

# Workplace social dialogue as a driver of direct participation?

## Background paper for the Third European Company Survey

**Introduction**

**Taking stock**

**Research findings**

**Towards a new understanding**

**Case study evidence**

**Reflections on the cases**

**Finding the measurables**

**Towards the third ECS**

**References**

**Disclaimer:**

This document has not been subject to the full Eurofound editorial and publication process.

This paper is one of two background papers that served as a conceptual framework for the development of the questionnaire for the Third European Company Survey (ECS). The papers also formed the basis for the discussion with Eurofound's tripartite Advisory Committee on the ECS and the questionnaire development group. The two papers cover the following topics: High performance workplaces and Social dialogue at workplace level.

# Introduction

## Aims of the paper

There are two key conclusions to be drawn from research into the field of employee involvement and participation: firstly, that the most substantial and sustained benefits are achieved when participatory practices are adopted systemically throughout the organisation; secondly, that few organisations have chosen to pursue such a systemic approach in practice.

Central to the systemic adoption of participatory practices is the relationship between representative (or indirect) and direct forms of participation. This paper will develop a conceptual framework which attempts to answer the following questions:

- Under which conditions can workplace social dialogue encourage, resource and sustain high involvement work practices?
- Which *forms* of workplace social dialogue are most likely to do this?
- Which mechanisms bridge representative structures and high involvement work practices?
- What do organisational structures look like when they combine representative and direct participation in mutually supporting ways?
- What can be measured in a survey to enable us to assess the extent to which representative practices inform high involvement work practices across European workplaces?

## Changing context of work

There is a tendency for future-oriented commentators to exaggerate the transformative effects of globalisation, technology or social change on the world in general and the workplace in particular. Short of catastrophe or spectacular innovation, the EU in 2020 will still be recognisable to the citizens of 2011, just as many aspects of life have not changed substantially over the last decade. But significant changes will occur, both in the nature of day-to-day life and in the deeper structural forces that shape the wider business environment. The way in which we respond to those changes will have much longer-term consequences both for economic competitiveness and for social cohesion. An important part of that response lies in how people engage with their work, and the extent to which we enable work to become a place in which people can use and develop their skills and creativity to the maximum.

As Sisson (2002) and others have argued, however, the knowledge-based economy that lies at the heart of the Lisbon and Europe 2020 strategies is inconceivable without the active involvement of individual employees. This paper will argue that collective representation can play an important role in securing that involvement.

## **Europe: one player among many**

The rise of the BRIC (Brazil, Russia, India, China) countries as global economic powers is well documented and the impact on European manufacturing, particularly as a result of China's expanding economy, has been dramatic. Much of the growth in imports into the EU from China has been the result of outsourcing by European firms, providing them with new opportunities to compete in price-sensitive markets. For European consumers, the cost of many manufactured goods has come down in real terms.

The comfortable assumption in policy circles appears to have been that the competitive advantage of countries such as China and India will continue to lie in the mass production of low-value goods and, as projected in the Lisbon Strategy, that Europe will compete by becoming the world's leading 'knowledge economy'. However the prospects for excluding the BRIC countries and others from becoming serious competitors in the knowledge economy seem slim, given their large-scale investment in research, development and higher education. According to the Chinese Ministry of Education, the number of universities in the country grew from 2,000 in 2002 to 4,000 just three years later. By 2008, some 16 million students were enrolled in higher education, excluding the considerable number studying abroad.

## **Volatile global economy**

Employers and employees alike are facing unprecedented challenges, including a level of volatility in the global business environment which requires constant vigilance, versatility and innovation. The shift away from mass production to an emphasis on customised and higher-quality goods and services is now conventional wisdom. But old styles of managing and organising work cannot deliver the adaptability required by these new conditions. In this increasingly fierce global environment it has long been clear that 'low road' strategies of cost leadership, speed and standardisation cannot build sustainable competitive advantage. Essentially the value placed on social dialogue reflects deeper structural changes in production paradigms that lead to greater flexibility in work organisations and active knowledge management. Whilst the previous century was dominated by the mass production of standardised goods and services within a highly regulated management mechanism of control, the present day sees the continued existence of such paradigms alongside the growth of alternatives based on flexibility, the near continuous invention and reinvention of knowledge-intensive products and services, and the need for new forms of knowledge distribution and learning at work.

In the past century a twin process has occurred: in one dimension a shifting of the forms of work and its significant constituent elements, in another a shift in the use of labour, how it acts in work, what it is valued for and how labour realises value in work. Piore and Sabel gave a seminal description of this movement as far back as 1974:

2) change 'Specialization' to 'Specialisation'

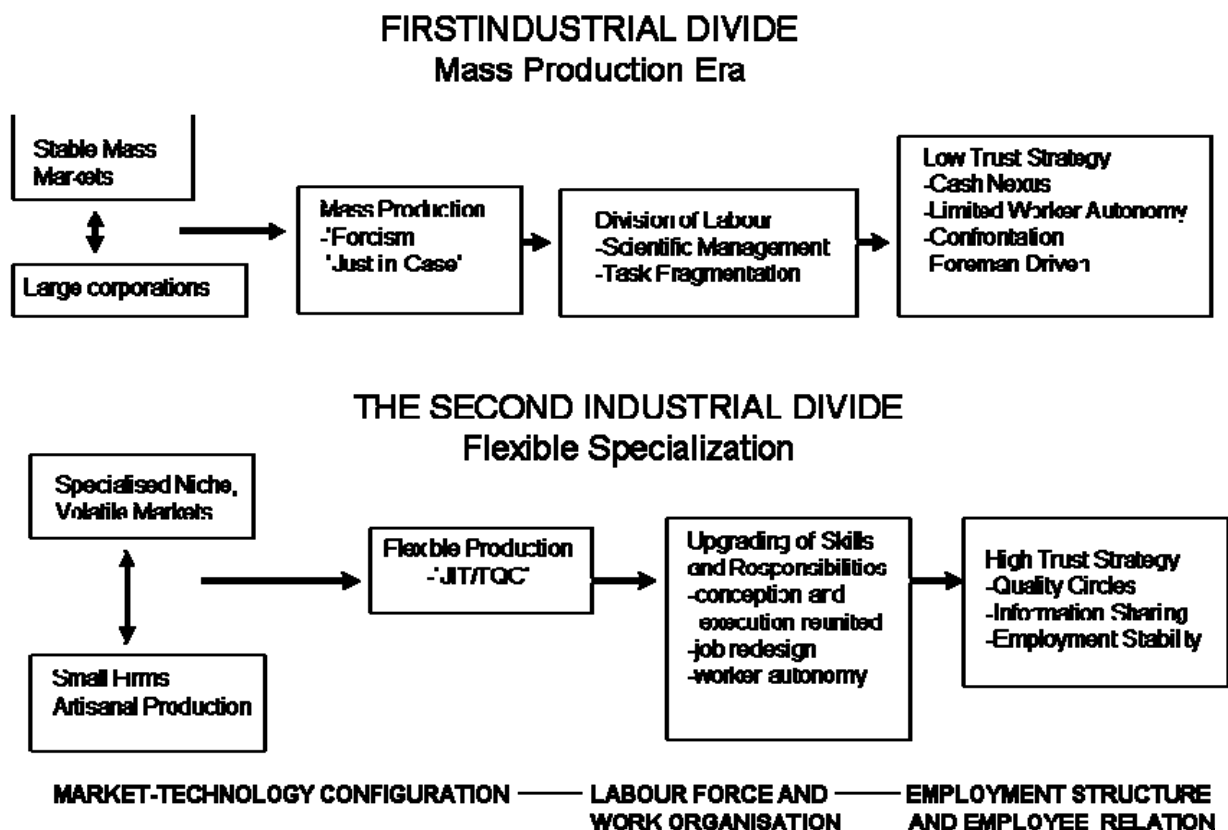


Figure 1: The new models of industrial organisation

Source: Thomson & McHugh (1990)

This model has structured much of the debate in industrial sociology about the direction of travel of technology and the employment relations it bequeaths. However, Piore and Sabel were describing a world that was essentially 'post-Fordist', with a dualistic vision still rooted in a mechanistic/flexible opposition. More recent research and analysis derived from the learning organisation and knowledge management debates paint a world with more complexity and variegation in work organisation, and hence in terms of employee participation.

## Taking stock

### Problem of definition: the aims and variety of workplace social dialogue

Previous research alerts us to the complex interrelationships between social dialogue, employee representation and direct employee participation. Despite the attention that workplace partnership has received over the past decade in Europe, there is no agreed definition amongst either researchers or practitioners. Different actors adopt different definitions (Guest and Peccei, 2001) and the elements of partnership and participation appear in diverse combinations in different workplaces. For example 'partnership' as a form of workplace social dialogue simply constitutes a loose label for an approach to union-management cooperation that encompasses a wide range of

variants (Haynes and Allen, 2001, p. 167). The plethora of empirical data and case study material that seeks to link partnership to performance actually describes a constellation of activities which at the very least embraces industrial relations, human resources management and work organisation (see for example NCPP 2002; NCPP, 2003; TUC, 2000; IPA 1997; IPA 2007). This is not necessarily a problem provided that the distinctive roles played by the different elements of partnership in enhancing performance are understood.

The secondary analysis of the 2009 ECS by Bryson et al emphasises variation in the forms of social dialogue by characterising four differentiating aims:

- Social dialogue as promoting democratic processes
- Social dialogue as redressing power asymmetries
- Social dialogue as a managerial economic tool
- Social dialogue as an employee economic tool.

Bryson et al go on to describe how establishments create different ‘forms of engagement’ depending upon the respective strengths of these aims where they are present, crucially influenced by other factors such as the degree of representation, employee resourcing, trust between the parties and the depth of indirect social dialogue. They then test the overall breadth and depth of social dialogue against nine specific areas of employment practice.

