

**Paths and barriers towards good quality cooperation  
in Danish manufacturing workplaces**

*Jonas Felbo-Kolding and Mikkel Mailand*

Employment Relations Research Centre (FAOS)  
Department of Sociology, University of Copenhagen

Paper for the 16<sup>th</sup> ILERA World Congress, Philadelphia, July 2-5, 2012

## 1. Introduction

Although state authorities are important in respect of arbitration, conciliation and mediation and play an increasingly stronger role in industrial relations, Danish labour market regulation to a large extent still relies on bipartite collective bargaining at both sector and workplace level. Relations between employers/employers' organisations and the relatively strong trade unions are often described as consensus-oriented in relation to collective bargaining (Due and Madsen 2004; Due et al. 2010).

Consensus-orientation is also part of the employee involvement system, the parallel system to the Danish collective bargaining system. Although also found at company and national-level, the institutional back-bone of the employee involvement system is the workplace-based cooperation committees with representation of both management and trade union affiliated shop-stewards (or independent employee representatives). Enterprises with more than 35 employees are, according to the Cooperation Agreement, obliged to set up cooperation committees if proposed by either the employer or a majority of the employees. Enterprises with less than 35 employees are not obliged to set up a cooperation committee; they can however choose to do so. The issues dealt with by the cooperation committees are partly specified in the Cooperation Agreement, which was first signed in 1960 between The Confederation of Danish Employers and The Danish Confederation of Trade Unions (revised latest in 2006). Management and shop-stewards can however add to the list of issues for discussion in the cooperation committees as long as the general obligations of the agreement are observed.

A number of studies have provided important knowledge about the cooperation at company-level in Denmark. Firstly, from these studies it is clear that although not all companies have established cooperation committees, cooperation takes place anyway. In other words, the cooperation between employers and employee representatives is informal as well as formal. The studies have in general also reported on a relatively well-functioning cooperation between employees and managers and pointed to the importance of trust (Agervold 2002; Navrbjerg et al. 2010; Epinion 2007). There is, however, a lack of knowledge regarding the importance of other factors than trust in the evaluation of the quality of workplace cooperation. The present paper will address this knowledge gap and analyse what other elements than trust are of importance to good quality cooperation at the workplace level.

Secondly, most major existing studies on cooperation have tended to take merely a snapshot of workplace cooperation. By combining quantitative analysis with qualitative analysis the present paper will attempt to identify the dynamics of cooperation by focusing on how cooperation develops over time and on factors that can obstruct good quality cooperation.

Thirdly, but related to the question of the dynamics of cooperation, the paper aims to illustrate how cooperation functions under conditions that have not been present when the previous studies from the 1990s and 2000s were conducted. The economic crisis of the last couple of years provides an important framework for the study, because the manufacturing industry as a whole has been affected in one way or another by the economic crisis. The paper will attempt to uncover whether the cooperation at workplace level has been affected by the economic crisis.

Summing up, the aim of this paper is to analyse changes in the quality of cooperation between employees and management at workplace-level in Danish manufacturing companies – before, under and after the economic crisis. The focus of the paper will in other words be the dynamic dimension of cooperation at workplace level.

The paper will attempt to answer the following research questions:

- How do the workplace actors define ‘good cooperation’?
- Which paths lead to good quality cooperation between employees and management at workplace-level and which barriers do these paths have to overcome?
- How can the causal relations regarding the quality of cooperation be conceptualised?

Methodologically, the research project, on which the paper is based, draws on analyses of the answers to questionnaires from 226 HR-responsible managers and 614 shop-stewards and other employee representatives at Danish workplaces in the manufacturing industry. The manufacturing industry was chosen because of its size, sensitivity to economic cycles and for funding reasons<sup>1</sup>. The selected companies have a minimum of 25 employees in order to evaluate whether the official limit of 35 employees stated in the Cooperation Agreement have an actual impact on whether enterprises choose to establish cooperation committees. The questionnaires were sent out in April 2011. In order to get a deeper knowledge of the development of workplace-level cooperation in the manufacturing industry and its dynamics, the quantitative study was supplemented by a qualitative study of eight workplaces. These were selected among the respondents from the quantitative study. Managers and shop-stewards from these workplaces were interviewed in October and November 2011. The focus of the study was on cooperation at the workplace-level rather than the enterprise-level, although information of the latter was included when it was relevant to the former, which proved to be the case on more than one occasion. The definitions of good quality cooperation used in the study are purely subjective and explorative since the respondents and interviewees were those who had defined ‘good cooperation’ between managers and shop-stewards. In addition the subjective point of departure entailed that the interviewees established a specific time frame relevant to the development of cooperation at the workplace.

This introduction is followed in the section by a presentation of the results from the quantitative study. The third section includes the findings from the qualitative studies. The findings from both these studies feed into the formulation of a multi-causal model of employee involvement and change, which is presented in the fourth section. The fifth section summarises the most important findings and lays out perspectives for future research.

