

# PATHS AND BARRIERS

to positive cooperation in the workplace



Summary of the main report  
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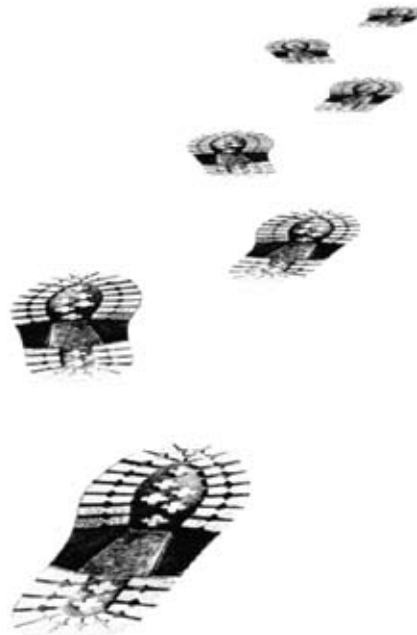
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# Preface

The project 'Paths and barriers to positive cooperation in the workplace' is a high priority for TekSam. Our consultants have contacts in many companies and on their Cooperation Committees. They help establish new committees and inspire existing ones to define new forms of cooperation.

However, the Cooperation Committee has become an information forum, in which meetings are used to provide information about what has happened historically rather than to prioritise what will happen in the future. Going forward, the committees can actively provide input – opinions, ideas and proposals – into the decision-making process.

A Cooperation Committee has to be a dynamic body. It is an important forum that sets the framework for day-to-day cooperation between management and employees at all levels within a company. Any failure by the committee to function properly will have a knock-on effect on everyday working life. It will be costly, detrimental to job satisfaction and commitment and damaging to competitiveness, one of the most crucial criteria for survival in a global market.

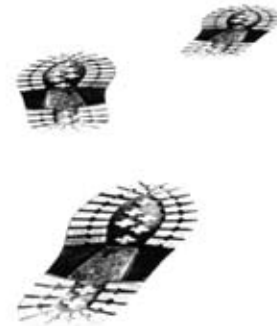
We hope this booklet will inspire companies, managers and employees to work together on Cooperation Committees and in day-to-day working life. Have a good read!

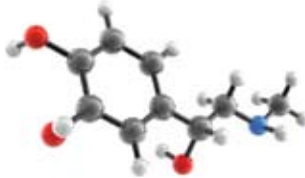
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# Introduction - about the study

A number of studies have pointed out that, in general, cooperation between management and staff in Danish companies works well and that trust between the individuals involved plays a key role. However, less is known about a number of other issues relating to cooperation. Jonas Felbo-Kolding and Mikkel Mailand of Employment Relations Research Centre (FAOS), University of Copenhagen, have studied these factors in a project on cooperation between management and employees in manufacturing workplaces in Denmark. The project was completed in May 2012 and the aim of this brochure is to provide a concise and easily accessible description of the research project and its results. For a more detailed review, please refer to the main report (in Danish).

Previous studies have shown that cooperation is not always the sole preserve of formal Cooperation Committees with a remit that stems from the Cooperation Agreement between LO and DA. With this in mind, the project set out to identify the factors that lead to opting for a Cooperation Committee (CC) or not. It also set out to examine what factors other than trust are essential for participants' views on whether the cooperation is good or bad. In addition, the project illustrates how cooperation has functioned during

the economic crisis and what impact the crisis has had on the quality of the cooperation. Previous studies had little to say on this as most of them were conducted at a time when the economy was in a much better state. Last but not least, the project also attempts to provide more than just a snapshot of cooperation by trying to describe trends over time. These ambitions were boiled down into four questions:

- What factors determine whether or not cooperation is formalised in the form of a CC?
- On what subjects do the participants cooperate and what is the key to deciding which topics are addressed?
- What characterises workplaces where cooperation is good and bad, respectively?
- Which paths lead to good cooperation and what barriers may be encountered?