The initial starting point for preparing this paper was the potential role of representative workplace social dialogue in encouraging, resourcing and sustaining participative work processes. However in acknowledging that social dialogue may be driven by different combinations of the elements cited by Bryson et al, the authors recognise that its concrete forms will be diverse and highly contextualised. The paper will argue that workplace social dialogue cannot simply be characterised by formal, representative structures operating at the strategic end of the decision spectrum. Rather it will be manifested both formally and informally, and at both strategic and task-based levels of the organisation. It is the relationships and interdependencies between these different forms that have become the principal focus of the paper.

## **Beyond dualism**

The work of Bryson et al work illustrates the conceptual complexity involved in defining a relationship between workplace social dialogue and direct participation. The current policy model, and much of the academic debate, is grounded in an unhelpful dualism between rights-based representative participation and discretionary task-based participation.

There have been significant EU legislative developments in relation to employee rights, the protection of employees’ dignity, and opportunities for personal development at work. Directive 2002/14/EC passed by the European Parliament and Council established a general framework for informing and consulting employees in the EU. At Member State level, many of the ‘old’ EU15 have long had in place mechanisms providing for employee information and consultation at the workplace. These include statutory works councils (for example in Germany and France), encompassing collective agreements backed by legislation which provide the primary means of regulating information and consultation in countries like Denmark and Belgium, and the hybrid Italian model in which a statutory framework allows for sectoral agreements to flesh out the

detailed operations of works councils (Broughton, 2005). The UK is the odd one out as it lacks a general, permanent and statutory system of information and consultation or employee representation (Doherty, 2008, p. 608).

However, as we will argue below, the research suggests that representative participation alone has little impact on either performance or quality of working life unless it also shapes participative working practices throughout the organisation. We also know from research and survey evidence (such as that from EPOC) that the systemic use of representative and direct participation methods throughout the organisation is rare in most of Europe.

A major factor influencing the impact or otherwise of employee voice and involvement arrangements is the discretionary stance of management and, where present, trade unions. In the inherently unequal employment relationship, management may be unwilling to cede such power to employees let alone to have employees encroaching onto managerial decision-making by granting consultation rights. Senior management support plays the predominant role in determining whether the positive effects of voice and involvement arrangements are realised in the individual workplace (Dundon et al, 2006). Similarly the partnership literature has frequently emphasised the importance of partnership ‘champions’ on the management side (Geary and Roche, 2003; National Centre for Partnership and Performance, 2002). Senior management support tends to set the tone for those further down the managerial chain (Exton, 2010).

Trade union resistance to employee voice can also be a factor. Unions, and especially workplace union representatives, can perceive voice mechanisms as a threat to the union’s representative status (Kessler, 2005). Furthermore Oxenbridge and Brown (2004) have shown that it can be difficult for unions to sustain robust workplace partnership arrangements. Employee representatives who are privy to commercially sensitive information can feel isolated from members since for reasons of confidentiality they may be unable to justify a particular union stance. In other cases, especially where arrangements are shallow, members can become suspicious that workplace representative have ‘sold out’ to management. In an Italian review, in nearly all the cases analysed in which there was direct worker involvement these forms of direct participation are experienced by the workers’ representatives as a threat and in some cases lead to open conflicts. Unilateral decisions for the introduction of forms of direct participation can undermine the relations of trust between the actors and as a consequence, the direct participation experience nearly always remains less than effective (Fondazione Istituto per il Lavoro, 2003).

Management and/or trade union opposition or apathy towards voice and involvement arrangements is identified in the literature as having important knock-on effects. The failure to promote such arrangements can mean that employees have low levels of awareness or knowledge of their existence or potential (Hall, 2006). This can lead to the under-utilisation of such arrangements where they do exist, and a lack of employee enthusiasm or know-how on whether, or how, to introduce them where they do not. In the latter case, employees may, in particular, fear putting their heads ‘above the parapet’ (Doherty, 2008).

Thus ‘buy-in’ from all sides constitutes a critical success factor (NCPP, 2002). The strong role of voluntarism in shaping the nature and extent of workplace participation has led policymakers and researchers over many years to seek the holy grail of an evidence-based relationship between employee involvement and organisational performance as a means of ‘nudging’ management

thinking in favour of participative working practices. The UK with its weak statutory base demonstrates a key recent example of nudge-based policy in the form of the government-sponsored MacLeod Review of Employee Engagement.<sup>1</sup>

## Research findings

### Direct and representative participation as mutually reinforcing practices

In exploring the impact of the various forms of participation on outcomes, there has been extensive debate about whether direct or representative practices have the greater effect. At the level of formal collaborative partnership arrangements, there is little evidence of a direct causal link with improved organisational performance in terms of, for example, productivity, customer satisfaction or quality of working life. Indeed Guest and Peccei (2001) argue that neither representative nor direct forms of participation are necessarily beneficial when applied in isolation. Representative participation has no significant positive effect on employee attitudes and behaviour and, if implemented on its own, can have a negative impact on performance. One possible explanation for this is that representative participation in isolation will fail to overcome low levels of management trust in the workforce. Employees themselves may also become cynical about formal partnership structures and agreements that appear remote and have little visible impact on their own working lives (Pass, 2008; Guest and Peccei, 2001).

Nonetheless, there does appear to be evidence of a connection with organisational performance; for example the Involvement and Participation Association (IPA) study *The Partnership Company: Benchmarks for the Future* found that almost all the companies with representative structures responding to a survey felt that their approach to management–employee relations keeps them up with or ahead of their competitors. In addition, half of the respondents believed that partnership (in its broadest sense) offers the potential for better product and service innovation, sales growth and volume, profit margins and overall profitability (Guest and Peccei, 1998). Moreover, this is supported through case study evidence demonstrating that there is a positive relationship between the existence of works councils and economic performance as measured by productivity growth (Ferne and Metcalf, 1995).

However, an important body of research has begun to show not that representative partnership has a direct impact on performance, but rather that it exerts a positive influence on the development of activities and practices that may do so. When partnership arrangements exist alongside participative workplace practices, they result in mutual benefits through improved information sharing and greater levels of trust between employers, unions and employees (Oxenbridge and Brown, 2004) and to a heightened impact on performance (Batt and Applebaum, 1995). Representative committees may create a culture and instigate concrete practices which inspire managers to implement and sustain direct forms of involvement. The new generation of line managers, union representatives and employees appear more at ease with a combination of inclusive (direct and indirect) rather than exclusive (direct versus indirect) voice practices. Wilkinson et al (2004) argue that in a UK context managers are becoming more confident in organising direct exchanges of

---

<sup>1</sup> [www.bis.gov.uk/policies/employment-matters/strategies/employee-engagement](http://www.bis.gov.uk/policies/employment-matters/strategies/employee-engagement)



opinion with employees, while union representatives and employees increasingly expect them to do so.

This combination of representative and direct practices has been characterised in terms of 'employee voice' (Boxall and Purcell, 2003). For employee representatives there is evidence that formal partnership enhances the degree of influence they are able to exert over employment and workplace issues through consultation and early involvement in decision making (Ackers et al, 2005). It also strengthens the robustness of the structures, such as works councils and trade unions, within which they work (Guest and Peccei, 2001). Union representatives are adapting and carving out new roles, leading to greater involvement in establishing joint rules and procedures (Bacon and Storey, 2000). From an employee perspective, the evidence suggests that representative partnership creates opportunities to exercise greater autonomy and direct participation (Batt and Applebaum, 1995). Moreover, employers pursuing high-performance, high-involvement practices are 'likely to be impatient with traditional adversarial approaches to collective representation' (Kessler and Purcell, 1995).

The importance of employee voice in this sense is that it is directly linked to greater workforce commitment to the organisation, reflected in lower levels of absence, turnover and conflict, and improved performance (Applebaum and Batt, 1994; Huselid, 1995). Partnership can lead to the enhancement of employment standards, enabling the decent treatment of employees to be seen as integral to the achievement of high performance (O'Connell et al, 2003). Purcell et al argue that employees who experience consultation and involvement are more willing to 'go the extra mile' (Purcell et al, 2003). Where unions and management collaborate, employee trust is enhanced (Bryson, 2001), supporting a more positive psychological contract (Rousseau, 1995; Guest, 2000) and thus creating higher levels of organisational commitment, motivation and job satisfaction. Likewise, Teague (2005) argues that partnership can be the conduit to improve organisational competitiveness by mediating between employee wishes for decent work and managerial efforts to upgrade performance.

Research evidence also links representative partnership to problem solving, adaptability and innovation when it is associated with direct participation. Effective partnership can create a culture that embraces change and organisational innovation, representing a strategic move towards higher value-added products and services in the knowledge-driven economy (NCPP, 2004). Describing innovation as 'the successful exploitation of new ideas', Bessant et al (2006) argue that the perceived work environment (comprising both structural and cultural elements) does make a difference to the level of innovation in organisations. Improved collaboration, upskilling and opportunities to share tacit knowledge are created through more effective communication and the direct involvement of employees in problem-solving, design and improvement of work processes (Bryson et al, 2005; Ichniowski et al, 1996). Similarly Kark and Carmeli (2008) suggest that employee creativity makes an important contribution to organisational innovation, effectiveness and survival but that it is influenced by the work environment and levels of encouragement.

A US study (Kim et al, 2010, p. 386) finds that team voice improves labour productivity but only when the interaction effect with representative voice is taken into account. Involving the expertise of workers directly in the work process via teams may contribute to the plant's labour efficiency.

They also found that worker representatives' voice showed a positive relationship with productivity when the interaction with direct voice is included.