## 2. The quantitative study – good quality cooperation and its dynamics

In order to analyse the dynamics of cooperation it is necessary first to get an impression of what the workplace actors themselves see as good cooperation. The quantitative study confirms the importance of factors such as ‘trust’ and ‘respect’ found in previous studies, in that these are topping the list of factors for both managers and shop-stewards (see table 1). There are, however, also important differences in the managers’ and the shop-stewards’ answers. The former tend to emphasise the importance of the employees’ understanding the situation of the enterprise, whereas the latter focus more on the extent to which the managers are listening to them and the extent to which the employee involvement is real and not just pro forma.

Table1 – What do you understand by good cooperation? (percentage)

	Shop-steward	Manager	Difference
Trust and respect	37	40	-4
Involvement	35	10	25
Form of involvement (honouring agreements, continual dialogue, decision-making oriented)	15	15	0
Starting point for involvement (openness, earnestness, commitment)	14	22	-8
Understanding of counterpart’s position	10	12	-2
Working towards common goals, common understanding of settings and conditions	10	11	-1
Working for the enterprise/common understanding of the situation of the enterprise	2	13	-11
Other (fx good management, focus on a good working environment)	7	6	1

N: Shop-steward=614, manager=236

Note: The respondents could freely state their understanding of good cooperation. The answers were subsequently grouped, according to an evaluation of which elements concerning cooperation the respondent primarily emphasized.

Both employers and shop stewards described the workplace cooperation as being good – again consistent with previous studies. As can be seen from table 2, about ¾ of the respondents either

fully or partly agreed that the overall cooperation 'is good'. However, a larger share of the managers was satisfied than shop-stewards. Also this difference is confirmed by the other studies.

*Table 2 – How would you respond to the following statement: The overall cooperation is good? (percentage)*

	Shop-steward	Manager	Overall
Disagree	3	0	2
Partly disagree	8	2	7
Neither agree nor disagree	17	4	14
Partly agree	35	27	33
Agree	36	67	44

N: Shop-steward= 549, Manager= 177

An interesting dimension in the respondents' evaluation of the cooperation is that both managers and shop stewards seem to prefer informal forms of cooperation to formal ones. This influences the evaluation of workplaces so that workplaces dominated by informal forms of cooperation are also those judged to have the best cooperation, as can be seen in table 3.

*Table 3 - Evaluation of the quality of cooperation based on the degree of formality of cooperation (only shop-stewards) (percentage)*

	Degree of formality of cooperation				
	Disagree	Partly disagree	Neither agree nor disagree	Partly agree	Agree
Exclusively formal meetings	0	17	33	33	17
Primarily formal meetings	13	4	42	25	17
Equally formal and informal meetings	2	7	16	34	41
Primarily informal meetings	3	10	14	39	33
Exclusively informal meetings	9	9	14	32	36

N: 550

The quantitative study also showed a positive correlation between the number of years the shop-steward had cooperated with the manager and his/her evaluation of their cooperation. An interpretation of this finding could be a confirmation of the role trust plays in good cooperation. In addition the quantitative study showed a positive correlation between the quality of workplace cooperation and a number of other factors: the number of meetings between shop-steward and

management; the extent to which the shop-steward saw him- or herself as a representative for the entire enterprise; the extent to which the shop-steward saw the manager as a representative for the employees; whether or not the shop-steward was also an employee elected member of the board; and the extent to which the shop-steward and management agreed on the condition of the enterprise as a whole and had a mutual understanding of each others' room to manoeuvre. A large number of other features did not seem to have any impact on the quality of workplace cooperation. It did not seem to be important whether or not the workplace had a cooperation committee; nor did the number of employees at the workplace; the share of employees working in production; the number of years the workplace has had a cooperation committee; the number of meetings in the cooperation committee a year; or the number of hours spent by the shop-steward on cooperation.

Regarding *the dynamics* of the cooperation, nearly half the respondents found that cooperation between management and shop-stewards had changed during the last two years (since early-mid 2009). The managers and shop-stewards were also asked about the reasons for these changes with open questions (strings). As can be seen from table 4 below the most common reason given for an improvement in cooperation during the two year period was 'changes in management'. The same reason was topping the list together with 'workplace or company closure/economic challenges/lay-offs' by the respondents, that found cooperation to have deteriorated during the same period.

Table 4- How has cooperation developed over the last two years? How come? (percentage)

	Shop-stewards	Managers	Overall
<i>Cooperation has improved*</i>			
Change in management	28	8	22
Improved communication	15	14	15
Improved mutual understanding	11	16	13
<i>Cooperation has deteriorated**</i>			
Management does not want to cooperate	28		
Plant closure/economic challenges/lay-offs	26		
Change in management	23		

\* N: Shop-steward= 109, Manager= 49 \*\* N: 94, only shop-stewards. Only 9 managers wrote explanations about this. 3 mentioned changing key persons, 2 mentioned lays-offs and economic difficulties

From the table we can conclude that changes in management and thereby changes in the general personal relations between managers and shop-stewards are important drivers in the quality of

cooperation (and can lead both to an improvement and deterioration of cooperation). Lay-offs and economical challenges are also important drivers, but mainly in relation to deterioration of cooperation and only according to the shop-stewards.

