Invited Paper 2/2015:

The benefits of joint consultative committees at the workplace

A paper for the Fair Work Commission Workplace Relations Education Series

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Academic Editor of the Invited Paper Series: Associate Professor Keith Townsend, Griffith University

September 2015
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1 Introduction

Employee voice, that is, the ways and means through which employees have a say and potentially influence organisational affairs of interest to them (Wilkinson Dundon, Donaghey & Freeman 2015), takes many forms. Joint consultative committees (JCCs) are one mechanism for the provision of indirect employee voice (voice through an intermediary) and have been a durable form of participation in many countries for most of the twentieth century. Joint consultation can be defined as a mechanism for managers and employee representatives to meet regularly in order to exchange views, utilise employees’ knowledge and expertise, and deal with matters of common interest not subject to collective bargaining (Marchington, Goodman, Wilkinson & Ackers 1992: 11). The distinctive features of joint consultation are that a cross-section of employees and managers come together jointly, to solve complex problems on an ongoing basis, and consultation is indirect, meaning it is exercised through workforce representatives.

Flowing from the definition of joint consultation, JCCs are a representative structure (comprising management and employee representatives, whether union and/or non-union) dealing with collective concerns regarding work organisation, and, in some instances, the employment contract, and can operate at either the workplace or organisational level (Brewster, Wood, Croucher & Brookes 2007; Addison, Bryson, Teixeira, Pahnke & Bellmann 2013). JCCs are distinct from joint advisory committees or joint decision making committees because they are established at the behest of management and not the workforce. Nevertheless, JCCs represent a formal as opposed to informal consultative structure (Addison et al. 2013).

2 Frameworks of employee involvement and participation (‘voice’)

Ramsay’s (1977, 1983) cycles of control theory argues that management interest in employee participation is dependent on the power of trade unions in the workplace. Where unions are stronger, management will use alternative voice regimes such as joint consultation as a means to marginalise union involvement, power and influence by seeking to pacify or buy-off union and employee dissent by creating an illusion of ‘voice’. In contrast, Marchington et al. (1992) waves thesis focuses on micro level factors, and recognises that whilst multiple factors may drive the development and effectiveness of joint consultation, these factors may not necessarily lie within the realm of managerial control. Poole, Lansbury and Wailes (1999) advocate a similar argument, identifying four primary factors that explain employee participation: macro-economic conditions; the strategic choices of actors; the power of actors; and, organisational structures and processes. It is therefore the existence and interaction of both internal and external conditions and each organisation’s unique context that shape employment relations practices and joint consultation at the workplace (Dobbins 2010).

In Britain, the USA and Australia, the extent of joint consultation has waxed and waned since the 1940s (Marchington 1992b; Addison et al. 2013). JCCs were important in all three countries in facilitating post-war productivity and efficiency during periods of reconstruction (Lansbury & Marchington 1994). Changes to the extent of joint consultation in Anglophone and European countries have been influenced by a growth in the heterogeneity of voice practices. For instance, labour market deregulation, the global decline of organised labour, increased technological sophistication, increased educational levels, widespread industry restructuring and the spread of neo-liberal ideologies have created a favourable environment for the weakening of collective voice and the subsequent diffusion of direct and non-union voice [defined as direct two-way communication between employee(s) and manager(s)]. The emphasis of the latter has been upon enhanced productivity and employee commitment rather than industrial democracy, entailing a shift away from negotiation to consultation (Brewster et al. 2007; Bryson 2004; Dundon, Wilkinson, Marchington & Ackers 2004; Wilkinson et al. 2004; Johnstone, Wilkinson & Ackers 2010).
3 Benefits of JCCs at the workplace

The benefits of JCCs at the workplace are threefold, although as Brown, Geddes and Heywood (2007) argue, not all firms benefit equally. From an overarching perspective, JCCs are most likely to bring about gains in circumstances where workers’ output is interdependent: that is, in a team production process. The interdependencies in such processes drive the need for employee communication with one another and with management. It is in the context of complex tasks involving multiple steps and interdependencies between employees, that information exchanges and creative interactions between employees and management are likely to generate the greatest benefits (Brown et al. 2007: 267).

