NATIONAL AND KAPODISTRIAN UNIVERSITY OF ATHENS SCHOOL OF LETTERS

MSC PROGRAMME IN COUNSELLING AND CAREER GUIDANCE

LABORATORY OF EXPERIMENTAL PEDAGOGY

CENTERS FOR VOCATIONAL GUIDANCE AND COUNSELLING

PROCEEDINGS OF THE 1st INTERNATIONAL CONFERENCE

ATHENS (23-25-1-04)

PROMOTING NEW FORMS OF WORK ORGANIZATION AND OTHER COOPERATIVE ARRANGEMENTS FOR COMPETITIVENESS AND EMPLOYABILITY

With the Support of the European Committee

ATHENS 2004

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THE CONTRIBUTION OF NEW FORMS OF WORK ORGANISATION TO THE IMPROVEMENT OF CONDITIONS FOR INCEASED PRODUCITIVITY AND EMPLOYMENT: PROBLEMS AND PROSPECTS IN THE EUROPEAN UNION

Chris JECCHINIS, Professor Emeritus of Economics at Lakehead University of Ontario–Canada and Corresponding Member of the European Academy of Arts, Sciences and Humanities.

Introduction

The European Council which held a special meeting on 23-24 March 2000 in Lisbon, set new strategic goals for the European Union in order to strengthen employment, economic reforms, and social cohesion as part of a knowledge based economy. The Council acknowledged the fact that the E.U. was confronted by both the positive and the negative aspects of globalisation, which on the one hand, required radical structural changes in order to make the European economies more competitive and take advantage of the new markets created, and on the other, to resist pressures for the virtual abolition of public social services, and to continue shaping social policies in a manner which is consistent to its values and concepts of social justice. More specifically, the Council suggested that there is a need of modernizing the European social model by investing in people and building a dynamic welfare state, which ensures that the emergence of the knowledge economy, does not compound the existing social problems of unemployment, social exclusion and poverty. The Council concluded that, inter alia, Europe's education and training systems need to adapt both to the demands of the knowledge society and to the need for an improved level and quality of employment.¹

The overall efforts for appropriate reforms concerning the improvement of employment and competitiveness, which followed the Lisbon Conference at the national and E.U. levels, included the promotion of new forms of work organisation that the European Commission had presented in a 1997 green Paper with the title of "Partnership for a New Work Organisation". This green Paper however, did not have the intended impact, because, for a number of reasons, many enterprises continued to apply traditional forms of work organisation, and the representative organisations of the social partners in many cases continue their cooperative efforts to improve the working environment and productivity performance through the enhanced Works' Councils at the national and E.U. Company levels.

Nevertheless, new forms of work organisation could be applied as a complementary effort to improve skills and the quality of European products and services, as well as to enhance the employability and job satisfaction for workers. The European Conference, which took place in Denmark (Roskilde 12-13/11/2002), focused on the problems and prospects of new forms of work organisation, designed to enhance the productivity of enterprises, and at the same time, contribute to the improvement of the quality of work for employees. This paper of mine reviews the conclusions of the Danish conference, and presents a possible scenario concerning the future of work organisation in Europe.

A Review of Some Salient Points in the Danish Conference and Report

I was a member of the Greek delegation, which was invited to attend the Danish Conference of New Forms of Work Organisation in Roskilde, and have read very carefully the Report, which was published and circulated in the Spring of 2003. It is my belief that it had its negative and positive sides. On the negative side I would place the "blanket" statement, that if we were to sum-up the evidence of the case studies presented, "good work organisation results in win-win situations at personal, company, and community levels".² It is my opinion that if the Editor of the Conference's report wanted to be more prudent, he or she should have changed the word "results" with "contributes", as there are certainly some other important factors involved in creating pre-conditions for "resulting" in win-win situations: public policy and social legislation, effective collective bargaining and the strength of trade unions, workers' participation and works' councils.

The second criticism I have is the undercurrent sentiment of the Conference, a certain degree of pro-American model, an admiration for the high rates of growth and the employment (official) record of the U.S. economy. We have been warned, however, by two distinguished Americans of not trying to copy and emulate the American model, which is based on a growing social disparities gap, the virtual elimination of social protection schemes, and the creation of many new low-paid and temporary jobs. (Nicholas Ashford of MIT at a special conference of the European Foundation in Dublin, and Jeremy Rifkin in a televised presence at a special conference in Athens during the Greek Presidency).³ We shall have the privilege to hear among the other distinguished foreign contributors, what Professor Ashford will have to say here in this conference.

