

In search of win-win
arrangements in EU
companies

Youth Guarantee: A key
investment for the future

Steel sector:
Preventing psychosocial
constraints at work

Towards better active
inclusion strategies

High-involvement
organisations: For
better or for worse?

Winning solutions for
industrial relations

Win-win practices

Building growth and competitiveness in European companies





2 Editorial



- 3 'Management is too important to leave to managers alone':
Interview with
Tony Murphy
(IDEAS Institute)



- 4 In search of win-win
arrangements in EU
companies



- 6 Workplace innovation:
A road to better jobs
and more competitive
companies



- 8 Youth Guarantee:
A key investment for
the future



- 9 Steel sector:
Preventing psychosocial
constraints at work



- 11 Towards better active
inclusion strategies



- 12 High-involvement
organisations: For
better or for worse?



- 14 Supporting working
carers and care
workers

- 15 Winning solutions for
industrial relations

This issue of *Foundation Focus* looks at win-win practices in European workplaces that help companies to grow and innovate, while also increasing their competitiveness. What does the European Company Survey tell us about workplace practices related to work organisation, human resources policies, employee participation and social dialogue? What are the links between work organisation and innovation and how do these impact on employers and employees? What role will the EU Youth Guarantee play in rebuilding Europe's economy? What is being done at European level to improve active inclusion strategies? Why should employees be more involved in companies? What needs to be done to support the reconciliation of work and care? And what contribution can social dialogue make to company performance and innovation?

Subscribe online at www.eurofound.europa.eu/publications/focusform.htm

Editorial

The European Union is keen to emerge from the crisis along a 'high road' to competitiveness associated with improved quality of work and employment. After the widespread job loss arising from the economic crisis, progress is once again being made – albeit slowly – towards the employment goals of the Europe 2020 strategy. A job-rich recovery depends on many factors, not least on competitive companies with the capacity to innovate and grow.

Developing the capacity of companies for innovation and growth – and for flexible responses to changing and demanding markets – is not a one-dimensional process. It involves nurturing and making best use of human capital, looking for more effective patterns of work organisation, identifying and dealing with issues that affect workers both in the workplace and in the balance between work and other commitments. Innovative approaches to these questions can lead to 'win-win' strategies – ones that benefit workers, managers, businesses and 'ultimately' European society.

Eurofound research has explored the factors that contribute to successful innovation and the development of win-win practices and improved working conditions. At Europe-wide level, this includes comparative analysis from the European Company Survey and European Working Conditions Survey which highlights, for example, the scale of company innovation and the role played by employee involvement, training and social dialogue in fostering workplace innovation and better working conditions. At national, sectoral and workplace levels, other studies have highlighted cases that have achieved win-win benefits and analysed the elements that underlie them.

It is clear that there is great variation between countries, regions and sectors in the adoption of the practices that support win-win outcomes. Research aims to provide information for understanding how to support the development of those practices, to foster their adoption more widely, and to inform policies to support this effectively.

Foundation Focus is published by the European Foundation for the Improvement of Living and Working Conditions (Eurofound). Eurofound, a tripartite European Union Agency, provides knowledge to assist in the development of social and work-related policies.

Editor-in-chief: **Mary McCaughey** | Director: **Juan Menéndez-Valdés**
Deputy director: **Erika Mezger**

Original language: English
Images: Shutterstock / Eurofound / European Parliament / Salzgitter AG / Paul Sharp, Sharppix

European Foundation for the Improvement of Living and Working Conditions
Wyattville Road | Loughlinstown | Dublin 18 | Ireland
Tel: (+353 1) 204 31 00 | Fax: (+353 1) 282 42 09 | 282 64 56
Email: information@eurofound.europa.eu | Web: www.eurofound.europa.eu

INTERVIEW WITH TONY MURPHY

'Management is too important to leave to managers alone'



Looking at the current state of the economy across the EU, it is in the interest of all Europeans to try and sustain jobs: implementing win-win arrangements can contribute to that. Promoting collaboration between managers and employees and involving both parties in the search for solutions to increase the productivity of companies is one way to boost competitiveness. Eurofound talks to Tony Murphy about his role as a senior change specialist at the IDEAS Institute and about its work in helping a number of production facilities keep jobs in Ireland.

What is the role of the IDEAS Institute?

The Institute for the Development of Employees Advancement Services (IDEAS) provides upskilling training for members of the Services, Industrial, Professional and Technical Union (SIPTU) and for other workers and trade unions. SIPTU represents over 200,000 workers in Ireland, from almost every sector of the Irish economy. The IDEAS Institute was set up in 2001, with the ambition to provide generic skills training in support of organisational objectives and lifelong learning among workers. It assists in fostering a joint union-management approach to training and upskilling, operating as an independent corporate body in the commercial arena.

SIPTU has long held the view that upskilling has a critical role to play in helping companies to produce quality goods and services that can compete at home and abroad, while also helping to sustain our members' employment. The IDEAS Institute was brought about because traditional training efforts at the workplace risked failing to achieve long-lasting results, since they were often initiated and driven only by one side of the social partnership. The IDEAS Institute has helped many thousands of SIPTU's members to get upskilled in areas like basic and advanced computer

training, teamworking, personal effectiveness at work, customer service orientation and job skills. The majority of the training courses offered by the IDEAS Institute are accredited.

How can management and workers work together to make the organisation a good place to work – and more productive and efficient?

The IDEAS Institute will come in and work with a company or organisation only if both the management and workers deem it necessary, and if both sides are willing to collaborate. Its model involves setting up a joint trade union-management steering group, consisting of both senior management and workplace leaders, where all parties agree to the terms of reference. This involves recognising where the company or organisation is now – with warts and all – and where they want it to go. This group as a team takes ownership of the situation, becoming the strategic thinkers in finding ways to make continuous improvements and, ultimately, sustain jobs.

The IDEAS Institute's approach differs from traditional management consultancies in that it involves all parties at a basic and fundamental level. The concept is based on the notion that operational knowledge is essential for strategic wins, and that it is equally important to involve workers and workplace leaders in developing the visions and ambitions of the organisation.

Can you provide some examples of successful interventions leading to positive change?

Two good examples of where the IDEAS Institute's efforts have resulted in positive changes to work organisation are Kirchhoff Automotive Ireland and SAICA Pack Ashbourne.¹

The first company is the Irish branch of the Kirchhoff Group, a privately owned car-parts provider headquartered in Germany. The IDEAS Institute has been involved in a change process that successfully addressed the frustrations arising between workers and management regarding terms and conditions, and provided the means that allowed the workforce to identify and resolve many ongoing production problems they faced on a daily basis.

In the second company, SAICA Pack, a paper and cardboard box producer, the IDEAS Institute was involved in resolving ongoing conflicts between management and trade unions, which threatened the existence of the company's operations in Ireland. It helped to create an environment wherein the entire workforce could contribute to securing the plant's future.