The emphasis given to economic crisis (e.g. closure/economic challenges/lay-offs) as explanations for a deterioration of the cooperation indicates that the economic crisis is an important barrier on the path towards good quality cooperation at the workplace-level. However, the effect of the crisis is much more complex than this. It can, for instance, be seen from table 5 that more respondents from the workplaces where the actors have reported on a negative impact of the crisis found the cooperation to have improved (29 percent) than found it to have deteriorated (21 percent). This finding might seem surprising at first, but indicates that the impact of the economic crisis might best be understood as a challenge or background variable, which means that the actual influence of the economic crisis is to be understood as an impact on other drivers of change in cooperation. This will be further investigated in the fourth section.

*Table 5 – How has cooperation developed over the last two years. Note whether the workplace has been affected by the economic crisis or not (percentage)*

	Cooperation has improved		Cooperation has deteriorated		Cooperation has not changed	
	Shop-steward	Manager	Shop-steward	Manager	Shop-steward	Manager
Positively	37	58	12	4	50	38
Negatively	29	36	21	8	48	50
Has not been affected by the crisis	20	33	18	0	59	61
Overall	27	39	19	5	51	50

N= 535

Other drivers than changes in management and the economic crisis were found to be of importance in the quantitative study. The answers indicated that a number of action-oriented drivers should be added to the list. Involvement of consultants from the joint cooperation organization, TekSam (set up by the employers' organization The Confederation of Danish Industry (DI) and The Central Organisation of Industrial Employees (CO-Industri) in Denmark to facilitate cooperation at workplace-level), HR-related courses for the employees and joint management-employee courses are, according to answers by shop-stewards, correlated with an improvement in the cooperation, whereas only the involvement of TekSam-consultants has an impact if the focus is moved to the answers of the managers, as can be seen in table 6.

*Table 6 – How has cooperation developed over the last two years dependant on specific actions taken in the workplace over the same period. (only shop-stewards) (percentage)*

	Cooperation has improved	Cooperation has deteriorated	Cooperation has not changed
Has involved TekSam-consultants	37	19	38
Has not involved TekSam-consultants	23	19	56
Has held HR-related courses for the employees	43	6	48
Has not held HR-related courses for the employees	23	22	52
Has held joint courses for employees and management	38	8	53
Has not held joint courses for employees and management	21	24	51

N: 560

Summing up, the most important drivers behind changes in the quality of cooperation are, according to the quantitative study, the following: 1) changes in management and 2) changes in their general personal relations (both improvement and deterioration of cooperation); 3) economic crisis (mostly deterioration), 4) involvement of TekSam-consultants, 5) HR-related courses for the employees and 6) joint management-employee courses (improvement).

### **3. The qualitative study – confirming and refining the findings**

As shown above, the quantitative study provided knowledge about, inter alia, the actors' understanding of good quality cooperation and the various factors that are correlated with good and bad quality cooperation respectively. However, in order to provide more information about paths and barriers to good cooperation – that is, about the dynamics of change in cooperation between managers and employers – an additional qualitative study at eight workplaces was conducted.

The eight workplaces were selected among those where the responding HR-manager and/or the responding shop steward had reported on either an improvement in quality (four workplaces) or decline in quality (four workplaces) regarding cooperation. The explanations for the changes include in all cases either changes in key persons (either management or employee-representatives) and/or changes due to the economic crisis.

After having conducted semi-structured interviews based upon the results of the quantitative analysis with one HR-manager and one shop-steward from each of these workplaces, it was clear that two method-related assumptions had to be revised.

Firstly, to get a more than superficial understanding of cooperation it was not enough with a two year perspective or even a before-and-after-the-crisis perspective. In many cases a 5-10 year perspective or even longer was necessary. This is so because the quality of cooperation is changing frequently and because relations between managers and shop-stewards in previous phases are often relevant in an attempt to explain the current state of cooperation. The evaluation of the current quality of cooperation is in this respect always relative to the history of cooperation. Has the cooperation been especially well-functioning prior to a change in management for example, the evaluation will take this as its starting point. This is of course also the case if cooperation is perceived to change from worse to better. Secondly, because the quality of cooperation is changing fast and a long time perspective is necessary, cooperation is best understood as neither exclusively 'good' nor 'bad'. Periods with relatively good cooperation have in reality often been followed by periods with relatively bad cooperation at the case-workplaces. Moreover, the quality of cooperation often varies between personnel groups, production units or management levels in the company. Hence, having overcome the barriers and walked down the paths to good quality cooperation does not mean that cooperation is forever good and therefore the focus of the case-stories should not (only) be on the cooperation in each company in general, but on the drivers explaining transitions from good to bad and vice versa.

Lack of space renders a workplace by workplace presentation of the eight cases beyond what is reported in table 7 impossible. However, the case-stories will be used as examples in the following presentation of the findings from the qualitative study.

