

Basic principles of constructive employee participation

What is the best way to implement employee participation?



Basic principles of constructive employee participation

For directors, works council members, supervisory directors, advisory board members

Employee participation is an integral part of everyday life in countless companies and organisations in the Netherlands. It means that employees are involved in organisational matters in various ways and have a say about their work and the course of events in their enterprise. Organisations need to align employee participation processes with their own practices. The Dutch Works Councils Act allows companies and organisations to customise internal employee participation to a certain extent. That is why there are so many different approaches to employee participation in the Netherlands.

Constructive employee participation is beneficial for your enterprise or organisation and for the people who work there. It is therefore important to implement employee participation properly. To help you with this, the Committee to Promote Employee Participation (CBM), part of the Social and Economic Council of the Netherlands (SER), has put together a list of eleven basic principles that underpin constructive employee participation. The CBM consists of independent members and representatives of trade federations (FNV, CNV, VCP) and employers' associations (VNO-NCW, AWWN, MKB-Nederland, LTO and VSO).

These eleven basic principles, with explanatory notes and real-world examples, are based on the experiences of works council members, employers and employee participation experts. The underlying premise is that constructive employee participation should be qualitatively sound and effective and should serve the interests of everyone working in the organisation. The composition of the employee participation body (usually the works council) must be representative of the workforce. In addition to the director and the employee participation body, the employees themselves and the internal supervisory bodies, such as the supervisory board or the advisory board, are also involved.

Based on this premise, the authors of the list have sought to identify universal principles that, taken together, can be regarded as a generally accepted standard of constructive employee participation. The list is not exhaustive. You may find one principle more relevant than another, perhaps owing to the situation in your own enterprise – for example its employment relationships and consultation structures – or your personal convictions. This does not mean that one principle is better than another. They are intended primarily to inspire you as you implement employee participation in your enterprise or organisation. And

remember: the Dutch Works Councils Act offers some latitude for customising your approach to employee participation!

Preliminary remarks

In this brochure, the term ‘employee participation’ refers primarily to the participation of employees in the private, non-profit and government sectors. It therefore covers much more than only the works council (*ondernemingsraad*) or employee representative body (*personeelsvertegenwoordiging*).

Most of the real-world examples in this brochure come from large private, non-profit and government organisations and may not always be relevant for smaller ones. Nevertheless, the basic principles and underlying concepts identified here can be used to flesh out employee participation in all enterprises and organisations, regardless of size or sector.

1

Diversity and representativeness

Basic principle

Constructive employee participation is meant for everyone.

Explanation

- Try to make employee participation appropriately diverse and representative. See that the works council represents as many of the various groups of persons working in the enterprise as possible.
- Ensure that the works council is mindful of the interests of all who work in the enterprise, including those employed on flexible contracts, such as agency staff. After all, they too contribute to the enterprise’s results.

Real-world example

About half of a telephone helpdesk’s employees are agency staff, many of whom have been working there for several years. The works council specifically wants to recruit agency staff to stand for election. Works council members meet with agency staff to discuss the latter’s concerns and what the works council can do for them. The director cooperates in these efforts, for example by writing an article for the works council election newsletter on the importance of employee participation for all employees, and by agreeing to make more facilities available. As a result, agency staff become members of the works council.

2

Democratic mandate

Basic principle

Constructive employee participation has a democratic mandate.

Explanation

- The works council is a representative body. The Dutch Works Councils Act assumes that works council members are elected democratically.
- See that elections are held and that employees actually have a choice. You can encourage this by inviting employees to stand as candidates well in advance (either through their trade union or on the open list).

Real-world example

Various organisations have more candidates running for the works council seats than the number of seats available. Their success can be attributed to active campaigning, well-timed pitches, and the effort invested in encouraging people and getting them excited about elections (both those eligible to vote and those eligible to stand for election). Employees truly have a choice in such situations and this in turn lends democratic legitimacy to the elected representatives, giving the works council a solid mandate for its decisions.

3

Employee engagement

Basic principle

Constructive employee participation requires employees to be engaged with the organisation (and with the interests that they and the organisation share).

Explanation

- Employees feel engaged with the organisation and employee participation; everyone is involved in and benefits from employee participation.
- Each and every person working in the organisation can participate and does so as much as possible. The works council should foster this by seeking contact and connecting with employees.

