



The Tower of Power

Constructive Conflict
Management through Social
Dialogue in Organisations

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Introduction

Immersed in the strongest economic and financial crises of the last decades, European Industrial Relations (IR) are challenged to the bones. The European Commission (EC) member states share fundamental values, despite their many differences. One of the core values cherished by the European Union (EU) is the strong belief that employers and employees are essentially and positively dependent on each other. Their dialogue is both key and necessary and should be constructive. Employees need to be empowered to engage in this dialogue, in the interest of all: to create a healthy society, to promote innovative and vital industrial sectors, and to maintain healthy labor conditions. The Tower of Power symbolizes that: employers and employees empowering each other to build humane and sustainable organizations, based on shared values. This is reached through participation in organizational decision-making informally and formally and at all levels.

Daily realities in organizations differ from this ideal picture of cooperation. Employees feel they are hardly taken seriously as partners when it comes to strategic decisions, unions protest against perceived erosion of workers' rights. Downsizing and outsourcing continue in many industrial sectors in the EC. Employers are perceived as money driven, and not to be trusted when it comes to taking responsibility for workers' interests. Employers on the other hand, feel that unions gradually represent less of the workforce. Further, they believe employee representatives (ERs) are ideologically driven and are not always competent enough to face the current demands. Luckily, there is more besides this gloomy picture. In many organizations there is a constant and lively dialogue between employers and employees. Workers' Councils (WC) participate actively in decision making, and trade unions (TU) support institutional change.

Worldwide, and also within the European Union, there is a strong debate on the conditions for a creative social dialogue in organizations. Labor relations among employers, TU and employees in Europe are rapidly changing. And with a shift from national and sectorial to more organizational negotiations, social dialogue in organizations becomes more and more important. New organizational conflicts in which ERs play a central role are emerging and therefore their role is now confronted with new challenges in the framework of European IR. An important conclusion from a recent EU action is that clarifying roles and expectations between employer and ERs is needed to develop a constructive dialogue within organizations.¹

This report wants to highlight such good practices. By doing so, we want to recognize the constructive cooperation which takes place. We also want to inspire employers and ERs, at national, sectorial and in particular at organizational level, to invest in social innovations and constructive social dialogue.

Results from the study will be extended in the open source publication 'Promoting Social Dialogue in European Organizations: Human Resources Management and Constructive Conflict Management.' (2014). Springer Publishers.

This report contains four sections:

Section 1 describes the context of social dialogue in Europe.

Section 2 offers a framework to study and promote social dialogue.

Section 3 presents key findings from the study in 11 EU countries.

Section 4 presents practical recommendations and good practices for organizations promoting social dialogue.

1. Social dialogue in Europe: changing dynamics.

Within the EC, formal representation of workers in organizations has been a value and practice for a long time. An important component in these representation systems is social dialogue. This is defined as ‘all types of negotiation, consultation or simply exchange of information between, or among, representatives of governments, employers and workers, on issues of common interest relating to economic and social policy’ (International Labor Organization, ILO, 2005). The main goal of social dialogue is to promote consensus and democratic involvement among the main stakeholders in the world of work.



Liaison Forum - 15 years of EU Sectorial Social Dialogue (Brussels, 2013)

Social dialogue is institutionalized in all EC member states. Still, there are many differences related to national legislations, historical developments, and societal cultures of industrial relations. The position and functioning of social dialogue in organizations is closely related to the broader context of industrial relations at national level and sectorial level. Thus, the role played by TU and ERs differs largely between countries (Pulignano, Martínez-Lucio, & Whittall, 2012).

First, TUs engage in a variety of ways with legislations. For example, within most Nordic countries, TUs and the state are closely related through national systems of representation. In Spain and Portugal, there are sector level agreements and there is a dialogue with the state, although this dialogue is not continuous. In Eastern Europe, TUs and the state are weakly related. In the UK, the state-labor relation is not institutionalized (Pulignano et al., 2012).

Secondly, relations between TUs and employers vary across Europe. In Germany and Denmark strong relations exist between leading corporations and TUs. This is partly due to the legislation; however it is also due to an awareness of shared interests, such as a strong and competitive economy. Such relationships are absent in the United Kingdom. In most Southern European countries (such as Spain, Portugal, Italy), there is generally low trust between TUs and employers (Elgoibar, 2013). Eastern European markets have a higher priority than social dialogue, which hinders the development of high-trust industrial relations in Eastern European countries (Teichman and Lohmus, 2014).

The existence of workplace employee representation structures is a distinctive feature of industrial relations in Europe. WCs are permanent elected bodies of workforce representatives, set up on the basis of law or collective agreements, with the task of promoting cooperation within the enterprise for the benefit of the enterprise itself and employees, by creating and maintaining good and stable employment conditions, increasing welfare and security of employees and an understanding of enterprise operations, finance and competitiveness (Martínez-Lucio & Weston, 2007).



Workers of Coca-cola demonstrate against the closing of a factory in Fuenlabrada (Spain), 2014.

