

# A Case of Unlikely Complementarity:

## Workers' Direct and Representative Participation in the Spanish Private Sector



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María C. González  
University of Oviedo

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# Research aim

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- **Factors** making more likely workplace workers' direct participation (DP) in Spain
- with a special interest in the role of **representative participation** (RP) as determinant of DP
- considering **HRM policies & managers' attitudes towards TUs**, besides structural & competitive variables



# The Spanish context for DP

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1. Regulation and Collective Bargaining
2. Labor management practices
3. TUs, employers & workplace politics



# The Spanish context for DP

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1. Regulation, Collective Bargaining and DP
  1. No promotion by the state of work org modernization, left to the social partners
  2. Not dealt with in CB above the firm
  3. Employer unilateral initiative possible (prerogative). DP becoming a matter for CB will depend on workplace politics



# The Spanish context for DP

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1. Regulation, CB and DP
2. Labor management practices and DP
  1. Main competitive strategy minimizing labor costs
  2. Non-innovative in work organization: highest odds of a simplified job EU-27 (Burchell et al 2007)
  3. Negative views on workers' capabilities (García and del Val 1996)



# The Spanish context for DP

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1. Regulation, CB and DP
2. Labor management practices and DP
3. TUs, employers & DP workplace politics
  1. Employers' prerogative on work organization, threatened by any extension of participation
  2. TUs suspicious of management initiatives and little interest in work organization however..  
opportunity to widen CB and increase TU power
  3. They may meet on productivity - QWL concerns



# Previous research results on RP→DP for Spain

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## Survey-based:

- (-) **Presence of workers' reps & CB** block DP  
– a Spanish phenomenon only (EPOC 1997)
- (+) **Workers' reps degree of influence over workers** makes HCM practices including DP more likely in manufacturing (Bayo and Merino 2002, 2004)



# Previous research results on RP→DP for Spain

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## Case-study based

- (+) Reps suspicious of teamwork - ideology & consequences - but see more pros than cons: **they support its adoption** (Blyton and Mtez Lucio 1995; Ortiz 1998, 2002)
- (+) **Presence of reps necessary but not sufficient condition for DP**, depends on managers' attitudes to participation (Juan Albalete 2005): **high road vs. low road argument** (Dundon et al 2006)





# Independent Variable RP

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- Whether there are **workers' representatives** (commonly also TU reps)
- Whether there is **information, negotiation or consultation** (weighted) **with workers reps** on a **list of 30 issues** reflecting law and practice (working conditions, performance and financial aspects, remuneration and work org)



# Data & methodology

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- Regional study, private sector (agriculture fishing excluded), workplaces > 24 workers
- Stratified by sector and employment size (confidence level 99.7%; error 2.5%)
- Postal survey HR managers 811 workplaces
- 107 valid cases (response rate: 13.2%).  
Satisfactory representativity tests
- Logistic regression



# Multivariate analysis – Results & discussion

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- The more **workers' reps** are **informed, consulted & negotiated with**, the more likely is a workplace to emphasize DP

Support for previous qualitative research finding **complementarity** between RP & DP



# Multivariate analysis – Results & discussion

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- Managers' attitudes to TUs (Godard 1997) or HR policies considered **do not** determine DP
- **Size** associated positively; **competing in costs** associated negatively with DP
- **Job learning time** is associated **negatively** with DP, so DP used at best

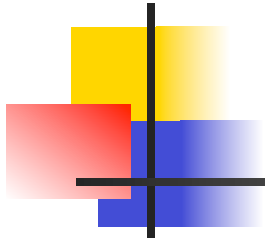
*as integration tool or motivational valve in a context of simplified standardized jobs, not connected to knowledge use!*



# Main implications

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- RP fosters DP, and DP is associated with competitive strategies more sophisticated than cost leadership
- but without the support of other HR policies and with neo-Taylorism **is about stability** rather than change or innovation, it supports **continuity in management**
- .. and the **politics of IR** may be enhancing it
- Neither the pragmatic view of participation as a **productive factor** nor the **QWL** view informed practice



Thank you

Merci



# What now?

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- Institutional rules not changed. Other forces?
- TUs: interest on job quality right before the current crisis is gone – 19.7% unemployed April
- **Modernization**: ICT firms growing in the region but average size small; EWCS 2005 no evidence of changes in work org, yet SQLWS shows improvement 06-08. If trend confirmed...
- ..likely consequence of changes in management supported by TUs: high road vs. low road approaches to participation still likely



# Dependent variable PD

- Index variable (Tüsselman et al 2003) dichotomized to reflect above average emphasis on DP as proxy for relatively high level of DP

Variable	Measurement	Transformation	Transformation Method	Frequency (%)	Mode
Direct Participation	Scale 0-23	1 – high DP 0 – low DP	Dichotomised at the mean ( $\mu = 5.11$ ; SD = 3.95), whereby 1 - above mean 0 - at/below mean	1 – 39 (36.4) 0 – 68 (63.6)	0





# Independent Variable RP

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- $RP = a + (b * d * 100)$ 
  - **activity** (a) = 1 if it has workers' reps; 0 otherwise
  - **breadth** (b) = no of issues dealt with/30  
30 is the máx number of issues considered
  - **depth** (d) = weigthed score by type of participation/90  
Weightings: inform= 1; consult= 2; negot=3; 90 is the max score possible



