# Chapter 13
# The Tower of Power: Building Innovative Organizations Through Social Dialogue

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This book explores managers' perceptions about ERs and the industrial relations at national, sectorial and organizational level in 11 European countries. After showing and discussing the results in each country, this chapter offers a general picture of the outcomes at European level. Here we present a summary of good practices for achieving cooperative, innovative and constructive industrial relations, based on the factors included in the NEIRE model. These suggestions, offered by the HR managers from the different countries participating in this study, illustrate the wishes of one side of the table and bring us one step further to better understand the current European industrial relations system and their expectations, concerns, and objectives.

> Because of the crisis, we have to lay people off. This doesn't make the WC or the unions happy, so that makes the current situation difficult. However, we are able to keep a good relationship with them by ensuring that these measures are implemented in a fair way (Personnel manager, international bank)

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> We're both (employers and ERs) aware that we represent different interests. That is clear. But we are also aware that we sit in the same boat and that we have to row together so that the boat does not sink. (…) We have different interests, but we also have similar ones and this is what brings us together: we both fight for a common optimum solution where we all feel taken care of/represented' (HR Manager, chemical industry)

> […] I know that a good WC, a WC that is critical, is able to offer constructive suggestions to find not only a solution but a better solution because they are in a position to consider views that I am not able to take into consideration due to my position as an HR manager. For example, what factors motivate or demotivate the employees. And for this reason I support this constructive process of decision making, even when it costs a lot of time and can involve stress, because I know that through this process of compromise we will reach the best solution (HR manager, consumer company)

These testimonies illustrate some of the most optimistic and positive views among the interviewed HR managers in the European participating countries. Collaborative attitudes and behaviors, being able to listen to the other side of the table and integrate feedback to improve their future ways of solving conflicts are keys to success in many organizations (Lewicki et al. 2007). However, there is also a more pessimistic side of the coin, where a more competitive culture is shown by both parties and therefore more pessimistic analyses of the social dialogue and conflict management. In both cases, we observed among employers the will to work together on improving this sometimes scratched relation through the improvement of trust, competences, and conflict management styles in order to survive the harsh crisis we are immersed in.

The relationship between ERs and managers has never been easy (Hyman 2005; Martínez-Lucio and Stuart 2005; Walton and McKersie 1994). To a large extent, they represent two sides of the negotiation table. And the issues at the table have been traditionally often conflicting (Walton and McKersie 1994). There are many issues also of shared interest, particularly concerning innovative issues as health and safety, gender equality, and vocational training (Pulignano et al. 2012). Nevertheless, the strategies of the managerial board attempting to maintain a competitive business model are frequently conflicting the improvement of the workers conditions, particularly in the case of downsizing (Munduate et al. 2012). To overcome these difficulties, the exchange in social dialogue has to become innovative and cooperative (European Commission 2012). The quotes above also illustrate the potential of cooperation between management and ERs. In contexts where conflicts are unavoidable and even necessary, there is also a need to increase the trust between parties, allowing the exchange of information that leads to agreements that can satisfy all parties involved. Of course, this ideal scenario has not yet been achieved in many cases. As we have seen throughout this book, Europe is not homogeneous in regard to industrial relations, and neither are sectors, nor organizations. Managers in some countries—such as Denmark or Germany—express more evidence of cooperative partnerships, while in other countries—such as Portugal or Spain, the results point out to more competitive and distrusting relationships. We offer below a cross-cultural overview, in order to discuss the results and analyze differences and commonalities in the different European countries.

## 13.1   Perceptions of European HR Managers About ERs: A Cross-Cultural View

Over the chapters we have seen the diversity around Europe in terms of HR managers' perceptions of the ER's role, the relationship between the parties, and the approach to social dialogue. Here we elaborate on the most salient trends. These results allow us to draw conclusions from Europe as a whole and focus on the diversity of the system as well as in the common issues, practices and suggestions described by the HR managers.