Employee representation varies across Europe. In the 27 EU states plus Norway, there are four states (Austria, Germany, Luxembourg and the Netherlands) where the main representation is through WCs with no statutory provision for unions at the workplace. In eight countries (Cyprus, Denmark, Finland, Italy, Lithuania, Malta, Romania and Sweden), representation is essentially through the unions. In another eleven countries (Belgium, the Czech Republic, France, Greece, Hungary, Norway, Poland, Portugal, Slovakia, Slovenia and Spain), it is a mixture of both, although sometimes TUs dominate. In a further five countries (Bulgaria Estonia, Ireland, Latvia and the United Kingdom), TUs are the sole channel, although legislation now offers additional options (Pulignano et al., 2012). Thus, a heterogeneous scenario across Europe persists. Therefore, taking a cross-cultural approach becomes essential to explain the European context of social dialogue.

Three trends influencing social dialogue at the organizational level should be recognized here:

- a. *De-centralization.* There is a clear trend towards framework agreements, which place more and more room for negotiation and decision making at company levels. Although countries and sectors differ, this trend is going on already for quite some time (OECD, 2006; Visser, 2010). Flexibility in agreements at national and sectorial levels challenges social dialogue in organizations. Where 20 years ago agreements were negotiated between employers and TUs, nowadays, negotiations on working conditions, health and safety, working hours and even pay become issues at the table

at organizational level (Carley & Marginson, 2010; Molina & Miguelez, 2013). This challenges sides, employers and employees, in finding ways to cooperatively negotiate.

- b. *Up scaling at European level.* Multinational organizations in Europe are facing more and more European legislations. The dynamics between European representation and national level WCs are new and challenging for all parties involved (Da Costa, Pulignano, Rehfeldt, & Telljohann, 2012).
- c. *De-institutionalization and representation.* Maybe the most serious challenge in collective social dialogue can be found at the lower levels of organization and representation of employees. In most EC countries the membership of unions is low and decreasing. Also at organization levels, unions and employers share the need to attract competent and motivated employees to participate in the WC (Visser, 2010).

Doekle Terpstra, chair of the board of Inholland since 2010, a large institute for higher education in the Netherlands, had to reorganize this institute deeply, including downsizing. He negotiated constantly with the unions and works council. He states that the works council was good to work with; however the unions were very difficult, more engaged in protecting the rights of older employees (their members), compared to the interests of younger colleagues and the school. He concludes that this structure of negotiating with external delegates from unions is becoming obsolete (source: De Volkskrant, 31st January, 2014)

Terpstra is former (1999-2005) chair of CNV, the second largest union in the Netherlands.



The train driver strike of 2007 in Deutsche Bahn (Germany).

2. A framework to study and promote social dialogue in organizations.

The overall aim of the New European Industrial Relations (NEIRE) project is to improve the quality of social dialogue as a tool for innovation, first, by empowering European ERs, and second, by exploring European employers' experiences and expectations on structures, roles, attitudes and competencies of ERs.

A first study was conducted between 2010 and 2012 cofounded by the European Commission Employment, Social Affairs and Equal Opportunities DG (Project Ref. VS/2010/0376) the Spanish Ministry of Science (Project Ref. PSI 2008/00503 and PSI 2011/29256) and the partner organizations. Its main focus was to explore how to empower ERs. This study includes quantitative data from more than 2300 ERs and qualitative data from 80 interviews with ERs from 8 European countries: Belgium, Denmark, Estonia, Germany, the Netherlands, Portugal, Spain and the United Kingdom (Munduate, Euwema, & Elgoibar, 2012)².

A second study was conducted between 2012 and 2014, also cofounded by the European Commission Employment, Social Affairs and Equal Opportunities DG (VS/2012/0416) and the partner organizations. This study explores the experiences and expectations of employers about social dialogue and ERs. Focal points are the expectations of employers on ERs' roles, attitudes and competencies to act as partners in social innovation. This study includes quantitative data from over 600 human resources (HR) managers and qualitative data from 110 interviews with HR managers in three sectors: finance, higher education and production. This study was conducted in 11 EU member countries: Belgium, Denmark, Estonia, France, Germany, Italy, the Netherlands, Poland, Portugal, Spain and the United Kingdom.



Symposium “Who do we want at the table? New forms of social dialogue in Europe” (Brussels, 2013)

² The results of the first study and the related good practices proposals were previously reported in the publication: Munduate, L., Euwema, M., & Elgoibar, P. (2012). *Ten steps for empowering employee representatives in the new European industrial relations*. Madrid: McGraw-Hill. In this report we focus our attention in results and practices related with the second study.

We developed a model to structure the study, and focus on key factors that contribute social dialogue in European organizations. The model is depicted in Figure 1.

