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Aimed at track 2: Emerging Orders of Production and Skill Development in a Global Economy

- a) Emerging practices in human resource management in response to globalization

Worker Involvement in Public Sector Restructuring and Reform

- What high trust cooperation can do for political legitimacy and sustainable innovation

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Abstract:

The last 20 years have been some of the most reformative in public sector administration in Western Europe and the US with significant impact on the employment relationship. Due to budget pressures and increasing demands among citizens for high-level welfare services, restructuring and administrative reform have become more often the rule than the exception in the work life of public employees.

Trade unions continue to uphold strong representation in public sector and their impact on the political welfare agenda at national and local level is still significant. However, the question remains whether public sector restructuring and reform stand to challenge worker involvement at the workplace or whether it is further emphasized in order to ease the transformation processes. Furthermore, the question is raised of whether trade union involvement at workplace level is desirable or seen as an obstacle among public administrators.

Through in depth study of the cooperative system between workers and management in two Danish municipalities this paper analyses the use of worker representation at the workplace during restructuring of workplaces and downsizing in highly political environments. The paper concludes that environmental factors in form of product market development hold little influence on the conditions of promoting compromise in the workplace as is seen in private companies. Rather, in political organisations institutional factors in form of established cultures of welfare production is of significant importance.

Furthermore, the paper illustrates how an institutionalised cooperative system with high trust holds great potential for easing restructuring and reform processes while simultaneously producing a management paradox: On the one hand management need to include employees in order to obtain legitimacy and create sustainable innovation in the organisation, while on the other hand management need to control trade union influence in order to reduce conflicts of interests and clear blockages for change.