Austerity and recession impacted significantly on workplaces in Ireland. This chapter examines how employers, trade unions, and employees were affected in the private and public sectors. Employers responded in a pragmatic and eclectic manner by implementing a range of measures to reduce pay bills, but did not make any radical changes in work and employment regimes. Reforms in the public service often returned to earlier measures that had met with limited success. Unions engaged in ‘concession bargaining’ with employers and experienced an accelerated decline in density. Employees in the private sector often experienced a decline in earnings, but no generalized reductions in basic pay or salary levels occurred. In the public service, all grades were affected by cuts in salaries and in other terms and conditions of employment. Employees experienced increased work pressure but no major changes occurred in their control over their jobs or influence in organizational decision-making.

Keywords: austerity, recession, ‘concession bargaining’, public service reform, union density, work and employment regimes, workplaces

Introduction
The Great Recession was without precedent in Irish workplaces. Employers across a wide front implemented retrenchment programmes. Unions traded concessions on pay and conditions for enhanced job security. Those employees who managed to retain their jobs experienced increases in insecurity and work pressure. The state retreated from the tripartite social partnership system that had shaped so much of the world of industrial relations for more than twenty years. What occurred in workplaces is the subject of this chapter. The chapter begins by considering features of the austerity programme that might have been expected to impact on workplaces, and examines views on the effects of recessions, especially the Great Recession, on employment relations. Subsequent sections examine empirical data on the postures and experiences of employers, unions, and employees. The final section offers a series of conclusions on the effects of the recession and austerity programme on workplaces in Ireland.

Workplaces in Austerity and Recession
While the term ‘internal devaluation’ was seldom used by Irish policymakers (McDonnell and O’Farrell 2015: 3), the government and the Central Bank appeared to advocate generalized reductions in pay to restore competitiveness as the recession took hold (see Central Bank of Ireland 2009: 10; Department of Finance 2009: 7). The austerity programme agreed between the Troika and the government and an associated National Recovery Plan (NRP) focused on achieving competitively sustainable unit labour costs rather than general reductions in pay levels. A cut in the national minimum wage (which took effect in 2011 and was soon reversed) and a commitment to review and streamline sectoral pay fixing arrangements, contained in the programme, targeted pay levels in low-wage, labour-intensive sectors, heavily dependent on the domestic market (Department of Finance 2010: 20; Government of Ireland 2010: 10). While across-the-board cuts in private-sector pay levels did not occur, reductions in absolute and relative Irish unit labour costs were achieved and met with approval from policymakers (Department of Finance 2010; Government of Ireland 2010: 35). Otherwise, the austerity programme and the recovery plan made reference to the need for knowledge and innovation-driven improvements in productivity, for high value-added employment, for investment in human capital, and for repositioning Ireland as a ‘global innovation hub’. These
objectives carried clear implications for work and employment arrangements (Department of Finance 2010; Government of Ireland 2010). Public service workplaces were to be impacted by agreed reductions in salaries and cuts in numbers employed. ‘Public service transformation’ was also intended to deliver administrative efficiencies, changes in work practices, measures to redeploy public servants, and more rigorous performance management systems (Department of Finance 2010: 19–24; Government of Ireland 2010: 53–60).

Beyond Ireland, international commentary and research on workplaces during the recession has focused on whether nominal wage rigidity had been sustained and how retrenchment programmes varied both within and across different countries (see Barrett and McGuinness 2012; Bergin, Kelly, and McGuinness 2012; Doris, O’Neill, and Sweetman 2014; Eurofound 2014a; Roche et al. 2013: 30–6). Echoing commentary on the 1980s recession (see Cappelli 1999a, 1999b), attention also focused on whether employers had sought to change underlying work and employment regimes or models: commentators differing between those who claimed that work regimes had become more ‘market driven’ (Briner 2010; Towers-Watson 2010); more reliant on the commitment, skills, and ‘high performance’ of workforces (Mohrman and Worley 2009; Ulrich, reported in Brockett 2010); or were marked by essentially improvised, pragmatic, and eclectic changes (Brown and Reilly 2009; Roche and Teague 2014a; Roche et al. 2013; van Wanrooy et al. 2013: 191–2).