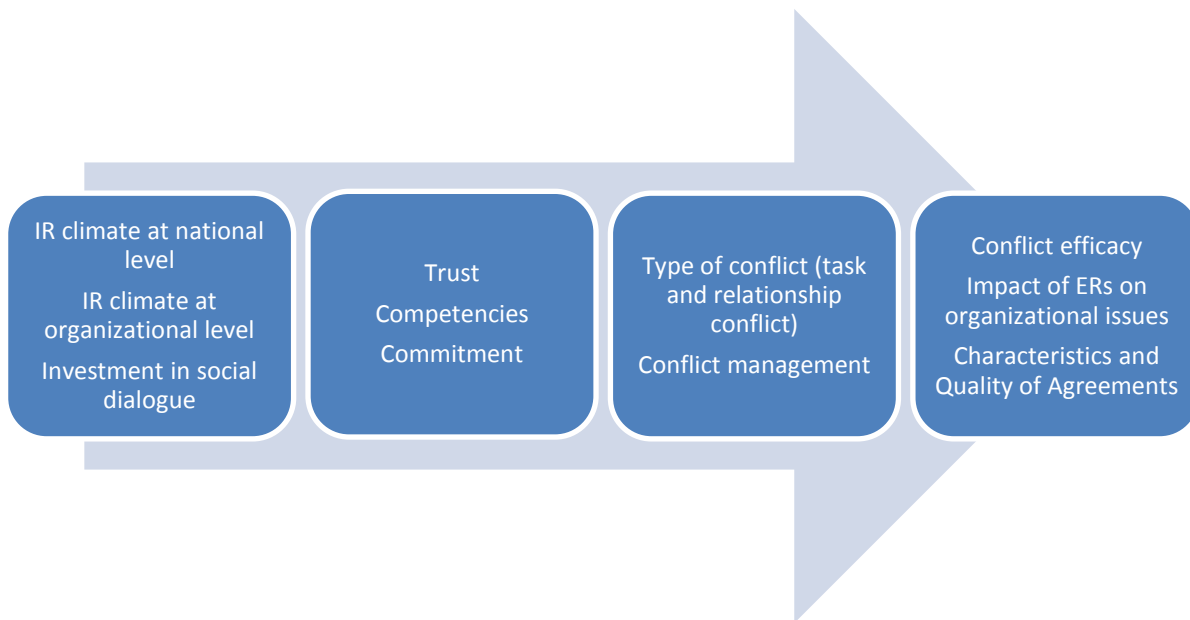


Figure 1. NEIRE model for Industrial Relations in Organizations

The model starts with the IR climate in the different EU member states. IR climates can be described on different dimensions. A basic model often referred to is ‘conflict’ versus ‘cooperation’ in industrial relations (Deutsch 1973; Deutsch, Coleman and Markus, 2006). Central in his thinking is that cooperative structures, promote a cooperative culture and behaviors, and vice versa. In other words, a cooperative context fosters cooperative conflict management, a competitive context is related to a competitive behaviors. When parties have a cooperative orientation towards conflict, parties discuss their differences with the objective of clarifying them and attempting to find a solution that is satisfactory to both parties – both parties win - (Carnevale & Pruitt, 1992). In competition, there is usually a winner and a loser (Carnevale & Pruitt, 1992). In Table 1 we present the main characteristics of each orientation. The national level (including sectorial differences) impacts the climate at organizational level. A historical and socio-cultural perspective helps to understand why each country has structured and invested in social dialogue, and how the social partners relate to each other within such structures. The way that social actors perceive the IR climate is related to the trust relationships between parties (Fulmer & Gelfand, 2012), competences of ERs and management (Wright, Dunford & Snell, 2001), and commitment by ERs and management (Mowday & Streers, 1979). Trust, competences and commitment are reflected in types of conflict that emerge as well as in the way these conflicts are managed (Jehn, 1995; Hempel, Zhang & Tjosvold, 2009). Finally, as main outcomes for social dialogue, conflict efficacy, impact of ERs on organizational issues and quality of agreements are considered.

Cooperative climate for IR	Competitive climate for IR
<p>Effective communication is exhibited.</p> <p>Friendliness, helpfulness, and lessened obstructiveness.</p> <p>Feeling of agreement with the ideas of others and a sense of basic similarities in beliefs and values, as well as confidence in one's own ideas and in the value that other members attach to those ideas.</p> <p>Recognizing and respecting the other by being responsive to the other's needs.</p>	<p>Communication is impaired as parties seek to gain advantage by misleading the other (e.g. false promises, disinformation).</p> <p>Obstructiveness and lack of helpfulness lead to mutual negative attitudes and suspicion of one another's intentions.</p> <p>The repeated experience of disagreement and critical rejection of ideas reduces confidence in the other.</p>
<p>Willingness to enhance the other's power (e.g. knowledge, skills, and resources)</p>	<p>Parties seek to enhance their own power and to reduce the power of the other.</p>
<p>Defining conflicting interests as a mutual problem to be solved by collaborative effort</p>	<p>The competitive orientation stimulates the view that the solution of a conflict can be imposed only by one side on the other.</p>

Table 1. Cooperative and competitive climate for Industrial Relations in organizations

Adapted from Deutsch, Coleman, & Markus (2006, p. 27-28).