I agree with the Greek European Commissioner, Mrs. Anna Diamandopoulou that our objective should be "not only more jobs but better jobs".⁴ On the positive side of the Danish Conference, I was impressed by Alan Johnson's assertion that "life-long learning is the key to sustained and high quality employment",⁵ and that "there is a need to increase the number of high performance work-places with higher levels of productivity".⁶ Higher level of skills not only increase security and choice for workers, "but also raise the potential of workplaces to achieve success by raising productivity".⁷ With a few exceptions, the social partners in Greece were always interested to participate in efforts to increase productivity without making work "harder or cheaper". In other words, the parties concerned in Greece are interested to participate in any negotiated complementary scheme, which to a certain extent guarantees job security and development for trade union members on the one hand, and improved competitiveness and profitability for employers on the other, while the Government reaps the benefits of increased productivity. That is why we are looking forward to hearing Kevin O'Kelly's contribution. Just like we will be interested to hear the conclusions of Helen Tsipouris' and Stavros Gavroglou's papers, which are based on the research work they did with some of their colleagues in a number of European countries.

A Possible Scenario for the European Union

The Greek Government had consistently, especially since the early 1980's, shown a positive interest in raising productivity mainly through the National Productivity

Centre. In 1989 it sponsored an important national study on the role of improved working environment and labour-management relations in the concerted effort to increase productivity. The results of that study were published in a book in 1990. More specifically, the analysis of the results was based on a special questionnaire, and interviews with management and trade union officials. The answers to the questionnaire distributed among managers and trade union representatives in the Greek Productivity Centre's research study, revealed some interesting beliefs. Both parties, among other things, rated highly labour-management cooperation (through participation/ involvement) as an important contributory factor for the improvement of the working environment and productivity performance:⁸

- 1. Those involved in the management of the enterprises and the administration of the trade unions, who answered the questionnaire and gave related interviews, believe that workers could be more efficient and derive greater satisfaction from their work, if both the working environment and labour-management relations are good or at least if concerted efforts are being made for their improvement. This conviction on the part of both labour and management representatives held generally, regardless of the size and kind of business, nationality of ownership or the leadership of the trade unions.
- 2. The role of the State in labour relations and the working environment is seen by business executives and trade union officials alike as ranging from adequate to excessive, depending on the existing conditions in individual enterprises. More importantly, the majority of managers and trade union officials do not want more labour legislation but rather the better implementation of the existing laws (including those related to health and safety committees and works' councils), through improved government assistance and the better performance of the appropriate State officials.
- 3. The quality of labour relations and the working environment, as well as the proper implementation of labour laws, are affected by the interest and efficiency of all those involved, personnel managers, social workers, medical officers, safety engineers, trade union officials, and members of workers' committees. In those cases where the parties concerned believed that their own attitudes and actions can really contribute to the improvement of the working environment and production, then constant and serious efforts are being made to achieve those desired ends.
- 4. The personal interviews with business executives indicated that the younger generation of businessmen, and especially those involved in small and medium-sized enterprises, are increasingly interested in issues of human resource management. Furthermore, the general conclusion reached at the very successful seminars organised by the Greek public authorities as part of the programme for the development of industrial enterprises, was that there is further need for businessmen to acquire better knowledge of the various aspects of management, including those related to human resource management.
- 5. From the comments included in the questionnaires, it became evident that what the parties concerned were interested in was not the provision for occasional benefits, but planned and ongoing arrangements.
- 6. It was also noted that in enterprises where the firm's policy involved representatives of labour as well as management, the results were clearly better, not only in efficiency terms but even more so in workers'

satisfaction. However, these successful cases of labour-management cooperation were in the minority (about 25 percent of the sample) but there is an encouraging desire among the majority of the remainder to establish programmes of labour-management cooperation in the near future.