What is the role of social dialogue in these processes?

Good social dialogue between management and workers at the workplace is essential for the IDEAS Institute's approach to be effective. Working together is equally important for management and workers' representatives.

The phrase 'management is too important to leave to managers alone' is often used to describe the reasons for the collaborative approach that must be developed between management and employees if a company or organisation is to be successful. The reasons are simple: everyone needs to be involved in improving the business, since it affects the livelihoods of all involved, not just the managers. Cooperation and working together help to sustain jobs and can eventually lead to the creation of new jobs as business improves.

www.ideasinstitute.ie

¹ Eurofound has studied both cases, publishing the results of its findings. See the 'Further reading' section for details.

Interview: Måns Mårtensson

In search of win-win arrangements in EU companies

European companies can play a key role in reaching the Europe 2020 goals of smart, inclusive and sustainable growth by generating innovation and boosting performance. Work organisation can contribute to achieving this while at the same time ensuring a good quality of work. Eurofound's third European Company Survey contributes to the policy debate.

Workplace innovation is increasingly recognised as an important source of growth, human capital being a key element. Workplace innovation allows all workers, whatever their position in the company, to play a role in improving company practices. Innovation means reflecting on processes and products, contributing ideas, working together, building autonomy and passing on lessons learnt: it is about making workers' tacit knowledge more explicit. Such involvement benefits both companies (through innovation and performance) and workers (through better motivation, health and well-being, work sustainability and employability).

Policy focus

The Commission's 2007 Green Paper on work organisation highlighted human capital and work organisation as essential assets for Europe. More recently, the Organisation for Economic Co-operation and Development (OECD) and the EU have highlighted the importance of work organisation and employee participation in creating innovation in European companies.

The European Commission refers to workplace innovation in its industrial policy strategy and Innovation Union. Based on its 2012 Industrial Policy Communication, it created the European Workplace Innovation Network (EUWIN) as a vehicle to share and distribute knowledge about workplace innovation among enterprises and other stakeholders.

In addition, the European Economic and Social Committee launched its own-initiative opinion on 'innovative workplaces as a source of productivity and quality jobs'.

The OECD also recognises the new social nature of innovation in the OECD innovation strategy: it states 'human capital is fundamental to growth and innovation'.²

ECS findings

The third European Company Survey (ECS), for which fieldwork took place in 2013, examined the subject of workplace innovation. Managers and official employee representatives in around 30,000 establishments with 10 employees or more throughout Europe were asked about workplace practices related to work organisation, human resources policies, employee participation and social dialogue. The findings detailed here are based on the results of interviews with managers and employee representatives in establishments dealing with market activities in the 28 EU Member States.³

Scale of company innovation

Over a third of the establishments in the third ECS indicate they have introduced some form of innovation since the beginning of 2010:

- 34% of establishments introduced new or improved methods for marketing or communication;



- 41% of establishments introduced new or significantly changed products or services;
- 36% of establishments introduced new or significantly changed processes for producing goods or supplying services.

Furthermore, one-third of establishments have introduced some organisational change since the beginning of 2010.

Employee involvement

Keeping up with innovation in the market is important for companies. In 68% of the establishments, staff monitor external ideas and technological developments for new products and services:

- in 29%, staff are specifically assigned to do this;
- in 39%, it is part of the responsibilities of general staff.

In terms of knowledge management, managers in 62% of establishments indicate that their employees document good work practices and lessons learnt so that they can be shared with colleagues. However, with regard to decision-making, in more than half of the establishments (54%), managers indicate that they alone decide on the planning and execution of daily work tasks. In 40%, these decisions are taken by managers and employees together; only in 6% are they taken by the employees on their own.

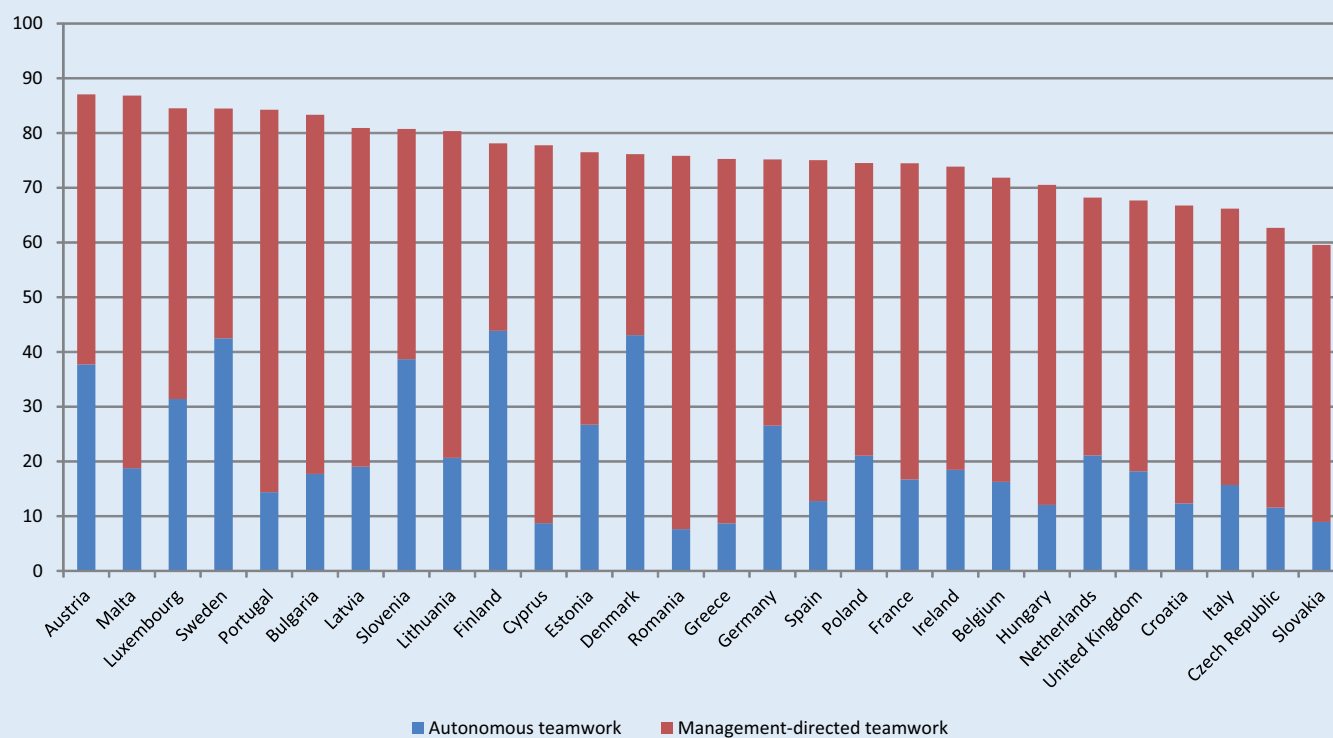
Teamwork

Teamwork is practised in the majority of companies (73%); this can be management-directed or autonomous teamwork. In autonomous teams, the members have more space and autonomy to develop ideas and reflect on how to do the work better, which leads to innovation. Overall, 53% of companies have mostly management-directed teamwork, while 20% practise autonomous teamwork. The survey finds that in the EU there are large differences between countries with regard to teamwork and particularly autonomous

² OECD (2010), 'Empowering people to innovate', in *The OECD innovation strategy: Getting a head start on tomorrow*, OECD Publishing, Paris.