Commentary had also focused on trade unions, especially on the rate of unionization, commonly known as ‘trade union density’, and on the nature of collective bargaining with employers during the recession (Chaison 2012; Roche, Teague, and Coughlan 2015). Finally, research in Europe has also examined the work experiences of employees during the recession. Here the focus was on the trend in work pressure or intensity, and in employees’ levels of influence over the conduct of their jobs and over decision-making in the organizations for which they worked (Eurofound 2014a; Gallie 2013).

These major themes of both the austerity programme and international commentary provide a framework for examining the effects of the Great Recession on work and
employment in Ireland. Data on the effects of the recovery are also considered. The next section considers the actions of employers, and subsequent sections examine trade unions and employees.

Employers: Retrenchment and Continuity

Private-Sector Firms

**Table 11.1. Developments in basic rates of pay in IBEC member firms, 2009-15**

<table>
<thead>
<tr>
<th>Year</th>
<th>Basic Rates Decreased (%)</th>
<th>Basic Rates Increased (%)</th>
<th>Basic Rates Frozen (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>22</td>
<td>12</td>
<td>54</td>
</tr>
<tr>
<td>2010</td>
<td>11</td>
<td>13</td>
<td>72</td>
</tr>
<tr>
<td>2011</td>
<td>7</td>
<td>18</td>
<td>72</td>
</tr>
<tr>
<td>2012</td>
<td>4</td>
<td>33</td>
<td>63</td>
</tr>
<tr>
<td>2013</td>
<td>5</td>
<td>38</td>
<td>58</td>
</tr>
<tr>
<td>2014</td>
<td>2</td>
<td>51</td>
<td>47</td>
</tr>
<tr>
<td>2015</td>
<td>0</td>
<td>61</td>
<td>39</td>
</tr>
</tbody>
</table>

*Source: Irish Business and Employers’ Confederation, Business Sentiment Reports and HR Updates.*
## Table 11.2. Cuts in pay bills and their components in private-sector enterprises

<table>
<thead>
<tr>
<th>Period</th>
<th>Firms Cutting Pay Bill</th>
<th>Cuts in Employment</th>
<th>Cuts in Average Hours</th>
<th>Cuts in Average Hourly Earnings</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008–9</td>
<td>67</td>
<td>52</td>
<td>39</td>
<td>36</td>
</tr>
<tr>
<td>2009–10</td>
<td>54</td>
<td>43</td>
<td>22</td>
<td>27</td>
</tr>
<tr>
<td>2010–11</td>
<td>41</td>
<td>29</td>
<td>18</td>
<td>18</td>
</tr>
</tbody>
</table>

**Notes:** Periods shown extend from Q3 to Q3 of each year. Data pertain to firms reducing pay bills by more than 2 per cent.

**Source:** Walsh 2012. Data for 2010-11 generously provided by Kieran Walsh.
Significant numbers of employers in the private sector made cuts to employment, working hours, and basic pay during the years after 2008. Table 11.1 presents the trend in basic pay in member firms of the Irish Business and Employers’ Confederation (IBEC). The overall pattern during the recession was dominated by pay freezes. Significant minorities of firms cut basic rates at the peak of the recession. The numbers of employers indicating that they had increased basic rates rose from 2012 as the trough of the downturn passed. From 2014, most firms awarded basic pay rises as recovery set in.

Most IBEC members are larger employers. Data from the Central Statistics Office (CSO) provide a more representative picture of changes in pay and other components of firms’ pay bills during the recession. Around the trough of the recession in 2009, 23 per cent of private-sector firms cut basic pay, 29 per cent cut hours worked, and 34 per cent cut staff numbers (Barrett and McGuinness 2012: 32; Bergin, Kelly, and McGuinness 2012: 28). As shown in Table 11.2, over the three-year period between the third quarters of 2008 and 2010, the proportion of enterprises cutting pay bills peaked at 67 per cent in (p.197) 2008–9, and then declined over successive twelve-month periods from 54 per cent to 41 per cent. Pay-bill reductions depended least on cuts in hourly earnings. Over the three years from 2008, successively 36 per cent, 27 per cent, and 18 per cent of firms cut hourly earnings—an indicator of cuts in basic rates, premiums, bonuses, and allowances. More firms cut working hours: over the three-year period, successively 36 per cent, 27 per cent, and 18 per cent of firms implemented reduced working time. Firms relied mainly, however, on reductions in numbers employed to cut pay bills. More than one in two firms

![Figure 11.1. The trend in nominal unit labour costs in Ireland and the EU](source: Eurostat)
making cuts to pay bills in 2008–9 cut employment. The proportions of firms cutting jobs fell to 43 per cent and 29 per cent over the following two years.