3. Key results

Main descriptive results from the surveys are presented in Figure 2. We elaborate the key factors from our model: impact on decision making process, perceived competences, type and frequency of conflict (relationship and task conflict), conflict management and quality of the agreement, and we explain the diversity encountered between countries.

In general, European managers perceive that the impact ERs have in the decision making processes in organizations is moderately low. They also consider that ERs are under qualified for performing their role. In contrast, they generally have a more positive perception of ERs' benevolence and integrity. Commitment to the organization by ERs is also generally perceived as high and managers indicate a willingness to empower the role of ERs. Finally, managers perceive high differences between the ERs in their organization; therefore, we should be cautious when generalizing the results.

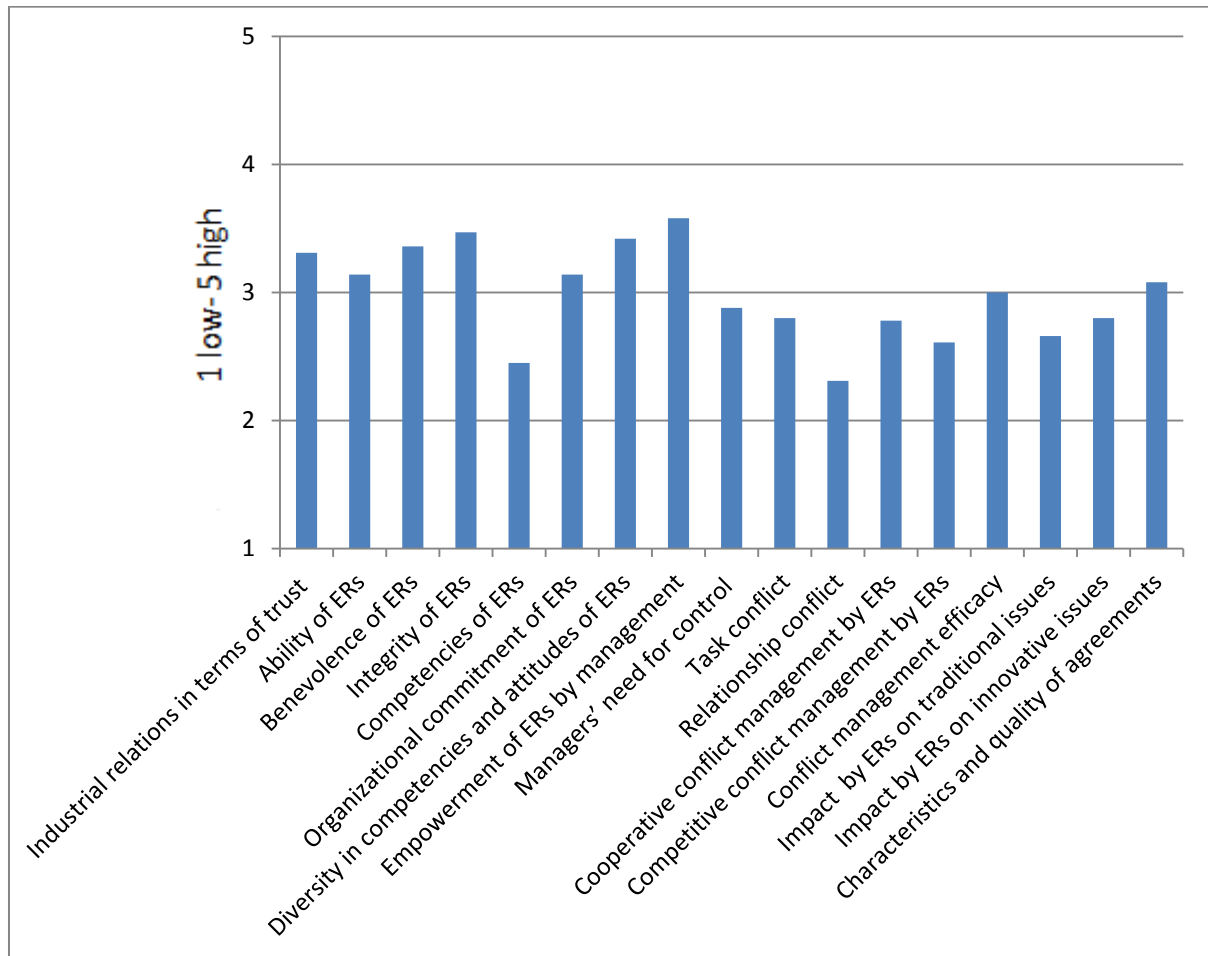


Figure 2. European means of the variables included in the study.