³ Market activities are defined on the basis of the activity as classified in business registers and are mostly commercial, private-sector activities as defined by the general industrial classification of economic activities within the European Communities (NACE). Health, education and public administration are excluded from this group, as well as fisheries and agriculture, which were excluded from the survey altogether.

Figure 1: Autonomous and management-directed teamwork, by country (%)



teamwork. Autonomous teamwork is practised most in Austria, Denmark, Finland, Luxembourg, Slovenia and Sweden (more than 30% of establishments).

Employees can also participate directly in discussions with management. Different tools for doing so are available and can vary according to the needs and size of each company – meetings, suggestion schemes, information dissemination, committees, employee surveys, social media or discussion boards.

Role of human resources

Human resources practices play a central role, indicating the importance that management attaches to developing human capital. Managers in more than three-quarters of establishments (78%) said that most of their employees (80% or more) have a permanent contract.

Moreover, 88% of managers said that the majority of those with a temporary contract got a further contract afterwards. With regard to career development, 86% of managers said that they look first for suitable internal candidates to fill positions.

Training is an important vehicle to improve skills: in the Czech Republic, Finland, Italy, Portugal, Spain and Sweden, more than 30% of establishments provided paid time off for training to nearly all workers (80% or more). This contrasts with 29% of companies where no paid time off for training was given to any employees.

Social dialogue

According to the ECS, social dialogue at company level is an important element of workplace innovation, particularly when it equips the official representatives (trade union or works council) with the right tools for discussing the various issues that arise. However, the prevalence of an official structure of employee representation varies greatly between establishments of different sizes and between countries.

Conclusions

Companies can make a difference: making optimal use of the skills and ‘tacit’ knowledge of workers is an essential component in Europe’s competitiveness. This requires workplace practices that

foster various types of employee participation and human resources practices that encourage workers to get involved. Social dialogue structures can play an important role in facilitating this. As such, workplace innovation has the potential to enhance the performance and quality of work.

The ECS paints a picture of the prevalence of workplace innovation in companies in Europe.⁴ It is clear that employee participation is not used in a similar way in all companies and that there are big differences between countries. Therefore, there is considerable scope for extending the use of these practices across Europe. Sharing the results with policymakers and companies and showing that employee participation can lead to win-win arrangements has the potential to result in a better quality of work for workers and a better performance by companies.

Greet Vermeylen



⁴ The overview report for the third ECS will be published in the latter part of 2014.

Workplace innovation: A road to better jobs and more competitive companies

Workplace innovation is a broad concept used to describe different work organisation practices with a focus on employee involvement, increased employee autonomy and skills development. Research shows that innovations in work organisation have positive outcomes for both companies and their workers. A recent study by Eurofound looks at the links between work organisation and innovation, as well as the impact on employers and employees.

Workplace innovation practices should contribute to creating better, healthier and safer jobs, allowing employees to feel more motivated and happier. Because workplace innovation practices are associated with enabling people at all levels of an organisation to use and develop their skills, knowledge and creativity, they also create other opportunities for innovation and renewal in an organisation, frequently leading to new ideas in other areas like products or services.

For these reasons, it is easy to understand how workplace innovation can also be beneficial for organisations in general and companies in particular. Companies that have implemented workplace innovation practices can benefit from the contribution of a more engaged and motivated workforce who can deliver better results with more quality.

Workplace innovation is also associated with a certain management style that believes in people and promotes genuine trust between management and employees, allowing the development of workplace partnership solutions within an open social dialogue context.

As such, workplace innovation practices have a clear scope for win-win outcomes for both the company and its employees.

Common factors in innovation practices

Research findings show that there is no one-size-fits-all solution for workplace innovation practices that could be provided as a magic formula for all organisations. Each organisation has its own approach to innovation, one based on its history, legacy, organisational culture and management style.

Other factors include the country, sector and environment the organisation operates in, and the characteristics of its workforce. However, there are some common factors that can be identified across different situations.

Internal communication and developing trust are two building blocks common to companies involved in implementing workplace innovation practices.

This makes sense: without proper communication channels in both directions, downwards and upwards, it will be almost impossible to involve employees in anything that is relevant for the life of the organisation.

Communicating downwards means that top management is committed in terms of sharing relevant information, on a regular basis, with the workforce about the strategy and objectives the organisation is pursuing, the results being achieved and the challenges and opportunities that lie ahead. Downward communication can be achieved through multiple channels, from face-to-face meetings to electronic and social media.

Involving staff means sharing a vision: employees need to understand how the work they do fits into the big picture; this will reinforce their sense of belonging and offer a meaningful framework for their daily tasks.



A robust communication strategy would not be complete without proper upward communication. Listening to the employees' voices, capturing their concerns, ideas and perspectives, acknowledging the value of their perceptions and providing regular feedback on them are some elements of a consistent bottom-up communication approach.

However, employees need to feel they can express themselves freely and this is possible only in a secure context: an environment of genuine trust between the different organisational levels is a fundamental step in increasing employee involvement.

Research on workplace innovation

For a number of years, Eurofound has been studying the phenomenon of workplace innovation, although the term used to describe it was initially somewhat different. In 1998, Eurofound launched the Employee Direct Participation in Organisational Change (EPOC) survey.

The survey was carried out in 10 EU Member States to examine the extent of direct participation, its economic and social effects and to measure the degree of influence employees had on work organisation and the work environment.

The results of this survey showed the benefits of such practices in terms of both company performance and the quality of working conditions. More recently, in 2011 and 2012, Eurofound carried out a study on work organisation and innovation based on case studies in 13 Member States.

This study explored the links between innovations in work organisation – under the broader heading of high-performance work practices (HPWPs) – and the potential benefits for both employees and organisations. Benefits seen in the

company case studies as a consequence of introducing these workplace innovations included increased productivity, greater efficiency and improved quality of services being delivered.

Introduction of innovation practices

The factors facilitating the introduction of these types of practices can be grouped into five main sets:

- employee support mechanisms to enable employees to cope with change and to implement necessary practices, where required;
- the organisational culture, which may be particularly important in ensuring that change is embedded and sustained;
- leadership, which is critical in championing and sustaining participatory innovations;
- the broader organisational approach to change and learning;
- the social dialogue and industrial relations systems.