The findings from the case study both confirm and add to the findings regarding the dynamics of cooperation from the quantitative study: Firstly, the case-studies show the impact of *ownership* - a dimension that in the quantitative study did not seem to have a great impact on the dynamics of cooperation. The impact of ownership is best understood as a mediating factor in relation to the effect of *changes in key persons* (management or shop-stewards), one of the factors of importance found in the quantitative study. The qualitative study indicates that a change of director tends to have greater impact in non-family-owned workplaces (such as corporation- or hedge funds-owned workplaces) than in family-owned workplaces. In the former, a change of top-manager (for instance from father to son) will lead to slow and incremental change in management and in the quality of cooperation. Examples of this are case 2 and case 5. This might be so because the new generation of leaders tends to be recruited internally and therefore be socialised into the same management style and culture as the previous leader. The contrary tends to be the case in the non-family-owned workplaces, where top-managers often come from outside the firm (or at least outside the workplace). Here, a more or less immediate impact of the change of manager is often seen. Examples of this are seen in case 1 and 3. However, there are also intermediary cases such as case 6 and 8 where the managers are internally recruited from positions as production leaders. A similar development was seen in case 8 where the new factory manager is also

internally recruited, which means that employees and manager already knew each other prior to the cooperation.

*Table 7 – The case companies: Facts and figures and keywords on cooperation*

Case	Product	Ownership	Number of employees	Managers' title	Keywords regarding cooperation
1	Metal products	Global corporation	70.000 (corporation) 300 (workplace)	Production manager	Well-functioning cooperation at floor-level between production manager and shop-steward. Mismatch expectations between involvement at enterprise-level. Cooperation deteriorated due to the economic crisis and a change of managing director.
2	Equipment for the aviation industry	Family-owned	250 (enterprise) 230 (workplace)	Production leader	Well-functioning cooperation – adapted involvement – and a match between expectations. Cooperation improved with a change of managing director and shop-steward
3	Moulding equipment	Hedge-fund-owned	2.000 (corporation) 340 (workplace)	President and COO (Chief Operations Officer)	Well-functioning cooperation at all levels – adapted involvement – high involvement at the operational level and relatively low at the strategic level. High level of trust and respect (both personal and institutional).
4	Equipment for the telecommunications and energy industry	Global corporation	22.000 (corporation) 80 (workplace)	Plant manager	Minimum involvement and a mismatch between expectations of involvement. Conflicting interests between subgroups of employees and a narrow mandate for the shop-steward. Low level of respect and trust in the shop-steward's skills
5	Equipment for food production	Family-owned	220 (enterprise and workplace)	Foreman	Well-functioning cooperation – adapted involvement – and a match between expectations of involvement. Cooperation improved gradually over a period of 10 years after changes in key persons and the overall HR – management approach.
6	Environmentally sound and CO <sub>2</sub> neutral energy	National corporation	340 (corporation) 26 (workplace)	Factory manager	Well-functioning cooperation at the factory level – high adapted involvement – and a match between expectations. Low level involvement and mismatch of expectations and lack of trust and respect at corporation-level for both factory manager and employees.
7	Frozen food and snacks	Family-owned	220 (enterprise) 100 (workplace)	Owner	Ill-functioning cooperation due to lack of trust and respect between shop-steward/employees and management. Minimum involvement and a mismatch of expectations. Narrow shop-steward-mandate due to conflicting interests among the employees. Quality of cooperation due to changes in key persons and an overall change in HR – management approach
8	Industrial gas	Global corporation	50.000 (corporation) 170 (workplace)	Plant manager	Well-functioning cooperation at plant-level – adapted involvement – and a match between expectations. The parties cooperate in relation to initiatives from corporation-level. Cooperation improved with a change in plant manager and a structural change of tasks.

The qualitative analysis also suggests that it is not only in relation to the managers the issue of *internal versus external recruitment* plays an important role. This is also the case when it comes to changes of shop-stewards at the workplace. Thus, in both case 5 and case 7 it played a role that the shop-steward was employed shortly prior to taking on the job of shop-steward. This gave the shop-steward a larger room to manoeuvre as they had no prior cooperation-‘bagage’. In relation to both the shop-stewards and the managers, it is worth noting that the importance of external recruitment depends to a large extent on the organization's readiness to change. The manager's and shop-steward's room to manoeuvre is in this respect dependent on the workplace's cooperation history.

Secondly, change in the *HR-management approach* can of course also sometimes be interlinked with changes in *key persons*, although this is not necessarily the case. The long time-perspective applied in the qualitative study allows us to illuminate changes in management approaches which rarely happen from one year to another. Three of the cases (case 3, 5 and 7) illustrate a change in HR-management approach from focus on detailed regulation of the performance of the individual employee to team-based organisation based on extensive self-regulation. Such a change in HR-management approach naturally has an impact on the cooperation as the employees are far more directly involved than earlier. On all three workplaces the change in HR-management has also led to an increase in the indirect involvement of the shop-stewards as management after the change sees them as co-players instead of counterparts.