Real-world example

In addition to the traditional employee participation structure, the works council and the

director of a mental health institution have launched a 'Shared Policymaking' programme. The underlying idea is that employees will take more responsibility for organising their own work. A 'Participation Ladder' has been developed to ensure that employee participation is closely aligned with various organisational changes. The ladder is a checklist that management, employees and employee representatives can use to examine together how employees can participate in formulating policy (when, with whom, in what form and at what level). The works council's role has become more strategic and project-based. The central works council and the director agree on the overall frameworks. In addition, each time the works council is given the opportunity to render advice on a management decision, the formal request must include a 'Participation Section' indicating how employees have been involved in the preparations leading to the decision, i.e. how many have been involved and in what way, what their input has been, what has been done with that input. The success of this approach is tangible: young employees are now eager to participate in their own workplace as well as in the works council, whose composition (in terms of membership) has changed. Those involved also feel that the quality of the decision-making process has improved.

4 Appropriate structure

Basic principle

Constructive employee participation is based on a participation structure that matches the specific organisation.

Explanation

- Choose an employee participation structure for the enterprise that complies with the law and is consistent with the way in which the enterprise's own organisation is structured. The Dutch Works Councils Act offers considerable latitude in this regard.
- The structure of employee participation mirrors the decision-making structure.

Real-world example

The employee participation structure at a large company in the construction sector consists of several works councils and one central works council. Each works council has its own committees that work together whenever possible. This means that the committees that are established by the separate works councils but that cover the same area of expertise (e.g. a HSE Committee, a Social Affairs Committee, a Finance and Strategy Committee, a Communications Committee) spend a great deal of time together, take part in joint training

courses and pay working visits together. As a result, they share knowledge from the different parts of the value chain.

5 Equality

Basic principle

Constructive employee participation means that the director and the works council consult as equal partners.

Explanation

- In their dialogue, the director and the works council must treat each other as equal partners and understand each other's role and position. It is an inherent feature of organisations that the employer - employee relationship is based on authority. The works council, on the other hand, is based on the concept of equality between the two sides.
- Both the director and the works council ensure that each side feels sufficiently safe and comfortable to engage in true dialogue and to share information with each other. Where necessary, try to reach agreement on what is needed to achieve this.

Real-world example

The director and the works council of an enterprise state their intentions in advance and have evaluation meetings afterwards. The procedures are laid down in a set of rules governing the status of parties taking part in internal deliberations. In addition, the director and the works council put a great deal of effort into maintaining their (good) relationship.

6 Shared outlook

Basic principle

Constructive employee participation means developing a shared outlook.

Explanation

- The works council and the director make clear to each other on what basis they are implementing (or wish to implement) employee participation.
- The works council and the director formulate common objectives and basic principles

for employee participation and its implementation, whether or not laid down in an agreement in writing (within the meaning of Article 32 of the Dutch Works Councils Act).

- When formulating a shared outlook, bear in mind that it will have to serve ‘in good times and in bad’.

Real-world example

An enterprise has drawn up an Employee Participation Agreement. The agreement is not an end in itself, but a means of achieving effective cooperation. The document was drawn up jointly by the director and the employee representatives. In it, they have emphasised their shared outlook on the role of employee participation and how it can make a positive contribution. They have identified various aspects, including facilities, by making explicit agreements about them. That has given them a basis for working together to address the challenges that the company faces. What is most valuable is the process that the two sides have gone through together, with the document as the end result.

7

Awareness of role and task

Basic principle

Constructive employee participation means that the director and the works council understand their roles and tasks.

Explanation

- Both the director and the works council understand their roles and tasks in employee participation and ensure that their respective expectations are aligned.
- Where necessary, the director and the works council should make (operational) arrangements, whether or not laid down in an agreement in writing (within the meaning of Article 32 of the Dutch Works Councils Act).

Real-world example

The employee representatives (the central works council and local works councils) and the director have drawn up a joint ‘Employee Participation Charter’. This document specifies and lays down the basic principles of employee participation, including operational arrangements. The process leading up to the document has reinforced its intrinsic value, making it unnecessary to constantly refer to the Dutch Works Councils Act during meetings. The basic principles and provisions address:

1. The approach to employee participation in the enterprise

2. The working procedures of the director and employee representatives at central and local level
3. Professionalism in the relationship between the employee representatives and the director
4. The facilities to be made available to the employee representatives

By articulating their shared basic principles, the employee representatives and the director are better able to manage their expectations. The process also clarifies the form and substance of the relationship between the director and the works councils during the latter's term of office. The charter ensures that, during that term, the two parties can continue to challenge each other about the basic principles that they have identified. They can also see whether each side has acted accordingly. The aim is effective employee participation.