This study also showed that workplace practices that helped to facilitate task diversity, job enrichment and shared decision-making, and encouraged a sense of responsibility and autonomy led to an increase in job satisfaction and employee motivation.

Positive impacts on work–life balance and physical well-being were also found in companies that introduced innovations aimed at improved job design and reduced physical strain.

Role of social dialogue: the case of Ireland

As part of this project, Eurofound published in 2013 a report focusing on Ireland, based on three company case studies where there was a high degree of involvement of trade union structures. In all three cases, trade union representatives played a significant role in facilitating employee acceptance of the various innovations and in implementing changes.

Establishing formal representation structures seems to have been particularly helpful in enabling employees to work in new team structures, because the principles of joint working, a reduction in status hierarchies and the expectation of shared responsibilities were useful in forging new cultural norms.

Work in progress

Currently, Eurofound is developing another project based on in-depth follow-up interviews with a selected number of companies drawn from those that participated in the recent third European Company Survey (ECS). These companies were selected on the basis of the answers given to questions specifically related to workplace innovation.

In each company, there will be face-to-face interviews with managers and employee representatives, as well as a focus group with employees.

The comparative analysis of these interviews will hopefully provide a rich body of data that can shed more light on how and why companies adopt workplace

innovation practices, and what type of results they achieve.

With these studies, Eurofound aims to outline the different paths that companies can take to adopt workplace innovation practices, the reasons behind adopting them and the associated benefits and outcomes.

Eurofound hopes that its research will contribute to raising awareness about the benefits of innovation among organisations in general and companies in particular: workplace innovation offers companies an alternative avenue for renewal and transformation.

The research shows that companies can improve their position in the marketplace by adopting workplace innovation practices, and that their employees also benefit. Workplace innovation offers a real win–win solution.

Manuel Ortigão



Youth Guarantee: A key investment for the future

Young people have been hit disproportionately hard by the financial and economic crisis in the EU and the situation is not likely to improve without a concerted job-centred strategy on the part of the Member States in which the EU Youth Employment Package and the Youth Guarantee in particular play an important part.

EU programme for youth

In order to tackle the very high rates of youth unemployment of around 23% and more than seven million young people not in employment, education or training ('NEET') in the EU in 2013, the Council of the European Union proposed on 22 April 2013 to introduce a Youth Guarantee across all Member States similar to that already in place in a number of countries. The idea was to make progress towards the Europe 2020 objectives of higher employment rates among those aged 20–64 years, reduced rates of early school-leaving and reduced levels of poverty and social exclusion. The Youth Guarantee seeks to ensure that all young people up to the age of 25 have the offer of a job, education, training or apprenticeship within four months of becoming unemployed or leaving formal education. In 2014 and 2015, the European Commission earmarked €6 billion for this process through the Youth Employment Initiative.

Background

The concept of a youth guarantee policy is not new, dating from the 1980s. As pioneers in the activation approach to labour market policies, the Nordic countries have implemented youth guarantee schemes for many years. In 1984, Sweden introduced the first genuine youth guarantee scheme, followed by Norway in 1993 and Denmark and Finland in 1996. These schemes have been subject to revision over the past decade to ensure their effectiveness. In

2007, a new job guarantee scheme for young people was introduced in Sweden while the current Finnish youth guarantee scheme was introduced in 2005 and revised in 2010 and again in 2013.

Two-step approach

The EU Youth Guarantee is based on a two-step approach, with public employment services playing a central role. They first provide the young job-seeker with a personalised needs assessment and an employment plan, followed by the 'guarantee'. This can be either the offer of a job or a study opportunity (academic or vocational), or some other activation measure. This personalised approach recognises the need for the public employment services to adopt a tailored approach, given that there are different reasons for the difficulties young people face in making the transition from school to work.

The success of the Youth Guarantee is dependent on the improved coordination of policies in the areas of employment and education for young people, as well as on a strong partnership among all labour market actors. This includes the national ministries of employment and education, employers, trade unions and youth organisations. The involvement of each of these actors in the design and in the implementation of the Youth Guarantee ensures its efficacy and a win-win outcome for all involved.

National-level plans

At European level, following the Council of the European Union Recommendation on establishing a Youth Guarantee, the Commission requested Member States to submit their National Youth Guarantee Implementation Plans.⁵

The plans are expected to identify which measures need to be taken to put the



Youth Guarantee in place. They are also expected to shed light on how the various partnerships between the responsible public authorities, employment services, education and training providers, social partners, youth organisations and other stakeholders will be organised.

National governments should also stipulate which youth employment reforms and measures they expect to see co-financed from the European Social Fund and the Youth Employment Initiative.⁶ According to the Commission, by May 2014, 26 Member States had submitted their plans and delivery was taking off at national level.⁷

Partnerships for activation

In 2012, the European Commission launched the 'Preparatory action "Youth Guarantee"', where it called for proposals aimed at supporting partnerships for activation measures targeting young people aged 15–24 through projects in the context of youth guarantee schemes at national, regional and local level, similar to those already in place in a number of Member States. The aim was to implement pilot youth guarantee projects at various levels in the hope that these would feed into the development of the National Implementation Plans. A total of 18 proposals are currently being piloted around the EU and are co-financed by the European Commission.

National pilot project: Ireland

One of these proposals is an Irish project for establishing a youth guarantee scheme in the Ballymun area of Dublin.⁸ The proposal aims to develop and implement

⁵ <http://ec.europa.eu/social/main.jsp?catId=1079>

⁶ http://europa.eu/rapid/press-release_MEMO-14-13_en.htm

⁷ http://europa.eu/rapid/press-release_SPEECH-14-366_en.htm

⁸ http://ec.europa.eu/ireland/press_office/news_of_the_day/andor-visits-youth-guarantee-project-ballymun_en.htm

a Youth Guarantee model at local level in one of the most socially disadvantaged areas in Ireland. This pilot project brings together all the relevant labour market actors at local level: the public employment services, education and training providers, local development organisations, local employers and youth services. All partners work together to implement, monitor and evaluate this pilot project. The project commenced in October 2013 and is expected to run until the end of September 2014 when it will be fully evaluated.

This pilot project seeks to develop an activation approach tailored to the needs of young people aged 18–24 in a deprived urban area. In particular, it aims to facilitate access to career guidance/assistance for young unemployed people, leading to the creation of an individual career plan for each young person with follow-through to training, education, work experience or full-time employment with local employers.

The project is managed by a partnership of representatives of the stakeholder organisations and led by the Irish Department of Social Protection. In practical terms, the Ballymun project starts off with a group meeting at the local employment services office, the department's 'one stop shop' service where job-seekers avail of their income and employment supports. Each person is then referred to the Local Employment Service for a one-to-one interview with a career guidance worker where a personal progression plan is agreed. Based on an assessment of needs, the person will be guaranteed an offer of basic skills development, further education or training, work experience or employment within four months.

