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Employee Voice & Collective Representation - What the experts say

Edmund Heery, Cardiff University has advice on how to adopt Employee Voice in the workplace.

First published: 16 April 2024

Last updated: 16 April 2024

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Employee Voice is one of the fundamental principles of Fair Work and occurs when people are able to communicate their views to their employer, take part in decision-making, and influence the matters that affect them at work. A system of employee voice recognizes that the workforce is an essential part of the company and provides a means through which businesses can respond to the needs and wishes of their employees.

There is also a strong business case for employee voice: drawing on the expertise, commitment and grounded knowledge of the workforce can raise performance.

Firstly, there is direct employee voice, which is the voice expressed by individuals and small groups. There are all sorts of different ways of providing this direct voice. One way simply is to design jobs in such a way that people have flexibility over how they organise their work. In the most ambitious examples of this type, semi-autonomous work teams plan, schedule, organise and review their own work activity. Teams of this kind are one of the building blocks of high-performance work systems.

Another way in which employee voice can be heard is through formal programmes that gather knowledge and opinion. These programmes can assume a myriad of forms, which include employee surveys, two-way briefing, focus groups, project teams, often drawn from a cross-section of the workforce, suggestion schemes, and quality improvement programmes.

For schemes of this kind to work effectively, they must encompass upward and not just downward communication – ‘voice’ not ‘ear’. It is also vital that the knowledge and opinions gathered through these mechanisms are listened to and acted upon. Ambitious schemes to consult the workforce can die an early death if managers are not committed to the programme and prepared to listen to the voice that is expressed. There is an enormous volume of research on the effects of direct employee voice. Three primary findings are that employees often welcome and respond positively to this kind of initiative and believe that they give them a real say at work. Direct voice can also underpin positive work attitudes, such as enhanced

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commitment, employee citizenship and positive engagement. Finally, there is evidence that direct voice can boost performance, leading directly to improvements in work processes and service quality.

A second form of employee voice is where there is indirect voice. This occurs when there is a system of employee representation of some form. The best known example is where an organisation recognises a trade union, whose representatives negotiate and consult with the employer and represent individual employees in company procedures.

Indirect voice can also take the form of elected works councils and staff forums, or the inclusion of employee representatives on company boards. Indirect voice through trade unions is found mainly in larger organisations; in the public sector, large manufacturing firms, supermarkets, utility firms, and banks. This is not always the case, however, and there is a union presence in industries with many small firms, such as the arts, media, and private healthcare. There are also proposals to legislate for what are known as ‘fair work agreements’, in which unions and employers negotiate core employment standards for industry sectors, such as social care or hospitality. Industrywide arrangements of this kind have recently been introduced in New Zealand and Australia and there is interest in transferring the idea to Wales and the rest of the UK.

There is also a wealth of research evidence on the effects of union voice. This work shows that union voice is good for working people: pay is higher, benefits are more generous, work is safer, and jobs are more secure where there is a union. These positive effects are more pronounced for women, minorities, the disabled and those in lower-paid occupations. Research also shows that union voice can lead to benefits for employers. Labour turnover is lower and investment in training is greater, and there is some evidence that productivity is higher. Union voice also tends to be associated with direct voice, indicating that different forms of voice can complement one another. One final thing to note about union voice is that its positive effects are most likely to be found when the relationship between union and employer is non-

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adversarial and takes the form of ‘social partnership’.

The third, and final, form of employee voice is financial participation. The simplest form this takes is a profit-sharing scheme, where a share of profits is distributed to employees as an annual bonus. However, there are other, more radical ways in which employees can obtain a financial stake in the company. There are a number of employee share ownership schemes that are supported by HMRC, which provide tax incentives for employees to acquire an ownership stake in their firms. More radical still, are arrangements for worker-owned businesses, such as worker cooperatives, mutuals and partnerships, like the John Lewis Partnership. The Welsh Government is a strong advocate of businesses with non-traditional ownership and Wales has its own dedicated organisation, Cwmpas, which provides advice and support for worker-owned enterprises. Financial participation often operates alongside other forms of voice. Profit-sharing schemes, for example, are typically linked to direct voice to enable employees to help build. The third, and final, form of employee voice is financial participation. The simplest form this takes is a profit-sharing scheme, where a share of profits is distributed to employees as an annual bonus. However, there are other, more radical ways in which employees can obtain a financial stake in the company.

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More radical still, are arrangements for worker-owned businesses, such as worker cooperatives, mutuals and partnerships, like the John Lewis Partnership. The Welsh Government is a strong advocate of businesses with non-traditional ownership and Wales has its own dedicated organisation, Cwmpas, which provides advice and support for worker-owned enterprises.

Financial participation often operates alongside other forms of voice. Profit-sharing schemes, for example, are typically linked to direct voice to enable employees to help build profitability, while worker-owned firms can also have an element of worker

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management. By giving workers a financial stake in the company they work for, schemes of this type can provide an underpinning for and reinforce other methods of employee voice.

Employee Voice is an essential component of Fair Work. It can assume a variety of forms, some of which are best suited to smaller enterprises and some of which tend to be found in large corporates. The basic principle of giving a voice to people at work, however, can be applied in all parts of the economy. Provided employers are committed and employee voice is listened to, there can be positive benefits both for employing organisations and for employees. Employee voice, like the rest of the fair work agenda, can bring mutual gains.

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