# Independent variable (RP)

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<b>Variable</b>	<b>Measurement</b>	<b>Mode</b>	<b>Median</b>	<b>Mean (SD)</b>
Indirect Participation	Scale 0-101	0	3.78	13.68 (19.62)

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# Other variables & expected sign

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- IR/HR
  - *Unions conflictive* (-)
  - *Job learning time* (+)
  - *HR change* (+)
  - *Selection* (+)
  - *Group incentive* (+)
- Techno-structural, competitive and ownership
  - *Technological change* (+)
  - *Establishment size* (+)
  - *Importance of price competition* (-)
  - *Ownership* (+)





# Limits to extension of DP: ii) labour management tradition

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- Non-innovative and focused on minimising labour costs
  - Authoritarian, hierarchical and distrustful of workers
- Lack of interest in managing motivation and culture



# Limits to extension of DP: choice or process?

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- The inertia created by the labour management tradition, rather than the institutional context, can be said to be the strongest barrier to the expansion of DP
- Still, it is clearly an employers' CHOICE not to extend workers' voice



# Conditions for change

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1. DP proven to be good for performance & have no cheaper substitute (unpaid informal DP)
2. Substantial cultural change among managers
3. AND be actively fostered by social actors

**Table I. Descriptive statistics for factors of managerial values on unions**

<b>Factor Items</b> (Value range: 1 = totally disagree; 5 = totally agree)	<b>Cronbach's alpha</b>	<b>Variance explained</b>	<b>Mean (S.D.)</b>
<b>Factor 1: Unions restrictive</b> Unions have more power in Asturias than in the rest of the country Unions too often place unnecessary restrictions on management Unions have too much power in Spain Asturian trade unions are among the main problems of the region	0.83	48.8%	3.33 (.83)
<b>Factor 2: Unions conflictive</b> Firms should do everything possible to avoid unions' presence Unions are unnecessary if management treats its workers properly In small and medium sized firms, trade unions' presence makes no sense	0.79	11.67%	2.83 (.91)
<b>Factor 3: Unions social actor</b> Unions help find ways to improve business performance Unions have contributed towards political stability in this country Unions contribute more to the maintenance of industrial peace than is often thought	0.77	10.67%	2.88 (.82)





# Results and discussion

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- The association of managers' values on unions with DP is non-significant (as in Godard 1997)
- Signs of association
  - as expected in accordance to the complementarity argument
  - not with the substitution argument

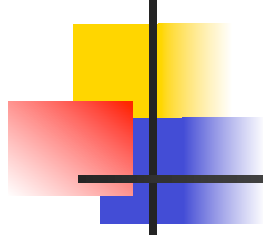
## Table IV. Variable transformation and descriptive statistics

Variable	Measurement	Transformation	Transformation Method	Frequency (%)	Mode	Median	Mean (SD)
<i>Control Variables</i>							
Job learning time	Ordinal		Dichotomised at the mean ( $\mu =$	1 – 71			
	1 - days	1 – months/years	2.71.; SD = .73),	(66.4)	0	-	-
	2 - weeks	0 – days/weeks	whereby	0 – 36			
	3 - months		1 - above mean	(33.6)			
	4 - years		0 - at/below mean				
HR change	Ordinal (0-8)	--	--		2	2	2.19 (1.49)
Selection	Ordinal (1-5)	--	--		2	2	1.84 (.66)
Group incentive	Nominal	1 - Yes		1 – 20			
		0 - No	--	(18.7)	0	-	-
				0 – 87			
				(81.3)			
Unions conflictive	Ordinal (1-5)	1 - Agreement (score above 3.50)	Dichotomised by the score that	1 – 26			
		0 - Disagreement (score at/below 3.50)	would express agreement (3.50)	(24.3)	0	0	0
				0 – 81			
				(75.7)			

## Table V. Variable transformation and descriptive statistics

Variable	Measurement	Transformation	Transformation Method	Frequency (%)	Mode	Median	Mean (SD)
<i>Control Variables</i>							
Technological change	Ordinal (0-5)	--	--		2	2	2.20 (1.50)
Establishment Size (number of employees)	Number of employees	Log number of employees	Logarithm of total number of employees		1.43	1.71	1.82 (.46)
Importance of price competition	Nominal 1- not important 2 - important 3 - very important	1 – Very important 0 - Not very important	Dichotomised by the competition on this factor being “very important” or not	1 – 67 (62.6) 0 – 40 (37.4)	1	-	-
Ownership	Nominal 1 – family owned 2 – totally independent, other 3 – owned by another Spanish firm 4 – owned by another foreign firm	1 - Partially or totally owned by another 0 - Independent	Dichotomised by independence	1 – 23 (21.5) 0 – 84 (78.5)	0	-	-

**Table VI. Association between the independent variables and direct participation emphasis: simple regressions results**



<b>Explanatory Variable of Interest</b>	<b><math>\beta</math> (S.E.)</b>	<b>Control Variables</b>	<b><math>\beta</math> (S.E.)</b>
Indirect Participation	.041 (.012)**	Unions conflictive (1)	-1.111 (.546)*
		Job learning time (2)	-.868 (.423)*
		HR change	.577 (.162)**
		Selection	.918 (.349)**
		Group incentive (3)	1.204 (.512)*
		Technological change	.312 (.140)*
		Log size	1.830 (.577)**
		Importance of price competition (4)	-.927 (.416)*
		Ownership (5)	1.455 (.500)**