The Impact of Employee Participation on Well-being: Comparative Danish and New Zealand Cases

Ray Markey, Candice Harris, Katherine Ravenswood, & Gay Simpkin
NZ Work & Labour Market Institute
Auckland University of Technology

Herman Knudsen, Ole Busck & Jens Lind
Aalborg University
Introduction

- we evaluate impact of employee participation (EP) on quality of work environment (QWE)
- Major Dk & NZ policy concerns:
  - *work/life balance* – NZers work long hours, 40% more than 45
  - *OHS* – poor injury & disease record, 1000 deaths pa, 4-8% GDP
  - *labour turnover & absenteeism* – major business costs & indicator of QWE
- QWE as central Scandinavian concept, broadening OHS focus to include psycho-social demands of job
- But some counter evidence
Hypotheses

1. Effectiveness of EP correlates positively with QWE

2. Correlation stronger where EP depth & range greater: hence Dk compared with NZ
**EP Focus**

*Direct participation (DP)*: influence on job organisation & hours, teams, learning possibilities

*Representative forms of participation (REP):*

- **Unions** – NZ 21-22% density; Dk 70%
- **OHS committees legislatively mandated:**
  - NZ *Health & Safety in Employment Act 1992* as amended 2002 -threshold 30 employees & may have representatives if requested by unions or employees
- **Other non-union:**
  - NZ Joint consultative committees (JCCs) – variously titled,, 40% workforce coverage, 25% employee reps. chosen by employers (Boxall et al. 2007)
  - Dk cooperation committees by central agreement since 1947: forums for consultation over working conditions, training, work organisation, technological/organisational change in most enterprises of 35+
Research design & methodology

- **Multi-method case studies**: 2 organisations in each of 3 industries in each country: education (schools), health (hospital & aged care), food manufacturing
- **Data sources**: Organisational documents &
  - Interviews with CEO, HR manager, 2 employee OHS/JCC/union reps.
  - Survey of employee sample at each organisation
- **Survey analysis**: QWE measured by 7 questions re total work environment, & psycho-social (6 questions workload/stress)
  - Score out of 40 for each dimension-points of 40, 30, 20, 10, 0 for 5-point scales; & 35/5 for 2-point (yes/no; NZ total work environment), multiplied by frequency & divided by no. responses
- Index created for each dimension & overall index for QWE
- Similar process for **direct participation** (4 questions)
- REP: different Dk & NZ environments required different questions
### Ideal types of REP (from qualitative & survey data)

<table>
<thead>
<tr>
<th>Workplace type</th>
<th>Description</th>
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</table>
| Formal regulatory - 2 sub-types:      | minimum required by regulatory framework; a) Mgmt/union partnership but not lay employees & REP minimum required by central agreement | a)DK: legislation + central & industry agreements  
b)NZ: legislation + collective agreements where exist  
b) may vary from unionised to non union; minimum required by legislation & agreement, no lay employee involvement  
| HRM                                   | embedded in humanistic HR approach, mgmt initiative mainly for performance, relatively weak, mainly confined to mandatory structures,   |
| Hybrid formal regulatory/HRM          | Mixture of both sets of practices                                                                                                               |
| Democratic                            | EP practices extensive, exceed legislation/central agreement requirements. Employees’ influence on planning, organisation, devt of work through regular meetings, & adhoc committees, issues discussed before decisions, strong coop & trust |
Dk Hospitals: A & B

- 2 wards in public regional hospital: DkA & DkB, employing 150 & 73 resp.
- Occupational groups: nurses largest, 97% females; also social & health assistants
- Danish hospitals as ‘well-organised IR systems’: active networks of employee reps. & coop. re education, OHS etc.
- Unions: separate, almost 100% density, elected delegates
- Coop. Committees with sub-units in every ward - in DkA deals with psycho-social issues; in DkB joint committee with OHS
- OHS committees: active & effective, +employee reps. on higher level committees
- Middle managers regularly engage with individual employees, + weekly ward meetings to discuss work issues & followed up by Coop. Committees
- Team organisation for patient groups or whole shift, with coordinator
- Managers responsive to employee needs -see ‘themselves as mediators between demands for cost effectiveness & professional & individual employee needs
- Flexible management of hours to employees’ benefit, part-timers minimised
- Regarded as attractive workplaces: DkA old facilities but DkB employees helped design workplace
NZ Aged care facilities: A & B

- 1 small city, 1 small town, run by charitable trusts, with board of trustees & GM (both women), employing 75-80,
- Occupational groups: mainly female care givers, A higher % registered nurses
- A’s GM in 1st year & pro union, B’s GM 11 years
- Active unions: NZA c.70%, NZB <50% density
- Both OHS c’tees predate Act – auditing for employer levy discounts & external accreditation for public funding
- Both have staff from all depts, strong hazard focus
- A’s high profile & autonomy – GM’s inclusive decision making through other c’tees (staff, dept.) & union too
- B’s c’tees defer to mgmt & communication focus, & employees uncertain of how reps. chosen
Dk Food manufacturing: C & D

