

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

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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
- Evidence re +ve impact of EP on QWE (eg Meyer & Topolnytsky 2000) & unions & representative committees +vely impact on OHS (Walters 2004)
- 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
 - Dk *Work Environment Act 1975*, threshold 20 employees, or 10 for reps.
- 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)

Workplace type	Description
<p>Formal regulatory -2 sub-types:</p> <p>a)DK: legislation + central & industry agreements</p> <p>b)NZ: legislation + collective agreements where exist</p>	<p>minimum required by regulatory framework; a) Mgmt/union partnership but not lay employees & REP minimum required by central agreement</p> <p>b) may vary from unionised to non union; minimum required by legislation & agreement, no lay employee involvement</p>
<p>HRM</p>	<p>embedded in humanistic HR approach, mgmt initiative mainly for performance, relatively weak, mainly confined to mandatory structures,</p>
<p>Hybrid formal regulatory/HRM</p>	<p>Mixture of both sets of practices</p>
<p>Democratic</p>	<p>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</p>

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^{1/2}
- 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

Work place		Total WE	Work load & stress*	QWE index	No.
Health:	DkA	25.8	28.4	27.1	93
	DkB	33.0	31.5	32.3	37
	NZA	35.0	24.2	29.6	6
	NZB	33.3	26.3	29.8	19
Food Man:	DkC	26.2	27.3	26.8	66
	DkD	22.3	21.4	21.9	53
	NZC	22.5	17.2	19.9	13
	NZD	27.5	22.2	24.9	17
Schools:	DkE	29.0	27.9	28.5	10
	DkF	24.4	23.9	24.2	41
	NZE	32.0	15.5	23.8	23
	NZF	24.2	11.3	17.8	26

* NB Values reversed

Direct participation (DP)

Workplace		Influence work load	Influence work execution	Information from mgmt	Learning possibilities	index
Health:	DkA	21.9	29.5	27.6	34.9	28.5
	DkB	21.8	27.7	27.7	33.1	27.6
	NZA	20.0	31.7	30.0	26.7	27.1
	NZB	19.4	27.9	31.1	34.2	28.2
Food Man:	DkC	15.2	20.2	20.3	17.7	18.4
	DkD	17.2	23.0	16.4	24.2	20.2
	NZC	23.6	27.5	16.2	27.7	23.8
	NZD	18.8	26.9	22.4	20.6	22.2
Schools:	DkE	24.0	31.0	30.0	29.0	28.5
	DkF	24.1	29.3	19.8	29.0	25.6
	NZE	24.8	27.4	24.8	31.3	27.1
	NZF	20.4	31.9	25.0	29.6	26.7

Summary of results

workplace	REP type	DP rank	QWE rank
DkB hospital	democratic	4	1
NZB rest home	HRM	3	2
NZA rest home	democratic	5	3
DkE school	democratic	1	4
DkA hospital	democratic	1	5
DkC food man.	Formal regulatory a)	12	6
NZD food man.	Hybrid HRM/ Formal regulatory	11	7
DkF school	Formal regulatory a)	8	8
NZE school	democratic	5	9
DkD food man.	Formal regulatory a)	10	10
NZC food man.	HRM	9	11
NZF school	Formal regulatory b)	7	12

conclusions

- 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