- **Frequency of conflicts between management and ERs**

Let's start by focusing on the frequency of conflicts between management and ERs. There appear to be substantial differences in the perceived frequency of conflicts between management and ERs (Figure 3). We differentiate relationship and task conflicts, the first being conflicts about values or interpersonal styles, while task conflicts refer to disagreements over distribution of resources, procedures and policies (De Dreu & Weingart, 2003). As we can see, all countries score below 3 in relationship conflict and so is the case for most countries when referring to task conflict. France accounts for more conflicts of both types that the European average. Estonian managers perceive "calm" relations with ERs if we focus on the level of relationship conflict. In Belgium, the level of relationship conflict is also low, while the level of task conflict is one of the highest. Traditionally, research has concluded that relationship conflict can damage the organizational climate and the performance. However,

task conflict can be productive, depending on a cooperative context (De Wit, Greer, and Jehn, 2012).

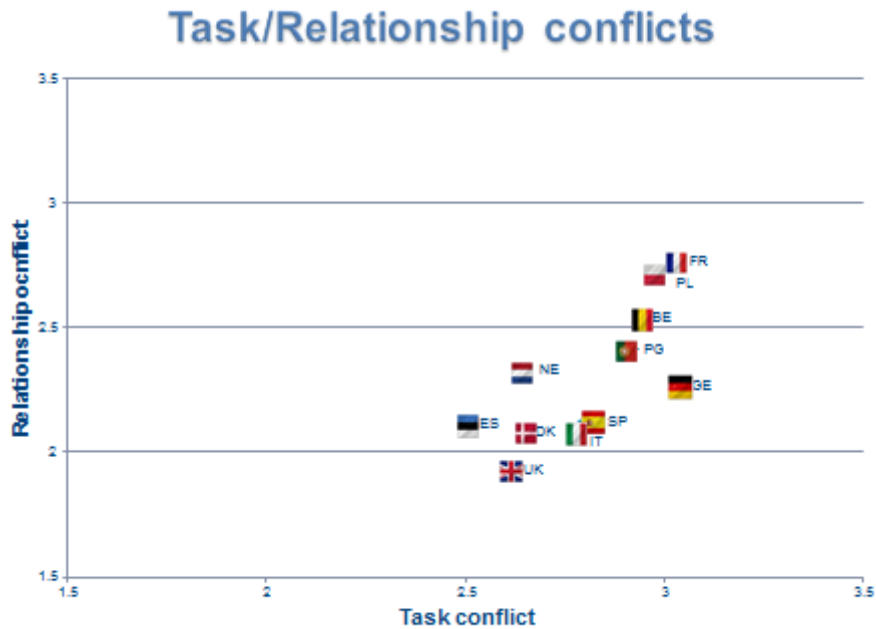


Figure 3. Task and relationship conflict in 11 countries. (Original Likert scales are from 1 to 5, see Figure 1).

- **Perceived conflict management by ERs**

Figure 4 presents the perceived cooperative and competitive conflict management by ERs. As mentioned above, ERs tend to combine cooperative and competitive behaviors. This combination can include a more cooperative or competitive approach (Van de Vliert, Euwema, and Huismans, 1995). In figure 4 we appreciate differences in the perception of ERs' conflict management between the countries. For example, in Denmark, Germany and Estonia, ERs show a more cooperative pattern, whereas in Belgium, the UK and Spain, ERs tend towards a more competitive pattern.



Figure 4. Cooperative and competitive conflict management in 11 countries. (Original Likert scales are from 1 to 5, see Figure 1).

The results show that the IR climate is strongly related to cooperative behavior. However, the IR climate is not related to competitive behavior. Two interviewees illustrate the effect that the IR climate can have on the conflict management:

'In the traditional model of industrial relations there is no trust between the parties ... no ethics or transparency... and this is what is in crisis in the management of organizations' (Spanish CEO).

'We trust each other. It is the precondition of a close cooperation. I have 100 % trust in that they work well and are trustworthy, and that we can have talks off the record, where we think out loud together. It is also because I experience that they are modern, meaning that they don't see us as their opponents, but merely as someone who works from a different perspective and have other assignments than them. The main task is the same: We need to have a good, healthy, well-functioning workplace and we all work together so that our customers experience a good bank' (German HR director).

- **Impact on the decision making process**

Now, let's focus on the impact that ERs have in the decision making processes in organizations. We differentiate between traditional issues and innovative issues. Traditional issues being 'classic' collective bargaining topics, such as: working hours, pay and incentives systems and performance targets. Innovative issues: work-live balance, equality, corporate social responsibility and green issues. The results show a relatively low score (under 3) for both types of impact overall in Europe. However, when examining the scores in each country we see quite significant differences (Figure 5).

The first that catches the eye is the position of Germany in the top right corner (Figure 5), indicating that German managers perceive ERs to have relatively strong impact on both types of issues. On the other hand, Portugal scores low in both (bottom-left corner), meaning ERs here are perceived to have little impact on the decision making processes for traditional and innovative issues. Other countries such as The Netherlands and Denmark score considerably higher in innovative issues than in traditional issues. Following the NEIRE model (Figure 1) we explore how the impact on the decision making process is related to other factors as perceived competences and the conflict management used by the ERs.