While these data point to substantial pay and pay-bill flexibility during the downturn, they also show that no generalized rounds of reductions in nominal basic pay and salary levels occurred across the private sector during the recession (Barrett and McGuinness 2012; Bergin, Kelly, and McGuinness 2012; Walsh 2012). To the degree to which ‘internal devaluation’ can be said to have occurred, this took the form of reductions in nominal unit labour costs and improvements in Irish unit labour costs relative to important competitor countries. From the early 2000s to the advent of the crisis, Ireland’s labour cost competitiveness had declined significantly relative to major trading partners. In interpreting the post-2008 trend shown in Figure 11.1, it needs to be borne in mind that the collapse of employment in the low-productivity construction sector significantly affected the improvement in Irish unit labour costs (McDonnell and O’Farrell 2015).

Other than introducing retrenchment programmes, did employers seek to transform workplaces by reconfiguring different work and employment practices in a consistent manner, suggesting some underlying blueprint or direction of travel? A detailed empirical study conducted in 2010 showed that human resource (HR) managers across a range of multinational and Irish firms were concerned mainly with short-term or day-to-day measures aimed at cost-cutting while maintaining morale and commitment—their work activities marked by what has been described as the ‘tyranny of the short-term’ (Roche and Teague 2014a: 273–5; Roche et al. 2013). Much of the work of these HR consiglieri involved ‘working the pumps’ to respond to immediate pressures and challenges (Roche and Teague 2012). There was little evidence that they had been involved to any significant degree in longer-term strategic activity aimed at reconfiguring underlying work and employment models. Case studies of firms deemed by peers and expert commentators to have responded to the recession in innovative and effective ways pointed to the same conclusion. All were found to have engaged in pragmatic responses to different types of recessionary pressures. Often their focus was on preserving pre-recession models of work and employment rather than
seeking to exploit the opportunity presented by the recession to make path-breaking or path-accelerating changes (Roche et al. 2013: 130–97). With economic recovery, employers’ priorities have begun to shift towards emerging skills gaps, problems in recruiting and retaining staff, talent management, and employee engagement—concerns reflecting renewed business buoyancy (see IBEC 2014).

Public Service Organizations
Cuts in public service pay and reductions in employment preceded the austerity programme, but reductions in the public service pay bill and associated measures were central to fiscal consolidation measures agreed with the Troika. Three pay cuts were implemented across the public service in 2009, 2010, and 2013 (see Chapter 12, this volume). Cuts were progressive and successively involved average salary reductions of 7 per cent, 6 per cent, and 6 per cent. Overtime rates and other premium salary payments were reduced. Lower salary scales were introduced for new entrants to the public service. (p.199) Service-based increments continued to be paid until 2013, when increments became subject to freezes of varying durations (LRC 2013: 7–8). Performance-based pay systems for senior public service managers were suspended in 2009. Pensions for new entrants were changed from final-salary to career-average payment, and pension levels were decoupled from future changes in public service salaries (Higgins 2011a).

Strict controls were imposed on recruitment to the public service and on promotions, and voluntary early retirement was incentivized. Over the period from 2008 to 2013, the numbers working in the public service fell by 10 per cent (DPER 2014a: 7), while between 2009 and 2013 the public service pay bill was cut by about 17.7 per cent (DPER 2014a: 7). The reductions in employment occurred against the background of a significant rise in the demand for public services, particularly in the areas of social welfare, health, and education (DPER 2014a: 5). From 2013, public servants undertook to work longer hours, involving an addition to capacity of almost 15 million working hours (DPER 2014a: 8). An agreement with public service unions in 2010 provided for higher levels of staff mobility across and within workplaces. A series of rolling sectoral action plans across different parts of
the public service contained further agreed measures to increase work flexibility and improve productivity.