Indeed Teague (2005) argues that an overarching 'enterprise partnership' can harness an organisation's resources, including the tacit knowledge of employees, more effectively than the leadership models which currently dominate the change management literature. Lucio-Martinez and Stuart (2002) argue that partnership is central to the modernising agenda as a means of permanently substituting cooperative relations for conflict at work. Cooperative relations in this sense are predicated on an extension of employee rights and a commitment by representatives to work with employers, rather than against them, in the interests of improving organisational performance (Danford et al, 2005). Guest and Peccei (2001) take up this theme and argue that the balance of advantage must be mutual.

A major test of representative partnership's impact on performance therefore concerns its ability to increase the level of employee influence not just at policy level but over day-to-day operations (IPA, 2007). Viewing partnership as systemic, deeply embedded and far-reaching is central to this perspective. In short, combining direct and representative participation together with an emphasis on job design and quality has the most positive effect on employee attitudes and behaviour relating to productivity, output quality and innovation (Guest and Peccei, 2001; Beaumont and Hunter, 2005; WERS, 1998). This builds a climate of trust where individual employees are confident that their contribution will be valued (CBI/TUC, 2001). Recent research also highlights the importance of a set of internally consistent policies and practices in ensuring that human capital contributes to the achievement of an organisation's business objectives: these include compensation systems, team-based job designs, flexible workforces, quality improvement practices and employee empowerment (Lado and Wilson, 1994; Huselid et al, 1997). As Teague (2005) suggests: 'Organisations with mutually reinforcing employment practices achieve superior performance as their collective impact is greater than the sum of individual measures.'

## **Positive link between performance and innovation**

Extensive survey and case study evidence demonstrates that the introduction of participative forms of work organisation improves performance and innovation (Totterdill et al, 2002). Reviews of European, North American and Australian literature for the European Commission demonstrate a clear consensus about the existence of a positive relationship between participative forms of work organisation and performance (Savage, 2001; Brödner and Latniak, 2002). One of the most significant studies, the *Employee Participation and Organisational Change* (EPOC) survey of 6,000 workplaces in Europe, confirms that direct employee participation and teamworking can have strong positive impacts on both productivity and quality of products or services (European Foundation, 1997). A Swedish survey found a very clear link between flexible, participative forms of work organisation and performance: flexible organisations were more productive (+20–60%), showed a much lower rate of personnel turnover (-21%), and a lower rate of absence due to illness (-24%) compared with traditionally organised operational units. Moreover, flexible organisations were much more effective than traditional organisations in using computer technology to reduce lead times as well as delivery times (NUTEK, 1996). The significance for competitiveness was confirmed by a second Swedish study covering operational units with more than 20 employees: 'Strategies that

focus on decentralising work organisation and on human resource development are positively associated with productivity and growth' (ITPS, 2001).

The same picture shows up again in the findings of a Finnish survey within the framework of the National Workplace Development Programme, based on 1384 interviews with management representatives in the private sector. It too investigated the economic effects of 'functionally flexible enterprises' compared with traditional approaches. Functional flexibility in this study was defined by employee opportunities to influence decision-making and continuous learning in work. A regression analysis revealed that flexibility had by far the highest effect on productivity and that the productivity of flexible enterprises was 50% higher than that of traditional firms. Flexible enterprises also paid roughly 30% higher wages than traditional ones (Antila and Ylöstalo, 1999).

Further evidence comes from a survey in the German investment goods industry based on data from more than 1,300 enterprises. Various new forms of work organisation contributing to functional flexibility enterprises clearly have positive effects on productivity, even more so when implemented all together. Moreover, these new forms of work organisation also positively affect quality and lead times of products (Lay et al, 1996).

Macy and Izumi (1993) found that team development initiatives and the creation of autonomous work groups were responsible for the most significant gains in terms of financial performance. Indeed, the principal motive of most companies that introduce teamworking is to enhance the performance and productivity of their organisation (Cotton, 1993; Weldon and Weingart, 1993).

In healthcare, effective teamwork also contributes directly to better patient outcomes. West et al (1998) found that healthcare teams with clear objectives and high levels of staff participation make a critical contribution to effectiveness and innovation in healthcare, while enhancing team members' well-being. A further well-known study claimed that post-surgical mortality could be reduced by the combined effect of a bundle of practices including teamworking, training and appraisal (West et al, 2002). However, Bartram et al (2007) argue that there are limitations with these studies: first, direct causal links between specific HR practices and patient outcome are difficult to prove due to the presence of so many other potential variables, and second, patient mortality alone is an unreliable measure of performance. Several authors also show that effective teamwork, particularly in healthcare settings, has been difficult to achieve because of barriers and perceived status differentials between professional groups such as doctors and nurses. Gender issues, multiple lines of management, and the lack of organisational systems and structures for supporting and managing teams act as further inhibitors (Borrill et al, 2000; McNulty, 2003; Ferlie et al, 2005).

## **High road/low road divide**

Research and experience demonstrate significant divergences within the broad category of 'new forms of work organisation' and these have come to be characterised in terms of a 'high road'/'low road' split. Dundon et al (2006, p. 508) argue that employers can choose a 'high road' approach to information and consultation (with a mix of direct and representative mechanisms tailored to the organisation and a broad agenda allowing for employee cooperation and participation) or a 'low road' approach (with disjointed processes that minimise employee input into decision-making and consolidate management control).

The defining characteristics of the high road lie in the creation of organisational spaces and the liberation of human creativity in ways which achieve a dynamic balance between performance and quality of working life. The low road, in contrast, also seeks greater functional flexibility but is typically driven by short-term profitability and job intensification rather than sustainable performance based on innovation and improvement through job enrichment (European Work & Technology Consortium, 1998).

A major problem is that, in the literature and in policy discussions, both are seen as 'flexible', 'innovative' and 'advanced' while the fundamental differences between them are largely ignored. This is a mistake. Both types of company may even use the same organisational tools, but in very different ways. A revealing illustration of this can be found in the case of teamworking. Teamworking can simply mean the multi-skilling of individuals who happen to work alongside each other in an organisation. Workers here can substitute for each other, thereby increasing personnel flexibility and reducing bottlenecks. Task design is narrow and based on very short cycles; human skills are merely used to enhance highly standardised working procedures. But on the high road, teamworking can mean that a team takes substantial responsibility for all, or part, of the complete product or service. The group thereby gains considerable room for manoeuvre in planning its work and in continuously adapting working procedures to meet actual needs. Even the improvement of existing products or services falls within the operational responsibility of the group, which is given real freedom in terms of the time and other resources required to fulfil this role.

Managerial strategies for direct participation do not always lead to 'win-win' outcomes and are less sustainable. Participation is often perceived as a technical solution to problems of engagement and productivity, not as a fundamental approach to relations between management and labour. However partnership is not always accepted positively. Ackers et al (2005) examined UK management practices in relation to employee involvement initiatives and 'partnership' arrangements. They found that managers tended to favour direct communication with staff, thereby cutting trade unions out of the equation. Managers were only willing to enter into 'partnership' agreements when unions were able to 'add value' to the business; otherwise they favour non-union 'partnerships'.

This raises a fundamental question. Should researchers continue the search for the holy grail of a direct relationship between employee participation and organisational performance? Or should participative work practices be placed at the heart of business ethics and sustainability? Grant and Shields (2002) argue that the emphasis typically placed on the business case for HRM suggests a one-sided focus on organisational outcomes at the expense of employees.

## **Towards a new understanding**

Management literature has tracked the long-term changes in the approaches to workforce competence and learning and Table 1 indicates a threefold characterisation:

Table 1: Transition from training to learning and reflection

	<i>Pre-1990 focus</i>	<i>1990s focus</i>	<i>2000s focus</i>
<b>Approach to learning</b>	<b>TRAINING</b>	<b>ORGANISATIONAL LEARNING</b>	<b>PRODUCTIVE REFLECTION</b>
Key needs	Rule-governed stability	Appreciation of complexity and ambiguity	Managing of complexity and ambiguity
Approach to competence	Dependent upon stable occupational categories	Dependent upon effective development of human resources	Dependent upon development of distributed and flexible competencies
Approach to problem-solving	Fragmented, mechanistic, directed approach to problem-solving	Holistic, recursive, participative approach to problem-solving	Reflexive, contingent approach to problem-solving
Work interaction	Single-function specialists	Multi-functional teams	Predominance of flexible project groups
Work classifications	Job description comprising set tasks and responsibilities	Continuously reviewed and periodic renegotiated assignments	Fluid contracts around changing goals
Learning location	Training/learning largely external	Learning defined within enterprise	Learning contextualised in the workplace

Source: Boud et al, 2006 (p. 15)

This table allows us to contextualise some of the shifts seen in the employee participation literature, the demands for problem solving forums foreseen by the EPOC studies, the growth of specific organisational structures to manage change, the calls for greater integration of formal and informal inputs into decision-making, and the need for flexible and strategically reactive approaches that incorporate forms of workforce resilience.

There are cases in which representative participation drives, resources and sustains ‘high road’ participative work practices. The ‘win-win’ outcome in such cases lies in integrating the strategic knowledge of leaders with the tacit knowledge of employees. Brödner (2000, p. 8) argues:

‘Direct participation simultaneously serves as discussion process of diverse perspectives and interests, as integration of distributed knowledge and competence for problem solving, as a forum for negotiating and balancing interests, as motivation to act, as space for collective learning, and as transparent horizontal control of events.’

According to the Hi-Res study, a meta-analysis of 120 cases of workplace innovation across ten European countries, the common factor in organisations that have achieved a degree of convergence between high performance and high quality of working life is related to the knowledge-sharing and dialogue discussed by Brödner through:

‘a clear concentration on those factors in the work environment which determine the extent to which employees can develop and use their competencies and creative potential to the fullest extent, thereby enhancing the company’s capacity for innovation and competitiveness while enhancing quality of working life.’