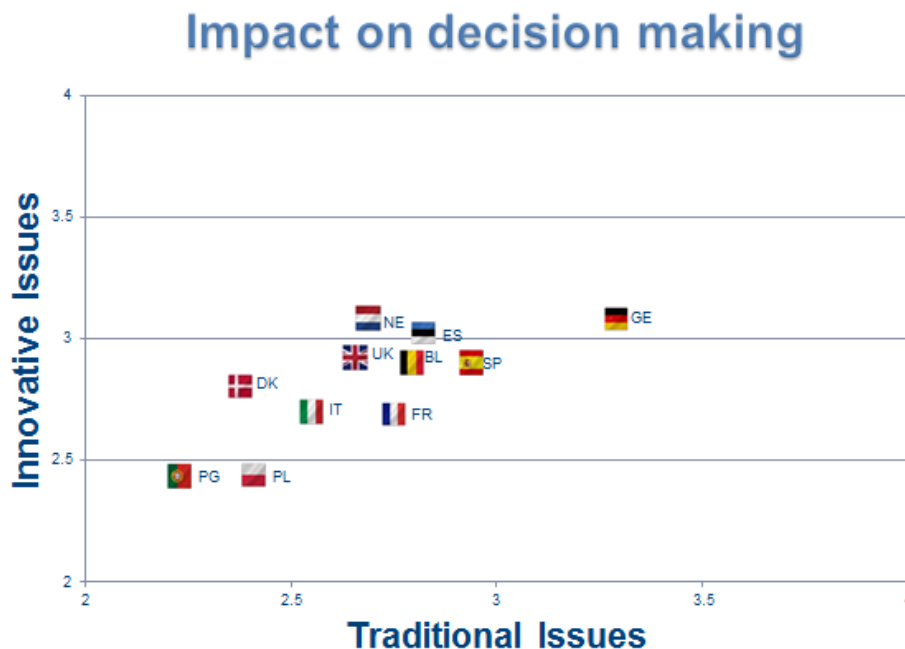


Figure 5. Impact of ERs on innovative and traditional issues in 11 countries. (Original scales are from 1 to 5, see Figure 1).

Below we explain how different factors from the NEIRE model are related to the ERs' impact on the decision making:

Competences. Managers who perceive the ERs as competent, consider ERs’ impact to be higher in the decision making process about traditional as well as innovative issues.

Conflict management. ERs with more *competitive* conflict management seem to have more impact on traditional issues; ERs with more *cooperative* behavior have more impact on innovative issues.

Integrity and Benevolence. These are perceived as relatively high in the European average (figure 3), however are surprisingly not related to the impact of ERs on decision making. So, even though managers in Europe seem to believe that ERs have clear principles and are well intentioned, this doesn’t appear to help them to impact more in the decisions. A quote of a Spanish manager illustrates this finding:

‘The only good thing I can say about them [ERs] is that they are nice people’

- **Quality of agreements**

We examine the quality of the agreements perceived by managers (Figure 6). With no extreme differences between countries, it seems that at the end of the day agreements are neither excellent nor terrible, as most countries score around 3. Evidently with this level of quality, there’s still great room for improvement in all Europe.



Figure 6. Perceived quality of agreements in 11 countries.

Results conclude that trusting IRs is closely related to the quality of the agreement. In contexts characterized by trust between ERs and management, better agreements are reached. Another factor leading to more qualified agreements is the ERs' cooperative pattern as opposed to competitive patterns behaviors, which were actually negatively related. Furthermore, ERs' level of competences is also related to quality of agreements. Finally, the conflict efficacy and a constructive approach from both parties toward the conflict resolution, is related to quality outcomes in the agreements.

4. Practical recommendations and good practices

IR climates differ between countries, sectors and organizations. However, quite clear commonalities also appear when we listen to HR directors and employers in Europe. Here we summarize their wishes, concerns and some proposals to improve social dialogue. These good practices can be inspiring. HR managers and ERs can see in what ways these practices could be applied in their organization. One might easily say: this does not work in our country, or sector, or organization. If this is your response, please remember that also within countries and sectors, the differences between organizational practices are substantial, when it comes to a climate of trust and cooperation in IR. For this reason, we would like to remind employers that they are greatly responsible for the quality of social dialogue and of the ERs in their organization.

- **Promoting innovative social dialogue**

Following the NEIRE model, we start by examining the outcomes: effective dealing with conflicts, ERs' impact on decision making in organizations, and innovative collective agreements of high quality. By far most European employers prefer strong counterparts at the table. And they want to make high quality agreements that meet the changing developments in the workforce and economy. Employers value a formal structure for social dialogue to make such agreements, also within the organization. In the next points we explore the elements of the model regarding how to reach such empowered ERs, high quality agreements and minimal escalation of conflicts.



'We were able to really make an integrative agreement which is seen as very innovative in the context of our country. We could only do this due to the constructive climate and our joint efforts to cooperate. During this process, we were able to avoid personal conflicts' (HR manager from the banking sector).