The performance management system for public servants, known as the Performance Management and Development System (PMDS), was revamped: setting higher performance thresholds for the payment of service-based increments and for entitlement to be considered for promotion, and introducing a more rigorous procedure for managing underperformance (DPER 2013). Further measures were introduced to promote external appointments to top-level public service posts (Higgins 2011b). A ‘senior public service’ cadre was created to strengthen senior management, foster leadership, and promote greater mobility at senior levels (Higgins 2011c). Restrictions on promotions in the civil service were removed to allow people with suitable skills and experience to apply for posts at any grade (Frawley 2014a). Measures were introduced to encourage staff exchanges between the civil service and the private sector (Frawley 2013). Senior management sought to accelerate outsourcing, particularly with respect to ‘non-critical’ functions of departments and agencies (Higgins 2012). In 2015, against a backdrop of significant improvement in the fiscal position and outlook, the government and public service unions negotiated the Lansdowne Road Agreement, which makes provision for the phased restoration of public service salaries over the period to 2018. Demands have also emerged from some public service unions for improvements in allowances and pay premia, and this may presage wider public service union pressure for pay rises over and above those agreed under Lansdowne Road (Roche and Teague 2016).

A more robust bargaining relationship was established with public service unions, marking a departure from more than a decade of what was intended as ‘workplace partnership’, involving the creation and operation of structures for cooperation and consultation between management and unions in the civil service, local government, health, and, to lesser degrees, other areas of the public service (Roche and Teague 2014b). New binding dispute resolution arrangements were also agreed in 2010, greatly facilitating the introduction of agreed changes, particularly in the health service, where earlier attempts to revise work and employment practices
often became bogged down in lengthy negotiations and protracted conflict resolution processes (Teague et al. 2015: ch.10).

During the trough of the recession, the main priority was to reduce public service employment and to cut the pay bill. Following the establishment of the Department of Public Expenditure and Reform in 2011 more attention was devoted to the future shape of public service delivery, including work and employment arrangements (see DPER 2011). Two documents contain a blueprint for future public service work and employment arrangements. The Public Service Reform Plan 2014–2016 and The Civil Service Renewal Plan envisage an employment model retaining the core elements of a ‘career-based’ public service in which people, to be recruited in the main through designated recruitment grades, will pursue long-term generalist professional careers. A strong emphasis is also found on reinforcing reforms introduced or developed during the fiscal crisis: more rigorous performance management, better accountability, senior management leadership, greater use of open recruitment for specialist and for top-level positions, higher internal staff mobility, and merit-based promotion (DPER 2014a, 2014b). The emerging work and employment blueprint envisages a performance-driven and primarily career-based public service. The direction of travel is marked less by transformation than by continuity with work and employment reforms pursued—often with limited success—over two decades since the launch of the Strategic Management Initiative (SMI) in the mid-1990s.

Trade Unions: Accelerated Decline and Concession Bargaining
The social partnership model in place for more than twenty years was an early casualty of the Great Recession. Under social partnership, employers, unions, (p. 201) farming organizations, the state, and (from 1997) a range of civil society organizations, were party to seven agreements or ‘programmes’ covering pay increases and pledges on economic, social, fiscal, monetary, and tax policies (Roche 2007).

Talks between the erstwhile ‘social partners’ on measures for tackling the crisis were conducted during 2009 but agreement could not be reached. Unions sought support for a ‘social solidarity pact’ containing a series of measures, which, in their view, spread the burden of adjusting to the crisis equitably across different social groups. They also sought public spending measures to stimulate

*Figure 11.2. The trend in trade union density 2003–14*

*Notes:* Data pertain to Q2 of all years. The public service data comprise public administration, defence, compulsory social security, education, and human health activities.

*Source:* Based on CSO, Quarterly National Household Survey micro-data (Walsh 2014).
economic activity and to reduce the deficit to a sustainable level over a period of about eight years. Employers looked for urgent measures for tackling the deficit, particularly a sharp reduction in public spending, and supported a competitive devaluation of pay to restore competitiveness. The government aimed to curb the deficit by 2013 and determined on large cuts in public spending and increases in taxation. The final straw for social partnership was a failure by public service employers and unions to reach accord in December 2009 on proposed cuts in the public service pay bill for 2010 and successive years (Roche 2013). Following the collapse of centralized collective bargaining, unions negotiated with individual firms in the private sector, while governments bargained over measures to reduce the pay bill with public service unions. The transition to a more decentralized pattern of bargaining was highly orderly.

Union density, or the proportion of employees at work who are members of trade unions, had been in decline in Ireland since the early 1980s. After 2008, the decline in density accelerated. The trend in union density is portrayed in Figure 11.2. Panel (a) reports the overall pattern of decline. Panel (b) reveals near even, continuous decline in the private sector from the onset of the downturn. While public service union density held up during the early years of austerity, as revealed in panel (c), it began to fall from 2011. While no data are available on the trend in public service union density prior to the early 2000s, this was probably the most significant and sustained decline in public service unionization in living memory.