EU Commissioner for Employment, Social Affairs and Inclusion, László Andor, visited the project in May 2014. The project is an ambitious attempt to start the implementation of the Youth Guarantee in Ireland and is a practical example of the use of ESF funds aimed at fostering youth employment.

Massimiliano Mascherini

Steel sector: Preventing psychosocial constraints at work

The European steel sector social dialogue committee was set up by the European Steel Association (Eurofer) and trade union IndustriAll Europe in 2006.⁹ As health and safety was included in the committee's work programme, a special working group was set up to help foster social dialogue and joint action in this area. With the aim of revitalising the activities of this group, Eurofer and IndustriAll Europe asked Eurofound to conduct a study on industrial relations practices related to psychosocial constraints at work in the steel sector.

The recent Eurofound report *Industrial relations practices related to psychosocial constraints at work in the steel sector* is based on three company case studies in three Member States – in plants belonging to Rautaruukki in Finland, ArcelorMittal in France and Salzgitter AG in Germany. These cases, selected by the European social partner organisations in the steel sector, present examples of good practice going beyond the legal requirements to reduce psychosocial risks in workplaces in the sector. Two of the three are pilot sites.

Role of social dialogue

Social dialogue is an essential element of the European Social Model. European Directive 89/391/EEC outlines the responsibility of employers to provide a healthy and safe working environment – including in terms of psychosocial aspects – and the need to organise social dialogue to help ensure this. The way in which these principles have been transposed into national and company-specific contexts varies. Reducing psychosocial risks at the workplace has benefits for both employers and workers in the steel sector. But as the case studies show, there is no one-size-fits-all solution for preventing psychosocial risks.



Cultural differences

In Finland, for example, many problems are resolved through discussion – between the employer and the employee directly, or between the employer and the employee representatives. Although the employer retains the decision-making authority, it seems that in general no decisions are made unless the workers' delegates agree. This reflects the national tradition of cooperation in social dialogue that can be found in many of the Nordic countries. In France, social dialogue is more institutionalised, based on the legal obligations of the employer and the rights of workers' representative bodies – such as the information and consultation rights of the joint health and safety committee. In Germany, the culture of co-administration gives the works council a central role in assessing and evaluating health and safety at work and working conditions, and in implementing an action plan.

Company case examples

In seeking to enhance social dialogue on the topic of psychosocial constraints at work in the European steel sector, the case studies highlight some elements that might facilitate this.

In the Rautaruukki case, a number of committees deal with well-being at work. The safety committee – a legal body composed of employer representatives, elected workers and safety delegates – focuses on monitoring indicators and evaluating actions. At the site visited, this group is complemented by the safety management team committee, comprised of the entire management team and the safety delegates. It is tasked with defining the action plan and overseeing its implementation. Development teams also exist to work on specific projects and submit proposals to the safety management team committee.

In the ArcelorMittal case, the joint health and safety committee (CHSCT) is, through information and consultation practices,

⁹ More information on sectoral social dialogue in the steel sector is available at <http://ec.europa.eu/social/main.jsp?catId=480&langId=en&intPageId=1853>

involved in the company's assessment and prevention policy. Moreover, the CHSCT members are nearly always involved in the on-site monitoring or 'watch' group, as the committee includes a representative of each trade union at the site. They are also members of the steering committees at the site level, and have all been trained by the company on the topics of work-related stress and well-being.

Under legal requirements, the company also signed a stress-prevention agreement with five trade unions in 2010. This three-year agreement stipulated the mechanisms to be put in place to prevent psychosocial risks at the group level.

In the Salzgitter case, the works council has signed an agreement on internal health management. Its members are also strongly involved in the joint health working group and participate in the analysis of the periodic employee survey.

Moreover, works council members contribute to a working group of the German Metalworkers' Union (IG Metall), allowing them to exchange views with the union and with works council members from other sectors.

Building a shared understanding

Comparative analysis of the social dialogue practices regarding the companies' strategies for assessing and preventing psychosocial risks highlighted similarities and differences between the cases.

For example, differences emerge in the terminology used to describe psychosocial risks in the cases studied: terms include stress, mental health or well-being at work. However, a shared terminology and understanding of the underlying concepts are necessary for addressing the complex issue of psychosocial constraints at work.

On the positive side, in all three company cases, specific tools have been developed to identify psychosocial constraints at work, including awareness-raising actions. Added to this are measures to reduce or prevent the incidence and impact of such psychosocial constraints.

Psychosocial risks at work are not only detrimental to the health of workers – they also have an economic impact on employers and civil society.

Clearly, the exchange of practices and challenges through social dialogue will be beneficial to employers and employees. Well-being at work can contribute to keeping an ageing workforce active in their jobs for longer. It also helps to reduce absenteeism and work-related accidents. Psychosocial well-being at work and effective company performance are two sides of the same coin, representing a clear win-win situation.

Policy pointers

In taking preventive action, key points of intervention include finding the optimal measures that can be implemented in accordance with everyday working conditions in the steel sector and recognising the important role of sectoral social dialogue in addressing the issue.

A first step would be to foster a culture of shared understanding of psychosocial constraints at work, including the terminology used.

The next step would be to identify the sector-specific causes of psychosocial constraints: these might include the heavy nature of steel production work, specific characteristics of the workforce, environmental concerns, the rise in technological innovations and the considerable restructuring that has taken place in the European steel industry.

It will be important to monitor the impact of these factors on the work floor as this can improve the sectoral discussion on prevention practices. In this way, all the key prevention players at European, national or local levels – such as company management, occupational safety and health services and workers' representatives – can help to prevent psychosocial constraints at work at all levels. These efforts can bolster the ongoing improvements to both the health and performance of workers.

Peter Kerckhofs



Towards better active inclusion strategies



Moving towards a more diverse European workforce is a challenge for all – employers, trade unions, policymakers and society as a whole. But what is being done at European level to improve active inclusion strategies, particularly for those who are furthest from the labour market? And what impact is this having on the individuals affected and companies that employ them?

Active inclusion strategy

In October 2008, the European Commission adopted a recommendation on the active inclusion of people most excluded from the labour market. The document aims to promote a comprehensive strategy based on the integration and coordination of three social policy pillars: adequate income support, inclusive labour markets and access to quality services. Unfortunately, since then Europe has been battling with the economic crisis and most Member States have been facing the challenge of dealing with both the economic and broader social consequences of the economic downturn.

Rise in poverty levels

One of the most visible and worrying consequences of the crisis is the rise in poverty in Europe. One in four Europeans live in or is at risk of poverty and progress is slow on the Europe 2020 goals for smart, sustainable and inclusive growth. The crisis has particularly affected young people, with their unemployment and inactivity rates higher than for other age groups. Furthermore, some disadvantaged groups such as young people with health problems, young migrants and single parents face social exclusion in the longer term for reasons other than the economic crisis.