The project was divided into two phases and combined an online questionnaire survey (during the first half of 2011) with an interview analysis (in the second half of 2011). While the questionnaire responses documented the prevalence of different forms of practice in cooperation – so endows the study with breadth – the qualitative analysis has provided a







deeper understanding of cooperation and revealed new perspectives, which are not possible to identify by means of a questionnaire. Thus, the questionnaire analysis and interview analysis supplement each other. The questionnaire used for the

quantitative study was sent to management and shop stewards in industrial workplaces with more than 25 employees. The recipients were managers and union reps identified from CO-industri and DI records. Once responses from people not included in the project parameters had been filtered out, we were left with 614 responses from shop stewards (estimated response rate of 46%) and 225 from managers (estimated response rate of 19%). These responses form the basis for the questionnaire analysis. On the basis of these responses, eight workplaces were selected for the interview analysis, which involved one manager and one shop steward at each site.

In the next section, we describe the points from the survey that we found the most interesting. The replies to each of the four survey questions are then described in the following five sections – five because the study also includes results relating to the effects of cooperation, and these are presented in a separate section.



## Main points from the study

The study generated answers to the four questions and analysed and discussed a variety of relationships. These relationships and answers are described in sections 3-6. Some of them are more significant and surprising than others. These answers and contexts constitute the main points of the study. Six main points that transcend all five sections are presented in section two.



The six main points – starting with the most general and concluding with the most specific – are:

- **Cooperation is rarely unambiguously good or bad.** As noted above, many of the previous studies have indicated that cooperation in Denmark is, in general, good. The FAOS study confirms this overall impression but also points out that cooperation often varies between different levels in the workplace and over time.
- **The quality of the cooperation depends on a match between the parties' understanding of what constitutes good cooperation.** Previous studies have focused on the degree of involvement as a measure of the quality of the cooperation. This study suggests that the degree of involvement is indeed important but that how the parties view the quality of the cooperation also very much depends on whether or not they share the same expectations for the degree of involvement.
- **Informal relationships are a precondition for making use of the formal frameworks for cooperation established by the Cooperation Agreement.** The study identifies that good cooperation – formal or informal – requires good informal relationships between the parties in the workplace. The quantitative analysis also shows that it is not possible to draw direct parallels between the existence of a CC in the workplace and the quality of the cooperation.
- **A higher proportion of shop stewards than managers value the CC highly, however the managers have a more positive view of the cooperation.** In general, managers have a more positive view of the actual cooperation than shop stewards while the latter consider the importance of the CC to be greater. The shop stewards are more positive about the importance of the CC for the quality of the cooperation because it represents a formal forum in which to address issues.
- **Economic crisis does not equate with poor cooperation.** Challenges such as economic crises, personnel changes and restructuring do not necessarily equate with poor cooperation. No direct link exists between a company's economic situation and trends in cooperation. What matters is how the challenges are faced. The study points out that the effects of the challenges are mediated through factors such as the shop stewards' mandates and the managers' scope for action.
- **A higher proportion of managers than shop stewards attach importance to cooperation as a tool for coping with economic crises.** The study also points out that managers perceive the effects of cooperation to be greater than the shop stewards do. This is a general observation and is not solely related to coping with economic crises.



What determines  
whether a cooperation  
committee  
is established

or  
not





The vast majority of workplaces (95%) surveyed have some form of body that facilitates cooperation between employees and management. A number of factors suggest that the actual figure is probably lower, however the figure is nevertheless in keeping with comparable data from a major new study of shop stewards' conditions.

The study also illustrates a range of other features of CCs:

- A CC is by far the most common type of formal cooperation
- The greater the number of employees, the greater the likelihood of a CC
- The formal limit stipulated in the Cooperation Agreement (35 employees) plays no role in whether or not a workplace has a CC
- 60% of workplaces have had a CC for more than 15 years
- 72% of workplaces hold meetings four to six times a year
- Shop stewards think contact between the parties is far more frequent than managers do
- Their contact with managers depends on whether or not the workplace has a CC

Three main reasons are cited when workplaces choose not to establish a CC: lack of interest on the part of the employees, management resistance or nobody taking the initiative to establish a CC. After looking more closely at factors that influence the decision one way or the other, the study also concludes that:

- Most workplaces with a CC report that a majority of both managers and employees were in favour of establishing it.
- The parties agree that it was established on the initiative of local parties
- Shop stewards usually credit themselves with the initiative but many of them recognise the active role played by management
- Conversely, managers tend to credit themselves as the prime movers but are less likely to recognise the role played by employees or shop stewards.