‘Concession bargaining’ between trade unions and employers is likely to have contributed to declining density in the private sector and public service. For much of the period after 2008, unions in many firms faced demands from employers for concessions over pay, working conditions, and work practices in return for general or specific assurances that remaining jobs would be made more secure, or worse job losses avoided (Roche et al. 2013: (p.202) (p.203) 102–29). So-called ‘ultra-concession bargaining’, where employers challenge union recognition, or seek formally to rescind or narrow the scope of collective bargaining, was not prominent in Ireland post-2008 (Roche et al. 2015). Groups of employers, however, mounted successful constitutional challenges to collective bargaining arrangements in low-pay industries, and in
construction. Reforms to wage-fixing arrangements in these sectors incorporated the new flexibilities covered in the Troika programme and procedural changes required to copper-fasten their constitutionality.

Most private-sector employers pursued narrower pragmatic objectives focused around winning concessions on pay, conditions of employment, and work practices. It has been estimated that only about 12 per cent of unionized employers engaged in what has been termed cooperative or ‘integrative’ concession bargaining, where they actively engaged with unions and their members when responding to the recession, and offered reciprocal concessions, such as access to financial information, review mechanisms that might trigger the restoration of pay and conditions, or supports to union representation (Roche et al. 2014). Most employers’ bargaining postures showed strong affinities with pre-recession collective bargaining, offering few reciprocal concessions, other than assurances with respect to enhanced employment security. Some engaged with unions and employees in a cursory or minimal way, or sought to bypass them when developing and implementing measures for responding to the recession (Roche and Teague 2014a; Roche et al. 2014).

In the public service, concession bargaining also dominated dealings between employers and unions. The 2009 salary cut, in the form of a so-called ‘pension levy’, was imposed unilaterally and without negotiation. A second unilateral cut in salaries was imposed in January 2010. The Croke Park Agreement in March 2010 marked a new phase of negotiated accommodation. Unions for different public service grades agreed to changes in work practices that facilitated the redeployment of staff within and across workplaces, making it possible for public services to be delivered with significant reductions in staff numbers. In return for these concessions, there were no compulsory job losses and no further pay cuts were to be made for the duration of the agreement. In the event, in 2013, the government sought further pay-bill savings, before the expiry of the Croke Park Agreement. Following difficult and complex negotiations, the parties concluded the Haddington Road Agreement, providing for further salary cuts for higher-paid public servants and for increased working
hours, while unions pledged cooperation with changes in work practices and measures to reform the public service. The 2015 Lansdowne Road Agreement on public service pay restoration was concluded quickly and with little ceremony.

(p.204) While public service unions were able to influence the details of retrenchment measures, pay cuts, coupled with cycles of concessions on working time and work practices, inevitably contributed to declining union density (Sheehan 2014). The incentivized exit of large numbers of older public servants, more likely to have been union members than younger colleagues, was a further contributor.

One of the notable features of collective bargaining during the recession was how little industrial conflict occurred. In the private sector, the absence of industrial disorder can be attributed to a combination of the sheer magnitude of the reversal in the labour market after 2015 and people’s fears for their jobs, the absence of generalized rounds of cuts in nominal pay rates and employers’ pragmatism in reaching accommodation with unions in firm-level pay bargaining. In the public service, where pay cuts were universal, industrial peace was secured through reaching accommodation with unions in successive public service agreements.

With economic revival, rounds of pay increases began to emerge in relatively buoyant sectors such as pharmaceuticals, food manufacturing, and retail multiples. In 2014 and 2015, as gross domestic product (GDP) growth exceeded 5 per cent, a growing number of pay agreements involving average pay increases of around 2 per cent developed—unions negotiating pay rises on a widespread basis for the first time since 2008. Towards the end of 2016, this pay norm began to drift upwards as a rising number of pay agreements involved annual pay rises of between 2.5 to 3 per cent.