- independent units of larger corporations, bread & confectionary
- Highly automated production lines; Workforce 1/2 skilled trade
- DkC (bread): mainly male, work physically demanding & 24/7
- DkD: 1/2 female, 3 shifts over 5 days, lean production techniques
- Team organisation: C based on shift/production line, D on functions
- Unionisation: almost 100%, elected delegates
- Coop & OHS committees: well organised, elected reps.
- DkC formal regulatory; DkD uses EP to motivate for productivity
- Management concerned with employee well-being in both, & <15% in either assess QWE as ‘bad’ or ‘very bad’
- but DkC more positive QWE assessments & DkD indicate higher workload issues
- Neither employees assess influence on work environment highly through DP or REP, though DkC more influence over work speed
NZ Food processing C & D

• C is NZ-owned, 65 employees; D foreign subsidiary, 1900 employees, 350 casual, both ethnically diverse
• Overtime & tiredness in both C & D, but C more & higher workloads/stress & lower job satisfaction
• Direct participation strong at both: high influence on how work done & how much, but lower information sharing & consultation re change
• D’s more extensive teamwork; C’s learning possibilities
• C non union, D 70% union
• C’s OHS c’tee reps by job position more than elected; top down communication through newsletters
• D dept & site c’tees; higher % raise issue, quickly resolve
• Other c’tees at both but B more structured & effective
Dk Schools: E & F

- DKE in village, DKF in small town in same municipality; public schools administered by Ministry, managed by municipality & principals
- DkE small, 1st 6 classes (NZ primary); DkF larger, to 10th year (+ junior 2ndary)
- National agreement + local ones re extra payments, hours allocation
- Unionisation: almost 100%, elected delegates
- Coop & OHS committees at school & municipal levels, highly developed in cases
- Principals required to manage in coop. with employees through REP
- 'codetermination' re work org. but if no agreement principal decides
- Teachers’ DP & job autonomy traditionally high but decline since 1990s as school boards & principals’ regulation increase + performance measures
- High workload, stress, violence, low professional devt. opportunity
- DkE principal & union delegate committed to democratic governance: all important work issues discussed & resolved consensually
- DkE collective DP institutionalised in weekly meetings of staff & various committees re budget, quality, assessment, new technology, individual cases
- DkF, staff meetings much less frequent; more mgmt decision-making & young teachers expect -less influence in DP & REP
NZ Schools: E & F

- Co-educational state secondary, E in Auckland, 1000 students; F small town, 650 students,
- conditions largely determined nationally but increasing local discretion recently
- almost 100% unionised
- mgmt & employees at both poorly understand HSE Act
- Management styles differ: joint forums at both (staff, dept. meetings), but greater range at E & mgmt committed to participative decision making, staff designed timetable & class size
- F more mgmt led & initiated, OHS c’tee non functional
- E’s OHS c’tee previously resolved dispute though hazard notice & considered more important than union
- E employees far more likely to rate safety & comfort of work +vely
- F more likely to have high workload, overtime, feel tired, be in emotionally distressing situations
# Table 1: QWE

<table>
<thead>
<tr>
<th>Work place</th>
<th>Total WE</th>
<th>Work load &amp; stress*</th>
<th>QWE index</th>
<th>No.</th>
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<td>Health:</td>
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<tr>
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* NB Values reversed
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<tr>
<th>Workplace</th>
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<th>Influence work execution</th>
<th>Information from mgmt</th>
<th>Learning possibilities</th>
<th>index</th>
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</table>
## Summary of results

<table>
<thead>
<tr>
<th>workplace</th>
<th>REP type</th>
<th>DP rank</th>
<th>QWE rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>DkB hospital</td>
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<tr>
<td>NZB rest home</td>
<td>HRM</td>
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<tr>
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<tr>
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<td>DkA hospital</td>
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<tr>
<td>NZD food man.</td>
<td>Hybrid HRM/ Formal regulatory</td>
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<tr>
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<td>Formal regulatory a)</td>
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<tr>
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<td>Formal regulatory b)</td>
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<td>12</td>
</tr>
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</table>
• Hypothesis broadly confirmed, but complexities & extra variables

• High correlation between REP, DP & QWE
  – 4 of top 5 ranked workplaces for both QWE & DP were ‘democratic’ REP
  – Dk & NZ ‘democratic’ schools rank higher for QWE & DP than ‘formal regulatory’ schools

• Also QWE/EP correlation stronger where EP depth & range greater
  – Confirmed at national level by Dk occupying 4 of top 6 QWE rankings
  – Dk has highest ranked workplace for QWE in each sector
  – Even where Dk workplaces ‘formal regulatory’ have greater EP range/depth

• Industry characteristics impact:
  – Health workplaces ranked 1-3 & 5, & only 1 (NZB) not ‘democratic’ (though high DP); industry likely to be focused on health issues
  – Schools: 3 ranked low on QWE (especially because of workload & stress); DkE exception but NZE low on QWE yet high DP & ‘democratic’ REP -international trends
Conclusions 2:

- Impact of ‘professionalism’ in schools & health: contributor to extensive DP & REP (4 health; 2 schools)
- Relative importance of DP & REP for QWE:
  - Only one case of clear disparity between DP & REP: NZB classified as ‘HRM’ but high ranked DP & QWE - suggests DP more important
  - NZC also ‘HRM’ but low DP & QWE rank
  - But sample too small to be conclusive
- Impact of other workplace factors indicated
- Indications that extra-organisational factors important even though HRM literature focuses on organisation
- Complexities warrant further examination