits.
- Second, that self assessment goes against many of the basic rules of survey methods for instance, asking individuals about abstract concepts that are hard-to-envisage and open to multiple interpretations. The implication is that to overcome such limitations (and to carry out a self assessment to any acceptable standard) involves large amounts of space on survey questionnaires which take respondents through a series of questions for instance about the choices available to them, why they chose Acas, and what may have happened if Acas had not been selected.

This is not to suggest that self assessment is not feasible. Indeed it offers a solution that Acas is likely to continue to pursue in relation to some discrete activities such as training where the treatment is distinct and clearly defined. As Collins and Balarajan (2011) argue "it is more difficult when the programme offers a diffuse range of information and advice." Furthermore, surveys need to be proportionate to the intervention. A lengthy set of self assessment questions following a five minute call to the Acas Helpline is not likely to be viable or produce sensible findings. On the other hand, a follow-up survey on a one day training event in which the delegate was an HR manager with clear responsibilities may provide a more likely scenario enabling respondents to cope with questions on impact.

In all instances, triangulation of data and methodologies are likely to provide the most robust way forward. This is reflected in Acas' wider evaluation programme which utilises multiple methods.

The estimates below replicate the approach from the BIS PVP in 2010 of incorporating an element of sensitivity analysis to reflect uncertainties in some measures. This resulted in net estimates reported as a range rather than a single estimate, and the factors underpinning the higher and lower estimates are detailed in Annex B.

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<sup>31</sup> Where two sample means are compared (e.g. cases that reach hearing versus Acas-settled cases) only statistically significant differences between the two are included in the analysis.

### **3.3.2 Estimates on Economic Impact – 2010/11**

Estimates are presented according to six key service areas, and reported according to a benefit-cost ratio accruing within the 2010/11 financial year:

1. Collective Conciliation
2. Individual conciliation
3. Pre-Claim Conciliation
4. Acas helpline
5. Website including guidance
6. Workplace projects
7. Open access training

As set out below the analysis produces estimated benefits to the economy of between £12 and £22 for each £1 spent on Acas.

## Results

### Summary of estimates based on service volumes from the 2010/11 financial year and the most recent survey data available

This section updates the tables which were presented in the BIS PVP report to HMT (which was based on 2007/8 Acas activity).

**Table 1 – Summary of the costs and direct and immediate benefits of Acas activities 2010/11**

#### Scenario 1: Higher

<b>Acas activity</b>	<b>Net cost</b>	<b>Net economic benefits</b>	<b>Benefit/cost ratio</b>
Collective Conciliation	£2,073,776	£158,600,000	76.5
Individual conciliation	£24,933,726	£142,000,000	5.7
Pre Claim Conciliation	£3,657,797	£26,200,000	7.2
Acas helpline	£11,267,333	£732,400,000	65.0
Website and guidance publications	£1,129,000	£30,300,000	26.9
Workplace projects <sup>32</sup>	£1,057,285	£8,300,000	7.8
Open access training	£708,011	£42,074,000	59.4
Other Acas expenditure not included	£7,838,072	n/a	n/a
<b>Total</b>	<b>£52,556,000</b>	<b>£1,140,500,000.00</b>	<b>21.7</b>

#### Scenario 2: Lower

<b>Acas activity</b>	<b>Net cost</b>	<b>Net economic benefits</b>	<b>Benefit/cost ratio</b>
Collective conciliation	£2,073,776	£158,600,000	76.5
Individual conciliation	£24,933,726	£117,600,000	4.7
Pre Claim Conciliation	£3,657,797	£18,600,000	5.1
Acas helpline	£11,267,333	£286,400,000	25.4
Website and guidance publications	£1,129,000	£14,700,000	13.0
Workplace projects	£1,057,285	£4,100,000	3.9
Open access training	£708,011	£20,900,000	29.5
Other Acas expenditure not included	£7,838,072	n/a	n/a
<b>Total</b>	<b>£52,556,000</b>	<b>£621,200,000.00</b>	<b>11.8</b>

(Source: Acas estimates)

Under the higher scenario Acas is estimated to provide around £1.1b gross benefits to the UK economy over the course of one year, representing a benefit-cost ratio of 21.7. Under the lower scenario the total benefit is estimated to be around £600m, representing a benefit-cost ratio of 11.8.