Employees: Declining Earnings and More Pressurized Work

Table 11.3. Developments in earnings in the private sector

<table>
<thead>
<tr>
<th>Year</th>
<th>Average Weekly Earnings</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>636.9</td>
<td></td>
</tr>
<tr>
<td>Average Weekly Earnings</td>
<td>% Change</td>
<td></td>
</tr>
<tr>
<td>-------------------------</td>
<td>----------</td>
<td></td>
</tr>
<tr>
<td>€</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2009 622.7</td>
<td>−2.2</td>
<td></td>
</tr>
<tr>
<td>2010 616.6</td>
<td>−1.0</td>
<td></td>
</tr>
<tr>
<td>2011 613.7</td>
<td>−0.5</td>
<td></td>
</tr>
<tr>
<td>2012 619.7</td>
<td>1.0</td>
<td></td>
</tr>
<tr>
<td>2013 620.1</td>
<td>0.1</td>
<td></td>
</tr>
<tr>
<td>2014 623.5</td>
<td>0.5</td>
<td></td>
</tr>
<tr>
<td>2015 637.1</td>
<td>2.2</td>
<td></td>
</tr>
</tbody>
</table>


Table 11.4. Reductions in the gross salaries of public service grades, 2009–13

<table>
<thead>
<tr>
<th>Grade</th>
<th>Total % Reduction</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Grade Minimum</td>
</tr>
<tr>
<td>Principal Officer</td>
<td>19.25</td>
</tr>
<tr>
<td>Assistant Principal</td>
<td>13.36</td>
</tr>
<tr>
<td>Higher Executive Officer</td>
<td>11.55</td>
</tr>
<tr>
<td>Executive Officer</td>
<td>8.83</td>
</tr>
<tr>
<td>Clerical Officer</td>
<td>6.82</td>
</tr>
<tr>
<td>Staff Nurse</td>
<td>8.75</td>
</tr>
<tr>
<td>Garda</td>
<td>8.21</td>
</tr>
</tbody>
</table>

Source: Reply by the Department of Public Expenditure and Reform to query by Industrial Relations News on public service pay reductions, 2018–14 (Industrial Relations News, unpublished).

Reflecting data on employers’ pay practices examined in the section on private sector firms, many employees were affected by reductions in earnings, especially during the trough of the downturn. Table 11.3 presents the trend in average weekly earnings for employees in the private sector. The data reflect
changes in the composition of the private-sector workforce, as well as changes in hours worked and rates of pay, but they point towards significant falls in average weekly earnings, especially in the early years of the crisis, and show that average earnings had only returned to their 2008 level in 2015. Overall, median annual earnings in the private sector declined by 1.6 per cent over the period 2008–11—but the average masks significant variations in the fortunes of employees during the recession (Doris, O’Neill, and Sweetman 2014).

The effects of the public service pay cuts are examined in Table 11.4. Both the scale and the progressive nature of salary cuts across lower to higher public service grades are evident. The cumulative effect of the three public service pay (p.205) cuts on gross salaries ranged from under 7 per cent at junior clerical grades to over 20 per cent at senior management grades.

**Figure 11.3.** Work pressure, 2003 and 2009

A survey of over 5,000 employees asked about a series of changes at work during the two years up to 2009. Thirty-four per cent reported a decline in employment security. More than 50 per cent of those working in the private sector reported reductions in numbers employed in their organizations and 44 per cent reported that their workplaces had undergone reorganization. In the public sector, 57 per cent reported reductions in numbers employed and 49 per cent reported that workplaces had been reorganized (Russell and McGinnity 2014: 294–6). This was before the moratorium on public service recruitment and the large contraction in public service numbers that followed in subsequent years (O’Connell 2013).

The same study examined work pressure, understood as a combination of working very hard, working under a great deal of pressure, never seeming to have enough time to get everything done, and often having to work extra time to get through the job or to help out. Over half reported an increase in work pressure. As revealed in Figure 11.3, all aspects of work pressure increased significantly when compared with a survey conducted during the boom in 2003.

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**Figure 11.4.** Work intensity, 2004 and 2010

*Source:* European Social Survey, Ireland data files for 2004 and 2010 waves.
Work pressure in 2009 was greater where there had been staff reductions and workplace reorganization and where jobs were very insecure. Large reductions in pay, increases in job responsibility, and closer monitoring of work were also associated with higher work pressure (Russell and McGinnity 2014: 298–300). A measure of ‘work intensity’ included in the European Social Survey and presented in Figure 11.4 reveals a similar, albeit less pronounced, upward trend between 2004 and 2010.

