

## The Evolution of Dispute Resolution, Negotiation, and Mediation in Greece

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Résumé de l'article

Au cours des quinze dernières années, l'économie mondiale, surtout des pays industrialisés, a connu une série de transformations radicales et continues sur les plans macro et microéconomiques. Ces transformations qui ont remis en question et changé les prémisses de base des structures d'emploi constituent un retournement du système traditionnel des relations professionnelles d'après-guerre en faveur d'un nouvel ordre. Afin de comprendre à fond les développements contemporains dans le domaine des relations professionnelles, on élabore ici un cadre de développement des relations professionnelles en quatre étapes. Il existe deux courants de « nouvelles relations professionnelles ». Il semble que le premier courant qui implique la reconstruction et les innovations en matière de négociation collective et de résolution de conflits est privilégié par la CEE. Le deuxième courant qui est représenté par la gestion des ressources humaines provient des États-Unis. Bien que chacun des deux courants présuppose une philosophie, des modèles et des techniques de gestion bien différents, il semble qu'ils ont des éléments communs et que leurs perspectives d'avenir dépendent fortement de relations du travail de haute confiance.

La Grèce, qui est arrivée très tard sur la scène du débat des nouvelles relations professionnelles, a adopté la première des deux approches mentionnées ci-dessus, manifestant ainsi en 1990 un revirement dans son système des relations professionnelles.

Bien que cette décision soit prise en vue d'une harmonisation avec la politique de la CEE, elle s'inscrit mieux dans le contexte des caractéristiques et des spécificités historiques des relations professionnelles en Grèce. L'institutionnalisation de la « négociation collective libre » au niveau de l'industrie et de l'établissement, l'intervention du tiers sur une base volontaire et la création de l'Organisation de médiation et d'arbitrage (OMED) constituent l'essentiel du nouveau statu quo des relations du travail en Grèce.

Quant à l'OMED, on soutient qu'il représente une expérience intéressante non seulement dans le contexte grec mais aussi dans le cadre de la résolution de conflits dans les pays occidentaux. Une évaluation globale (il s'agit du premier volet d'une étude en cours menée par les deux auteurs) des deux premières années de l'OMED confirme que des changements graduels et positifs dans le climat des relations professionnelles en Grèce sont en cours.

# ***The Evolution of Dispute Resolution, Negotiation, and Mediation in Greece***

**ELEONORA KARASSAVIDOU  
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*In this paper, a four-phase theory of industrial relations evolution is formulated so as to obtain a deeper understanding of contemporary developments in industrial relations, as well as to situate the pattern of Greek industrial relations prior to 1990. Greece initiated a “U-turn” in its industrial relations system in the 1990s. The institutionalization of free collective bargaining, third-party intervention on a voluntary basis, and the establishment of the Organization of Mediation and Arbitration (OMED) form the core of the new status quo in employee-employer relations in Greece. A general evaluation of the three years’ experience of OMED indicates that a gradual, positive change in the atmosphere of the Greek industrial relations appears to have taken place. However, the transition from a long-standing low-trust and authoritarian industrial relations pattern requires the diffusion of new knowledge and experience, changes in cultures and support from multiple sources.*

This paper is divided into four parts. In the first part, the nature and definitions of industrial relations are discussed and a four-phase framework of industrial relations development is formulated. The purpose of this framework is to link the past to the present and to the future prospects for industrial relations, as well as to highlight interdependencies between industrial relations and environmental forces. It is argued that the 1980s was a transition period for both the world economy and industrial relations. The “new industrial relations” is comprised of two main strands: reforms in collective bargaining and third party intervention; and human resource management, which constitutes a fifth phase, thus extending our framework. In the second part, we will attempt to situate the pre-1990s Greek industrial

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relations system within the four-phase framework. In the third part, the "U-turn" in Greek industrial relations resulting from the 1990 Act 1876/1990 is analyzed. Emphasis is placed on third-party intervention and on the newly created Organization of Mediation and Arbitration (OMED). Finally, in the fourth part, the first three years' experience of OMED is evaluated.

### ***INDUSTRIAL RELATIONS: DEFINITIONS AND EVOLUTION***

#### ***Definitions***

There is no precise and generally accepted definition of industrial relations. Moreover, the terms "industrial relations" and "employee relations" are now used interchangeably, although the former reflects the original historical base of unionized workers within industry. It should also be noted that although at one time the key "actors" were trade unions and employers' associations, the latter are today referred to by the term "management," which includes "individuals, groups or organizations responsible for promoting the goal of the employers and the organizations" (Kochan and Katz 1988: 2).

Industrial relations activities may be defined in different ways. Firstly, it can be defined in a very restrictive and static way, encompassing only the formal collective relationships between management and employees associated with the so-called distributional sphere, which includes the economic rewards from employment (or the production sphere) related to the actual work process and job regulation (Salamon 1987: 11; Poole 1986: 4). According to this approach, the core of industrial relations is the existence of conflict, without which regulation would be simple. As Margerison (1969) pointed out, the industrial relations literature appears to be more concerned with studying the resolution of industrial conflict than its generation (Margerison 1969: 273).

Rules governing employment are mainly decided by: (1) collective bargaining or joint regulation by trade unions and managers, viewed principally as a mechanism for conflict resolution and rule-making; (2) unilateral decisions by employers, by the state or by unions; (3) individual resolution (in the absence of labour market restrictions); and (4) joint consultation (situated midway between collective bargaining, joint regulation and managerial regulation) (Clegg 1983: 2; Poole 1986: 4).

