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IN KATOWICE

**WELCOME!**  
**Quality of Working Life**

TALLINN UNIVERSITY OF  
TECHNOLOGY

*Professor Mare Teichmann*  
*Institute of Industrial Psychology, Tallinn University of Technology, Estonia*  
*School of Management, University of Silesia, Poland*

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**New European Industrial Relations**

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**Content**

- ✓ EU legislations & regulations adopted by member states
- ✓ Unions and Work Councils
- ✓ Workers' Representatives and Employees who are Not Represented

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**1. EU legislations & regulations adopted by member states**

- ✓ European Convention on Human Rights
- ✓ European Labor Law
- ✓ Trade Unions Act
- ✓ European Directives
- ✓ EU Company Law
- ✓ European Company Statute (ECS)

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**European Convention on Human Rights and European Labour Law**

European Labour Law is the developing field of laws relating to rights of employment and partnership at work within the European Union and countries adhering to the European Convention on Human Rights

*For example:* Everyone has the right to work, to free choice of employment, to just and favorable conditions of work (Article 23)

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**Content of European Labour Law**

1 General principles	3 Collective representation
1.1 Treaties	3.1 Participatory governance
1.2 Equality	3.2 Information and consultation
1.3 Human rights	3.3 Collective bargaining
2 Employment rights	4 Anti-discrimination
2.1 Employment contracts	4.1 Protected grounds
2.2 Free movement	4.2 Atypical workers
2.3 Working time and child care	5 Job security
2.4 Health and safety	5.1 Business restructuring
2.5 Pensions	5.2 Unemployment
2.6 Social security	

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### Trade Unions Act

A trade union is an independent and voluntary association of persons which is founded on the initiative of the persons and the objective of which is to represent and protect the employment, service-related, professional, economic and social rights and interests of employees

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### European directives

- Currently four major European directives are:
- the directive on the introduction of measures to encourage improvements in the safety and health of workers at work (89/391/EC)
  - the directive on European works councils (2009/38/EC)
  - the directive on employee involvement in the European Company (2001/86/EC)
  - the European framework directive on information and consultation (2002/14/EC)

Besides this general frame, a range of directives secure the right of information and consultation of workers in specific situations, such as in case of collective redundancies (98/59/EC), transfer of undertaking (2001/23/EC)

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### EU directive on national level information and consultation (2002/14/EC)

Legislation, Reports and Study by EUIP																												
	BE	BG	CZ	DK	EE	ES	FI	FR	DE	GR	IE	IT	LU	LT	LV	MT	NL	PL	PT	RO	SK	SI	UK	EU	Other	EU	EU	EU
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EU																												
EU																												

Source: EUR-Lex

The objective of Directive 2002/14 is to establish a general framework for informing and consulting employees in the European Community

It is the first in which the EU has extended to every member state the obligation to provide a procedure for effective, ongoing and regular information and consultation for workers on recent and probable developments in the undertaking's activities, financial and economic situation, the evolution of employment and in particular of decisions that might lead to major changes in the organization of labour.

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**EU directive on national level information and consultation (2002/14/EC)**

Employee information and consultation covers three areas in relation to undertakings:

- economic, financial and strategic developments;
- structure and foreseeable development of employment and related measures;
- decisions likely to lead to substantial changes in work organization or contractual relations.

Member States have the option of limiting the information and consultation obligations of undertakings with fewer than 50 or 20 employees, at the Member State's discretion.

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**European Company Law and Corporate Governance**

European company law is an emerging field of legal scholarship, which concerns the formation, operation and insolvency of corporations in the European Union

There is no substantive European company law as such, although a host of minimum standards are applicable to companies throughout the European Union. All member states continue to operate separate companies acts, which are amended from time to time to comply with EU Directives and Regulations

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**European Company Law**

*SOME EXAMPLES of DIRECTIVES:*

Directive on cross-border mergers of limited liability companies (2005/56/EC)

Directive on Takeover Bids (2004/25/EC)

European Private Company (SPE)

European Cooperative Society (Directive 2003/72/EC)

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### European Company Statute (ECS)

The European Companies (SE) Directive contains provisions for a legally binding procedure of company-level negotiations on employee information, consultation and participation (at board level)