8

Knowledge and skills

Basic principle

Constructive employee participation requires both the director and the works council to have the necessary knowledge and skills.

Explanation

- The director and works council should ensure that they have the relevant knowledge, skills and expertise to take employee participation and the organisation a step further.
- If the relevant knowledge and skills are not available, then they must be developed internally – e.g. by furnishing information and arranging for training – or procured externally. It may be easier to hire in external expertise for such notoriously difficult subjects as finance, legal issues, or pensions.

Real-world example

The members of an organisation's works council often attend training courses and, in the interim, discuss what training they require with their designated trainer at regular intervals. In addition to this external training, the organisation's financial officer briefs the works council once a year on how to interpret the organisation's financial documents (utilisation of internal skills).

9

Using dialogue to influence each other

Basic principle

Constructive employee participation means influencing each other and allowing each other latitude.

Explanation

- As director and works council, you must seek to engage in dialogue and to negotiate with each other. Recognise that your interests may differ.
- Respect each other's roles and positions.
- Be professional and matter-of-fact in the way you work together.
- Constructive dialogue and a good rapport are important. They allow the Dutch Works Councils Act to function as a safety net.

Real-world example

Satisfaction surveys among hospital employees show a good level of satisfaction. Nevertheless, based on reports from the organisation, the works council suspects that various employees are not as fit as they should be. The works council engages in dialogue with the director about employee workload, taking a matter-of-fact approach to the subject. As a result, the hospital, in cooperation with its occupational physician, tests the work capacity and workload of its employees. The employees score poorly on the test, with a high risk of burn-out. Based on these results, the works council and the director develop an action plan to help employees to take better care of themselves.

10

Backing and co-creation

Basic principle

Constructive employee participation can require the early involvement of the works council.

Explanation

- Wherever possible, the director should involve the works council at an early stage and on an ongoing basis, even in more complex processes. That makes it possible (and easier) to get backing for decisions and to involve multiple parties in co-creation. At the start of

the process, state what the role of the works council is and how it will be framed. This can help to preclude discussion/conflict during the rest of the process.

Real-world example

The works council of a large chemicals firm has been involved from the outset (and continuously) in the process of centralising and outsourcing some of its finance activities. Finance department employees at the relevant locations have also been involved in the various stages of the operation. Such early and ongoing involvement has made the advisory process efficient and effective. Employee engagement in decision-making and the speed and quality of the decision-making process have noticeably improved, as has the backing for the decision. Constructive employee participation in this reorganisation helped to ensure that employees received assistance in finding work elsewhere, for example.

11 Intrinsic value

Basic principle

Constructive employee participation has intrinsic value and is also regarded as valuable.

Explanation

- Everyone in the organisation considers employee participation an important value and regards it as part of the culture.

Real-world example

A few years ago, the management of a large local authority saw the works council as 'a hurdle to overcome'. Today, the local authority is developing an approach to employee participation that will bring it more into line with career planning and employee perceptions. It now works with a central works council, separate works councils and temporary teams, opening up (formal) employee participation to many employees. Departments now have their own work councils. The central works council operates at the front end and checks up on arrangements and agreements. The director engages in dialogue with the works council as much as possible, and is sometimes persuaded by it to revoke a decision. Explicit agreements have been made with the trade unions about the allocation of tasks. Managers in the organisation increasingly recognise the added value of employee participation. As a result, they are more often inclined to sit down as soon as possible with employee representatives (either the works council or a team of employees) to discuss matters affecting the organisation. This approach, which has already proved

successful, aims to change the behaviour of both employee representatives and directors by using employee participation as a tool to connect employees and the organisation. ■

More information

Committee to Promote Employee Participation

T +31 (0)70 3499 563

E cbm@ser.nl

www.ser.nl



SOCIAAL-ECONOMISCHE RAAD
(Social and Economic Council)
Bezuidenhoutseweg 60
P.O. Box 90405
NL-2509 LK The Hague
The Netherlands

T +31 (0)70 3499 525
E communicatie@ser.nl

www.ser.nl

© September 2019, Sociaal-Economische Raad