- **Simple and flexible structures for social dialogue**

From the practices gathered all around Europe, we see a wide variety at the structuring level. Most large and international organizations are well organized, and sometimes even over-structured. HR managers regularly express the wish for more comprehensive and less ‘heavy’ structures of employee representation. This however is not so for smaller companies, embedded in family and local businesses and organizations. Here, formal representation often is absent. Usually line management acts. In the case of the UK, also larger organizations heavily rely on informal ways of representation, which clearly have their limitations.

Generally, HR managers in Europe do value social dialogue as a form of structured negotiations and problem solving activities, also embedded in legal structures. When it comes to comprehensive models, HR managers prefer fewer parties at the table, representing different groups of employees and from different unions. Secondly, there is a tendency to have stronger ties with the ERs who also work in the company, as compared with shop stewards who are employed by the unions. Related to that, in small companies where informal dialogue is working, the structure of ERs can be considered as less needed:

‘Simplifying the structure would be better. For example: if we are 49 we don’t need to have this structure but if we are 51 we need 10 members in the workers council!’
(French HR Manager)

Good practice: A more flexible representation structure within the organizations is an attractive model for most HRs. Efficient relationships are built more at an informal level than at a formal level.

- **Unions being more innovative and less ideological**

Employers in most countries express appreciation for ERs. Nevertheless, there is a sense among employers that unions should be more adaptive to economic developments, also at organizational level. Unions, and from national and sectorial level, also in organizations, could improve the IR climate and their impact on decision making in organizations, if they are less conservative, in the eyes of employers. ERs are expected to fight for the interests of the employees; however this is not necessarily in conflict with the interests of the company. This indeed is the perception of most employers, who expect that unions would also take that perspective and that they would consequentially educate ERs in this way.

Within Europe, ERs in Germany are perceived to have a relatively high impact. A German manager illustrates this:

'Traditionally industrial relations can be characterized as constructive, a desire to work together, and I think that 99% of my colleagues and 99% of the workers would back me up on this'.

Good practice: take a constructive and innovative approach towards conflict.

- **Investing in social dialogue**

Many employers see the relevance of a structural representation, and invest substantially in realizing this. Paying the part time and full time working hours for representatives, and having staff and facilities at the human resources department engaged in the social dialogue and structural negotiations. Most see this as money well spent, although quite a few feel there could be more efficiency in the formal structures. Investing in social dialogue in diverse ways pays off, particularly when this is framed in a cooperative relation.

'The role of the ER is important in our organization; we need them to reach good agreements with our employees and trust that they put their best intentions into doing just that' (HR director, education sector).

'Social dialogue has to focus on the 'weakest group' in terms of explanations and therefore, a sound didactic approach is required. It is not per se the workers who need such explanations – for instance, if it is about a technical problem in our production, then the employees and managers are in need of clarification. So it depends very much on the topic we talk about' (HR manager, industry).

Good practice: Promote social dialogue and involve different groups of workers depending on the topic on the bargaining agenda:

- **Investing in informal relations**

Within each country we see clear differences between organizations, and between sectors. Even though the financial sector has faced dramatic changes, the IR climate is relatively cooperative, compared with industry. Higher education is also more cooperative compared to the industrial sector, generally speaking. How to promote a cooperative industrial relations climate in the organization? A key factor mentioned by many HR managers is to develop good and task-focused informal relations.

In Belgium, Germany, Denmark and the Netherlands, management widely uses informal communication prior to officially starting to negotiate in order to circumvent the ‘heavy’ structures and come up with possible solutions beforehand.

‘In informal meetings, employee representatives are more likely to show understanding for topics that would be very difficult to put on the table in formal meetings’

‘Our informal relationship is certainly better than the formal one. Therefore, I try to actively engage in these informal relationships with the employee representatives as I am convinced that in the long-run, this will also enhance our formal relationship’.



G8 leaders watching football

Good practice: investing in informal relations.

- **Building trust**

Trust is recognized as key in the relation between management and ERs. Also, clearly trust is regularly lacking, and managers regularly believe that ERs don't trust them. Trust mostly grows slowly and is associated with long tenures of ERs. Generally, employers manifest the need to be transparent and to promote open communication, together with sensitivity towards employees. Managers refer once again to the need for training to be able to communicate more effectively with ERs about different and complex topics related to organizational

dynamics and therefore improve trust between the parties. Some companies report that they carry out a team activity for both management and ERs once a year in order to improve the relationship and establish trust.

'In order to keep good and trustworthy social relations, we – management and employee representatives together – go on a trip once a year, e.g. to visit one of our plants abroad. For us, it is important to view employee representatives not only in their function, but also human beings with a personal background' (Belgian HR manager).

'Generally speaking the relations between management and ERs are very cooperative. We respect each other's position and share open information' (Danish HR manager).



Good practice: share information and involve ERs in decision making process.

- **Developing competencies of ERs**

There is a general opinion among employers on the need to professionalize the ERs role and training on technical competencies. The ideological orientation that shapes the profile of ERs in many European countries, such as Spain, is characterized by class struggle and confrontation with management. In this regard, employers point out that it's important to make the role attractive to competent people, including those who are younger and have a more flexible attitude.