Thirdly, the eight cases confirm and balance the findings from the quantitative study regarding the role of the *economic crisis* for cooperation dynamics. The findings from the quantitative study showed that the economic crisis far from always led to a deterioration of cooperation. Only half the respondents reported on changes in the quality of cooperation due to the economic crisis and of these, more reported on an improvement of the quality of cooperation than a deterioration of it. In general, the eight cases confirmed that the impact of the crisis on cooperation is complex. In several of the case workplaces the interviewees reported that the economic crisis created greater solidarity and understanding between managers and employees. Several of the HR-responsible managers interviewed explained that this solidarity is interlinked with crisis consciousness in the form of an improvement of the employees' understanding of the enterprise's situation (case 2 and 7). However, there were also among the eight cases workplaces where managers and shop-stewards find that the cooperation has deteriorated as an effect of the economic crisis (case 1 and 6). It is noteworthy, that these workplaces are also those that show the lowest level of overall employee involvement and greatest centralisation of decision-making in top-management at the workplace-level, and in some cases also in the overall corporation. It is furthermore noteworthy that the employees tended to be disappointed about issues such as wages and employee involvement in the workplaces that have been positively affected by the crisis (insofar as they have experienced an increase in revenue during the overall crisis for example or in some cases have been able to expand the staff of employees), but where the cooperation has all the same deteriorated (case 4). However, if this progress was not followed by an increase in pay or if the shop-steward was not involved to the extent that he or she had expected this overall economic progress might even have resulted in a deterioration of the cooperation.

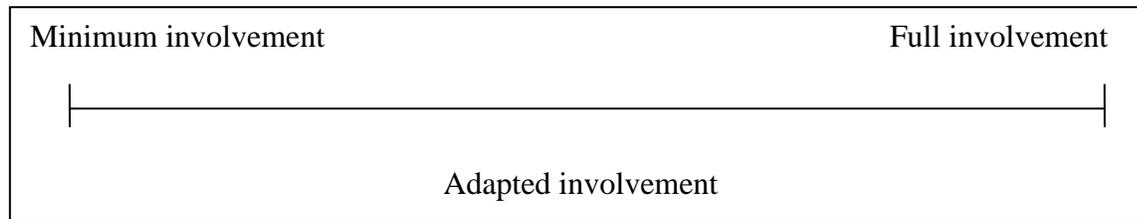
Fourthly, the eight cases show that the *composition of the group of employees* represented by the shop-steward plays an important part in at least two respects. The composition played a role in relation to the mandate given to the shop-steward's cooperation with management. If for example the group of employees is in fact divided into several smaller groups with conflicting interests the shop-steward's mandate in relation to management will be unclear. This was the case in case 4, where management's attempt to involve the employees and shop-steward in the preparation of a new work plan was spoiled by internal disputes between groups of employees. These disputes influenced the mandate of the shop-steward and made it impossible to actually enter an agreement with management as the different groups did not trust the ability of the shop-steward to accommodate their immediate interests. The same was the case at case 7 where a change in the group of employees affected the shop-steward's mandate and consequently cooperation, as internal disputes disappeared along with a number of employees. The composition of the entire group of employees also played an important part in relation to management's respect. At workplaces with a high level of qualifications among the employees, the shop-steward experienced a higher level of respect and involvement from management (case 2 and case 3), than was the case at workplaces with a low level of qualifications (case 1 and 4). Management's perception of the qualifications of the employees in this respect influenced their willingness to involve the employees directly or indirectly in operational issues as to how work shall be carried out. It also affected management's willingness to acknowledge the importance of actually cooperating with the shop-steward depending on the state of the labour market as he and the employees he represented during the economic crisis could easily be replaced by others.

#### **4. A multi-causal model for employee involvement dynamics**

As follows from the quantitative and qualitative studies above the dynamics of cooperation at workplace-level is complex. To better understand it we will suggest a multi-causal model of employee involvement and cooperation. On the one hand it should be apparent that the core of the understanding of cooperation is the shop-steward-management relationship. On the other hand it should also be apparent by now that this relationship does not exist in a vacuum with no external challenges. A satisfactory understanding of the quality and development of cooperation must therefore take other factors into account.

At the centre of the understanding is as mentioned the relationship between shop-steward and manager. In this respect an important finding, which is not exclusively related to the dynamics of cooperation, but to the overall understanding of cooperation, is the importance of what we have chosen to call a '*match*' between the parties' understanding of what is understood by 'good cooperation', their expectations regarding the level of involvement in cooperation. Both the results of the quantitative and qualitative studies show that good cooperation can consist of very different levels of employee involvement. The figure below illustrates how a match can entail very different levels of employee involvement.

Figure 1: Match according to level of involvement



At one end of the spectrum the match between the parties' expectations entails a *minimum of involvement* at all levels of cooperation in the form of information from management to shop-steward and employees. At the other end of the spectrum the match entails *full involvement* at all levels of cooperation in the form of co-determination/co-decision. In between these two ends of the spectrum there exists a match, *adapted involvement*, which entails a mutual understanding that employee involvement differs depending on the importance of the issues at hand. In reality cooperation at most workplaces resemble the adapted version. However at some workplaces involvement in the form of management's information to the employees at all levels of cooperation constitutes good cooperation according to both parties, while the same level of involvement at other workplaces would be perceived as unsatisfactory for one or even both parties.