The development of participative forms discussed above does not take place in a vacuum; indeed, the wider consideration of competences, skills and expertise and how they are used bears heavily upon this debate. However, in much literature, as in practice, the employee participation debate and the organisational use of competence are often seen as separate and distinct. At the heart of both these factors lies the systemic incorporation of opportunities for ‘productive reflection’ throughout the organisation. The concept of productive reflection attempts to unify them by jointly appreciating the role that organisational structures have in articulating employee voice together with the active use of employee’s formal and tacit skills and competences in the process of improvement, innovation and change.

Thus, productive reflection

‘must not be seen as an abstract concept or a separable subjective event. Rather it is about new forms of self-management, about how competence is distributed inside companies, about the processes of monitoring and intervention that are constructed. Crucially, it is about the embedding of reflexive approaches to problem solving and change. As the table indicates this embedding of *productive reflection* draws upon the creation of contextualised workplace learning that allows and releases the capacity of the workforce, via de-centralised and flexible project groups, the use of multi-functional networks and multiple stakeholder perspectives.’ (Boud et al, 2006, p. 16)

Productive reflection in the organisational context means the ability to reflect about and anticipate the impacts of change. Good and sustainable organisations build a set of internal reflexive mechanisms. They embed them in the organisation to enable smooth transitions. Reflexivity focuses on bringing the thinking and active subject (employee/representative/union) into the centre of work practices, to underline the importance of continuing learning and the necessity to prioritise workers’ tacit and explicit knowledge if the organisation is to be sustainable in the long run.

Productive reflection has both an organisational and an individual character. At organisational level it is vitally necessary for innovation and the development and production of quality goods and services. For the latter it means ‘making sense of one’s work,’ not as a sociological or abstract issue but in finding meaning: a key factor for experiencing a sense of coherence, well-being and resilience in the workplace. This may be even more significant for a younger and less deferential generation of workers who are less tolerant of boring, repetitive or badly designed jobs that provide limited opportunities for self-expression (Knell, 2000).

Reflexivity is, then, appropriate within both individual and group settings. The first is a form of self-reflection directed inwards and separated from immediate action and reflection directed outwards at the ongoing situation in which somebody is acting. Collectively it is compatible with the literature on learning organisations and lifelong learning, which demands continuous learning to address continuous change and restructuring.

Reflexivity in this context means conscious, active decisions on measures to promote, facilitate and support reflection and learning. However, the issues of reflection and learning are often not formally allotted priority on the management agenda and the prerequisites for these activities will be steered by values, norms and practices that have simply evolved and are not the product of clear thought. Hence we need proactive measures for reflection and learning in the form of learning mechanisms. These mechanisms may be cognitive, cultural, structural or procedural. Learning mechanisms are formalised strategies, policies, guidelines, management and reward systems, methods, tools and routines, allocations of resources and even the design of the physical facility and work spaces.

## **Organisational, technical and physical forms**

There are three social dialogue forms: organisational, technical and physical, which should be considered in relation to such reflexivity:

The most common **organisational forms** are forums or arenas that provide legitimacy for reflection and provide the formal opportunity for a collective or group to meet and 'discuss things'. These include regular team meetings in so far as they provide structured opportunities for reflection and learning about what has gone well and what went badly, or for a routine review of existing practices. Continuous improvement groups and quality circles also fall into this category. Sometimes flexible structures such as task groups or ad-hoc 'time out' sessions are introduced to cope with the immediate scope, discontinuity, or variability of issues facing enterprises. They may also be coupled to a specific development project, policy revision or planning task, existing 'until further notice'.

**Technical learning mechanisms** are generally based on the use of information and communication technology. The internet has given rise to virtual communities which are essential for many people in their daily work as a basis for knowledge-sharing, joint problem solving and dialogue. Virtual networks are often more important to professionals than their social networks at the workplace.

The **physical design** of the workplace can support interaction and collective reflection between members of an organisation. Apart from formal meeting rooms there may be 'free areas' where coffee and meal breaks are held; some employers actively discourage staff from eating at their desks to stimulate dialogue in such communal areas at mealtimes. Other places may be provided where people can sit informally, perhaps with access to a whiteboard for 'buzz sessions'. In one hospital, the paediatric department was designed with wide corridors incorporating seating and play areas to promote informal interactions between different professions, parents and children. In short the emphasis here is on the creation of settings where reflective dialogues can occur as part of daily work routines.

Nonaka and Konno (1998) describe these as 'spaces for learning' or '*ba*'; defined as a context in which knowledge is shared, created, and utilised. These may be physical spaces (e.g. an office), virtual spaces (e.g. a teleconference), mental spaces (shared ideas) or any combination.

## **Embedded collective productive reflection**

We have seen above how different phases of participation have moved from a rights-based agenda to one that centres upon the production of knowledge and ideas, and joint problem solving. The

argument can develop further to place collective reflection at the core of workplace practice. This can be represented as a series of mutually reinforcing practices in which workplace social dialogue sustains, informs and is informed by productive reflection. The concept of productive reflection attempts to unify workplace social dialogue and work organisation by understanding the interaction of organisational structures for employee voice on the one hand and the active use of employees' formal and tacit skills in work and change processes on the other.

**Figure 2: Workplace social dialogue and productive reflection**

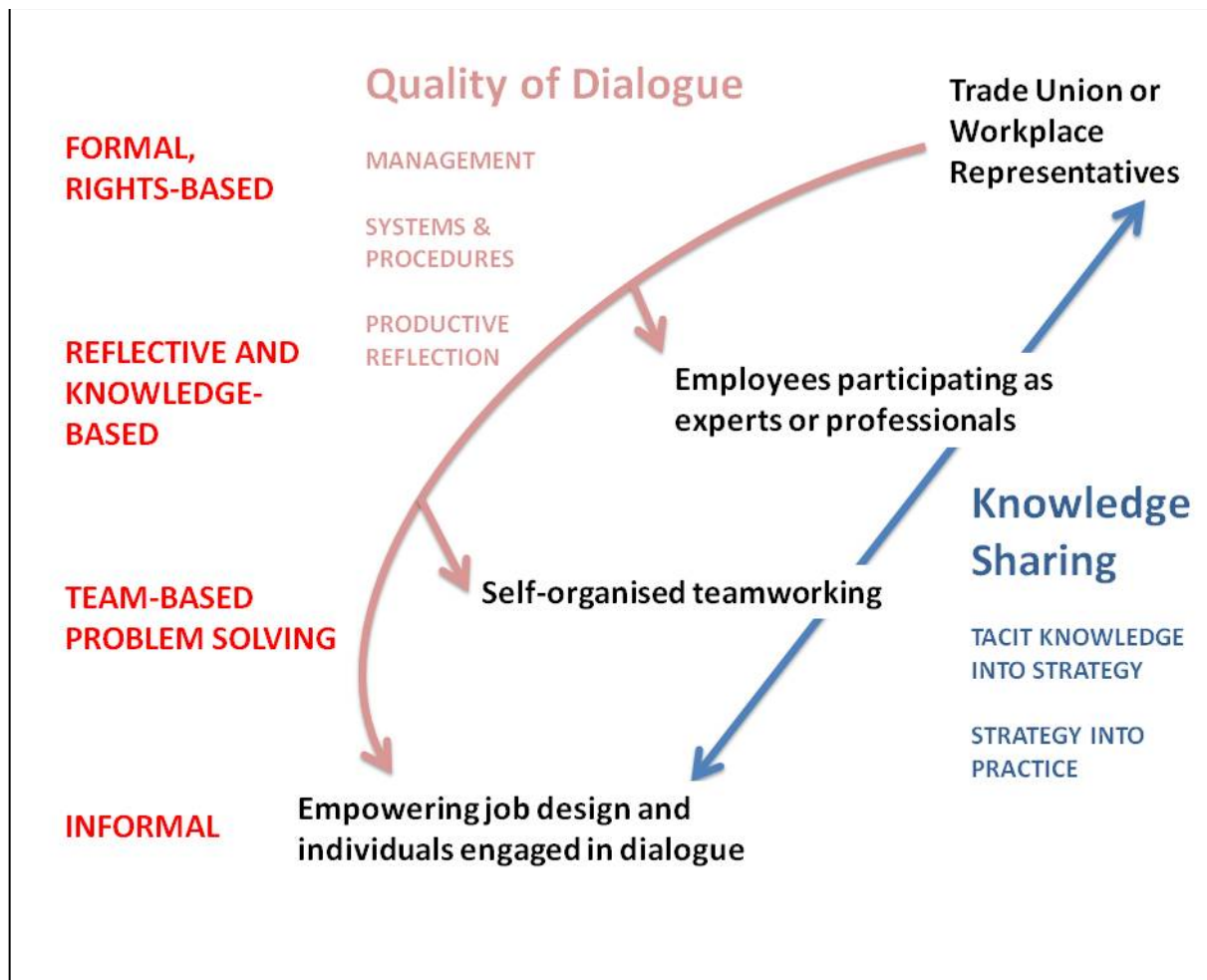


Figure 2 demonstrates how productive reflection becomes embedded when workplace social dialogue acts as a bridge for knowledge-sharing between different levels of the organisation. In this context representative participation acts as the guarantor and enabler of direct participation and voice at the frontline. Dialogue about knowledge-sharing through both formal and informal channels becomes 'the new collective bargaining' in which employees offer their tacit knowledge and creativity in return for knowledge of and influence in strategic decision-making (see for example the Tegral case below). But here the outcomes of bargaining can be win-win rather than zero-sum, offering (in the words of the Hi-Res study cited above) the prospect of workplaces in which 'employees can develop and use their competencies and creative potential to the fullest extent, thereby enhancing the company's capacity for innovation and competitiveness while enhancing quality of working life'.