<sup>32</sup> The cost of workplace projects has decreased due to a) a modest reduction in volumes for this service, and b) a more accurate method of Acas Finance recording how much staff time is allocated to this service.

### Dynamic effects

Estimates of Acas economic impacts are focused on static impact. This means that longer term, dynamic impacts are excluded. However, first year impacts are likely to lead to extended and additional benefits in subsequent years. An intervention which has an initial impact in saving management time may provide the foundation for further benefits such as improved working practices; lower absenteeism; or increased productivity in the longer term. For example, arrangements put in place during workplace project interventions such as introducing new procedures or employee fora, will have impacts in successive years. Such knock-on effects have not been quantifiable in estimates and are largely absent from evaluation exercises.

An example of an evaluation which did account for dynamic effects was an impact assessment undertaken on behalf of Acas as part of an East Midlands Development Agency funded initiative where the East Midlands Regional Development Agency's toolkit framework was applied to estimate enduring impacts over a period of three years. The Innovative Workplaces Project (IWP) was a unique offering to ten organisations in the East Midlands. Acas provided a package incorporating training, networking and in-house facilitation with the overall aim of improving workplace performance and engagement levels. The total net additional GVA created or safeguarded per annum as a result of the IWP intervention was estimated as £193,000 in 2010 with a further potential £147,000 per annum created by November 2011. Assuming that enterprise support would endure for three years, in line with guidance issued by BIS, a projected time profile of GVA impacts was calculated (applying the 3.5 percent value for social time preference recommended by the HM Treasury Green Book). Overall it is estimated that the Innovative Workplaces Project will have a total GVA impact of £1,020,900 with a present value (with a baseline of 2009/10) of £972,400.

A full description of the IWP, its evaluation and the economic impact assessment can be found in 'Unlocking Engagement: A Review of the 'Innovative Workplaces' Initiative', Harris *et al*, Acas research paper, March 2011.

### **3.3.3 Evaluation of other services**

Acas also has data on a range of the services which are not covered in the economic impact evaluation (the costs of these services are picked up in the "Other expenditure not included" lines in Table 1 of section 3.3.2). Evaluation material on these services has been excluded from the cost-benefit analysis because the approach to the monetisation of benefits is less developed. To summarise this additional material includes:

- *Workplace Training*. As is the case with Open Access Training, an element of the approach is the ongoing delegate feedback survey based on questionnaires distributed at the end of most training events. In addition, follow-up surveys of samples of delegates are conducted - published on the Acas website<sup>33</sup>; and ad hoc case studies produced<sup>34</sup>.
- *Advisory visits and phone calls*. Acas started to formally evaluate this area of activity in 2009. A follow-up survey with a sample of service users focussed on the way this service is delivered and how it is perceived by service users<sup>35</sup>.
- *Certificate in Workplace Mediation (CIWM) and Individual Mediation (IM)*. Feedback surveys are conducted and the results are used for internal service development purposes.

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<sup>33</sup> [http://www.acas.org.uk/media/pdf/p/o/Acas\\_0408\\_WPT\\_impact\\_2008\\_v2\\_.pdf](http://www.acas.org.uk/media/pdf/p/o/Acas_0408_WPT_impact_2008_v2_.pdf)

<sup>34</sup> See examples at: <http://www.acas.org.uk/index.aspx?articleid=1580>

<sup>35</sup> [http://www.acas.org.uk/media/pdf/g/6/An\\_evaluation\\_of\\_the\\_Acas\\_in-depth-accessible-version-Nov-2011.pdf](http://www.acas.org.uk/media/pdf/g/6/An_evaluation_of_the_Acas_in-depth-accessible-version-Nov-2011.pdf)

## **ANNEX A ACAS STATUTORY DUTIES**

Statutory duties placed on Acas (as at 2013):

- The Trade Union and Labour Relations (Consolidation) Act 1992 (TULRCA), as amended, places a general duty on Acas to promote the improvement of industrial relations. Under the Act Acas is given the power to:
- Offer conciliation, mediation or arbitration to help settle collective trade disputes;
- Offer, or publish, such advice as it thinks fit, on request or otherwise, concerned with industrial relations;
- Run an arbitration scheme as an alternative to an Employment Tribunal hearing in certain jurisdictions;
- Inquire into any question relating to industrial relations generally or to industrial relations in any particular industry or undertaking as it thinks fit;
- Hold recognition ballots and/or ascertain union membership in recognition disputes;
- Issue Codes of Practice containing such practical guidance as it thinks fit for the purposes of promoting the improvement of industrial relations.