Establishing a CC is therefore – in keeping with the terms of the Cooperation Agreement – basically a joint project involving both parties in the workplace. Considerable agreement reigns about why the workplace established a CC:

- Both parties stress the importance of employees taking the initiative
- Both parties report sensing external pressure to establish a CC (even though it is not necessarily a strict requirement stipulated in collective-bargaining agreements or in legislation)

- Due to restructuring
- To improve cooperation
- Due to a desire to formalise existing cooperation
- To involve employees

#### DOES IT MATTER IF A WORKPLACE HAS A CC?

The parties disagree strongly about the importance of having a CC:

- More than 80% of shop stewards are convinced that having a CC benefits employees
- 20% of shop stewards point out that the CC guarantees that employees have a real say
- Only 52% of managers think cooperation would deteriorate if the workplace did not have a CC

When asked to explain the importance of the CC, both parties point to the same things to a great extent. On the positive side, they mainly cite:

- The importance of the CC for dialogue and information
- The role of the CC in guaranteeing cooperation in the workplace
- Formalised cooperation guarantees employees a minimum level of involvement

On the negative side, all of the shop stewards identify elements of existing CCs that are not working. These are:

- Lack of will to cooperate on the part of management

- No real decisions – information only
- Formalisation leads to issues being shelved more often than when contact with management is direct

The opposite applies to the managers, only a few of whom suggest that the CC does not work in its current form, while the majority of them identify positive aspects of the current cooperation that obviate the need for a CC.

The opposite is the case for shop stewards and managers at workplaces without a CC. However, it should be noted that only one of the five managers acknowledges the benefits of having one. Like their colleagues in workplaces with a CC who do not see the benefit of it, they claim that a CC is unnecessary and will actually make day-to-day cooperation more rigid.





# What is cooperated on and how?

The parties work together on many topics but they can be divided into categories: employee benefits; arranging the day-to-day work; overall workplace organisation and strategic objectives for the workplace. In terms of topics, cooperation is characterised by:

- Shop stewards are involved most in arranging the day-to-day work and least in the strategic objectives. In between these poles lie employee benefits and issues concerning the overall organisation of the work.
- In more than nine out of ten workplaces, the parties work together on issues related to the organisation of the daily work, irrespective of whether the workplace has a CC or not
- The existence of a CC has a particularly positive effect on the degree of cooperation on overall organisation in the workplace and on strategic objectives
- In general, the degree of cooperation in workplaces without a CC is significantly lower than in workplaces with one

Overall, a picture emerges that the existence of a CC has an effect on the scope of the topics on which the parties cooperate but not on the topics themselves.

Irrespective of whether or not the workplace has a CC, re-

spondents indicate that the type of cooperation they consider the most important is the informal meeting.

Of course, there are also differences between workplaces with and without a CC when we look at the forums in which cooperation on tangible issues takes place:

- In workplaces with a CC, cooperation on most topics takes place there, in workplaces without one most issues are dealt with at informal meetings or in other types of formal setting
- Cooperation on employee benefits and on the workplace's strategic objectives tends to take place at the CC
- Cooperation on the organisation of the day-to-day work in particular takes place at informal meetings between shop stewards and managers

## WHAT TYPES OF Cooperation ARE USED FOR WHAT TOPICS?

Overall, a composite picture emerges of the relationship between forums and topics. On the one hand, the parties prefer informal meetings, irrespective of whether or not the workplace has a CC, on the other hand, cooperation on most topics takes place at the CC. One explanation for this may be that in reality the majority of the cooperation takes





place at informal meetings because the majority of cooperation concerns arranging day-to-day work and not setting principles and defining strategic objectives.