Table 13.1 shows the significant differences between each country and the European mean. Green squares indicate positive results on factors contributing to constructive social dialogue (for example high ability). Red squares point out negative results on factors contributing to constructive social dialogue (for example low level of competences of ERs). White squares indicate no significant difference to

**Table 13.1**  Significant differences between each country and the European mean.

| Variable \ Country | BE | DK | EE | FR | GE | IT | NL | PL | PT | SP | UK |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Industrial Relations in terms of Trust | | Green | Green | Red | | | | Red | Red | | Green |
| Ability of ERs | | Green | Green | Red | | | Red | | Red | Red | Green |
| Benevolence of ERs | | Green | Green | Green | | | | Red | Red | Green | Green |
| Integrity of ERs | | Green | Green | Green | | | Green | Red | Red | Green | Green |
| Competencies of ERs | Red | | Green | | Green | | | Green | | Red | |
| Organizational commitment of ERs | | Green | | Red | Green | | Green | | Red | | Red |
| Diversity in competences of ERs | High | Low | Low | | Low | Low | High | | | | |
| Empowerment of ERs | Red | Green | Green | | | | Red | | Red | Red | Green |
| Managers' need of control of ERs | Red | | Green | | Red | | | Green | | | |
| Task conflict | | Green | Green | | | | Green | | Red | | |
| Relationship conflict | Red | | | Red | | Green | | Red | | | |
| Cooperative conflict management of ERs | | Green | Green | Red | Green | | | | Red | Green | |
| Competitive conflict management of ERs | Red | Green | Green | | | | | | | Red | Red |
| Conflict efficacy | Green | Green | | | | Green | | Red | Red | | Green |
| Impact of ERs on traditional issues | | | | | Green | | | Red | Red | Green | |
| Impact of ERs on innovative issues | | | Green | | | | Green | Red | Red | | |
| Quality of agreements | | | | | Green | | | Red | Red | Red | Green |

Europe. This table should be interpreted with caution since there are also differ-
ent perceptions at the organizational level, as it has been shown in the previous
chapters. Hence, knowing that we can't generalize the results, this table offers a
clear perspective about the main trends in each country and the differences across
Europe.

Table 13.1 clearly shows the diversity in industrial relations climates in Europe.
We make some additional observations for each country.

*Belgium* is on many aspects comparable to the mean European score, howev-
er otherwise the opinion of HR managers is less positive, than average. ERs are
seen as been less competent than the European mean. Additionally, a high diversity
abound ERs is perceived. The empowerment of ERs is seen below the European
average and HR managers show a higher need for control of ERs. They perceive
more relational conflict. They furthermore perceive ERs as relatively competitive
when it comes to conflict management.

In *Denmark*, in contrast with Belgium, ERs are on most aspects perceived more
positively, than European average. The relations seem to be characterized by a rela-
tively high trust between management and ERs and low frequency of conflicts, at
task and at relational level. Furthermore, when conflicts do arise, ERs are perceived
as cooperative, competent and committed.

*Estonia* shows a similar positive situation, trust between parties, low frequency
of conflicts at both levels, higher empowerment and less need for control of man-
agers. ERs are evaluated as more trustworthy, cooperative and competent than the
European mean and this seems to be a general pattern, with low diversity among
ERs. Please note however, that in Estonia a sharp contrast was observed between
large, often multinational companies, and local, small to midsize organizations, in
which ERs hardly play a formal role.

*France*, like Belgium, shows overall a more antagonistic image through the eyes
of the HR Managers. We observe higher frequency of relationship conflicts related
to an industrial relations climate of low trust between managers and ERs. Manag-
ers perceive ERs as less committed to the organization and less competent than the
European average.

In *Germany* there appears to be an environment of relative trust and coopera-
tive relationships, where ERs have impact on traditional and innovative decisions
related to the codetermination system. Collective agreements inside the organiza-
tion are also perceived as having higher quality than the European mean; however
German managers also seem to have a higher need for control.