Since the introduction of the European Company Statute in October 2004, the number of SEs has increased steadily year by year (at almost exponential growth rates)

As of 21 March 2014 the ETUI's European Company Database (ECDB) provides information on a total of 2,125 SEs

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### Industrial relations *versus* Employee relations

'Industrial relations' is generally understood to refer to the relationship between employers and employees collectively. The term is no longer widely used by employers but summons up a set of employment relationships that no longer widely exist, except in specific sectors and, even there, in modified form

The term 'employee relations' was conceived as a replacement for the term 'industrial relations' but its precise meaning in today's workplaces needs clarification

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### Industrial relations *versus* Employee relations

'Employee relations' is a common title for the industrial relations **function within personnel management** and is also sometimes used as an alternative label for the academic field of industrial relations. The term underlines the fact that industrial relations is not confined to the study of trade unions but embraces the broad pattern of employee management, including systems of direct communication and employee involvement that target the individual worker"

(Heery & Noon, 2001)



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### Employee relations

A broad term used to refer to the general management and planning of activities related to developing, maintaining and improving employee relationships by communicating with employees, processing grievances/disputes, etc.

Communications between management and employees concerning workplace decisions, grievances, conflicts, problem resolutions, unions, and issues of collective bargaining



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### Employee relations

"Employee relations involves the body of work concerned with maintaining employer-employee relationships that contribute to satisfactory productivity, motivation, and morale. Essentially, employee relations is concerned with preventing and resolving problems involving individuals which arise out of or affect work situations" (NASA's Goddard Space Flight Center Office of Human Relations, 2001)



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### Who represents

- ✓ Union
- ✓ Employees' representatives
- ✓ Working environment specialist, working environment representative, working environment council
- ✓ Employee himself: I-deals, labor dispute committee at Ministry of Social Affairs, court

**Areas in which the employees represented**

- ✓ Collective bargaining
- ✓ Health and safety at work
- ✓ Employees' financial participation

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**2. Unions**

**A trade union or labor union** is an organization of employees who have come together to achieve common goals such as

- ✓ protecting the integrity of its trade
- ✓ achieving higher pay and benefits such as health care
- ✓ retirement
- ✓ increasing the number of employees an employer assigns to complete the work
- ✓ safety standards
- ✓ better working conditions.

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**2. Unions**

The trade union, through its leadership, bargains with the employer on behalf of union members (rank and file members) and **negotiates labour contracts (collective bargaining) with employers**.

The most common purpose of these associations or unions is "**maintaining or improving the conditions of their employment**". This may include the negotiation of wages, work rules, complaint procedures, rules governing hiring, firing and promotion of workers, benefits, workplace safety and policies.

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**European Trade Union Confederation (ETUC)** is a trade union organization which was established in 1973 to represent workers and their national affiliates at the European level.

Since 2002, the ETUC has further expanded its role in EU-level industrial relations, promoting the development of an autonomous social dialogue between workers' and employers' representatives.

The social partners have concluded 'autonomous' agreements on:

- ✓ telework (2002)
- ✓ work-related stress (2004)
- ✓ harassment and violence at work (2007)
- ✓ inclusive labour markets (2010)
- ✓ a framework of actions for the lifelong development of competencies and qualifications (2002), and a framework of actions on gender equality (2005).

