

Employer and Employee Interests

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Interests and Institutions shape Workplace Policies and Practices

- The policies and practices that are actually implemented within the workplace reflect both employer and employee interests
- The *interest-based perspective* recognizes that conflict is an inherent aspect of the employment relationship because the interests of employers and employees differ, which can create tension and result in practices that favor one party
- However, employer and employee interests can also align, particularly on specific issues or among certain classes of workers
 - Ergonomics, workplace safety, training
 - High-skilled workers typically have more power to obtain practices that match their preferences

Theories of Employer Interests

- Institutional logics

- Institutional logics are socially constructed, historical patterns of practice by which individuals and organizations provide meaning
- Organizations are embedded in structures that make them resistant to changing existing practices
- These logics often reveal the disconnect between age-related practices offered by firms and the preferences of older workers.
- For example, organizations see the retirement process as a unidirectional one-time exit from full-time work to retirement; because practices such as phased retirement or continuous training do not fit this logic, they are rarely implemented by these organizations

- Flow of human capital

- Organizations institute age-related practices either to retain human capital or facilitate its exit based on the needs of the business
- Work practices reflect the value that organizations put on particular skills and worker abilities
- This means that organizations will pursue practices that encourage the exit of older workers as much as they put in place practices that encourage working longer

Interests and Institutions shape Workplace Policies and Practices

- Employer and employee interests can differ or can align
 - Employer interests often focus on productivity and developing high skill employees
 - Employee interests often focus on the conditions of work, such as flexible work arrangements or retirement options.
- Although employers have power to set the conditions of work within organizations, employees can use their voice to influence the types of practices and expand the options available to employees.

The Struggle for Control

- Who controls the timing of work can differ across industries, as well as across jobs and workers within organizations?
- Employers are often locked into thinking that work can only be organized in a specific way, although the variation across and within organizations suggests otherwise
- Job control involves both decision authority or latitude over key decisions regarding how work is done and the sense that one's skills are utilized
- Schedule control involves decision authority or latitude over when and where employees work
- Employees who have greater job control also tend to have greater schedule control
- In many organizations, higher-status employees tend to have more autonomy and flexibility, while those in the lower ranks have less freedom to decide how they approach their tasks and whose schedules are monitored more closely
- Employees' sense of control over both their jobs and their schedules can make the difference between positive and negative outcomes of workplace changes

Employee Voice

- Mechanisms of employee voice are means by which workers can influence their employment conditions and control over their jobs
- Employee voice typically refers to how workers communicate with management, the say workers have about their work tasks, and the participation workers have in organizational decision making
- Forms of employee voice:
 - Labor unions are a key form of collective employee voice that provide additional benefits to workers, increasing their power and connection to the organization
 - Work Councils
 - Self-organization of work teams
 - Individual worker negotiations

Labor Unions and Outcomes for Older Workers

- Labor unions negotiations can produce contracts that include:
 - Seniority provisions
 - Benefit-status seniority: benefits received due to organizational tenure (e.g., length of paid leave)
 - Competitive-status seniority: preferences employees receive in competition for a new position or in determining the order of layoffs
 - Pay scales with built-in increases over time
 - Advocacy and grievance representation
 - Workplace safety and health accommodations
 - Benefits, such as health insurance and pensions and other retirement benefits
 - Partial retirement programs and flexible work arrangements
 - Teamwork and other forms of employee engagement