*Italy* doesn't display great differences with Europe, and shows a more positive
picture when talking about frequency of relationship conflicts, cooperative conflict
management of ERs and efficacy of handling conflicts.

*Dutch* ERs are described by the HR managers as more cooperative and commit-
ted than the European average, with less task conflicts and more impact on innova-
tive issues (i.e. gender equality, environmental protection).

*Poland* shows lower trust between parties and higher frequency of task and rela-
tionship conflicts, as well as a marked low impact of ERs on organizational issues
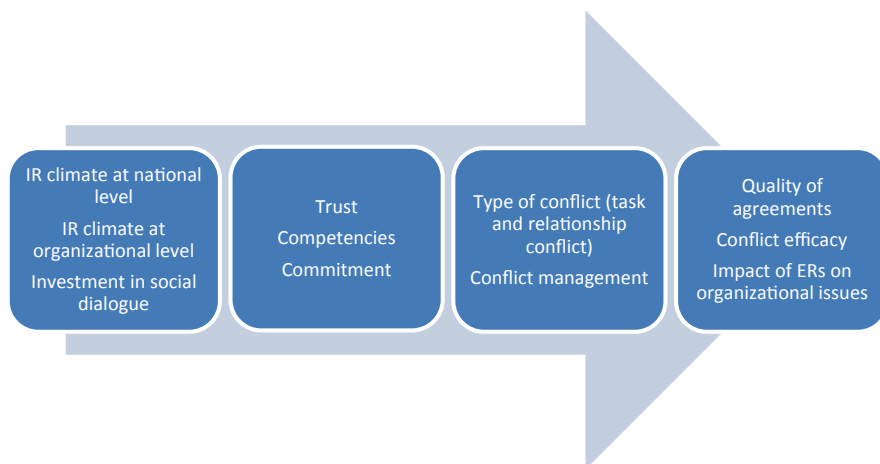compared to the European average.

**Fig. 13.1** NEIRE model for industrial relations in organizations

*Portuguese* managers do not perceive ERs as trustworthy, cooperative or committed. This might be one of the explanations why their impact on different organizational issues is lower than the European average.

*Spain* shows comparable results to *Portugal*, except for the impact of ERs on organizational issues, where the scores are actually higher than in the rest of Europe, due to a large extent to a labor law that protects the ERs participation.

*The United Kingdom* shows mixed results, since there seems to be a climate of trust and managers perceive that negotiations are effective and result in high quality of agreements; however ERs are also perceived as being competitive in conflicts and not committed enough to the organization, when taking the European average as a point of reference.

This overview shows that factors as the trust perceived in the industrial relations, ERs' empowerment, ERs' commitment to the organization and frequency of conflict as well as the ERs' conflict management style vary significantly depending on the country. Next we focus on the NEIRE model introduced in Chap. 1 and give an overview of the European results taking into account each variable included in the model.Following the NEIRE model (Fig. 13.1) we explore several of the relations between the factors in the model. We highlight here some main findings. We start with the outcomes, asking ourselves what factors contribute to the quality of agreements, and what determines the perceived impact of ERs on organizational issues? We then move to explore further the combinations of relational and task conflicts in each country, and cooperative and competitive conflict management by ERs, in the eyes of HR managers. We relate these to the other factors in our model, such as trust, competences and commitment, as well as the overall IR climate.

## Quality of Agreements



**Fig. 13.2** Perceived quality of collective agreements in organizations in 11 countries

### 13.1.1  Quality of Collective Agreements in Organizations

With no extreme differences between countries, it seems that at the end of the day agreements are neither excellent nor terrible, as most countries score around 3 on a 1 to 5 scale (Fig. 13.2). Evidently with this level of quality, there's still great room for improvement in all Europe, and this represents also a large variance between organizations in each country.