The key point is that good cooperation is to be understood in subjective terms according to the participating parties at the specific workplace, and that minimum involvement on the one hand is not necessarily equal to bad cooperation, and that full involvement on the other hand is not necessarily equal to good cooperation. Instead they have to be understood according to the expectations of the parties. It is important to add that the expectations of level of involvement are not limited to the shop-steward and manager relation, but also has to cover the expectations of the group of employees and top management. In some cases (case 2 and case 7) there was actually a match between the expectations of the shop-steward and manager, but as long as there is a mismatch between their expectations and the expectations of the group of employees the mandate of the shop-steward is very narrow. The same problem arises when there is a mismatch between the cooperating manager and top management (case 1). It is important as well to note that the different levels of involvement carry different challenges. A minimum of involvement can to some shop-stewards be seen as preferable to full involvement as it places them securely on the side of the employees, whereas full involvement with co-determination privileges on the other hand gives the shop-stewards more influence on management's decisions, but also places them closer to management which can carry challenges in relation to the employees, who might see them as being 'too receptive' to management's arguments.

As mentioned above, several previous studies have pointed to the importance of *trust and respect* in relation to the well-functioning cooperation. The qualitative study, however, sheds some new light on *the interplay between trust and respect and the match* between the parties' expectations. Firstly it is important to differentiate between personal and institutional trust and respect though. Whereas personal trust and respect in relation to cooperation at the workplace refer to the personal relations between shop-steward and manager, institutional trust and respect refer to the relations between the institutions of cooperation and the entire group of employees. It is hard to imagine the shop-steward and manager being able to find a mutual understanding about the level of involvement (a match) and to actually trust that the other party would live up to this understanding if the personal relations between shop-steward and manager were not characterized by some degree of trust and respect. Institutional trust and respect on the other hand influences cooperation mainly through the relation between the shop-steward and manager by influencing their room to manoeuvre. If either the group of employees collectively or top management have a lack of trust in the ability or willingness of the other party to live up to their expectations, this might in turn influence their trust in the ability of the cooperation between the shop-steward and managers to produce adequate results.

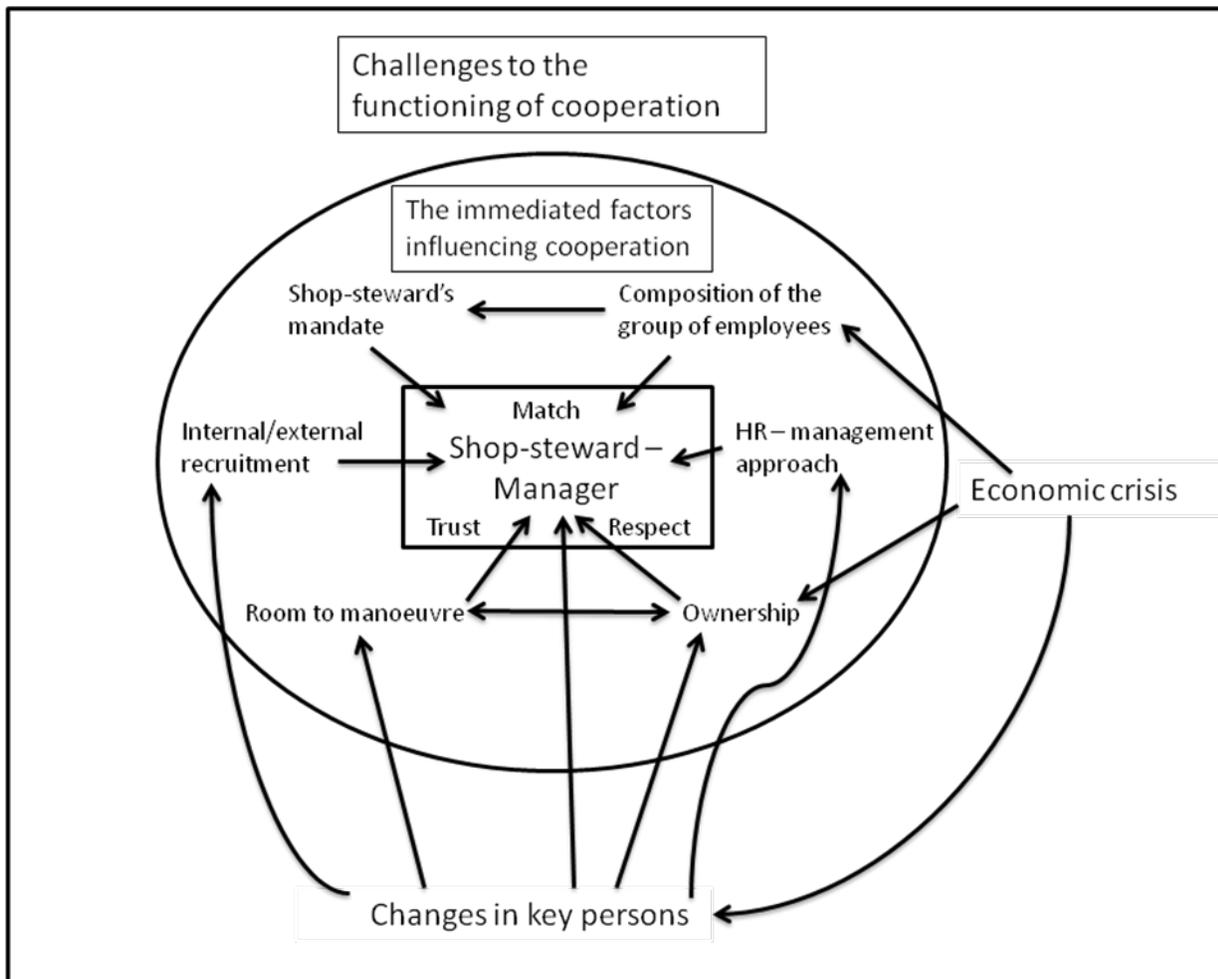
Likewise is it impossible to conceive of good cooperation without *a match between the actors' understanding of the level of involvement*. The key point in this respect is that these factors, as illustrated in the model, constitute essential prerequisites for a well-functioning cooperation, as they are essential to the relationship at the core of the model.