Building on the above discussion, three specific benefits of JCCs at the workplace can be identified. The first benefit is workplace communication. JCCs can lessen and even remove industrial relations and human resource management problems by enabling communication and cooperation between management and employees in the workplace, particularly during ‘hard’ times (Brown et al. 2007). This enhanced communication may improve trust and cooperation between the parties, and generate employee engagement, satisfaction, motivation, commitment and loyalty; in turn, increasing organisational performance and productivity (Cregan & Brown 2010; Brown et al. 2007). Trust between management and the workforce lies at the heart of cooperative industrial relations behaviour (Fox 1974) and a consensual relationship based on high levels of trust between management and employees is a critical underpinning of successful participative practices (Gollan, Poutsma & Veersma 2006). In large firms, enhanced communication can have attendant benefits by improving economic efficiency and lowering transaction costs associated with direct communication (Willman, Bryson & Gomez 2006; Addison et al. 2013).

The second and related benefit of JCCs in the workplace is that they may result in moving conflict to a higher level, shielding to some degree local industrial relations and saving negotiation costs. These cost savings may be derived from a reduction in labour and supervisory costs and improved customer service for example (Brown et al. 2007).

The third benefit of JCCs in the workplace is that consultation moves beyond information exchange to joint problem solving (mutual gains), enabling employees to provide valuable input into the organisation of work. As a result, actual decision making (in theory), becomes joint, which has the effect of sharing power, increasing job security, and in turn, compels employees to adopt a longer term perspective of the firm, which can lead to outcomes that include increased loyalty and firm-specific training (Brown et al. 2007).

4 Integrating JCCs in the workplace

Institutions and regulation (laws, the role of government and reforms) are an important determinant of joint consultation and JCCs in the workplace (e.g. Brown et al. 2007). In fact, the degree of legal support for joint consultation is a key factor that distinguishes the defined responsibilities and power of JCCs and accounts for variation across countries (Brewster et al. 2007; Markey 2007). Each country’s employee involvement and participation arrangements are embedded in a system with differing institutional, political, legal and social arrangements. An example is Australia vis-à-vis Germany. In Australia, JCCs have little or no legal support, whereas in Germany, works councils are embedded in a wider institutional system including both detailed laws and established practice (Brewster et al. 2007). In Europe, employees’ generalised statutory rights to information and consultation are also widespread; despite disagreement between unions and employers on the precise legal forms that joint consultation should take.
A second important determinant of joint consultation and JCCs at the workplace is employers’ adoption choices (Willman et al. 2006; Addison et al. 2013). Managerial attitudes to and objectives for joint consultation, are critically important in shaping the structure, processes and outcomes of JCCs (Forsyth, Korman & Marshall 2006; Dobbins 2010). For example, management's objectives for joint consultation will shape the frequency with which JCCs meet, their composition (in terms of representatives), the means by which representatives are selected and the remit of the JCC in terms of subject matter.

The historical, structural and institutional context that management find themselves in will influence their adoption choices and attitudes, and hence, the degree of cooperation between the parties. For example, in liberal market economies, unilateral authority to make decisions is a broadly accepted cultural mindset among managers, whereas in coordinated market economies, institutional complementarities promote a mindset of cooperation and long term collaborative and tripartite relations. These cultural norms ‘play out’ in terms of how joint consultation and JCCs operate at the workplace (Dobbins 2010; Markey 2007).