What determines the quality of agreements? First, and in line with expectations, we see that trusting industrial relations are closely related to the quality of the collective agreements (Dirks and Ferrin 2001; Doney et al.1998; Kramer 1999; Kramer and Tyler 1996). In contexts characterized by trust between ERs and management, better agreements are reached. Another factor leading to more qualified agreements is the ERs' cooperative conflict management as opposed to competitive conflict management patterns behaviors. Furthermore, ERs' level of competences is also related to quality of collective agreements in organizations. Finally, the conflict efficacy and a constructive approach from both parties toward the conflict resolution, is related to quality outcomes in the agreements (Bacon and Blyton 2007).

### 13.1.2  Impact of ERs on Traditional and Innovative Issues

According to the impact on organizational issues, we differentiate between traditional issues and innovative issues. Traditional issues being 'classic' collective bargaining topics, such as: working hours, pay and incentives systems and performance targets.
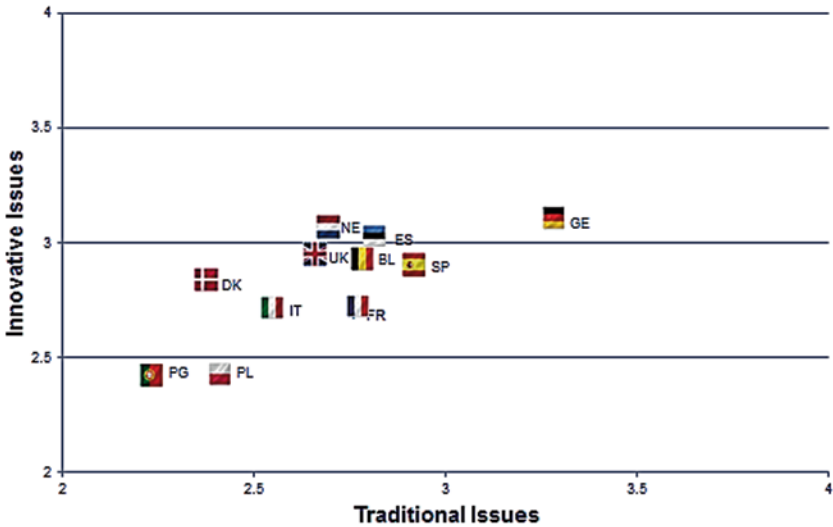
**Fig. 13.3** Impact of ERs on innovative and traditional issues in 11 countries. (Original scales are 1 to 5)

Innovative issues: work-live balance, equality, corporate social responsibility and green issues (Cutcher-Gershenfeld and Kochan 2004). The results show a relatively low score (under 3) for both types of impact overall in Europe. However, when examining the scores in each country we see quite significant differences between countries. These are pictured in Fig. 13.3.

The first thing that catches the eye is the position of Germany in the top right corner, indicating that German managers perceive ERs to have relatively strong impact on both types of issues. The strong position of German ERs matches with the co-determination which is present in Germany, and less so in other countries, as discussed in Chap. 6 (Trinczek 2006). On the other hand, Portugal scores low in both (bottom-left corner), meaning ERs here are perceived to have little impact on the decision making processes for traditional and innovative issues. Other countries such as The Netherlands and Denmark score considerably higher in innovative issues than in traditional issues.