As mentioned above an adequate understanding of the quality and development of cooperation at workplace-level has, however, to take into account, on the one hand the *immediate factors* influencing the relationship between shop-steward and manager directly or indirectly, and on the other hand the *challenges to the functioning of cooperation* posed by the economic crisis and changes in key persons.

The complex interplay of factors influencing the quality and development of cooperation at workplace-level is illustrated in figure 2 below. At the centre is the relationship between shop-steward and manager characterised by mutual trust and respect and a match of expectations of the level of involvement. This relationship is the prerequisite for well-functioning cooperation. The levels of trust and respect and the match between expectations of involvement are, however, as shown above, influenced by other factors such as the mandate of the shop-steward and the manager's room to manoeuvre. A relationship between shop-steward and manager characterised by personal trust, respect and a match of expectations might permit some sort of cooperation in the short run. In the long run, however, this situation is not stable, as it is unlikely on the one hand that top management will accept a manager who do not fall into line with the principles of the enterprise and on the other hand that the group of employees will accept a lower level of involvement than expected, which in turn might result in a change of shop-steward or manager.

As illustrated by the model the understanding of the quality and development of cooperation is to be understood through the core relationship. This is, as already described, influenced both directly by a number of immediate factors and indirectly by a number of challenges to the functioning of cooperation, whose influence to a large extent is mediated by other factors.

Figure 2. The quality and development of cooperation at workplace-level



The effect of *the economic crisis* is mediated by the sort of ownership in a concrete enterprise, as the managers room to manoeuvre and thereby cooperate is influenced on the one hand by top management's idea of cooperation's role in a crisis situation and on the other hand by top management's time frame. As mentioned above the cooperation at some family-owned workplaces in the study is not especially affected by an economic crisis as the owners have a longer perspective and do not have to answer to any investors or shareholders. An economic crisis might also affect the composition of the group of employees as lay-offs might result in a change of expectations regarding the level of involvement. Lastly the effect of the economic crisis interacts with changes in key persons, as economic crisis on more than one occasion have resulted in changes of

managers thereby influencing the core of cooperation, the relationship between manager and shop-steward directly.

The effect of *changes in key persons* is even more complex. As already mentioned changes in key persons might be influenced by the economic crisis. Changes in key persons, however, also influence the core of the relationship directly as just mentioned due to a change of the manager cooperating, but also through changing the shop-steward. Changes in these key positions in cooperation is likely to affect at least initially the level of trust and respect between the parties, just as changes in the key persons is bound to give rise to a new matching of expectations in regard to the level of involvement. As already mentioned, it is impossible to give an unequivocal answer to the question of the effect of such a change, as it, very much depends on the preceding history of cooperation at the workplace. Also the effect is, as illustrated by the model, mediated by a number of factors including; whether or not the new key person is internally or externally recruited, the HR-management approach, ownership (family- or non-family-owned enterprises) and room to manoeuvre. It is important to note that a change in key persons can also be a change of managing director far from the daily cooperation if he or she imposes a new HR-management approach or curtails the lower ranked manager's room to manoeuvre.

Beside the direct and mediated effects of economic crisis and changes in key persons, the quality and development of cooperation might also, as shown in the model, be influenced by other *immediate factors*. As already described changes in the *mandate of the shop-steward*, sometimes influenced by changes in the group of employees, might influence cooperation as the shop-steward might be constrained by different expectations of the level of involvement or a narrow mandate because of conflicting interests amongst different subgroups.

All in all the model summarizes and illustrates the complex interplay between different factors influencing the quality and development of cooperation by emphasising the key role of the relationship between shop-steward and manager, the immediate factors influencing cooperation and the challenges to the functioning of cooperation.

## **5. Conclusion**

The paper has focused on the dynamic dimension of cooperation at workplace level. The paper has analysed changes in the quality of cooperation between employees and management at workplace-level in Danish manufacturing companies – before, under and after the economic crisis. The research project, on which the paper is based, draws on analyses of the answers to questionnaires from 226 HR-responsible managers and 614 shop-stewards and other employee representatives at Danish workplaces in the manufacturing industry. In addition, a qualitative case-study was conducted at eight workplace chosen among the responding workplaces from the quantitative study.