McGraw and Palmer (1995: 98) categorised managerial motivations for introducing JCCs according to four models. In the non-union model, JCCs are used by management to demonstrate a concern for employee welfare and to negate the idea that belonging to a union will be in the workers’ best interests. In the competitive model, management aim to increase employees’ level of awareness, morale and trust, as a means to increase productivity, product quality and the firm’s competitive position. An increase in consultation downgrades the importance of collective bargaining, whether implicitly or explicitly. In the adjunct model, joint consultation sits alongside collective bargaining. Wages and working conditions are the remit of bargaining, whilst other organisational issues are the domain of JCCs. Consultation may play a preliminary role in the bargaining process, acting as a precursor to negotiation of wages and conditions. In the final model, the marginal model, the agenda of JCCs is limited to trivial issues; commonly framed as ‘tea, towels and toilets’ (McGraw & Palmer 1995). Such committees often have a short life span. The managerial motives for JCCs identified by McGraw and Palmer (1995) neglect a fifth model and motive – the use of JCCs and more broadly, employee voice, by employers, as a strategy of union avoidance (Marchington, Wilkinson, Ackers & Dundon 2001; Dundon & Gall 2013). It is also important to note that managerial motives are not mutually exclusive; managerial motivations for establishing JCCs may encompass multifarious intentions.

In addition to institutions, regulation and employers’ adoption choices (attitudes, motivations and objectives), other determinants and predictors of joint consultation at the workplace level include: organisational size, operational structure and ownership; establishment age; employee skill levels, responsibility and tenure; technological sophistication, sector and industry characteristics; the prevailing industrial relations climate (e.g. turnover, pay structures); and, bargaining structures and the balance of power between the parties to the employment relationship (e.g. Ackers, Marchington, Wilkinson & Dundon 2005; Heller, Pusić, Strauss & Willpert 1998; Forsyth et al. 2006; Brewster et al. 2007; Holland, Pyman, Cooper & Teicher 2009; Dobbins 2010; Pyman, Holland, Teicher & Cooper 2010; Addison et al. 2013; Brown et al. 2007).

In addition to these determinants, an important consideration when integrating joint consultation and JCCs in the workplace is the presence or absence of unions, and where present, the attitudes of trade unions and their relative bargaining power (Marchington 1992b; Brown et al. 2007). The most common response of unions to JCCs has been described as ‘cautious skepticism’ (Kochan, Katz & Mower 1984). This response arises from a fear that joint consultation does not comprise a wholly separate domain from trade union collective voice, and therefore has the potential to encroach upon and undermine union activities and power. Unions may therefore resist joint consultation and the
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election of non-union members onto any such committees (Brewster et al. 2007; Cregan & Brown 2010). However, it has also been argued that unions can benefit from a decentralised, workplace based system of industrial relations which emphasises a hybrid structure: that is, employee involvement and participation in decision making through both direct and indirect (JCCs) means and therefore, committees comprised of both union and non-union representatives (Pyman, Cooper, Teicher & Holland 2006; Charlwood & Terry 2007). Such hybrid structures can of course also potentially lead to tensions and difficulties of interest aggregation between the two representative types, potentially eroding collective bargaining arrangements (Brewster et al. 2007).

In an empirical examination of works councils and JCCs across sixteen European countries, Brewster et al. (2007) found that both types of consultative bodies were mutually supportive of trade unions rather than mutually antagonistic, irrespective of the national business system in operation. Similarly, Cregan and Brown (2010), in a study of one company-based JCC in an Australian public sector organisation, concluded that union members did not perceive joint consultation as a separate domain from union-based collective voice. Similar results are seen in the 2007 Australian Worker Representation and Participation Survey (Teicher, Holland, Pyman & Cooper 2007). Utilising this data, Holland et al. (2009) found that the incidence of joint consultation was higher in unionised workplaces, and, that there was a positive relationship between favourable management attitudes to unions and the presence of joint consultation.

Additional evidence from the USA and Britain has also suggested that union-supported consultation is most effective in achieving performance effects and securing jobs (Marchington et al. 1994). More recently, Cregan and Brown (2010: 344) found that union members in a large Australian public sector organisation were more willing to participate, relative to comparable non-members, the more they expected the JCC to result in instrumental outcomes, and, the more they believed that management should seek the views of workers about human resource management issues outside collective bargaining. Members were less willing to participate in a company-based JCC, relative to comparable non-members, the more they believed that workers should be involved in discussions about issues normally dealt with in union-based negotiations. Non-union members were more willing to participate relative to comparable members, the more they expected the JCC to result in democratic representation; suggesting that non-union members viewed the JCC as an alternative form of representation that was free from sectional interests, costs, conflict and victimisation.