As far as the shop stewards' involvement in cooperation is concerned, the analysis shows that:

- 43% of shop stewards in workplaces with a CC make decisions – either jointly with management or with colleagues – on the way in which day-to-day work is arranged. The corresponding figure for shop stewards in workplaces without a CC is 26%
- 42% of shop stewards in workplaces without a CC either have no influence on – or are merely kept informed about – management decisions regarding the organisation of day-to-day work. The corresponding figure for shop stewards in workplaces with a CC is 24%
- 71% of shop stewards in workplaces with a CC and 74% of shop stewards in workplaces without one have either no influence or are merely kept informed of management decisions concerning strategic objectives

Overall, we are left with a picture of a clear correlation between the involvement of shop stewards and the level of decision making.

#### WHAT DETERMINES THE TOPICS TO BE ADDRESSED?

Another important question is who takes the initiative to raise issues at the CC. It turns out that:

- 46% of shop stewards and 40% of managers state that most of the agenda is the same from meeting to meeting
- 17% of both managers and shop stewards state that the employees take the initiative

- The managers mainly attribute initiative to management, while shop stewards have a greater tendency to attribute it to both parties

The fact that such a large a proportion of both parties state that the majority of the agenda is the same from meeting to meeting fits well with the emphasis in the Cooperation Agreements on the mutual obligation to provide information on a range of topics. Information on these topics alone will take up a portion of the agenda at meetings. The fact that 17% of both shop stewards and managers indicate that it is primarily the employees who take the initiative about subjects for cooperation at the CC indicates that involvement extends beyond just shop stewards in a substantial proportion of the workplaces.

Finally, the study ascertains that:

- The parties strongly agree on both their own and their counterparts' general influence on cooperation
- Managers generally have greater influence than shop stewards
- Managers are more positive than shop stewards about both the general influence of the shop stewards on cooperation and the overall influence of cooperation on decisions
- It is primarily internal factors such as redundancies and cuts in production levels that are important for cooperation, while more external factors such as the renewal of collective bargaining agreements are only significant if the parties attribute specific local importance to them.



# Where is cooperation good and where is it bad?

Previous studies have not directly focused on what the parties actually understand by the concept of 'good cooperation', and what characterises workplaces with good or bad cooperation. Nevertheless, the question of what the

parties mean by 'good cooperation' is absolutely crucial to understanding the dynamics of cooperation, irrespective of whether the trend is positive or negative. It is interesting that in their understanding of 'good coope-



ration' both shop stewards and managers primarily refer to the conditions for informal aspects of the type of cooperation:

- 37% of shop stewards and 40% of managers associate 'good cooperation' with trust and respect
- 35% of shop stewards associate 'good cooperation' with involvement. The corresponding figure for managers is 10%
- 22% of managers associate 'good cooperation' with openness, honesty and commitment
- 13% of managers associate 'good cooperation' with working towards a common goal or sharing a joint understanding of the company's situation. The corresponding figure for shop stewards is 2%.

Top of the list for both parties is therefore the importance of social relationships such as trust and respect. Both parties also stress a number of factors that are more directly related to their different positions. The shop stewards' greater emphasis on involvement has to be seen as quite natural in light of the power-related asymmetry that generally characterises relationships between the parties in the workplace. Conversely, the managers' emphasis on openness, honesty, commitment etc. as a basis for cooperation, and that

the parties share a joint understanding of the company's situation and work together for the company is evidence of the managers' acknowledgement of their own special responsibility in regards to the survival of the company.



#### WHERE IS Cooperation GOOD?

It is also interesting to look at what characterises workplaces where the cooperation is good and where it is bad. In this context, it is important to note that both parties, but especially management, think that cooperation is good in general. A closer look at what actually characterises workplaces where cooperation is good reveals the following characteristics for good cooperation:

- Shop stewards are satisfied with their terms and conditions as shop stewards
- The cooperation is mainly in the form of informal meetings between the parties
- Meetings are held regularly
- The shop stewards see themselves as representatives of the company as well
- Conversely, the shop stewards see the management as representatives of their own views
- The shop stewards also sit on the company board, so gain deeper insight into the company
- The parties agree on main challenges facing the workplace and understand each other's scope for action.