Following the NEIRE model, we explore how the impact on the decision making process is related to other factors as perceived competences and the conflict behavior used by the ERs. Less conflict frequency, and especially relational conflict, is related with more impact at the table. Furthermore, conflict management is related to the impact. Competitive conflict management by ERs is related to more impact on traditional issues; while ERs with more cooperative conflict management have more impact on innovative issues. The strongest factor however is perceived competence of ERs. Managers who perceive the ERs as competent, consider ERs'
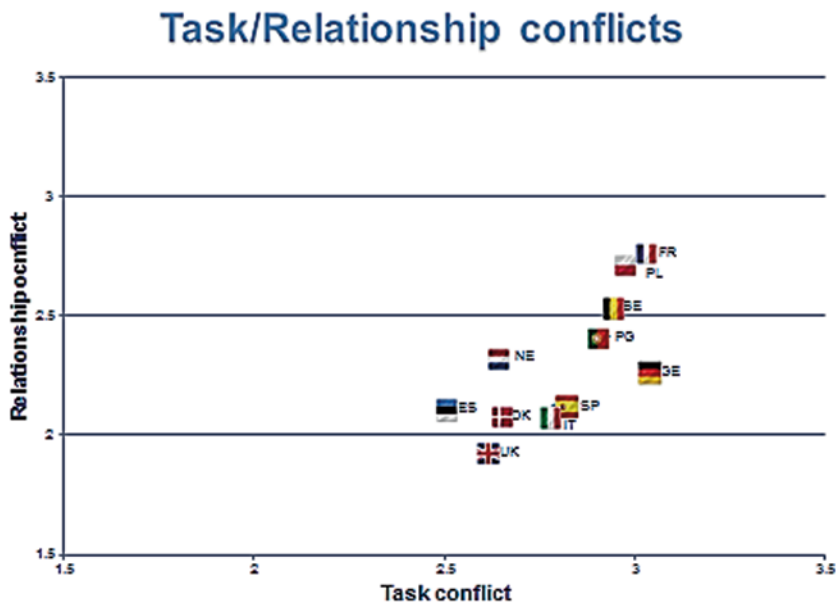
## Task/Relationship conflicts



**Fig. 13.4** Task and relationship conflict in 11 countries. (Original Likert scales are from 1 to 5)

impact to be higher in the decision making process about traditional as well as innovative issues.

Integrity and Benevolence. These are perceived as relatively high in the European average however are surprisingly not related to the impact of ERs on decision making. So, even though managers in Europe seem to believe that ERs have clear principles and are well intentioned, this doesn't appear to help them to impact more in the decisions.

### 13.1.3 Frequency of Conflicts Between Management and ERs

Substantial differences appear in the perceived frequency of conflicts between management and ERs (Fig. 13.4). We differentiate relationship and task conflicts, the first being conflicts about values or interpersonal styles, while task conflicts refer to disagreements over distribution of resources, procedures and policies (De Dreu and Weingart 2003). As we can see, all countries score below 3 in relationship conflict and so is the case for most countries when referring to task conflict. France accounts for more conflicts of both types than the European average. Estonian managers perceive "calm" relations with ERs if we focus on the level of relationship conflict. In Belgium, the level of relationship conflict is also low, while the level of task conflict is one of the highest. Traditionally, research has concluded

**Fig. 13.5** Cooperative and competitive conflict management in 11 countries. (Original scales are from 1 to 5)

that relationship conflict can damage the organizational climate and the performance. Task conflict can sometimes be productive, however only in a cooperative context (De Wit et al. 2012).

### 13.1.4   Perceived Conflict Management by ERs

Figure 13.5 presents the HR managers' perceived conflict management style used by ERs. As mentioned above, ERs tend to combine cooperative and competitive styles (Elgoibar 2013; Euwema and Van Emmerik 2007; Van de Vliert et al. 1995). This combination can include a more cooperative or competitive approach and here we appreciate differences between the countries (Munduate et al. 1999). For example, in Denmark, Germany and Estonia, ERs show a more cooperative pattern (relatively high on cooperation, and relatively low on competition), whereas in Belgium, the UK and Spain, ERs tend towards a more competitive pattern, with competitive behavior more prevalent than cooperative behavior.