Tackling social exclusion

To support Member States in their efforts to emerge from the crisis within current budget constraints, the European Commission published the Social Investment Package (SIP) in February 2013. The document included an

assessment of how Member States have implemented the Commission's recommendations on active inclusion, reiterating the need for active inclusion in the fight against poverty. Active inclusion seems to be one of the most appropriate policy instruments for tackling the social exclusion of young people: it addresses the multidimensional problems facing this group and emphasises the joined-up approach of the services offered.

Eurofound study

Eurofound research carried out in 11 Member States set out to review and analyse promising win-win practices for the effective implementation of active inclusion. The research looked at how active inclusion policies and programmes serve young people who suffer from dual disadvantage – not only their age and lack of experience, but also health problems or impairment. This disadvantage can be clearly seen when comparing the employment levels of young people experiencing health problems with those of the general youth population. Employment among the former group is consistently lower. An even greater concern is the inactivity rate among this group: for young people aged 25–34 years, the inactivity rate is on average almost 80% higher for those who report a health problem or disability than for those without disabilities; moreover, the differences between Member States are substantial.

Good practice examples

Two case studies stand out as examples that best showcase the notion of win-win practices. Both cases involved social enterprises that function as temporary employment agencies to facilitate the transition from education to work of young people, many of whom are often disadvantaged. This is seen as one of the most important and most difficult periods in the lives of young people; however, it is also challenging for public services to offer timely and consistent delivery of various support systems. In Germany, the Füngeling Router initiative, taking

advantage of changes in labour law, allows young people with disabilities to legally remain in work for long enough periods that they can acquire vocational education qualifications. In Finland, Job Bank is an organisation created by four social enterprises that offers employers a risk-free, flexible and easy way to recruit temporary workers for seasonal work during busy production periods. When business is slow, Job Bank arranges other work or training for employees. The project offers permanent, full-time employment with wages at the collectively agreed level.

Win-win outcomes

In both cases, young people gain experience and skills in real jobs. Job placements are preceded by individual and specific skills-building and training. In both initiatives, temporary work aims to place young people in the open labour market while the social enterprises provide them with the means to remain in that placement through work-related assistance carried out alongside the job.

In the Füngeling Router case, the social enterprise aims to build self-confidence and a well-balanced social life. At the same time, it helps companies by offering one-stop-shop solutions for those that need temporary staff. Both initiatives recognise the need for monitoring and evaluation and collect detailed data on the beneficiaries (both young people and companies), the type of jobs being offered and the duration of placements. Both practices have so far been very successful. In the Füngeling Router case, at the time of the study, about 60% of the participants were either working or on course to get a job. In the case of Job Bank, in the first phase 33% of the clients were placed with private companies and 67% in social enterprises. The Job Bank initiative has now been rolled out nationally.

Success factors

Key reasons why these initiatives are successful are their holistic approach and their innovative ways of operating within

the legal and statutory framework to create positions for those who have disabilities but are qualified and looking for jobs in the open labour market. In addition, the social enterprises offer wide access to a broad range of opportunities for training and upskilling and of health and social services. The enterprises provide qualifications, activation and job placement in accordance with the capabilities of the young person. They offer a permanent, secure employment relationship and other training during times of low demand and pay at least the minimum collectively agreed wage. In this way, they offer individual pathways to the open labour market.

Key actions

A number of key observations can be drawn from the case studies.

- Activation takes place at the intersection of employment policy and other services such as social protection, education and healthcare services.
- ‘Core’ welfare services can support activation by creating the conditions to favour individuals’ activation.
- Careful attention should be paid to the sustainability of activation policies to ensure that people remain active beyond the duration of a particular programme and so avoid the risk of marginalisation and exclusion.
- Effective working relationships between different service providers are essential for the active inclusion of vulnerable people.

Anna Ludwinek

High-involvement organisations: For better or for worse?

Why should employees be more involved in companies? Because involvement is more democratic? Because greater involvement and participation helps companies perform better? Because expert knowledge needs to be retained? Or because involvement improves the quality of working life? Some research has found that new forms of work organisation characterised by an emphasis on professionalism, responsibility and autonomy actually fail to deliver on these promises and result in more intensification of work and a loss of well-being. Eurofound’s research on working conditions explores these questions further.

Eurofound’s European Working Conditions Survey (EWCS) is a unique source of information on working conditions in Europe, providing extensive information on circumstances affecting the involvement of workers at the workplace. Findings from the EWCS identify the extent and forms of workers’ participation.

The practical implementation of policies to support participation at company level is not straightforward and needs to be supported in a number of ways.

Policies are more likely to be successful if they are embedded in a framework that supports the development of institutionalised channels of communication.

High-involvement firms

The Eurofound report *Work organisation and employee involvement in Europe*, using data from the fifth EWCS, shows that only 27% of European employees work in ‘high-involvement’ organisations – that is, organisations where they have significant scope for involvement in decision-making, at the level of both the task and at the wider organisation. By contrast, 38% work in organisations that offer relatively low levels of involvement. Some 20% of workers are employed in discretionary



organisations (with high task discretion but low organisational participation) and 15% work in consultative organisations (with high organisational participation but low task discretion).

Countries with high prevalence

By country, the highest levels of employee involvement are reported in Denmark, Finland and Sweden. At the other end of the spectrum, workers in Greece, Italy, Portugal, Spain, Bulgaria and Romania report the lowest levels of employee involvement. Estonia, Latvia and Lithuania have a relatively high level of involvement, closer to that of the Nordic countries.

Occupations with high incidence

In terms of workplace activity, employee involvement is more common in high-skilled, high service-oriented and fast-changing activities. Involvement is also more common where work is computer intensive and where customer relations work is more frequent. Higher-skilled employees have greater scope for influencing both their work tasks and taking part in the wider organisational framework.

Supporting employee involvement

Work organisation practices aimed at facilitating functional flexibility and human resources practices seeking to develop employees are more frequently found in high-involvement organisations. Greater involvement of workers is also more frequent in situations where functional flexibility is applied. This is not the case when numerical flexibility (use of temporary and part-time contracts) is practised: this is more common in low-involvement organisations.

Human resources policies promoting employee development include semi-autonomous teamwork, making career opportunities available to workers, and putting in place forms of leadership where supervisors show active concern for the skills development and welfare of their employees.

In addition, the provision of institutional arenas for dialogue supports employee involvement. More sophisticated statistical analysis of EWCS findings confirms that the strength of trade unions is an important factor at country level in explaining national differences in employee involvement over and above differences in the demographic composition of the workforce and economic structure.