From these characteristics, a picture emerges that workplaces with close relationships between the parties feel that the cooperation is better and therefore corresponds with the parties' focus on the importance of respect, trust and understanding for good cooperation.

# The effects of cooperation

It is difficult to isolate the effects of the cooperation, and this is clearly reflected in the fact that no fewer than 49% of shop stewards and managers do not know whether cooperation has been important for the way in which the workplace has handled the economic crisis. The quantitative analysis does, however, make it possible to ascertain a number of points about the effects. The interesting points are that:

- Managers are far more positive than shop stewards about the effects of cooperation in relation to the way in which workplaces have handled the economic crisis
- No fewer than 44% of managers state that cooperation has been important, while the corresponding figure for shop stewards is only 25%
- Shop stewards point out the importance of cooperation in relation to greater influence and information as well as a greater shared understanding of the company's situation
- Managers point out that cooperation has helped to improve the will to cooperate, flexibility and mutual understanding.





In other words, the parties' views of cooperation are very much based on their respective premises. The shop stewards focus on an influence that they cannot automatically expect qua the right to manage, while the managers focus on a will to cooperate in relation to the implementation of the various measures that they, in turn, cannot automatically expect. Several of the shop stewards and managers who indicated that cooperation has had a positive effect on the handling of the economic crisis also pointed out that a prerequisite for this was that cooperation had already been functioning smoothly. As a result, it must be expected that there is a correlation between the quality of the cooperation prior to a challenge such as an economic crisis and the importance of cooperation for the handling of such a crisis. Among the participants in the study who responded that cooperation has not been of significance, the main reason cited is the lack of any real cooperation on the handling of the economic crisis, either because management has opted not to involve shop stewards, or because the cooperation was already good. Thus, cooperation only has significance if the parties choose to attribute significance to it. If the parties choose not to 'participate' in the cooperation, it will be without any real significance.

#### EFFECTS ON WHAT?

If we focus more broadly on the effects of cooperation on the workplace, it is thought-provoking that more than 30% of both shop stewards and managers state that coopera-

tion improves productivity, while only 8% of shop stewards and 2% of managers state that it has a detrimental effect on productivity. The managers who believe that cooperation improves productivity attach particular importance to the following:

- The employees' understanding of the situation faced by the workplace
- The importance of cooperation in building confidence between the parties
- Getting everyone to work toward shared goals

On their part, shop stewards who cite cooperation as important for productivity place greatest emphasis on the importance of cooperation for fostering understanding of the workplace's situation and greater job satisfaction. In relation to cooperation's negative effects, they place greatest emphasis on the perception that it is bureaucratic and time-consuming and that it gets in the way of necessary management actions. Shop stewards in particular also point out that cooperation has negative effects when the parties do not actually work together in reality. The same patterns in the perceptions of the positive and negative effects of cooperation recur if you look at all of the shop stewards' and managers' perceptions of the effects of cooperation.



# Which roads lead to good cooperation?

To understand trends in cooperation over time, it is necessary to keep two general facts in mind. Firstly that cooperation and in particular trends in cooperation have to be understood as a continuous process in which the cooperation is never unambiguously good or bad, but instead contains positive and negative elements. Secondly that cooperation today is conditioned by cooperation yesterday. When the parties are asked to assess the quality of cooperation they do not do so solely on the basis of the current situation but also on the basis of how cooperation has been up to now and what expectations it has generated.