Data for Ireland collected in the 2004 and 2010 waves of the European Social Survey allow for a comparison between people’s sense of how much control they exercised over the performance of their jobs and decisions in the organizations where they worked at the height of the economic boom and in the trough of the recession. The measure of ‘job control’ asked people to rate the degree to which management allowed them: (1) to decide how their own (p.207) daily work was organized; (2) to influence policy decisions about the activities of the organization; and (3) to choose or change their pace of work (see Gallie and Zhou 2013: 117). Each question was answered on a scale ranging from 1 = no influence to 10 = complete control. Figure 11.5 shows that the distributions of job control levels in 2004 and 2010 coil around each other, suggesting no significant differences across these time points. This is confirmed by the near identical mean values for the scale in each of these years.

Figure 11.5. Employees’ influence over decisions in the job and organization, 2004 and 2010

Source: European Social Survey, Ireland data files for 2004 and 2010 waves.
Table 11.5. Effects of recessionary financial difficulty and changes in employment on levels of job control (OLS regression results)

<table>
<thead>
<tr>
<th>Independent Variables</th>
<th>Whole Economy</th>
<th>Private Sector</th>
<th>Public Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Difficulty</td>
<td>0.278</td>
<td>0.140</td>
<td>1.473**</td>
</tr>
<tr>
<td>Changes in Employment</td>
<td>0.041</td>
<td>−0.258</td>
<td>0.504</td>
</tr>
<tr>
<td>R² Change</td>
<td>0.001</td>
<td>0.000</td>
<td>0.029**</td>
</tr>
<tr>
<td>N</td>
<td>741</td>
<td>509</td>
<td>230</td>
</tr>
</tbody>
</table>

Notes: Private sector includes employees working in commercial state-owned firms.

(**)= Significant at 0.05 level (two tailed t tests for coefficients of independent variables).

Controls included for industry sector, occupational categories, size of employing organization, gender, whether employed on a temporary or permanent contract, union membership, and incumbency of jobs requiring supervision of work of others.


A more rigorous assessment of whether employees’ levels of job control were impacted by the recession and austerity—either negatively, as would be expected if work regimes had become more market driven, or positively as might have occurred had work regimes shifted in a high-performance direction—would require data on changes in levels of job control experienced by employees during the period of recession and austerity. No such data are available. A second-best strategy involves examining whether any association existed between levels of job control during the recession and the severity of the impact of the recession on workplaces. This can be attempted using 2010 European Social Survey data for Ireland. The measure of job control has already been detailed. Two indicators of retrenchment are available. The first is a question asking employees to indicate the degree of financial difficulty experienced by the organizations for which they
worked in the last three years, using a four-point scale ranging from ‘a great deal of financial difficulty’ to (p.208) ‘no financial difficulty’. The second indicator is a question that asked whether the number of people employed by the organization over the last three years had changed. The response options ranged along a five-point scale from ‘decreased a lot’ to ‘increased a lot’.

Table 11.5 examines whether commercial or fiscal retrenchment measured in these ways had affected the levels of work control of people doing otherwise broadly similar jobs. The results for the economy as a whole indicate that neither financial pressures nor the scale of employment losses were associated with higher or lower levels of job control. The same result is obtained for the (p.209) private sector (including state-owned commercial firms). In the case of the public service, higher levels of job control are associated with the scale of financial pressure affecting organizations. It could, of course, be the case that those organizations severely affected by financial retrenchment had always afforded employees higher levels of job control.

The broad picture that emerges of employees’ experiences of work after 2008 is one where many employees worked under more pressure. At the same time, work and employment regimes in the organizations in which most of them worked were not reconfigured in any major way. There appears to have been a modest overall decline in employees’ level of job control, but no compelling evidence is available from the 2010 European Social Survey that job control was consistently positively or negatively impacted by the recession—public service organizations appearing to be an exception. Overall, it seems reasonable to suggest an underlying picture in which many employees found themselves having to deal with more pressurized and demanding work in organizations where work and employment regimes had undergone little formal work reorganization either to incorporate more market-like controls or their converse: empowerment and more influence and decision-making power for employees.
Conclusions