This brings into question the union role in encouraging direct participation and reflection in a way that does not contradict collectivism and representation. The issue pulls unions into considering how they can best represent their members in issues previously thought to be outside their accepted sphere of activity: issues of creativity, strategy and internal dialogue that enable active intervention in design and practice. Often the need is to confront the nature of entrenched interests and the barriers imposed in real-life situations which result from accretions of practices and expectations that have grown up over decades and cannot be eliminated overnight.

Evidence should be sought on how unions and worker representatives fulfil their potential role as competent suppliers and guarantors of reflective practices in workplaces. Participation here makes up for lack of dialogue up and down the line management hierarchy, which can act as a serious limitation on productive reflection. Productive reflection can draw on different authorial voices, for instance combining formal trade union knowledge of the rules with frontline employees' competences and know-how.

The need identified here is for a workforce input that can critically challenge systems thinking rather than celebrate it; in other words for non-formal networks of *dialogue* and *reflection* that operate outside enclosed system loops. To see the issue of employee involvement from this perspective means a re-alignment of issues around how best to use expertise, how to engage people in specific processes of reflection and dialogue and a greater appreciation of enterprise added value. Workplace practices and processes are socially constructed in the sense that they reflect complex interactions of power relations, knowledge and history as well as external influences; the outcome of these interactions shapes the distinctive character of each workplace and the ways in which dialogue and reflection take place.

Such trends also raise larger questions for future employee participatory forums, including the balance between institutionalisation and active intervention of workers as individuals. Case study evidence points to the existence of companies with no formal structures or procedures relating to information, consultation and participation but in which high levels of dialogue, reflexivity and entrepreneurial behaviour can be found at all levels (see for example the Lindum Group case described below).

The relationship between formal and informal structures at both strategic and task-based levels is summarised in Table 2.

Table 2: Formal and informal workplace social dialogue in strategic and task-based decisions

**Forms of social dialogue**

		Strategic Decisions			
		1	2		
		Clear rules	Ad hoc communication		
		Tangible outcomes	Informal routes		
		Bounded areas	Spontaneous forms		
Formal		3	4	Informal	
		Direct forums	Active process of involvement		
		Improvement groups	Difficult to measure		
		Defined areas	Intangible		
		Clear goals	Loosely defined		
		Task-Based Decisions			

Formal, strategic manifestations represented by Box 1 of the table correspond with rights-based representative participation, but managers may also use other less structured approaches for drawing on employees’ tacit knowledge and creativity in high-level decision-making (Box 2). Likewise formal structures for direct employee participation such as continuous improvement groups (Box 3) may not entirely substitute for more spontaneous forms of engagement in improvement and innovation (Box 4). In short, we need to identify the ways in which both formal and informal structures support knowledge-sharing through productive reflection.

Looking at past research, we can see how the EPOC study in the 1990s rendered Box 3 visible, revealing the development and scope of formally constituted direct participation across Europe. What this paper suggests is that there is a further need to make visible other emergent forms that exist in the boxes on the right-hand side of the table. Most of the evidence for these forms comes from case studies, generating what we call the ‘weak signals’ of new corporate practice.

While the traditional debate has placed more emphasis upon the forms and empirical spread of institutionalised participation rather than the constituents of that involvement in terms of reflection, learning and creativity, we can now identify a trend in employee participation, a relatively weak signal that nonetheless begins to bridge that gap.

## Case study evidence

What are the weak signals that indicate the possible emergence of a new formulation of workplace relations in which dialogue, or bargaining, about the two-way distribution of knowledge provides the bridge between representative and direct participation? We can elaborate the conceptual framework by drawing on case study evidence to identify the organisational processes and structures which integrate workplace social dialogue, participative forms of work organisation and productive reflection. In terms of Table 2, we are looking for evidence of two-way connections between formal strategic social dialogue in Box 1 and both the informal and task-based quadrants (Boxes 2–4).

We have discussed knowledge distribution in terms of a bargaining process in which the establishment of mutual trust can allow for the forging and negotiation of win-win outcomes. A graphic illustration of how this might work in practice is illustrated by the case of **Tegral Metal Forming Limited**, a steel cladding and roofing company based in County Kildare, Ireland (Sharpe, A. and Totterdill, P., 1999). Previous industrial relations took a traditional path in which every change in employment or working practice was subject to separate agreement, leading to inflexibility and complexity.

In 1996 management and unions entered into a partnership agreement as a result of the company's participation in the ESF-funded New Work Organisation in Ireland (NWO) programme. A partnership forum was established with the participation of management and unions (including full-time union officials) with the aim of ensuring greater employee involvement in company decisions. This enabled the complex legacy of previous agreements to be replaced by a 'gainsharing' arrangement based on 'win-win' principles. The partnership climate reduced the time spent by management and unions on industrial relations issues and also enabled the introduction of annualised hours and the elimination of overtime.

Partnership also transcended the industrial relations sphere at Tegral. A series of partnership-based task teams were established to identify operational improvements, including one on the handling of scrap, which immediately led to significant waste reduction savings. It was clear from interviews with frontline employees by the independent evaluators of the NWO programme (Totterdill and Sharpe, 1999) that they had known of the potential for such savings for a considerable time. It was only the establishment of partnership culture and practices that encouraged them to bring this to the attention of management.

In a second stage of development, the partnership forum instigated self-organised teamworking throughout the company as a means of extending partnership culture to the frontline. Employees received training in team-based practice and a layer of supervisory management was removed in order to build team autonomy, closer engagement with customers and control over day-to-day working life. Such participatory forms of work organisation are highly trust-based and, in the case of Tegral, stemmed directly from partnership culture and the practice of gainsharing.

A highly developed example of the nurturing relationship between representative participation and participative teamworking comes from a surprising source. **Kaiser Permanente (KP)** is the biggest non-profit healthcare organisation in the US. KP has received a great deal of attention amongst European health services for its high standards and cost effectiveness, particularly in the integration of primary and acute services. Less widely reported is the high level of trade union and employee involvement that underpins these achievements, driving the introduction of multidisciplinary teamworking and other service innovations.

KP's Labor Management Partnership (LMP) involving managers, workers and physicians is the largest and most comprehensive agreement of its kind. The LMP was formed in 1997 after years of labour turmoil within Kaiser Permanente, combined with growing competitive pressures in the sector. Two years earlier, 26 local unions representing KP workers had joined together in the Coalition of Kaiser Permanente Unions to coordinate bargaining strategy more effectively. Kaiser Permanente and the Union Coalition created the LMP as a means of transforming their relationship and the organisation

as a whole. Today it covers more than 92,000 union employees, including some 20,000 managers and 16,000 physicians across nine states and Washington DC.

Partnership in KP goes far beyond traditional industrial relations. On a day-to-day basis partnership means that workers, managers and physicians engage in joint decision-making and a problem-solving process based on common interests. KP's Value Compass was originally formulated by the LMP to set the direction for improving organisational performance by focusing on subscribing members of the public and patients. The Value Compass is now driving the corporate agenda, based on the concept of the balanced score card to maximise performance and so create value:



Workplace social dialogue at KP takes place at three interdependent levels: the strategic and policy level provides a platform for whole-systems change and continuous improvement, the meso level is the locus for union representation and management in the day-to-day operation of the business, and the microsystems level comprises Unit Based Teams (UBTs) as the basic building block.

Unit Based Teams were introduced in 2005 following extensive discussion in the LMP and provide the platform for performance improvement across Kaiser Permanente. More than 90,000 employees now work in 34,000 unit-based teams. A team includes all the participants in a natural work unit or department, including supervisors, union stewards and staff members, physicians, dentists and managers. The team supports the regional business strategy and goals for performance, service quality, efficiency and growth. Because teams increase consistency and standardisation of treatment, they also improve care. A dramatic reduction in sepsis has been attributed to the introduction of UBTs, as has the success of the design and implementation of the integrated IT electronic patient record system.

At UBT level there is an expectation that everyone will contribute to building the vision for the future direction of the business. Unit Based Teams tap the creativity, skills and experience of their members in a process that consistently engages frontline workers in improving performance. The LMP ensures the quality of dialogue and participation at team level through a system of *Inclusion Control and Openness*. Unions credit the arrangement not only with improving patient care and satisfaction, but in making Kaiser Permanente a better place to work.

The significance of KP for this study is that it demonstrates the way in which workplace social dialogue can permeate the whole organisation even in a context where partnership is somewhat

antithetical to the national system of industrial relations. Representative partnership in the form of the LMP acts as both the stimulant and guardian of direct participation at the frontline – with demonstrable benefits for organisational performance, staff and patients.

An example from the healthcare sector in Europe demonstrates that *regional* social dialogue can play a comparable role in driving direct participation, in this case involving significant service redesign and restructuring. At **Guastalla Hospital** in Italy, an agreement signed by management in the Reggio Emilia Local Area Health Authority, by the trade union confederations Cgil, Cisl and Uil, and by the doctors' unions led to a partnership-based process of service appraisal and redesign in order to achieve a better and more efficient service, as well as improved job satisfaction and working conditions. Highly participative change methods such as Search Conferences and inclusive task groups enabled the knowledge and experience of staff at all levels to be engaged in the redesign of work organisation and the reduction of hierarchical and professional demarcations. As a result, high involvement work practices emerged which achieved integrated patient pathways as well as enhanced cooperation and mutual learning. Quality of care and patient satisfaction improved while lead-times and inefficiency were reduced (Telljohan, 2010).