An understanding of the trend in cooperation in the workplace should therefore be based on three levels:

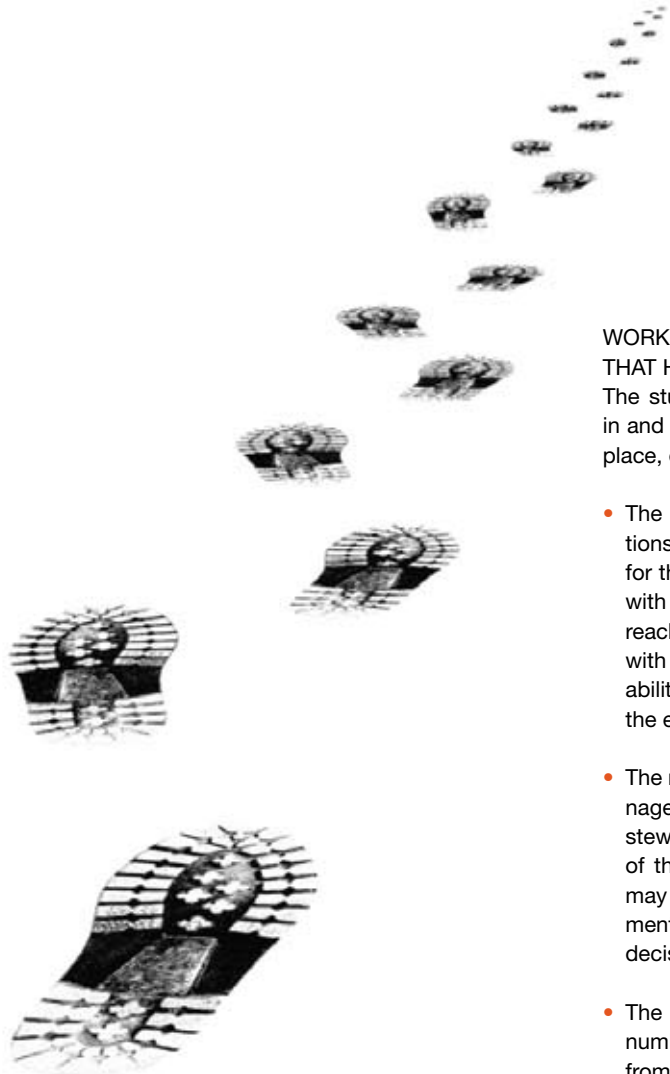
- The relationship between shop steward and management, which constitutes the core of the cooperation
- A number of factors in the workplace that condition and effect the cooperation
- A number of challenges faced by the cooperation

## THE CORE

Basically, the understanding has to take as its starting point the relationship between the shop steward and the manager. It is this relationship that forms the core of the indirect cooperation in the workplace. The most important part of the relationship is that its informal

nature is based on mutual trust and respect between the parties and that the parties share an understanding of what constitutes good cooperation. It is difficult to imagine the parties being able to match each others' understanding of good cooperation and believe that the other party will live up to this understanding unless their relationship is one of mutual trust and respect. This is because the match is to a high degree about the parties' expectations for involvement and hence about their expectations of the counterpart's behaviour in the cooperation. If the shop steward does not trust that management will live up to expectations for involvement, s/he will take appropriate actions to find alternative ways of exerting influence.





#### WORKPLACE FACTORS THAT HAVE EFFECTS ON Cooperation

The study also points out that cooperation is embedded in and influenced by a whole series of factors in the workplace, especially factors such as:

- The shop steward's mandate: has an effect on the relationship between the parties since it sets a framework for their ability to conclude agreements. A shop steward with a strong mandate is therefore able to enter into far-reaching agreements with the management, while a rep with a weak mandate can even act as a brake on the ability of managers who would like to cooperate to involve the employees.
- The manager's scope for action: The question of the manager's scope for action in the cooperation with the shop steward and the employees corresponds to the question of the shop steward's mandate. Lower level managers may have very different frameworks for concluding agreements with shop stewards, especially as far as financial decisions are concerned.
- The style of management: The study identifies that a number of industrial workplaces have witnessed a shift from what might be called production management to HR



management and team organisation. This shift has led to a far greater involvement both directly of the employees and indirectly of the shop stewards.