What determines cooperative and competitive behavior? Most important, we see that an IR climate of trust is strongly related to cooperative conflict management style, however, surprisingly not related with competitive conflict management by ERs. Two interviewees illustrate the effect that the industrial climate can have on the conflict management style:

> In the traditional model of industrial relations there is no trust between the parties… no ethics or transparency… and this is what is in crisis in the management of organizations (CEO, Spain)

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

## 13.2   Ten Practical Recommendations and Good Practices

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

### 13.2.1   Promote Innovative Social Dialogue

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

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

## 13.2.2  Make Simple and Flexible Structures for Social Dialogue

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

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

> Simplifying the structure would be better. For example: if we are 49 we don't need to have this structure but if we are 51 we need ten members in the workers council! (HR Manager, France).

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

## 13.2.3  Unions Become More Innovative and Less Ideological

Employers in most countries express appreciation for ERs. Nevertheless, there is a sense among employers that unions should be more adaptive to economic developments, also at organizational level. Unions, and from national and sectorial level, also in organizations, could improve the IR climate and their impact on decision making in organizations, if they are less conservative, in the eyes of employers.

The doctoral dissertation of Van der Brempt (2014), demonstrates this clearly. In case of WC members are in majority members of union with an ideology of traditional "class conflict", ERs are perceived as less impactful, and less cooperative, also by the ERs themselves. More impact is perceived when members are in unions with a stronger focus on cooperation with employers.

ERs are expected to fight for the interests of the employees; however this is not necessarily in conflict with the interests of the organization. This indeed is the perception of most employers, who expect that unions would also take that perspective and that they would consequentially educate ERs in this way. Within Europe, ERs

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

> Traditionally industrial relations can be characterized as constructive, a desire to work together, and I think that 99 % of my colleagues and 99 % of the workers would back me up on this (HR manager, Germany)

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

### 13.2.4 Invest in Social Dialogue

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

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

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

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

### 13.2.5 Invest in Informal Relations

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

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

> In informal meetings, ERs are more likely to show understanding for topics that would be very difficult to put on the table in formal meetings.
> Our informal relationship is certainly better than the formal one. Therefore, I try to actively engage in these informal relationships with the employee representatives as I am convinced that in the long-run, this will also enhance our formal relationship (HR manager, industry, France).

Good practice: invest in informal relations.

### 13.2.6   Build Trust

Trust is recognized as key in the relation between management and ERs. Also, clearly trust is regularly lacking, and managers regularly believe that ERs don't trust them. Trust mostly grows slowly and is associated with long tenures of ERs. Generally, employers manifest the need to be transparent and to promote open communication, together with sensitivity towards employees. Managers refer once again to the need for training to be able to communicate more effectively with ERs about different and complex topics related to organizational dynamics and therefore improve trust between the parties. Some companies report that they carry out a team activity for both management and ERs once a year in order to improve the relationship and establish trust.

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

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

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

### 13.2.7   Develop Competencies of ERs

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

Training ERs is regularly seen as responsibility of unions. However, this is sometimes used as excuse for not investing in training by organizations. In the interviews we have seen good practices where employers work together with unions, under the umbrella of unions, respecting their independent role. Additionally, some also invest in organization provided or facilitated training for works councils.

> In our company we invest in the training of our ERs, we believe that we achieve more innovative and higher quality agreements if we negotiate with competent ERs (HR manager, Belgium).

> The company should provide ERs with training as soon as they got elected (HR manager, France).

> Training in subjects like business management, finance and negotiation skills can give ERs more tools to work with and make them more flexible (HR manager, Spain).

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

## 13.2.8   *Increase Attractiveness of the Role of ER*

Many HR directors express concern about the recruitment of competent and motivated ERs. They are searching for ways to promote competent, young employees to engage as ERs. However, they observe that TU do not have highly potential leaders to substitute the 'old boys'. Interesting options of good practices are mentioned in the interviews such as:

- Train people with potential to play the role of ERs in leadership strategies
- Reward the role of ER, as part of career management (you cannot become manager unless you have served in some form of representation)
- Promote adequate remuneration, especially in large organizations
- Don't necessarily limit the wages at the level of entry, when ERs start
- Involve ERs for shorter periods or specific project assignments, instead of long year commitment

## 13.2.9   *Contribute to Willingness to Change*

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

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

> Training and education for ERs is provided by the university. We also take time to regularly clarify difficult files in order to empower them to take decisions. However, this is a tricky issue. It requires a trustworthy climate, otherwise it is perceived as manipulation (HR manager, educational sector, the Netherlands).