In the Netherlands, the **CAO-wasstraat** programme developed by the Centre for Social Innovation provides further insight into the way in which formal workplace social dialogue structures are shaping working practices. 'CAO' means a collective agreement on employment conditions and 'wasstraat' is a car wash, representing a metaphoric cleansing of obstacles to flexibility and autonomy at work. In practice the programme offers participating organisations a rigorous appraisal of collective labour agreements (CLAs) and the systemic removal of restrictive paragraphs. In addition, new measures are added to reinforce flexible behaviour, mobility and training, involving dialogue between employees and line managers. CAO-wasstraat is a programme that enables negotiators to realise collective agreements that provide opportunities for productive reflection in working life, starting with the construction of a common vision.

In three carwash sessions of four hours each, delegations of social partners are supervised by two consultants. The three sessions globally follow the pattern of 'establishing a common vision', 'what do other collective agreements do?' and 'establishing the route to get there', although each programme is tailor-made to suit the specific situation of the case. The sessions concentrate on what parties have in common rather than stressing their differences and they are held prior to formal collective bargaining. Delegations consist of union representatives, sometimes a few shop stewards, HR managers, or heads of employers' associations and other representatives. Half the costs are met by the Ministry for Employment and Social Affairs, and the other half is paid for by the social partners taking part in the process. Five carwashes were completed in the period 2009–2011 and the phrase 'carwash' is becoming an increasingly recognised phrase in social partnership circles.

Tegral, Kaiser Permanente, Guastalla Hospital and the CAO-wasstraat programme each illustrate the potential role of formal structures from partnership forums to improvement groups in instigating, resourcing and sustaining direct employee participation. However Table 2 also drew attention to the importance of informal processes at both strategic and task levels. The following example from the vehicle components sector in Flanders illustrates the interaction of the formal and informal. **Tower Automotive** underwent dramatic transformation after a period of severe crisis in 2008/9. Edwin Van Vlierberghe joined Tower in 2009, the eighth plant leader in eight years. His priority was to break

with precedent and become visible on the shop floor, creating opportunities for employee dialogue. Van Vlierberghe invited the plant's trade unions to discuss the financial situation, sharing information openly to enable them to reach their own conclusions about the need for redundancies. He worked with employees and unions to find creative solutions to the crisis, including functional flexibility and temporary outplacements to neighbouring companies until demand returned.

Van Vlierberghe's management of the crisis earned considerable respect amongst employees and unions, and opened new, trust-based approaches to communication and dialogue. He has gradually transformed organisational culture, retraining line managers from a top-down approach to one in which their role is to empower and engage employees. Closing the gap between management and frontline workers' perceptions and experience is a key component in this culture change. Managers are encouraged and resourced to 'think as an operator'; frontline employees are asked to reflect on the types of management behaviours that would enable them to work more effectively. Where necessary the new plant leader has not hesitated to remove those managers unable to make the transition. His willingness to drive this transformation, and his consistency of approach, clearly lies at the heart of its success.

Van Vlierberghe's underlying goal has been to create an organisation in which quality, improvement and innovation are everyone's concern, improving company performance through job enrichment. Frontline employees are as much responsible for driving improvement as they are for performing their functional tasks. Critically, Towers' approach recognises that spaces for productive reflection and dialogue have to be built into the everyday working life of each employee and that these cannot be confined to occasional participation in formal structures.

One UK company has made strides in this direction with a remarkable absence of formal structures and procedures. The **Lindum Group** is a fascinating case involving transformation from a traditional construction company to a diverse and entrepreneurial organisation. In the early 1990s Lindum was not a high performing company. According to one long serving manager the dominant management style 'was about control really ... it was hands on from the top management-wise'. However, these top managers 'couldn't see everything and couldn't control everything ... things went wrong because the staff didn't really have the authority or the empowerment to do anything about it'.

When David Chambers took over from his father as Chair in the early 1990s he was determined to do things differently, and to create an environment where employees can thrive and be creative. Lindum has consistently appeared in the *Sunday Times 100 Best Companies to Work for* list over several years. Senior management attributes this to a dramatic culture shift achieved by changing the leadership approach to empower employees. This shift included a transformation of the leadership structure, an increase in stakeholder involvement through employee share ownership and an equal profit-related bonus for all employees. Lindum has grown by enabling and resourcing its employees' talents and creativity.

Lindum is remarkably free of formal rules, protocols or procedures: the emphasis is on 'what works'. One of Chambers' early tasks was to remove the separate operating companies and bring them under one Executive Board in order to reduce complexity and bureaucracy. Under the old structure the 14 different boards had given frontline employees little opportunity to come forward with their own ideas. Although the Executive Board is a tightly bound team, the different trading divisions

pursue their own direction with limited central coordination. Meetings throughout the company also tend to be relatively informal, ad hoc and inclusive.

On the other hand, informal dialogue and consultation is widespread. One rule which the company does try to enforce is that 'the best argument should win no matter who makes it', whether addressing factors that shape the strategy and culture of the organisation as a whole or those that shape the ways in which employees engage with colleagues and work tasks. According to Warren Glover, Lindum's General Manager, 'this is more than words; this means managers can't just insist on pushing through an idea without being able to justify it, and all employees have a voice'.

Lindum recognises that innovative organisations are those which provide opportunities for employees at all levels to exercise imagination and creativity, and to use the full range of their knowledge and expertise. Employees are actively encouraged and resourced to identify potential service and process innovations. For example, the manager responsible for maintaining the company's construction plant realised that there was a potential market if existing resources could be expanded to service heavy goods trucks and emergency vehicles. He was given training and support to develop a business plan and subsequently established a new trading division within Lindum.

The company is prepared to take risks and to look on failure as a learning and development opportunity. Individuals or teams are not 'punished' in such circumstances because this would only serve to reduce creativity and the impetus to innovate. Warren Glover is clear about the benefits of such a culture: 'that's over 440 pairs of eyes looking out for new market opportunities, new parcels of land or cost saving ideas'. The business has diversified into several new markets based on employee-generated ideas and initiatives and now has 12 trading divisions including construction, joint venture commercial property, house building, plant, joinery and maintenance within East Anglia and the East Midlands.

## **Reflections on the cases**

These cases only begin to describe the diversity of workplace social dialogue contexts and practices that exist in Europe. The cases add weight to our argument that workplace social dialogue cannot only be understood in terms of formal, rights-based structures. Rather it can exist in less tangible ways and it embraces both strategic and task-based decision-making.

Tegral, Kaiser Permanente and Guastalla add direct insight into the question that lies at the heart of this paper. Both cases demonstrate that representative workplace social dialogue can stimulate and shape the development of participative work practices where there is shared understanding of the need to drive management-union partnership beyond the confines of traditional industrial relations. In terms of Table 2, these three cases demonstrate a clear connection between Boxes 1 and 3, but also lead to the less tangible culture changes represented by Box 4 (see Figure 2.1). The arrows are two-way because representative partnership both shapes and is shaped by direct participation:

**Figure 2.1: Tegral, Kaiser Permanente and Guastalla Hospital**



The Tower case places much greater emphasis on the informal side of Table 2. Formal structures were in place at Tower, including a works council and team-based production systems, but Edwin Van Vlierberghe realised that dialogue and culture change at the informal level were required to build the reflexivity and creative solutions required at both task-based and strategic levels if breakthroughs were to be achieved. His starting point was therefore to create spaces for informal dialogue with trade union and employee representatives as a means of transforming formal practices. Again the two-way arrows shown in Figure 2.2 suggest the existence of mutually reinforcing practices:

**Figure 2.2: Tower Automotive**





Lindum (Figure 2.3) presents a very different case: formality is largely absent yet dialogue is rich, pervasive and intended to be inclusive within the informal sphere; an evolving bridge between the strategic concerns of senior management and the tacit knowledge of employees:

**Figure 2.3: The Lindum Group**



Each case demonstrates in different ways how diverse forms of workplace social dialogue (formal/informal; strategic/task-based) combine in mutually reinforcing ways when knowledge-sharing and the co-production of innovation and improvement become the bridge between direct and indirect forms of participation.

### **Walls and ceilings: why representative participation doesn't have more influence on the shopfloor**

Tegral and Kaiser Permanente are remarkable because they are unusual: they remain 'weak signals' indicating a possible but as yet uncertain future. Most representative social dialogue structures appear unable to transcend traditional industrial relations spheres of activity.

Many different types of walls and ceilings can be found in organisations. It is well understood that HR and IR often operate in an organisational silo, only seen as relevant to operational managers, or even to Boards, when something goes wrong. The economic, technological, market or regulatory forces which drive change in organisations are often far removed from the language of industrial relations: IR often has to deal with the consequences of innovation but there may be little shared understanding of how it is shaped.

HR may also try to establish its own corporate legitimacy and profile by establishing 'employee voice' initiatives and may not wish to share ownership with partnership structures, hence actively

reinforcing the dualism between discretionary direct participation and rights-based representative participation described above. Declining union membership has renewed interest in the fundamental importance of voice (Budd, 2004) but the rise of non-union voice mechanisms has sparked several concerns over the functioning and legitimacy of alternative forms (Gollan, 2006). Managers may seek involvement only on 'their terms' and only on management-driven agendas (Dundon et al, 2006). In such cases, employees may perceive that partnership structures become mere 'talking shops' with a resulting lack of tangible and visible outcomes (Tailby et al, 2004). In many cases what happens in these forums is not effectively communicated to the workforce at large, either because they are management-dominated or because of failures of articulation on the employee/union side (Oxenbridge and Brown, 2004).

The competence of trade union and employee representatives in terms of work organisation should also be considered. It may be difficult (particularly in non-union organisations) to find employees willing and able to serve in such a capacity without strong management support for fair and transparent selection procedures and, especially, providing proper training (NCPP, 2004). The quality of employee representatives is obviously crucial for effective voice arrangements, particularly where they are expected to deal with complex issues driven by economic performance, technological change and new working practices (Gollan, 2006). Doherty (2008) argues that where voice and involvement or partnership arrangements are in place, a lack of effective employee representation and management or trade union commitment can quickly lead to a lack of faith in the arrangements.