Under the Employment Tribunals Act 1996, Acas has a statutory duty to offer conciliation in the majority of claims submitted to an Employment Tribunal and a statutory power to offer conciliation in claims that might be made but have not yet been submitted. Under TULRCA (above) Acas is required to appoint individual conciliators to carry out this function.

## ANNEX B      METHODOLOGICAL APPROACH TO SENSITIVITY ANALYSIS

In the economic impact assessment results presented above, an element of sensitivity analysis has been reported to reflect uncertainties in some measures. This has resulted in net estimates reported as a range rather than a single estimate.

The 'higher' estimates assume, where there is an absence of evidence to the contrary, that the differences observed between the outcomes with and without Acas intervention are attributable to the intervention. To compensate for the possibility of counting deadweight loss (i.e. including estimates for factors that would have occurred anyway), a cautious approach is taken to estimating other factors where a choice exists.

The 'lower' estimates approach the problem of deadweight and unknown causality by reducing estimates where the counterfactual is uncertain by fifty percent<sup>36</sup>. The fifty percent figure is arbitrary but is intended to acknowledge the uncertainty surrounding what outcomes would occur if Acas services were not available.

It is important to note that the range presented is not intended to capture the full range of possibilities or to provide upper or lower bounds of the economic impact of Acas. This is due to there being sufficient unknown effects within the methodology, especially those surrounding the causality of some observations, and the fact that longer-term or presently unquantifiable effects are excluded. The figures are however expected to encompass the most likely scenarios whilst adequately addressing the uncertainties involved in the analysis.

SETA provides both the mean and median values of some quantitative survey results. In some cases there is a large discrepancy between the two, suggesting a skewed distribution. Taking either measure as a representative figure carries risks. The mean may be disproportionately affected by outliers<sup>37</sup> - occasional hearings, for instance, consume a large amount of employee and management time. The median on the other hand risks failing to reflect a true skewed distribution of the population. SETA data is also subject to recall problems from respondents as they may be interviewed many months after they had experienced an employment dispute. To reflect this uncertainty, the difference between SETA means and medians are reflected in the higher and lower estimates (mean in higher, median in lower).

The only service where sensitivity analysis was not applied on this occasion was Collective Conciliation. This is because estimates were only updated for volumes rather than new direct estimates being made for this service in 2012, as the richness of case study evidence used in 2005/06 is not available. This procedure is deemed appropriate because the size and impact of large scale industrial disputes varies a great deal from year to year. Therefore the 2005/06 estimates are as likely to be as representative for a given year as any other. It follows that the economic impact of Collective Conciliation is similarly volatile – certain disputes such as those involving postal or transport industries occur infrequently but have large negative effects.

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<sup>36</sup> The exception is the proportion of ET claims that are avoided as a result of employee calls to the helpline which is reduced by a quarter. This is based directly on Acas helpline survey evidence whereas all other reductions are based on SETA or relate to productivity.

<sup>37</sup> Whilst outliers do occur and therefore represent true costs to parties involved in Employment Tribunals, the number included in the sample may not fully reflect the population.

**ANNEX C      RESPONSE RATES FOR ACAS SURVEYS CITED**

<b>Survey (Delivery mode)</b>	<b>Response rate(s)</b>
Collective conciliation survey 2007 (telephone)	55 per cent
Individual Conciliation survey 2010 (self-completion)	39 per cent
Pre-claim Conciliation survey 2010 – employers/employees/representatives (telephone)	29 per cent / 39 per cent / 44 per cent
Helpline 2009 – January/ October waves (self-completion)	50 per cent / 47 per cent
Workplace projects survey 2008 (telephone)	55 per cent
Open Access Survey 2011	34 per cent

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For links to Acas case studies see: <http://www.acas.org.uk/casestudies>