Training ERs is regularly seen as responsibility of unions. However, this is sometimes used as excuse for not investing in training by companies. We have seen good practices where employers work together with unions, under the umbrella of unions, respecting their independent role. And in addition also invest in company provided or facilitated training for works councils.



Good practice: Increase and improve the training for ERs, especially in subjects such as business management and economy and training to improve their communication and negotiation skills. Apart from upgrading their competencies, a more open attitude when negotiating could result from this specialized training. Following statements of HR managers in different countries are illustrative:

'In our company we invest in the training of our ERs, we believe that we achieve more innovative and higher quality agreements if we negotiate with competent ERs'

'The company should provide ERs with training as soon as they got elected'

'Training in subjects like business management, finance and negotiation skills can give ERs more tools to work with and make them more flexible'.

- **Make the role of ER attractive**

Many HR directors express concern about the recruitment of competent and motivated ERs. And employers are searching for ways to promote competent, young employees to engage as ER. Interesting options are mentioned such as:

- Reward the role of ER, as part of career management (you cannot become manager unless you have served as ER);
- Promote adequate remuneration, especially in large organizations.
- Don't necessarily limit the wages at the level of entry, when ERs start.
- Involve ERs for shorter periods or specific project assignments, instead of long year commitment

'The problem is that TU don't have successors and highly qualified potential leaders to substitute current ERs'

- **Contribute to willingness to change**

In terms of attitudes, the HR management particularly desires a higher degree of openness towards change. A number of HR managers describe attitudes as rigid. This is perceived as a problem, especially due to the fact that most of the investigated companies are situated in a highly dynamic environment with constant changes, e.g. in terms of competition. In the view of the HR management, the continuous need to adapt to the external environment can hardly be aligned with the current attitudes of ERs. However, management generally does not want to take responsibility in this regard, e.g. by offering trainings.

In addition, management can contribute to willingness to change by involving ERs early in the process, informing them well, and empower them.

An HR manager of a university:

'Training and education for employee representatives is provided by the university. We also take time to regularly clarify difficult files in order to empower them to take decisions. However, this is a tricky issue. It requires a trustworthy climate, otherwise it is perceived as manipulation'

Good practice: providing training and high education.

- **Constructive conflict management**

Promoting a constructive management of conflicts is seen as a need by many HR managers. Employers can contribute to that. For example, several of the investigated companies use working groups consisting of employer and ERs to overcome potential conflicts prior to negotiations. Moreover, members of the working groups are mostly selected based on expertise, which means that everyone on the table should in principle have sound knowledge about the topic. This arguably facilitates discussions and probably, leads to good outcomes. Results show that adding employees with expertise to workgroups is a good practice to achieve more constructive and innovative social dialogue.

'The ERs should have the function of a co-manager, together with management it should be concerned with finding the best solution for the company and therefore WC members need to be orally competent, they need to understand financially how the company works. They need to possess all the competencies required of a co-manager so that they are on the same level as the top management'

Several HR managers refer explicitly to 'national action days', which are seen as a burden, since the workforce normally, participates although there is not necessarily a link to the company. HR managers would like to see more innovative and creative solutions in this

respect. According to the HR management, there are ways to avoid participating in such national action days and it is important to find solutions to do so. An HR manager reports:

'Taking part in national action days means high costs for us, although the strike is mostly not related to the company at all. This should be evitable and we proved twice that it can work. However, we had to engage in concession bargaining and that is unhealthy'.

A good practice is to train ERs as well as HR managers in principled negotiation, so that both parties focus on exploring the interests instead of staying in the positions. Actions days are not beneficial for managers (the company lose) neither for workers (the worker lose). Therefore, working together on creative solutions that satisfy both parties is a more beneficial alternative. In that, trust and competences are essential at the negotiation table. One hand, trust facilitates information sharing; on the other hand, competences make it possible for ERs to understand the task and the decision to be made.



To conclude, this report elaborates on HR managers' perceptions about the role of ERs. We have seen that different perceptions exist related to the IR climate in each country, sector and organization. This climate impacts the perceived level of competences of ERs, trust between parties and perceived commitment to the organizations. All these factors are shown to impact the way that ERs manage conflict as well as on the type of conflict that they have to face (relational vs. task), resulting in either poorer or better quality of agreements and impact of ERs.

The proposals from HR managers are listed in order to improve social dialogue practices, leading towards more and more efficient participation by ERs in the decision making processes of organizations, as well as towards a higher quality of the agreements signed.

Quality and innovativeness of workplace agreements become vital under the increasing pressure from globalization and on-going financial crisis. Promoting mutual empowerment between employers and ERs to build a Tower of Power, in which the decisions taken satisfy all parties, is essential to face the current challenges. Therefore, improving the quality of social dialogue is perceived as the healthiest and fairest way to make decisions in a democratic organizational context.

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