The onset of recession and fiscal crisis in 2008 had very significant effects on workplaces in Ireland. The austerity programme agreed with the Troika in the main affected the private sector indirectly through enshrining policies that were expected to depress the domestic economy significantly. The direct effects of the programme were much more pronounced in public service workplaces. Many firms in the private sector and all agencies across the public sector reduced pay bills by implementing retrenchment programmes involving combinations of job losses, reduced working hours, cuts or freezes in pay and salaries, changes to pension arrangements, lower pay and salaries for new recruits, and changes in work practices. Tripartite social partnership collapsed and collective bargaining was decentralized for the first time in over twenty years. Unions commonly engaged in concession bargaining with employers—trading concessions on pay, conditions, and work practices for pledges regarding enhanced employment security or fewer job losses. The rate of decline in union density accelerated, and the level of unionization fell in the public service for the first time in living memory, having held up during the early years of austerity. Many employees suffered reductions in earnings, increased insecurity, and higher levels of work pressure or intensity.

(p.210) Internal devaluation, in the sense of general rounds of cuts in basic pay and salaries, was not evident in the private sector, but nominal unit labour costs declined significantly both absolutely and relative to Ireland’s main trading partners. This was an outcome of both declining pressure for pay advances against the background of deep job insecurity and structural change in the economy, especially the collapse of the construction sector. Data on the trend in unit labour costs may thus exaggerate competitive gains across the economy and the contribution of pay restraint to economic recovery. The contribution of pay reductions in the public service to fiscal consolidation is clear and beyond doubt. The absence of any general pressure by private-sector employers, concerted or otherwise, on basic pay levels and their refusal to countenance ultra-concession bargaining, as well as the accommodation reached with unions in three public service agreements, explain how so little industrial conflict occurred during the period of recession and austerity. Otherwise, the
story for employees was often one of reduced earnings, higher job insecurity, accommodation to changes in work practices, and increased work pressure.

Employers’ and unions’ postures towards retrenchment in the private sector revealed a great deal of improvisation as the parties sought to respond to short-term pressures—often in unfamiliar ways or by adopting measures that would have been inconceivable a few years earlier. The focus of employers in the private sector, as of the HR specialists who advised them, was squarely on responding to immediate pressures by reducing or controlling pay-bill costs. There was little appetite among employers for radical systemic change in underlying work and employment regimes or models. The austerity programme and NRP made reference, albeit in soft focus, to objectives such as investment in human capital and innovation-driven improvements in productivity and high value-added employment, which seemed to endorse a ‘high road’ skill- and knowledge-intensive vision of workplace regimes based on high commitment or high performance. However, data on employers’ postures and employees’ experience of job and organizational decision-making revealed no recession- or austerity-induced shift in the centre of gravity in work regimes—either towards a ‘high road’ or conversely a ‘low road’, involving deeper and more extensive market-focused flexibilities. Overall, workplaces in Ireland thus remain positioned competitively much as they had been prior to the crisis and austerity programme.

In the public service, the focus during much of the fiscal crisis was on cutting pay-bill costs, reducing headcount, and gaining flexibilities in work practices and staff deployment that allowed productivity to rise at a time when demand for public services expanded. The scale of the adjustment achieved was very significant. While the austerity programme and the NRP aimed to achieve ‘public service transformation’, in practice radical changes to work and employment arrangements were not a priority. Many of the reforms introduced revisited innovations of pre-crisis vintage—seeking to make these more effective (e.g. performance management and open appointments to top-level positions). By 2014, a vision or blueprint had emerged for the public service, which embedded multiple reforms, mainly of pre-crisis vintage,
within a public service model of work and employment that showed strong affinities with the established career-based public service model.

References

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Notes:

(1) The focus is on workplaces employing the dependent workforce, which comprised 82 per cent of all people at work at the outset of the recession in 2008.

(2) A report by the Independent Panel on Strengthening Civil Service Accountability recommended that continuation of permanent tenure but with greater flexibility in employment arrangements (DPER 2014c: 25). This recommendation was not, however, explicitly endorsed in the Civil Service Renewal Plan or the Public Service Reform Plan.

(3) One observer commented, with respect to the Civil Service Renewal Plan: ‘most of the…actions start off with the words “expand”, “strengthen” or “improve”, indicating that much of the plan is simply re-asserting what has been included in previous reform plans’ (Frawley 2014b: 20).

(4) Trends for the private sector and public services need to be interpreted with caution. Private-sector data include those working in state-owned commercial companies and workers in private schools and health providers may appear in the available aggregate public service data (see Walsh 2014).