5 Strategies for effective JCCs in the workplace

The notion of effective representation is an issue that plagues all forms of employee involvement and participation. However, the main question is not whether employee voice can work, but how to make it work: what are the contextual conditions that promote or hinder joint consultation and deliver mutual gains in practice? (Strauss 2006) In this context, the existence of a mechanism for employee voice (e.g. a JCC), is not a sufficient condition for effective representation of employee interests. Whilst there is no simple objective measure of effectiveness (Hyman 1997; Heller et al. 1998), and it is difficult to measure the tangible effects of JCCs on the workplace, it is important to examine the objectives the parties’ had when establishing JCCs as a means of evaluating effectiveness (Lansbury & Marchington 1994). As a consequence, organisational and structural procedures, processes and interpersonal conduct and the actors' degrees of power and control are determinants of effectiveness (Strauss 2006; Dietz & Fortin 2007; Holland et al. 2009). As Dietz and Fortin (2007) argue, there is a risk in assuming joint responsibility for decision making outcomes forged in a JCC. Both managers and employee representatives face a fundamental social dilemma, wherein gains are expected to come from collaborating, but collaboration also entails risk of vulnerability (Dietz & Fortin 2007). Management for example relinquish a degree of power when operating employee voice channels, particularly JCCs, by having to share information and potentially, participation in decision making that
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may normally be reserved for management itself (defined as managerial prerogative – whether actual or perceived). Depending on the nature of the power calculus between the parties to the employment relationship, a calculus which is impacted by many internal and external factors, employer defections from cooperative bargains with employees may lead to employees questioning management and participation, and in some cases, dilute any positive effects of cooperation by introducing a risk of vulnerability for employers. A risk of vulnerability can in turn lead to negative organisational outcomes, such as reduced employee commitment and loyalty and poor communication (Teicher 1992; Streeck 1997; Strauss 2006; Dietz & Fortin 2007).

Empirical analyses of the efficacy of employee voice have produced inconsistent results, yet have demonstrated the importance of trust and distributive and procedural justice in the processes of initiating, designing, establishing and maintaining JCCs (Dietz & Fortin 2007). Findings from studies of the efficacy of voice can be summarised by three perspectives which are not mutually exclusive. The first perspective identifies union presence as a pre-requisite for effective voice (Charlwood & Terry 2007), leading to increased employee satisfaction on distributive justice (how outcomes are distributed) and employee advocacy issues (Holland et al. 2009; Kim & Kim 2004). The second perspective argues that non-union voice can fill the void or ‘representation gap’ that has arisen as a result of the ongoing decline of trade unions, and that non-union voice is not only effective in eliciting managerial responsiveness to employee needs, but more effective than union voice (Holland et al. 2009; Bryson 2004). The third perspective argues that hybrid voice arrangements (the coexistence of union, non-union and direct channels) are the most effective structure and process for employers and employees in reducing wage dispersion, increasing procedural fairness and productivity, and increasing managerial responsiveness to employee needs, particularly job control and influence over job rewards (Charlwood & Terry 2007; Pyman et al. 2006). Hybrid voice arrangements reinforce a strategic human resource management lens that suggests human resource practices should be bundled with other ‘high-performance’ human resource practices for multiplicative effects (Strauss 2006; Brown et al. 2007). To summarise, as Heller et al. (1998) suggest, the requirements for participative success are: support from organisational stakeholders; association with appropriate human resources policies; a favourable organisational context; a favourable environmental infrastructure; and, an ability to survive (organisational learning and development over time).