## **Embedding productive reflection as a function of workplace social dialogue**

In this concept paper we suggest that workplace social dialogue is not static and that shifts in its form are occurring. Just as the EPOC study revealed extensive direct forms of dialogue in the 1990s, we suggest that other variants of social dialogue are appearing but with less defined and tangible characteristics. We have coined the term 'productive reflection' in order to draw attention to the possibility that dialogue can take place within different spaces and at different levels of the organisation. We also suggest that, for it to be effective, it needs to utilise the collective resources of the organisation. Productive reflection requires a number of pre-conditions including equality of esteem and high levels of trust relations between actors. It leads us to seek out more distributed kinds of leadership: each actor has competence and can lead the necessary changes in conjunction with others. At the organisational level this also means accounting for different organisational cultures of reflection, often highly specific to the markets and context of the individual enterprise. Such issues raise problems for surveys which must therefore probe increasingly varied and informal forms of dialogue. How can a survey be sensitive to how people talk about learning at work and to the performance expectations of normal workflow relationships and agendas?

Such a perspective shifts the focus away from institutional participation towards understanding the active and constitutive role of participants in change processes. There are research approaches that take the debate about employee participation into a concern with the process and methodology of participation. Gustavsen (1993) gives a good account of many of the programmes of action research since Lewin, and privileges one form of action research that he entitles 'democratic dialogue'. Romme (2003) builds on this analysis, advocating collective reflection within a design-oriented

methodology of intervention. His work was carried out in a Dutch enterprise that sought to go beyond the limited form of institutional participation. However there are few such well-evidenced examples to account for the possible changing forms of workplace dialogue. Available evidence is primarily based upon case study material that offers rich qualitative insight. However, surveys such as EPOC and others detailed in the report of the Meadow project have sought to evidence the changing facets of participation and can help to identify possible indicators<sup>2</sup>.

## **Finding the measurables**

This paper begins with a straightforward question: can representative partnership animate, inform and sustain work practices based on high levels of direct participation? Through the analysis of research and case study evidence we have begun to build a conceptual framework using dialogue, knowledge-sharing and productive reflection to break through the dualism between formal, rights-based representative structures and discretionary direct participation.

However the empirical shape that this emergent relationship takes in actual organisations remains hard to characterise because, as we say above, it is highly contextualised. As our conceptual framework developed it also became clear that informal, spontaneous and much less tangible practices play a critical role alongside formal structures, and of course these are harder to capture, measure or describe.

What is needed is a more precise identification of potential indicators. We argue that these fall into work organisation, social dialogue and behavioural categories, some of which have existing survey histories and questions:

### **Work organisation indicators**

- How work is organised.
- The standardisation or volatility of work routines.
- The space for intervention and adaptation.
- The degree of formality of methods and processes.
- The individualised or collectivised nature of work.

### **Social dialogue indicators**

- The form of representation and the scope of the partnership agreement
- The issues dealt with and the extent to which this embraces strategy, organisational performance, values and practices as well as the micro issues surrounding tasks.
- The timing of participation.
- The degree of employee influence and the extent to which it can affect work practices and working life issues.
- The permanence of the mechanism and the degree of formality and informality.
- Its independence from employers, allowing clear channels of dialogue to exist between employee representatives and frontline workers.

---

<sup>2</sup> Meadow is a European project involving 14 research teams and coordinated by the CEE (Centre d'Études de l'Emploi); The MEADOW project is designed to set out Guidelines for collecting and interpreting harmonised data at the European level on organisational change and its economic and social impacts.

- The facilities and support provided.
- The agents of dialogue – individuals, teams and wider collectivities.

### **Behavioural indicators**

- Actors have competence and ability to lead necessary changes in conjunction with others.
- The range of skills and competence needs of the actors.
- An open culture which allows people to talk about learning at work and to question the performance expectations of normal workflow.
- Actors think and propose solutions without tightly imposed boundaries.
- A high utilisation of contextual and interactional/team learning that is continuous and has capacity for reflection embedded in processes.
- Thinking beyond the narrow task includes systemic as well as one-off adaptations.
- Professional knowledge and experience brought in where necessary.

### **Towards the third ECS**

There are many existing survey instruments that can supply questions to enable these indicators to be realised. Chief amongst these in terms of relevance is the EPOC study, which contains the most detailed and sustained questions regarding workplace social dialogue. Elements of section B and C of the EPOC questionnaire could, with some adjustment, be used to address the work organisation and social dialogue indicators. Similarly the European Foundation's *European Working Conditions Survey* has numerous questions on issues of employee autonomy, job content and access to training, which are important for both work organisational and behavioural indicators. The work of the Meadow project is of enormous help in delineating the available survey instruments that can measure organisational change and innovation; chapter 4 of the report offers important approaches to assessing social dialogue. On the behavioural variables, questions could be drawn from the SKOPE skills survey that links social dialogue and training (Felstead, 2008) or the *Good Work Index*, which clusters questions on, for example, opportunities for participation, creativity, employee development and business culture (Voss, 2009).

Peter Totterdill, Peter Cressey and Rosemary Exton

## References

- Ackers, P., Marchington, M., Wilkinson, A. and Dundon, T. (2005), 'Partnership and Voice, with or without Trade Unions: Changing UK Management Approaches to Organisational Participation', in Stuart, M. and Martinez Lucio, M. (eds.), *Partnership and Modernisation in Employment Relations*. London: Routledge.
- Antila, J., Ylöstalo, P. (1999), *Functional Flexibility and Workplace Success in Finland*. Helsinki: Ministry of Labour.
- Applebaum, E. and Batt, R. (1994), *The New American Workforce: Transforming Work Systems in the United States*. Ithaca, NY: Cornell ILR Press.
- Bacon, N. and Storey, J. (2000), 'New Employee Relations Strategies in Britain: Towards Individualism or Partnership', *British Journal of Industrial Relations*, Vol. 38, No. 3, pp. 407–427.
- Bartram, T., Stanton, P., Leggat, S., Casimir, G. and Fraser, B. (2007), 'Lost in translation: exploring the link between HRM and performance in healthcare', *Human Resource Management Journal*, Vol. 17, No. 1, pp. 21–41.
- Batt, R. and Applebaum, E. (1995), 'Worker participation in diverse settings: Does the form affect the outcome, and if so, who benefits?' (CAHRS Working Paper #95-06). Ithaca, NY: Cornell University, School of Industrial and Labor Relations, Center for Advanced Human Resource Studies. Available at: <http://digitalcommons.ilr.cornell.edu/cahrswp/196>.
- Beaumont, P.B. and Hunter, L.C. (2005), 'Making Consultation Work: the importance of process'. CIPD London.
- Bessant, J., Adams, R. and Phelps, R. (2006), 'Innovation management measurement: A review', *International Journal of Management Reviews*, Vol. 8, No. 1, pp. 21–47
- Borrill, C., West, M., Shapiro, D. and Rees, A. (2000), 'Team working and effectiveness in health care', *British Journal of Health Care*, Vol. 6, pp. 364–371.
- Boud, D., Cressey, P. and Docherty, P. (2006). *Productive Reflection at Work*. London: Routledge.
- Boxall, P. and Purcell, J. (2003). *Strategy and Human Resource Management*. Basingstoke: Palgrave Macmillan.
- Brödner P. (2000) 'Organisational Learning? Beyond Continuous Improvement'. Paper presented at the 3rd International Conference (Euro) CInet CI 2000: *from Improvement to Innovation*, Aalborg, 18–19 September.
- Brödner, P. and Latniak, E. (2002), *Sources of Innovation and Competitiveness: National Programmes Supporting the Development of Work Organisation*. Final Report to DG Employment and Social Affairs. Gelsenkirchen: Institute for Work and Technology.
- Budd, J. (2004), *Employment with a Human Face: Balancing Efficiency, Equity and Voice*. Ithaca, NY: Cornell University Press.

Bryson A., Forth, J. and George, A. (2011), *Analysis of Social Dialogue at the Workplace using ECS 2009*. Draft Report to the European Foundation.

Bryson, A., (2001), 'The Foundation of 'Partnership'? Union Effects on Employee Trust in Management.' *National Institute Economic Review*, Vol. 176, p. 91.

Bryson, A., Forth, J. and Kirby, S. (2005), 'High Involvement Management Practices, Trade Union Representation and Workplace Performance in Britain', *Scottish Journal of Political Economy*, Vol. 52, pp. 451–491.

CBI/TUC (2001) *The UK Productivity Challenge*. Report of the Best Practice and Productivity Working Party.

Cotton, J.L. (1993). *Employee involvement: Methods for improving performance and work attitudes*. London: Sage Publications.

Danford, A., Richardson, M., Stewart, P., Tailby, S., and Upchurch, M. (2005), 'Workplace Partnership and Employee Voice in the UK: Comparative Case Studies of Union Strategy and Worker Experience', *Economic and Industrial Democracy*, Vol. 26, p. 593.

Doherty, M. (2008), 'Hard law, soft edge? Information, consultation and partnership', *Employee Relations*, Vol. 30, No. 6, pp. 608–622.

Dundon, T., Curran, D., Ryan, P. and Maloney, M. (2006), 'Conceptualising the dynamics of employee information and consultation: evidence from the Republic of Ireland', *Industrial Relations Journal*, Vol. 37, No. 5, pp. 492–512.

European Foundation for the Improvement of Living and Working Conditions (1997), *Employee Participation and Organisational Change*. EPOC survey of 6000 workplaces in Europe. Dublin: Eurofound.

European Work & Technology Consortium, 1998.