Three research questions were presented in the introduction. The first asked: *How do the workplace actors define 'good cooperation'?* The quantitative study confirms the importance of factors such as 'trust' and 'respect' for the quality of cooperation found in previous studies. There were, however, important differences in the managers' and the shop-stewards' perceptions. The former tended to emphasise the importance of the employees' understanding the situation of the enterprise, whereas the latter focus more on the extent to which the managers are listening to them and the extent to which the employee involvement is real and not just pro forma. Both employers and shop stewards described the workplace cooperation as being good – again consistent with previous studies. About  $\frac{3}{4}$  of the respondents either fully or partly agreed that the overall cooperation 'is good'. Moreover, both managers and shop-stewards prefer according to the survey informal forms of cooperation to formal ones. This influenced the evaluation of workplaces so that workplaces dominated by informal forms of cooperation are also those judged to have the best cooperation

The second research question asked: *Which paths lead to good quality cooperation between employees and management at workplace-level and which barriers do these paths have to overcome?* Nearly half the respondents found that cooperation between management and shop-stewards had changed during the last two years (since early-mid 2009). The managers and shop-stewards were also asked about the reasons for these changes with open questions (strings). From these we can conclude that the most important drivers behind changes in the quality of cooperation are the following: 1) changes in management and 2) changes in their general personal relations (both improvement and deterioration of cooperation); 3) economic crisis (mostly deterioration), 4) involvement of consultants from a joint employer-trade union cooperation body, 5) HR-related courses for the employees and 6) joint management-employee courses (improvement).

The qualitative study added to and balanced these findings regarding paths and barriers towards good quality cooperation in several ways. The case-studies showed that the impact of ownership works through the impact of *changes in key persons* (management or shop-stewards). A change of director tends to have greater impact in non-family-owned workplaces, such as corporation- or hedge funds-owned, than in family-owned workplaces. The case-workplaces also showed that a change in *HR-management approach* from focus on detailed regulation of the performance of the individual employee to team-based organisation based on extensive self-regulation had led to an increase in the indirect involvement of the shop-stewards as management after the change sees them as co-players instead of counterparts. Furthermore, the eight cases confirm and balance the findings from the quantitative study regarding the role of the *economic crisis* for cooperation dynamics. The findings showed that the economic crisis far from always led to deterioration in cooperation. Only half the respondents in the quantitative study reported on changes in the quality of cooperation due to the economic crisis and of these, more reported on an improvement of the

quality of cooperation than a deterioration of it. In general, the eight cases confirmed that the impact of the crisis on cooperation is complex.

The third and final research question asked *how can the causal relations regarding the quality of cooperation be conceptualised?* The logical conclusion was the need to apply a multi-causal model in order to understand the complexity regarding both the quality and development of cooperation at workplace-level. Furthermore the studies showed, that an adequate understanding will have to take the relationship between shop-steward and manager as its' starting point as their relationship is a prerequisite for good cooperation. In order for their relationship to be good, it must be characterised by personal trust and respect and a match between expectations regarding the level of involvement. Even if these prerequisites are met this is still no guaranty that cooperation will continue to be well-functioning over a longer period of time, as this relationship, as shown, can be influenced by a number of internal and external factors. On the one hand changes in key persons may pose a challenge to cooperation by directly influence the relationship and consequently cooperation as a change of either shop-steward or manager will have to be followed by a new matching of expectations. The specific effect may also be mediated by a number of other factors e.g. whether the new key person is: internally or externally recruited; the workplace is family-owned or part of a larger corporation; the manager's room to manoeuvre; the HR-management approach of the workplace or corporation. Also cooperation at workplace-level may be influenced by the economic crisis, this influence, however, is mediated by ownership structures and the composition of the group of employees as well as through changes in key persons.

## References

- Agervold, M. (2002): Arbejdet i samarbejdsudvalg: En empirisk undersøgelse af arbejdsformer, indhold og tilfredshed med SU-arbejdet. *Tidsskrift for ARBEJDSLIV*, 4 (2) 81-98
- Due, J. and Madsen, J. S. (2004): *Fra storkonflikt til barselsfond – Den danske model under afvikling eller fornyelse*. Copenhagen: Jurist- og Økonomforbundets Forlag.
- Due, J., J. S. Madsen and S.K. Andersen (2010) *Employment Relations in Denmark*. Bamber, G. et al.. *International and Comparative Employment Relations*. London: Sage
- Epinion (2007). *Samarbejdet i industriens virksomheder*. Copenhagen: Epinion A/S
- Navrbjerg, Steen E. et al. (2010): *Tillidsrepræsentantundersøgelsen 2010. Rapport 1: Tillidsrepræsentanten og arbejdspladsen*. Copenhagen: Landsorganisationen i Danmark

---

<sup>1</sup> The project is funded by the fund for FAOS' research programme 2009-13. The social partners from the manufacturing industry - The Confederation of Danish Industry (DI) and The Central Organisation of Industrial Employees (CO-I) - finance 39 percent of the fund.