- 7. Work councils, and health and safety committees were set up in a number of enterprises under Acts 1568 of 1986 and 1767 of 1987. These were much more successful in improving the working environment and productivity in those enterprises where the parties had had previous experience in informal joint consultation committees and where the representatives of both parties had received appropriate training.
- 8. There was a great desire among the business and trade union officials for more government assistance in vocational education programmes and cooperation in technical training programmes with the support of educational institutions. There was a feeling that there is an urgent need to produce capable skilled workers and technicians, with better formal and practical qualifications, who will be able to cope with the technologies of the year 2000 and beyond.
- 9. An examination of the available data demonstrates that while there is an increase of strike action in the public sector, the private sector showed an impressive decline in the last few years. The personal interviews indicate that the parties concerned believe that the reduction of strike action in the private sector has come about as a result of improvements made in labour-management relations through informal or statutory forms of involvement/participation.
- 10. It is also significant that in cases where labour-management relations formal or informal were satisfactory, there was no disagreement among the parties concerned regarding the need for a cooperative effort to meet the challenge of new technology and its possible adverse effects on employment. The majority believe also that the introduction of new technology is necessary if Greek products and services are to become more competitive in international markets. It was further stated in the completed questionnaires that, if enough became known concerning the impact of new technology on employment, there could be more effective planning and concerted action by all parties concerned to reduce its adverse social effects.

Although it is difficult – if not impossible – to measure the contribution of involvement/participation (informal and/or statutory) to the **improvement of the working environment and productivity performance**, it is significant that the parties concerned perceive it to be an important contributory factor. In some cases, they have measured the cost to production of workers' adverse behaviour and action which resulted from unsatisfactory working conditions (that included the lack of any form of participation in decision-making), i.e. absenteeism, labour turnover, work stoppages, poor workmanship, and even sabotage of production. Furthermore, both parties place great importance on training and government assistance, not only to improve on skills, but also to prepare better for effective involvement and participation in appropriate statutory and/or informal committees.⁹

In spite of the interest of workers and trade union officials at the enterprise level for participation/involvement, Theodoros Koutroukis and I

have discovered and reported that the Greek trade union movement as a whole, was more comfortable in bipartite or tripartite national organisations than in statutory low-level forms of worker participation such as works' councils. They prefer to participate also in higher-level forms of participation as members in the board of directors of public or semi-public enterprises.¹⁰ It would not be impossible, therefore, to convince the majority of trade unions that new forms of work organisation will be good for them, provided they are not obligatory (statutory) and they are left to the parties concerned to negotiate the terms of their participation/involvement. Perhaps they will become an extension of the functions of the European works' councils. This latter possibility will have to be studied.

One more important point remains to be cleared, why giving this work organisation conference to a particular graduate studies department of the University of Athens? The answer is that I believe there is a connection of lifelong learning and the improvement of skills with career counselling and development. I believe also that the Department could become the locomotive, the coordinating machine promoting the concerted efforts for the application of new forms of work organisation, not only in this country, but also at least half of the Member-States of the European Union, including Cyprus and Malta.

I am anxious, therefore, to hear what **Prof. Michalis Kassotakis, Prof. Th. Katsanevas** and **Mr. L. Toumbas** of EKEP will have to say in their presentations.

End Notes

- 1. See Presidency Conclusions, *Lisbon European Council*, 23 and 24 March 2000 (Commission documents under <u>http://europa.eu.int/comm/off/index</u> en. htm); and Council of Europe (1994), *The Effects of Labour Relations of New Forms of Organisation of Work in Firms*, Council of Europe Press.
- 2. "New Forms of Work Organisation" (2003). Report from the E.U. Presidency Conference 12-13 November 2002, Roskilde, Denmark Copenhagen, March.
- 3. Rifkin, J., "Why Europe must not adopt the American model to increase Employment", as reported in the Greek weekly Kariera, 22 February 2003.
- 4. "The European Weekly", New Europe, March 24-30, 2002.
- 5. The Danish Conference Report (2003).
- 6. Ibid.
- 7. Ibid.
- 8. Jecchinis, C. and Papavassiliou, M. (1990), "The Role of the Working Environment in Productivity Improvements: The Greek Experience", *Labour Economics and Productivity*, vol. 2, No. 1, Curtin University, ALMRC, March.
- 9. Ibid.
- 10. Jecchinis, C. and Koutroukis, Th. (2001), "Employee Participation and Bipartite and Tripartite, Cooperation in Greece: Problems and Prospects" in Markey, R. and Others (Eds), *Models of Employee Participation in a Changing Global Environment*, Ashgate Burlington, U.S.A.

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