Track 2: Voice and Representation at Work

PRODUCTIVITY, PARTICIPATION AND EMPLOYEE WELL-BEING

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The paper introduces an international comparative project evaluating the impact of representative employee participation processes on the work environment and business outcomes. Employee participation and working environment regulation occur through two potentially interrelated processes:
1. *law-based regulation and OHS delegates*, focusing on physical disease/injury;
2. *agreement-based participative structures* e.g. joint consultative committees (JCCs) or cooperation committees, focusing more broadly on productivity and the work environment.

Research questions:
1. What characterises employee participation in establishments with good and less good working environments?
2. What correlations are there between effective employee participation, positive work environments and productivity?

Hypotheses:
1. effectiveness of structures for representative employee participation will correlate positively with work environment quality;
2. work environment quality will correlate positively with business outcomes.

Figure 1 below illustrates the links investigated.
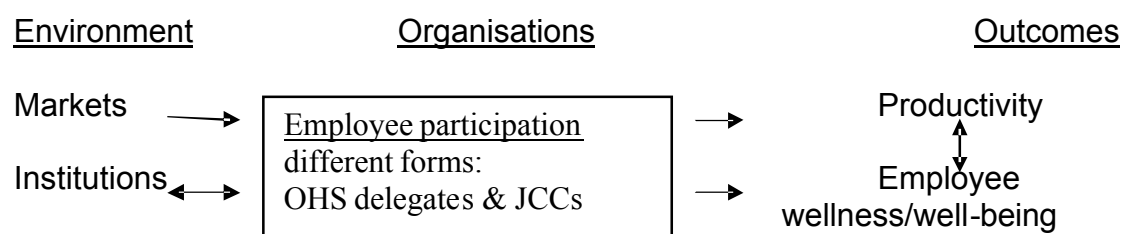
Linkages have been compared for Denmark and New Zealand (NZ). Both have small economies and legislation for OHS delegates, but in NZ wider participative practices are not well-developed by employer/union agreements.

Conversely, Denmark is a world leader in Socio-Technical Systems theory and practice linking participation and productivity.

There is substantial evidence linking workplace productivity positively with representative employee participation (Markey 2001) and positive work environments. High involvement work practices also are associated with employee empowerment and participation. Boxall *et al.* (2003) found that the propensity to leave a job was mitigated by feelings of empowerment and a sense that employee contributions are valued by employers. Effective work/life balance policies have demonstrated positive links with productivity, because of the impact on labour retention and human resource costs (WorkUK Survey 2005; Pocock 2003). Labour turnover and absenteeism, which impact negatively on productivity, are commonly employee withdrawal responses to an unsatisfactory work environment (Boxall *et al.* 2003). Apart from satisfaction with pay and job security, the major contributors to labour retention have been found to be whether employee consider their contributions are valued and their well being cared for by the employer, and if the employer recognises merit and work/life balance. Issues relating to well-being, including stress and mental health, also are increasingly identified as critical for workplace productivity. Workplace health and safety risks have the potential to be very costly (Quinlan *et al.* 2001; Oxenburgh *et al.* 2004).

Studies (Walters *et al*. 2005) have found that worker representation and consultation through OHS committees produce better OHS outcomes than management acting alone. Similar studies have also suggested that trade union presence has a positive impact on health and safety outcomes (Saksvik and Quinlan 2003). However, the impact of OHS committees on health and safety outcomes is also affected by a range of other factors, including management commitment, adequate training and information for employee representatives, and communication channels with fellow employees and management (Walters *et al*. 2005). In addition, the existence of a broader framework of participative practice through cooperation committees or works councils, as exist in European countries, is likely to impact on the effectiveness scope of OHS committees (Harris 2004; Knudsen 2005). In practice it is difficult to separate OHS from work/life issues, particularly involving the rising co-incidence of employee stress and longer working hours (Lamm 2002), or from technological or organisational change (Heller 1998).

Case studies focused mainly on the service sector because of its importance as an employer. Five service industries were targeted: Hospitality, Information/Communication Technology, Finance, Education, and Health, as well as Food Manufacturing because of its significance in NZ and Denmark. Two case studies were undertaken for each industry in each country; one with absenteeism and labour turnover rates 20% above the industry average, and one with absenteeism and labour turnover rates 20% below industry average.

Within each organisation data was collected from:

1. Document analysis of policy, constitution, committee minutes etc.
2. Organisational statistics relating to key performance indicators, aggregate health and safety data, absenteeism and labour turnover.
3. Semi-structured interviews with chief executive manager, HR manager, senior employee representative and one other employee representative (including union delegate where appropriate) from each organisation.
4. Questionnaire survey of 20 employees from each organisation to provide subjective measures of work environment quality.

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