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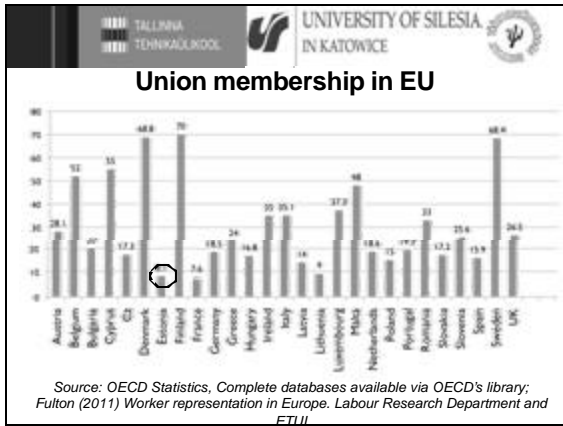
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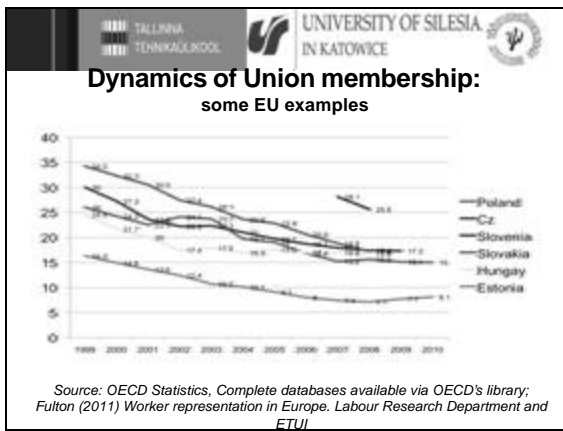
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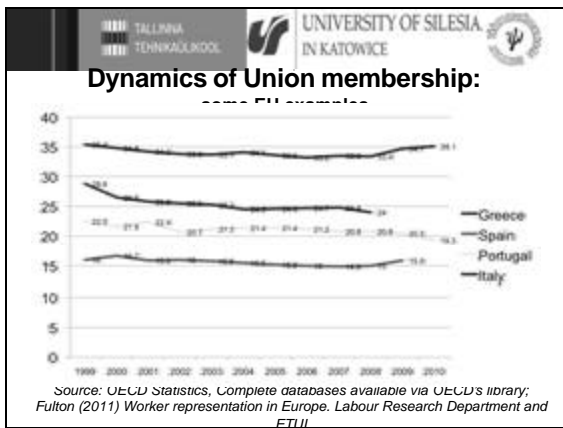
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### 3. Works councils

Directive 2002/14/EC of the European Parliament and of the Council of 11 March 2002 establishing a general framework for informing and consulting employees in the European Community - Joint declaration of the European Parliament, the Council and the Commission on employee representation (Official Journal of the European Communities, L 080 , 23/03/2002, pp. 0029 – 0034)

**Works council** is a "shop-floor" organization representing workers, which functions as local/firm-level complement to national labour negotiations. Works councils exist with different names in a variety of related forms in a number of European countries

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### Health and safety at work


**Estonian Occupational Health and Safety Act**

Translation: "occupational psychology" is translated as "work psychology"

Workplace environment: physical, chemical, biological, physiological and psychological factors

An employer shall ensure compliance with the occupational health and safety requirements in every aspect related to the work: Prevention activities of employer; Obligations and rights of employers;

Obligations and rights of workers



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### Health and safety at work

**Estonian Occupational Health and Safety Act**

Occupational health services and occupational health service providers (§ 19, inc. occupational psychologist);  
Registration of occupational health service providers



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### Health and safety at work

Organization of Occupational Health and Safety:

- ✓ A **working environment specialist** is an engineer competent in the sphere of working environment or any other specialist in an enterprise who has received training concerning the working environment and whom the employer has authorized to perform occupational health and safety duties
- ✓ A **working environment representative** is a representative elected by workers in occupational health and safety issues
- ✓ A **working environment council** is a body for co-operation between an employer and the workers' representatives which resolves occupational health and safety issues in the enterprise

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### Beside trade unions there are three kinds of bodies taking care of work environment and employees well-being (NEIRE II: Teichmann, Löhms, 2014)

1. **Work environment specialist** is an engineer competent in the sphere of working environment or any other specialist in an enterprise who has received training concerning working environment and whom the employer has authorized to perform occupational health and safety duties  
A working environment specialist is full-time employee and is paid as any other employee for his/her work. Generally a working environment specialist works under the supervision of HR manager

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### Beside trade unions there are three kinds of bodies taking care of work environment and employees well-being (NEIRE II: Teichmann, Löhms, 2014)

2. A **work environment representative** is a representative elected by employees in occupational health and safety issues, and his or her term of authority is up to four years. In an enterprise, which employs 10 employees or more, the employees shall elect one work environment representative from among themselves. If an enterprise employs less than 10 employees, the employer is required to consult with the employees in matters of occupational health and safety. A work environment representative is an ordinary employee, who performs his/her functions besides his/her ordinary work and is not to be paid for work as a representative.