Good practice: providing training and high education.

### 13.2.10   Promote Constructive Conflict Management

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

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

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

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

Good practice: train ERs as well as HR managers in principled negotiation, so that both parties focus on exploring the interests instead of staying in the positions. In that, trust and competences are essential at the negotiation table. One hand, trust facilitates information sharing; on the other hand, competences make it possible for ERs to understand the task and the decision to be made.

## 13.3   Conclusions

There's no doubt that European employers recognize the need of constructive social dialogue. They are generally aware of the importance of the role played by ERs and they express the need and wish to work with strong and competent social part-

ners. The negative side of the story is that, managers of many of the participating countries believed that ERs lack key competences, such as financial expertise and organizational change. Also, the impact of ERs in the decision making processes of European organizations is seen as rather poor. Furthermore, numerous managers from different countries expressed that ERs represent less and less of the workforce as a whole, rather being more interested in representing individuals separately and especially backing up the interests of the TU they are part of. Related to this, it was common that managers would express more problems with external unions than with the actual WC and ERs within the organization. Nevertheless, ERs are regarded as quite cooperative when looking at the big European picture.

It should be noted that there are major differences between countries according to the results. We can see more positive results in terms of social dialogue in the Nordic countries (i.e. Denmark, the Netherlands and Germany) and in general those countries that are not so affected by the crisis. In contrast, the countries in the south show competitive relationship patterns (i.e. Spain, Portugal, France and Italy). However, clear commonalities can be observed if we focus on the good practices suggested by HR managers.

Altogether, employers prefer to negotiate with their own employees, meaning they would appreciate further decentralization. As pointed out before, they want ERs to have an important role in the decision making processes and they would like them to have more impact over the issues discussed inside the organization. Notwithstanding, this would require ERs to show a proactive attitude and offering innovative and interesting proposals. This also requires skilled and informed ERs. Employers express a desire to work with open ERs who think in a strategic way. Additionally, managers state that another requirement would be for ERs to show stronger cohesion among different TU members. Conflicts between ERs and the TU also do not help towards the impact of ERs on organizational issues, according to managers.

Employers in Europe also share the belief that trust is essential for creating constructive social dialogue, yet the overall situation points out to a lack of trust between social partners in a great number of contexts. Frequently managers pointed out that the complex structure of ERs does not help in this sense and they believe a more simple structure would facilitate cooperative relations.

The recipe for innovative social dialogue consists of:

- Investment in competent ERs by organizations
- Ongoing trusting relations
- Empowerment of ERs to achieve power equality
- Cooperative and creative conflict management

Good practices

- Management's attitude: Will to cooperate and reach WIN-WIN agreements
- Open communication: "Informing well in time helps unions to agree with managements' decisions"
- Introduce experiments with dual career for ER

- Introduce new forms of composition of WC
- Actively participate in ERs and HR managers training/education
- Actively engage in teambuilding for WC and between managers and WC

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

The proposals from HR managers in each country are listed in order to improve social dialogue practices, leading towards more and more efficient participation by ERs in the decision making processes of organizations, as well as towards a higher quality of the agreements signed. Quality and innovativeness of workplace agreements become vital under the increasing pressure from globalization and on-going financial crisis. Promoting mutual empowerment between employers and ERs to build a Tower of Power, in which the decisions taken satisfy all parties, is essential to face the current challenges. Therefore, improving the quality of social dialogue is perceived as the healthiest and fairest way to make decisions in a democratic organizational context.

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