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TO: PS/Mr Viggers (B&L)
FROM: R J Minnis
[Department of Economic Development]

FAIR EMPLOYMENT AGENCY - REPORT OF INVESTIGATION INTO GALLAHER TOBACCO LTD

1. The Minister should be aware that a report by the Fair Employment Agency of its investigation into the employment practices of Gallaher Tobacco Limited is to be published on Thursday 1 December. A media embargo has been imposed until midnight on 30 November. A copy of the FEA press release is attached at Annex A, and a copy of the report itself at Annex B.
2. A wholly-owned subsidiary of American Brands, Gallaher Limited employs 1808 people in Northern Ireland at 2 factories in Belfast and at Lisnafillan near Ballymena. Although it has a local board, the Northern Ireland business is controlled from the Head Office in Weybridge. Run-down of the Belfast factory started in 1987 and should be completed shortly with the transfer of the remaining group of workers to Lisnafillan. Since the run-down commenced, the two factories have had a single management team. The company boasts a long-standing interest in equality of opportunity, having signed in 1975 an industry-wide "equality" agreement, and in 1977 the FEA's Declaration of Principle and Intent. The Company's own survey of its workforce, initiated in 1984 at the FEA's suggestion, showed Catholics to be under-represented and, after consultation with the Agency, led in 1987 to an equal opportunity declaration signed jointly by the Company and local trade unions. (Appendix 2 of the Report).

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Initiating the investigation

3. In response to tension at Gallaher concerning the display of flags and emblems, and complaints received from some Catholic employees, the Agency decided in July 1987 to investigate the composition of the workforce and to examine the extent to which the company's stated policy of equality of opportunity was being given practical effect. After the holiday period, the Company in August 1987 agreed with local trade union representatives a new rule that the National flag would be flown throughout the year but that no other displays would be permitted (Appendix 3 of the report). With the co-operation of the workforce this rule was successfully enforced in July 1988.

The Collection of Information

4. The Company facilitated the investigation by supplying all the data requested by the Agency including: names, addresses, job start date, grade, department and location of all its employees.

5. Main Findings

- (i) The working-age population of the main catchment area for the Lisnafillan factory is 82.5% Protestant and 17.5% Catholic.

(a) The religious composition of the workforce was:-

	Protestant	Roman Catholic	Others	Total
Male	661 (92.0%)	55 (7.7%)	2 (0.3%)	718 (53%)
Female	502 (78.0%)	142 (22.0%)	-	644 (47%)
Total	1163 (85.4%)	197 (14.5%)	2 (0.1%)	1362 (100%)

While the overall figures did not differ substantially from the Protestant/Catholic ratio of the area, there was a small over-

representation of Catholics among female employees and a considerable under-representation of Catholics in the male workforce.

- (b) The religious composition of different grades and departments shows under-representation of Catholic men at most levels particularly in managerial grades (4%).
- (c) A marked improvement in Catholic representation is noted among males recruited since 1966, the proportion having risen from 8% (up to that year) to 17% thereafter.
- (ii) While 36.4% of the working age population of Belfast is Catholic, only 8% of Gallaher's 446 employees remaining in Belfast at the time of the investigation were Catholic. This serious under-representation is evident at all grades and in all departments.
- (iii) Over the period 1985-87, the statistical effect of voluntary redundancies at Lisnafillan has had a slightly adverse effect on Catholic representation in the workforce.
- (iv) With the closure of the main Belfast plant, a number of employees are being transferred to Lisnafillan. It is anticipated that this will reduce the Catholic proportion of the workforce from 14.5% to 13.5%.

Recruitment and Selection

- 6. The report lists the advertising media used for recruitment of each grade of worker in the Company, indicates that a voluntary question on religious affiliation has since 1984 been included on a tear-off portion of application forms, that job description and personnel specifications are used to aid selection and that at least two persons are always involved in shortlisting and interviewing. The Company has agreed to change a procedure whereby temporary unskilled positions were advertised only in the Ballymena Job Market and in future will ensure that the net is cast more widely.

Conclusions

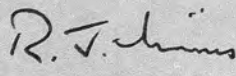
- 7. The Agency states that in the past the Company failed to provide equality of opportunity, particularly because of "word of mouth" advertising, use of

unsolicited applications and preferential treatment for friends and relations of existing employees. It is however satisfied that since the early 1980's, vacancies generally have been properly advertised.

Although outlining remaining imbalances in specific employee grades, the Agency expresses satisfaction with the efforts made by the Company and local trade union officials to introduce meaningful equal opportunity measures. It recognises that, in view of the present rationalisation programme, with resultant reduction in numbers employed, imbalances will not be rectified quickly but, especially where they are more serious, recommends that they be kept under constant review.

Future Action

8. The Company has agreed to:-
 - (i) continue advertising all posts widely;
 - (ii) ensure that job descriptions and personnel specifications are available for all posts;
 - (iii) train all staff involved in recruitment in fair selection methods;
 - (iv) record reasons for rejection of candidates;
 - (v) maintain its stance on flags and emblems; and
 - (vi) review the position annually with the FEA.
9. The Minister may not be asked to comment directly on the results of this report but, if so he could commend the Company's co-operation with the local trade unions in developing rules and procedures designed to produce a working environment free of intimidation, and providing equality of opportunity to people from both sides of the community.



R J MINNIS

30 November 1988



Fair Employment Agency

PRESS RELEASE

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EMBARGO Midnight Wednesday 30th November 1988

The Fair Employment Agency today published the report of its investigation into the employment patterns and practices of Gallaher Tobacco limited.

The conclusions of the report were as follows:-

The Agency is satisfied that in the past the personnel practices of the Company did result in failures to provide equality of opportunity. At one stage the Company appointed by the use of word of mouth, unsolicited applications and preferential treatment for the friends and relations of existing employees. These practices were generally replaced from the mid-sixties until, in the early 1980's, the Company adopted the general practice of advertising vacancies.

In overall terms the number of Protestants and Catholics employed at Lisnafillan are not significantly different from what would be expected, taking into account the religious composition of the local labour market catchment area. This overall figure encompasses a small over-representation of Catholics among women and a considerable under-representation of Catholics among men. Catholics are 22 per cent of female employees, but only 8 per cent of male employees.

Within the departments in Lisnafillan the greatest areas of under-representation of Roman Catholics are in the General Manager and Administration department and in Site Services. In terms of grades, Roman Catholic men are under-represented in Management, in Senior Staff, in Skilled and in Semi and Unskilled. Roman Catholic women are under-represented in Staff grades but not in Senior Staff or Semi and Unskilled grades.

MTF

Employees remaining in Belfast are predominantly Protestant. Among Belfast staff at the time of the investigation, only 34 (8%) of the 446 were Catholic. There was an under-representation of both men and women although it was relatively greater among men. The under-representation of Catholics was apparent in all grades and departments.

The efforts made by the Company and the local trade union officials to introduce locally meaningful equal opportunity measures are positive and encouraging and the Agency is satisfied that the action taken is indicative of real commitment to provide equality of opportunity. The Agency is satisfied that what can be done is being done to rectify the deficiencies expressed. The Agency recognises that at present the Northern Ireland operation is being re-organised with resultant reduction of the numbers employed and it is not possible in such circumstances to produce results quickly. However, imbalances as serious as those which are shown in certain areas in this report require that constant review is maintained of the practices and procedures to see whether more can be done to promote equality of employment opportunity.

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