The degree to which joint consultation and JCCs are embedded in the workplace, that is, the extent of institutionalisation, is a key determinant of the effectiveness of JCCs in the workplace (Dietz & Fortin 2007). Factors that influence the extent to which JCCs are embedded in the workplace include: the agency of the actors (managers and employees) and how they utilise this agency in the employment relationship exchange; and, the institutional environment, that is, the legislative, political and social context shaping workplaces and industrial relations systems more generally. In practice, the remit and power of JCCs (for example, the strategic importance or otherwise of matters that such committees are authorised to discuss) influence the degree of embeddedness. Therefore, in cases where JCCs are designed to support a managerial rhetoric of empowerment but are not institutionalised, they may actually do little more than burden employees with increased responsibilities (work intensification), against a backdrop of increasing managerial power (Brewster et al. 2007; Godard 2004). Empirical evidence has indeed shown that the more embedded employee voice structures are, the better the organisational outcomes achieved (Cox, Zagelmeyer & Marchington 2006).

6 Conclusions

JCCs, as one form of employee voice, can lead to many benefits, enhancing information and communication flows and therefore realising mutual gains, contributing to positive employee and organisational outcomes. In both Anglophone and European countries, JCCs have been an enduring form of employee voice, established as part of a trend towards greater participation in workplace
decision making as a means to enhance productivity (Lansbury & Marchington 1994). Empirical data however signifies a decline in the presence and utilisation of JCCs since the 1980s, particularly in the Anglophone countries, in favour of more direct (two-way communication) employee voice mechanisms (Gollan et al. 2006; Brewster et al. 2007; Charlwood & Terry 2007; Teicher et al. 2007; Holland et al. 2009, 2011). Interestingly, European countries have also experienced a growth in the incidence of direct participation, but this has not necessarily been at the expense of other forms of voice (Gollan et al. 2006).

Despite the replacement of indirect forms of participation, including JCCs, with direct forms in many of the Anglophone countries, management initiated JCCs have traditionally been a primary means for ongoing consultation with employees over matters important to their working lives, particularly in large organisations. Indeed, JCCs remain part of the employee voice fabric and evidence shows that most employees want a say and to contribute to the work issues that affect them (Wilkinson et al. 2015). Nevertheless, the nature, power, status and influence of JCCs are complex and varied and are linked to the legislative and policy framework of the country in question (Forsyth et al. 2006).

A key issue in theory and in practice is whether JCCs are, on the one hand, ‘talking shops on trivial issues such as ‘tea, towels and toilets’ (McGraw & Palmer 1995: 97), or, on the other hand, a forum for the articulation of employee voice which enables significant and genuine participation in workplace and organisational decision making. In twenty-first century organisations, JCCs and joint consultation, if they are to successfully enhance efficiency and equity and deliver genuine employee voice (Budd 2004), must be seen as a means of employee voice and participation in decision making rather than an end in themselves (Fantasia, Clawson & Graham 1988). An employee’s ability to participate in decision making at work, regardless of the form, is arguably critical to their citizenship in a democracy (Budd 2004). Joint consultation and JCCs will not succeed if they are viewed as mere rhetoric or a gimmick – success requires changes in organisational relationships and values among employers, employees and trade unions, and a ‘fit’ (embeddedness) with both the national context and the organisational context (Heller et al. 1998; Dobbins 2010).

To conclude, employee voice mechanisms and JCCs must be continually re-evaluated by employers and employees in relation to time and space, in order to capture ongoing value and purpose, since the employment relations landscape is not fixed. Employee voice mechanisms must have relevance and substance, enabling both power sharing and a genuine say for employees (Wilkinson et al. 2015). As workplaces, organisations, employers and employees continue to evolve, important practical considerations related to employee voice and joint consultation may include: ensuring that a diversity of voices are captured and that employees are not ‘silenced’; and, the extent to which social media can be utilised to enable employees to communicate with and influence management on organisational matters (Wilkinson et al. 2015). Irrespective of the situational context each workplace, organisation and its parties must consider, the future of employee voice and JCCs is bright. Employee voice is a driver of employee engagement and evidence suggests that it is positively related to both individual and organisational outcomes: a key rationale as to why organisations utilise voice (Wilkinson et al. 2015; Emmott 2015).
References


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