Exton, R. (2010), 'Enterprising health: Creating the conditions for entrepreneurial behaviour as a strategy for effective and sustainable change in health services', *Journal of Health Organization and Management*, Vol. 24, No. 5, pp. 459–479.

Felstead, A. (2008), *Employee Involvement, the quality of training and the learning environment: an individual level analysis*. SKOPE Paper No. 80, University of Cardiff.

Ferlie, E., Fitzgerald, L., Wood, M., Hawkins, C. (2005), 'The Non-spread of Innovation: The Mediating Role of the Professionals', *Academy of Management Journal*, Vol. 48, No. 1, pp. 117–133.

Fernie, S., and Metcalf, D. (1995), 'Participation, contingent pay, representation and workplace performance: Evidence from Great Britain', *British Journal of Industrial Relations*, Vol. 33, pp. 379–415.

Fondazione Istituto per il Lavoro (ed.) (2003), *Globalizzazione dell'economia, strategie di impresa e qualità della vita lavorativa*. Milan: Franco Angeli.

Geary, J. and Roche, W.K. (2003), 'Workplace partnership and the displaced activist thesis', *Industrial Relations Journal*, Vol. 34, No. 1, pp. 32–51.

Gollan, P. (2006), 'Editorial: consultation and non-union employee representation', *Industrial Relations Journal*, Vol. 37, No. 5, pp. 428–437.

Grant, D. and Shields, J. (2002), 'Employee Reactions to Human Resource Management: Debates and Perspectives', *The Journal of Industrial Relations*, Vol. 44, No. 3, pp. 309–312.

Guest, D. (2000), 'Human resource management and industrial relations', in J. Storey (ed.) *Critical Perspectives on Human Resource Management*, 3rd edn. London: Routledge.

Guest, D. and Peccei, R. (1998), *The Partnership Company*. London: Involvement and Participation Association.

Guest, D. and Peccei, R. (2001), 'Partnership at Work: Mutuality and the Balance of Advantage', *British Journal of Industrial Relations*, Vol. 39, No. 2, pp. 207–236.

Gustavsen, B. (1992), *Dialogue and Development*. Assen/Maastricht: Van Gorcum.

Hall, M. (2006), 'A cool response to the ICE regulations? Employer and trade union approaches to the new legal framework for information and consultation', *Industrial Relations Journal*, Vol. 37, No. 5, pp. 456–472.

Haynes, P. and Allen, M. (2001), 'Partnership as Union Strategy: A Preliminary Evaluation', *Employee Relations*, Vol. 23, No. 2, pp. 164–187.

Huselid, M. A. (1995), 'The impact of human resource management practices on turnover, productivity, and corporate financial performance', *Academy of Management Journal*, Vol. 38, pp. 635–672.

Huselid, M.A., Jackson, S.E., and Schuler, R.S. (1997), 'Technical and strategic human resource management effectiveness as determinants of firm performance', *Academy of Management Journal*, Vol. 40, No. 1, pp. 171–188.

Ichniowski, C., Kochan, T., Levine, D., Olson, C. and Strauss, G. (1996), 'What works at work: overview and assessment', *Industrial Relations*, Vol. 35, No. 3, pp. 299–333.

IPA (1997), <http://www.ipa-involve.com>

IPA (2007), 'Towards Industrial Partnership: New Ways of Working in British Companies.' Executive summary. London: Involvement and Participation Association. Available at <http://www.ipa-involve.com>

ITPS (2001), *Enterprises in Transition: Learning Strategies for Increased Competitiveness*. Östersund: ITPS.

Kark, R. and Carmeli, A. (2008), 'Alive and creating: the mediating role of vitality and aliveness in the relationship between psychological safety and creative work involvement', *Journal of Organizational Behaviour*. Available at: [www.interscience.wiley.com](http://www.interscience.wiley.com).

Knell, J. (2000), *Most wanted: The quiet birth of the free worker*, London: Industrial Society.

Kessler, I., and Purcell, J. (1995), 'Individualism in theory and practice', in Edwards, P. (ed.), *Industrial Relations: Theory and Practice in Britain*. Oxford: Blackwell.

Kessler, I. (2005), 'Consulting and informing employees in the public sector', in Storey, J. (ed.), *Adding Value through Information and Consultation*. Basingstoke: Palgrave.

Kim, J., MacDuffie, J. P. and Pil, F.K. (2010), 'Employee voice and organizational performance: Team versus representative influence', *Human Relations*, Vol. 63, p. 371.

Lado, A.A. and Wilson, M.C. (1994), 'Human resource systems and sustained competitive advantage: a competency-based perspective', *Academy of Management Review*, Vol. 19, No. 4, pp. 699–727.

Lay, G., Dreher, C. and Kinkel, S. (1996), Neue Produktionskonzepte leisten einen Beitrag zur Sicherung des Standorts Deutschland. *ISI Produktionsinnovationserhebung* Nr. 1, Karlsruhe: FhG-ISI.

Lucio-Martinez, M. and Stuart, M. (eds.) (2002), 'Assessing Partnership: The Prospects for, and Challenges of, Modernisation', *Employee Relations*, Vol. 24, No. 3, pp. 395–573.

Macy, B. A. and Izumi, H. (1993), 'Organizational change, design, and work innovation: a meta-analysis of 131 North American field studies – 1961-1991.' *Research in Organizational Change and Design* (Vol. 7). Greenwich, CT: JAI Press.

McNulty, T. (2003), 'Redesigning Public Services: Challenges of Practice for Policy', *British Journal of Management*, Vol. 14, pp. 31–45.

NCPP (2002), 'Building a Coalition for Change: Implementing the Health Strategy using a Partnership Approach.' Dublin: National Centre for Partnership and Performance. Available at [www.ncpp.ie](http://www.ncpp.ie).

Nonaka I. and Konno, N. (1998), 'The concept of "Ba" – Building a foundation for knowledge creation', *California Management Review*, Vol. 40, No. 3.

NUTEK (1996), *Towards Flexible Organisations*. Stockholm: NUTEK.



O'Connell, P.J., Russell, H., Williams, J. and Blackwell, S. (2003), *The Changing Workplace: A Survey of Employees' Views and Experiences*. Dublin: NCPP.

Oxenbridge, S. and Brown, W. (2004), 'Achieving a new equilibrium? The stability of cooperative employer-union relationships', *Industrial Relations Journal*, Vol. 35, No. 5, pp. 388–402.

Pass, S. (2008), *Working in Partnership: What does the academic research tell us?* London: Department of Health.

Piore, M.J. and Sabel, C. (1984), *The Second Industrial Divide: Possibilities for Prosperity*. New York: Basic Books.

Purcell, J., Kinnie, N.J., Hutchinson, S., Rayton, B. and Swart, J. (2003), 'Understanding the People and Performance Link: Unlocking the Black Box', London: CIPD.

Romme, G. (2003), 'Making a Difference: Organisation as Design', *Organisational Science*, Vol. 14, No. 5.

Rousseau, D. (1995), *Psychological contracts in organisations*. Thousand Oaks, CA: Sage.

Savage, P. (2001), 'New Forms of Work Organisation – the benefits and impact on performance.' *European Work Organisation Network Research Paper*. Brussels: European Commission.

Sharpe, A. and Totterdill, P. (1999), *An evaluation of the new work organisation in Ireland Programme*, Dublin: Irish Productivity Centre.

Sisson, K. (2002), *The Information and Consultation Directive: unnecessary 'regulation' or an opportunity to promote 'partnership'*. Warwick Papers in Industrial Relations, No. 67.

Tailby, S., Richardson, M., Stewart, P., Danford, M. and Upchurch, M. (2004), 'Partnership at Work and Worker Participation: An NHS Case Study', *Industrial Relations Journal*, Vol. 35, No. 5, pp. 403–418.

Teague, P. (2005), 'What is Enterprise Partnership?' *Organization*, Vol. 12, No. 4, p. 567.

Telljohann, V., (2010), 'Employee-driven innovation in the context of Italian industrial relations: the case of a public hospital', *Transfer*, Vol. 16, No. 2.

Thompson, P. and McHugh, D. (2002), *Work Organizations: A Critical Introduction* (3rd edn). Basingstoke: Palgrave.

Totterdill, P., Dhondt, S. and Milsome, S. (2002), *Partners at Work? A Report to Europe's Policy Makers and Social Partners*. The Work Institute, Nottingham (available at [www.ukwon.net](http://www.ukwon.net)).

Voss, E. (2009), *Working Conditions and Social Dialogue*. Dublin: European Foundation for the Improvement of Living and Working Conditions.

WERS (1998), *Workplace Employee Relations Survey: First Findings*. London: Department of Trade & Industry (available at: <http://www.berr.gov.uk/whatwedo/employment/research-evaluation/wers-98/index.html>).

West, M.A., Borrill, C.S., and Unsworth, K. (1998), 'Team effectiveness in organizations', in Cooper, C.L. and Robinson, I.T. (eds.). *International review of industrial and organizational psychology*, Vol. 13 (pp. 1–48). Chichester: Wiley.

West, M., Borrill, C., Dawson, J., Scully, J., Carter, M., Anelay, S., Patterson, M. and Waring, J. (2002), 'The link between the management of employees and patient mortality in acute hospitals', *International Journal of Human Resource Management*, Vol. 13, No. 8, pp. 1299–1310.

Weldon, E. and Weingart, L.R. (1993), 'Group goals and group performance', *British Journal of Social Psychology*, Vol. 32, No. 4, pp. 307–334.

Wilkinson, A., Dundon, T., Marchington, M., and Ackers, P. (2004), 'Changing Patterns of Employee Voice: Case Studies from the UK and Republic of Ireland', *Journal of Industrial Relations*. JIR, Vol. 46, p. 298.

EF/13/99/EN