- **Form of ownership:** The study also reveals that it has significance for the cooperation whether the workplace is family-owned or corporate. The managers' scope for action, the management style and not least personnel changes depend on the form of ownership. This is a complex notion, since cooperation in branches of corporations is sometimes complicated by top management, while it is sometimes improved by greater local freedom to make decisions.
- **Internal vs external recruitment:** The study also points out that it is important for cooperation whether the parties involved are recruited internally or externally. An internally recruited manager or shop steward will, for better or worse, often have been involved in cooperation before, which may lead to good or bad cooperation continuing. Conversely, external recruitment often represents a major challenge in relation to maintaining a match between the parties' expectations of the cooperation.
- **The competence requirements:** Finally, the study identifies that the employees' level of competence has an ef-

fect on the management's willingness to involve them, i.e. the higher the competence level, the greater the involvement.

There is a close connection between the way these factors affect the relationship between the parties and exert influence on the quality of the cooperation. Both the shop steward's mandate and the manager's scope for action set a framework for the relationship the parties are able to have to one another and the agreements they are empowered to conclude. The questionnaire survey also identifies that the form of ownership impacts upon a number of other factors. The question of whether the shop steward or manager is recruited from another position in the company or recruited from outside, relates, amongst other things, to the parties' mandate and scope for action, while the competence requirements for the employees is important for management's willingness to involve them. Much of the significance of the factors also stems from their mediating effect in relation to the potential challenges listed below that cooperation might face.

#### CHALLENGES

Both the questionnaire survey and the interview analysis studied a number of possible challenges facing cooperation. To understand the trends in cooperation, the impor-



tance of these challenges must be included in the deliberations. The most important challenges are:

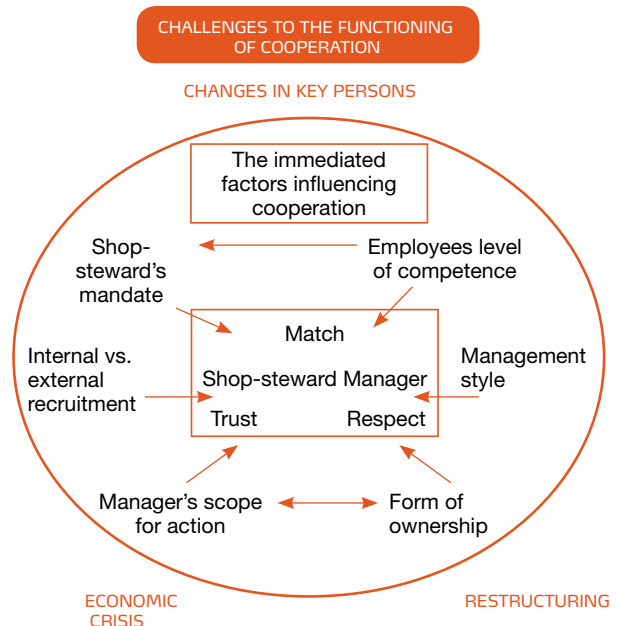
- Personnel changes either of the shop steward or manager can be a challenge as they impact directly on the relationship between the parties and may undermine the match between the two sides' expectations
- Economic crises can, as previously mentioned, have an effect on cooperation. However, the study shows that economic crises do not equate to a worsening in cooperation. The impact on cooperation depends instead on how the local parties deal with situations like redundancies
- Restructuring can have an effect by creating new frameworks for the cooperation. Mergers between companies, workplaces or departments can, for example, have an impact on the managers' scope for action or the shop stewards' mandate

This list of challenges that may have an effect on cooperation is far from exhaustive but it does reflect the challenges that our questionnaire and interview studies have identified as the most important ones.

These challenges can have an effect on cooperation in different ways and at different times. One of the important findings of the study is that there is no direct correlation between the occurrence of personnel changes, economic crises or restructuring and changes in the trend for the cooperation. What effect they have depends largely on how they are handled. More specifically, what is crucial for whether the challenges impact upon the trend and the quality of the cooperation is whether they affect the relationship between the parties directly or indirectly by having an effect

on one or more of the above factors.

The figure below summarises how the core of the cooperation – the relationship between the manager and the shop steward – is influenced by factors in the workplace and by challenges faced.







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