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**Beside trade unions there are three kinds of bodies taking care of work environment and employees well-being** (NEIRE II: Teichmann, Löhmus, 2014)

3. A work environment council is a body for co-operation between an employer and the employees' representatives, which resolves occupational health and safety issues in the enterprise. In an enterprise with at least 50 employees, a working environment council shall be set up at the initiative of the employer and it shall comprise an equal number of representatives designated by the employer and representatives elected by the employees. The council shall comprise at least four members and the term of their authority shall be up to four years.

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**New employment relationships  
SMEs in Europe**

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### SMEs in EU

Following the daily news, it is easy to get the impression that the European economy is dominated by large, multinational enterprises. Their multi-billion Euro takeovers, global expansion plans or more recently - risks of mega bankruptcies dominate the headlines.

What usually gets lost is that **more than 99% of all European businesses are, in fact, SMEs**

Company category	Employees	Turnover	or	Balance sheet total
Medium-sized	< 250	≤ € 50 m		≤ € 43 m
Small	< 50	≤ € 10 m		≤ € 10 m
Micro	< 10	≤ € 2 m		≤ € 2 m

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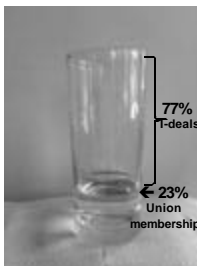
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Levels of union density vary widely across the 28 EU states plus Norway from around 70% in Finland, Sweden and Denmark to 8% in France



The average level of union membership across the whole of the European Union, weighted by the numbers employed in the different member states, is 23% (*Trade Union, ETUI, 2012*)

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### Psychological Contracts (Rousseau, 2012)

- ✓ "Individual beliefs, shaped by the organization, regarding terms of an exchange agreement between individuals and their organization" (*Rousseau, 1995, p. 9*)
- ✓ This is **employee perspective**, unlike earlier definitions (e.g., *Schein, 1980*)
- ✓ **For employees:** PCs provide some sense of control and predictability (*McFarlane Shore & Tetrick, 1994*)
- ✓ **For employers:** PCs can provide a framework for monitoring employee expectations (*Guest, 2004*)

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### Psychological Contract

Argyris (1960) used the term psychological work contract to describe an implicit understanding between a group of workers and their foreman that arose as a result of a particular leadership style. In this relationship, workers and the foreman shared certain norms or their foreman was at least aware of the workers' norms. The goal of this kind of relationship was to get workers to perform in a desired way by maintaining the informal employee culture and not violating the norms.

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### Psychological Contract

For Levinson et al. (1962), the psychological or unwritten contract is a product of mutual expectations. These contracts can be described by two characteristics:

- 1) they are mostly implicit and unspoken and
- 2) they usually antedate the relationship of person and organization

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### Psychological Contract

M.D. Rousseau (1989; 1995) was the one who brought psychological contracts into focus again as changes in the economy, market and work-life changed the previously existing employee-organization relationships

The psychological contract, by her definition, is subjective in nature and belongs to the domain of individual beliefs (Rousseau and Parks 1993; Rousseau 1995), which are formed within a certain social context and shaped by the individual's interaction with the employer (Rousseau and Wade-Benzoni 1994)

By her definition, the psychological contract differs from the more general concept of expectations in that the psychological contract is promissory and reciprocal (1989).

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### New Employment Relationships (*I-deals*)

Organizational level factors include

- ✓ globalization,
- ✓ new technology,
- ✓ downsizing,
- ✓ outsourcing,
- ✓ segregation of labor markets,
- ✓ flexible forms of work organizations,
- ✓ and flexibilization of labor contracts

Individual level factors are redundancy, job insecurity, flexible working patterns, temporary or fixed-term contracts, fragmented or cross-function career trajectories, market-driven reskilling, and employability (*Anderson & Schalk, 1998*)

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### Employee represents himself (*I-deals*)

(*Rousseau, 2011*)

#### Managing the Psychological Contract

[http://www.enop.ee/rousseau/Psychological\\_contract.htm](http://www.enop.ee/rousseau/Psychological_contract.htm)

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## Thank You!

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