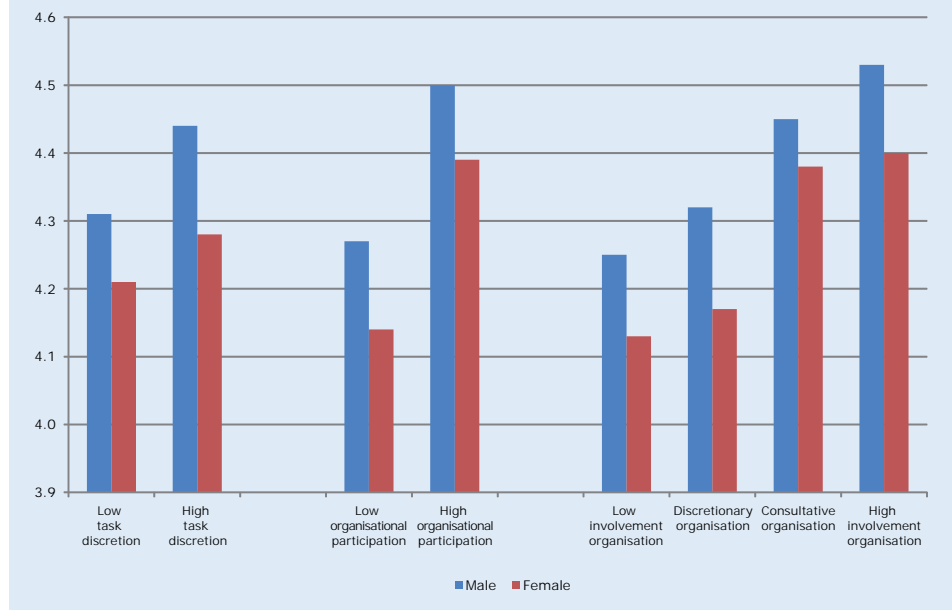
Reaping the benefits

Exposure to more learning opportunities at work – whether formal or informal – is more prevalent in high-involvement organisations. Employees in high-involvement organisations also report greater commitment to their tasks and to the organisation. Overall, greater participation is associated with less exposure to physical risks and better health and safety at work.

As the figure shows, involvement in decision-making is clearly associated with higher levels of well-being. However, women generally report lower well-being scores than men; this pattern holds even when individual and other work situation characteristics are taken into account.

Participation in wider organisational decisions has a greater effect on workers' well-being than the capacity to influence decisions about the work task, this effect persisting even in conditions of high work intensity. This means that, to some extent, high levels of task discretion and of organisational participation can offset the negative effects of high work demands.

Figure 2: Employee involvement and psychological well-being scores, by gender



Policy implications

Empirical evidence clearly demonstrates the key importance of employee involvement both in boosting the quality of working life and raising levels of work performance. Furthermore, even though high-involvement work is more frequent in certain work activities – in the knowledge economy, for instance – the analysis clearly demonstrates how policies both at country level and at workplace level can make a difference.

Policies that enhance employee involvement encourage employers to invest in human resources strategies that promote employees' welfare and

encourage the development of their skills and capabilities. The existence of clear institutional channels of communication at the workplace, supported by national legislation, also facilitates the effective involvement of workers.

Finally, national policies that promote the improvement of working life and inclusiveness both at work and in the labour market also support greater involvement.

Agnès Parent-Thirion



Supporting working carers and care workers



The European Commission's 2013 Social Investment Package underlined again the important challenges posed by demographic change for both companies and communities. In particular, specific attention was paid to the growing demand for long-term care against a background of shortages, both current and foreseen, in both the care workforce and among informal carers. Contributing to the debate, Eurofound research has documented a range of initiatives both in public services and in workplaces to improve the supply of carers.

Setting the scene

In its 2013 report *More and better jobs in home-care services*, Eurofound outlined strategies for the recruitment and retention of the formal care workforce. However, informal carers constitute the largest element in the supply of care; hence, companies must address the difficulties faced by their workers who also have care responsibilities.

Most recently, the EU Social Protection Committee have jointly prepared the report *Adequate social protection for long-term care needs in an ageing society*. This highlights the increasing demands for care and argues that both informal and formal care provision will not be able to cope without new initiatives.

The report points to the diminishing supply of informal carers – but it might be more pertinent to emphasise the increasing likelihood that all adults will at some stage need to provide care.

Workers with care responsibilities

Eurofound's European Quality of Life Survey (EQLS) 2011–2012 found that one in seven adults of working age was

providing care for an elderly or disabled relative at least once or twice a week: these proportions were highest, at over 20%, among women aged 35–49 years and 50–69 years.

In nearly all countries, more than half of carers aged under 65 combine care with employment and altogether this proportion amounts to nearly two-thirds in the EU28.

On the whole, working carers are more likely to have made adjustments to their working time than workers who do not provide care, with 15% of working carers doing fewer than 35 hours a week compared with 10% of non-carers.

This is likely to be one reason why working carers, in general, report only slightly higher rates of difficulty in reconciling work with non-working life: altogether 17% report problems at both home and work compared with 13% of non-carers. But among workers involved in eldercare 'every day', 21% report pressures at home and work compared, for example, with 16% of workers involved in childcare every day.

Carers who are not in employment

In practice, a significant proportion of carers of working age are excluded from employment for a variety of reasons, including the heavy burden of care provision, marginal financial benefits of employment and a lack of suitable employment opportunities enabling reconciliation of work and care.

In fact, these carers of working age who are outside employment report much higher rates of poor health, social exclusion and financial difficulties (this topic will be covered extensively in a forthcoming policy brief from Eurofound).

Measures to support working carers

Carers in employment also experience financial disadvantage because of their reduced working hours; moreover, the research points to reduced opportunities for training, promotion and career development.

In general, there has been a lack of awareness and action in the workplace to support working carers. However, some companies have implemented measures to maintain competitiveness and quality of working life for workers with care responsibilities.

Eurofound's 2011 report *Company initiatives for workers with care responsibilities for disabled children or adults* documents 50 company case studies from 11 Member States.

It highlights the essential developments that need to take place in working time and leave arrangements to enable carers to better reconcile their employment with care tasks.

Some of the companies take measures specifically to support carers in their care tasks – for example, through promoting awareness among managers and co-workers, through referral and access to counselling services and even through help in organising or providing care.

Future challenges

Europe's changing demography underlines the need for a higher profile in both policy and practice for action to enable workers to be carers and to enable carers to be in employment.

Companies that have taken the initiative in such action have done so because they

see the business case for it: workers who are able to better reconcile work and care bring benefits to themselves, to the company and to the people they care for.

The relatively low level of development of workplace initiatives points to the need to raise awareness and promote good practice, but also to stimulate more consistent provision through both legislation and social dialogue.

Of course, reconciliation of work and care is not only a matter for employers and employees. It also depends profoundly upon the development of quality services in local communities – specifically for home care, respite care and day centre provision, but more generally through greater recognition of carers in primary healthcare services.

The quality of life for carers excluded from employment, in particular, demands much greater attention.

Robert Anderson



The EU is seeking a recovery from the crisis; one way to achieve this is through win-win solutions that boost innovation and growth and so improve companies' fortunes. However, this is potentially made more difficult by the impact of the crisis on industrial relations. A drop in the overall volume of collective bargaining has seen an increase in the number of agreements not being renewed, a trend towards shorter agreements, as well as pay pauses, freezes and cuts, and working time reductions. So, in this scenario, what contribution can social dialogue make to company performance and innovation? Two reports by Eurofound – one on the impact of the crisis on industrial relations and one on the role of social dialogue in industrial policies – explore possible solutions.

Although it is difficult to separate the effects of the crisis from other factors within industrial relations, evidence from many countries suggest social partners are working together and finding solutions through dialogue – despite having diverging views of how to deal with the crisis.

Impact of the crisis

Various megatrends are undermining the social dialogue process, and not all are crisis-induced. These include a lowering of trade union density and a drop in the quality and volume of bargaining. In some cases, this has been accompanied by a more adversarial relationship between workers and management.

Tensions have brought protests, demonstrations and strikes against government budget cuts. For both employers and trade unions, maintaining employment has emerged as a joint priority and thus they have had to modify their stances.

For example, in Germany, there has been increased cooperation between the social partners and in many other countries social partners have diverged from their usual positions to find compromises. Under pressure, some trade unions have found that their visibility and importance has increased as a result of the crisis, halting downward trends in union density as employees turn to unions for support. And although states with centralised collective bargaining systems, such as Spain and Portugal, have found it difficult to respond flexibly to the crisis, some northern and central European countries have been better able to adapt to the new conditions.

How each country has responded to the challenges depends on the pre-existing industrial relations frameworks. Where well-functioning tripartite systems prevail, responding to economic difficulties has proved easier. In such cases, improvements in social dialogue offer a foundation that may outlast the crisis.

Industrial policy strategies

Eurofound's findings show a more positive side to the crisis: significant social partner involvement is now beginning to play an innovative role in industrial policies.

In many countries, the speed of response to the crisis has tended to reduce the scope of consultation. However, where social partners have been consistently involved alongside other stakeholders, a coherent and structured approach has produced innovative strategies for industrial growth.

In particular, the European Commission has proposed the creation of Smart Specialisation Platforms where regional and industrial policy tools are combined. This has helped regions introduce smart specialisation programmes, boosting access to innovative technologies and market opportunities.

Such smart specialisation strategies are already in place in Lithuania and Romania, and regional cluster approaches to industrial policy exist in Austria and Romania. These positive examples of good practice could be replicated in other Member States.

Councils for productivity

In common with Finland and Norway, France has set up national councils for productivity that represent employer organisations and trade unions through social partner organisations. Each sector may develop specialised action plans and investment and innovation programmes that are funded by the state.

Innovative approaches

Germany offers the innovative National Platform for Electric Mobility. Involving car, energy and electrical companies, this industrial policy initiative from 2009 is a joint effort on the part of the social partners to increase competitiveness and progress the 'energy shift' to renewable energy sources.

Similarly in Lithuania, biotech development is part of a broader research and innovation strategy geared towards smart specialisation. The objective is to accelerate the development of the biotechnology industry in Lithuania with the use of state funding.

Social partners target enterprises and research institutions in the field of biotechnology, which can create new jobs and spin-off companies in the entire value-added chain.

Skills adaptation

Using a partnership approach, Italy has introduced the Exceptional Social Shock Absorbers programme, which helps workers who have had their hours reduced or have been temporarily laid-off.

The programme supports the adaptation of the skills base of workers and funds their training or retraining. Co-funded by national and regional government and assisted by the European Social Fund, it involves the social partners at all stages.

Improving competitiveness

In Romania, an innovation programme has helped to strengthen competitiveness in clusters of companies and improve industrial competitiveness. Research institutions, consultancies and the company cluster organisation come together with the aim of creating centres for regional and international production and technological development through smart specialisation. A focus of the innovation is to integrate network industries to create a chain of added value. The initiative seeks to increase and benchmark competitiveness in manufacturing industries and industrial sectors through tripartite cooperation.

Role of social partnership

The successes of the various crisis-induced innovations have demonstrated to both employers and trade unions that they can make their industries more resilient by becoming involved in social dialogue. By sharing insights, social partners can strengthen specific policy initiatives. In some countries, social partners have played a very active role in setting the agenda for particular industrial policies and have made a substantial input to formulating them. Eurofound research found that, surprisingly, social partners have been more actively involved in initiatives at horizontal and cross-sectoral level rather than in more targeted sectoral initiatives. However, many examples demonstrate that a systemic approach using demand-driven innovation offers considerable scope for development.

Camilla Galli da Bino



Eurofound (2011), *Company initiatives for workers with care responsibilities for disabled children or adults*, Publications Office of the European Union, Luxembourg.

Eurofound (2012), *Active inclusion of young people with disabilities or health problems*, Publications Office of the European Union, Luxembourg.

Eurofound (2012), *Third European Quality of Life Survey - Quality of life in Europe: Impacts of the crisis*, Publications Office of the European Union, Luxembourg.

Eurofound (2012), *Work organisation and innovation*, Dublin.

Eurofound (2013), *Impact of the crisis on industrial relations*, Dublin.

Eurofound (2013), *More and better jobs in home-care services*, Publications Office of the European Union, Luxembourg.

Eurofound (2013), *Third European Company Survey: First findings*, Publications Office of the European Union, Luxembourg.

Eurofound (2013), *Work organisation and employee involvement in Europe*, Publications Office of the European Union, Luxembourg.

Eurofound (2013), *Work organisation and innovation in Ireland*, Dublin.

Eurofound (2013), *Work organisation and innovation in Ireland – Case study: Kirchhoff Automotive Ireland*, Dublin.

Eurofound (2013), *Work organisation and innovation in Ireland – Case study: SAICA Pack Ashbourne*, Dublin.

Eurofound (2014), *Industrial relations practices related to psychosocial constraints at work in the steel sector*, Dublin.

Eurofound (2014), *Role of social dialogue in industrial policies*, Dublin.

European Commission (2008), 'Commission recommendation of 3 October 2008 on the active inclusion of people excluded from the labour market', 2008/867/EC, Brussels.

EU Social Protection Committee, *Adequate social protection for long-term care needs in an ageing society: Report jointly prepared by the Social Protection Committee and the European Commission* (forthcoming).

www.eurofound.europa.eu

The European Foundation for the Improvement of Living and Working Conditions (Eurofound) is a tripartite European Union Agency, whose role is to provide knowledge in the area of social and work-related policies. Eurofound was established in 1975 by Council Regulation (EEC) No. 1365/75, to contribute to the planning and design of better living and working conditions in Europe.