A second, broader definition of industrial relations sees it as an interdisciplinary field of study and practice encompassing all aspects of employment relations. In this view, it is the systematic study of individual employees, groups of employees, management, trade unions and employers' associations, their interrelations (both formal and informal, structured or unstructured)

and the environment in which these parties interact (Kochan and Katz 1988: 1; Salamon 1987: 24). This definition is premised on a pluralist perspective of the goals, interests, aspirations, expectations, values and ideology of the participants and the existence of interdependencies between different levels of analysis (micro, meso and macro) (Roberts 1994; Rousseau and House 1994). Furthermore, it should be noted that, historically, industrial relations professionals have mostly concentrated on the relations and conflicts among the three key actors in industrial relations—labour, management and government. Moreover, there has been a focus on economic exchange linked with quantifiable resources, self-interest, specific and mainly short-term obligations between employees and management, and political exchange, that is, corporatism and neocorporatism. It is only in recent years that attention has come to be focused on the dimension of social exchange in industrial relations (Kochan and Katz 1988: 6) and more emphasis placed on employee behaviour. Social exchange goes beyond monetary resources and refers to emotional resources (such as collective interest and unspecified obligations that imply extra roles to be played by employees), which depend on trust rather than enforcement through a binding contract (Shore and Tetrick 1994).

#### ***A Four-Phase Model of the Development of Industrial Relations***

The role of government in industrial relations, dominant political ideologies and the distribution of power among the three central actors constitute three central variables of the employment relations system which enable alternative forms of industrial relations to be distinguished. Based on these criteria, and taking into account the major developments in industrial relations experienced by Western societies during the 19th and 20th centuries, a four-phase framework of industrial relations evolution is developed here and presented in table 1. This framework will enable us to achieve a deeper understanding of the new status quo in industrial relations and will help develop predictions about its future prospects. Second, we will be able to characterize the Greek industrial relations system according to its main features prior to and after 1990, and thus situate it within our four-phase framework.

The following points should be considered in relation to table 1. First, the central underlying assumption of the corporatist model is an emphasis on harmony and the overlapping interests of formally independent participant groups. This inspired its introduction, but proved to be unrealistic. Since there is an inherent conflict of interest between capital and labour, when stability (or corporatist peace) is desired, coercive elements may be introduced by the state to suppress organized interests, particularly those of

TABLE 1  
Four-phase Development Frame of Industrial Relations

<i>Principle Variables</i>	<i>Liberal Industrial Relations System (19th century)</i>	<i>Pluralistic Industrial Relations System (Postwar period - 1960)</i>	<i>Corporatist Model of Industrial Relations 1960-1970</i>	<i>Neocorporatist Model of Industrial Relations Bargained Corporatism 1970-1980</i>
Labour Unions	<ul style="list-style-type: none"> <li>• Labour: a commodity, weak, unorganized. Shopfloor the arena of industrial activity.</li> <li>• Trade unions avoided.</li> </ul>	<ul style="list-style-type: none"> <li>• Labour: conflicting interests with employers-management. Organized into trade unions. Fragmented structures of autonomous competing labour organizations.</li> <li>• Centralized institutions are incompatible with pluralism.</li> </ul> <p><i>Business unionism philosophy.</i></p> <ul style="list-style-type: none"> <li>• Positive role for trade unions.</li> </ul>	<ul style="list-style-type: none"> <li>• Formally independent of state. Highly centralized "key actors", organizations of employees capable of acting at state level.</li> <li>• Trade unions entering a process of institutional integration (incorporation) of the leadership of labour and capital organizations within state apparatus and state administration (macro-economic management-Keynesian economic policy). If labour is poorly organized it may be placed higher than its power.</li> </ul>	<ul style="list-style-type: none"> <li>• Although trade unions enjoy more autonomy they restrain their pursuit of their members' interests expecting in return concessions from government.</li> <li>• Concentrated and internally disciplined trade unions are involved in general <i>political exchange</i> by sharing the public order function.</li> <li>• Tripartite or bipartite discussions on wider social and economic issues.</li> <li>Trade Unions: Key "actor" (social partner); Co-management at macro level.</li> </ul>
Employers-Management	<p>Unorganized. Managerial prerogative is legitimate</p> <p>Unitary approach to organization.</p>	<p>In response to growing power of labour:</p> <ul style="list-style-type: none"> <li>• Organized into associations to face trade unions and pursue their collective interests.</li> <li>• At organizational level establishment of personnel departments.</li> </ul>	<ul style="list-style-type: none"> <li>• Confidence in personnel and human relations management is broken by massive layoffs, unemployment, economic crisis.</li> <li>• Organized formally.</li> </ul>	<ul style="list-style-type: none"> <li>• The use of trade unions as key actor produced managerial response to professionalize labour-management relations.</li> <li>• Key "actor" co-management at macro-level.</li> </ul>

TABLE 1 (Continued)

<p>Employee-Management Relations/Industrial Relations</p>	<ul style="list-style-type: none"> <li>• Rules laid down unilaterally by employer-management</li> <li>• Conflict is to be avoided, irrational activity</li> <li>• Power asymmetry</li> <li>• Paternalism (at best)</li> <li>• Exploitation (at worst)</li> <li>• Employment contract</li> <li>• Secure <i>compliance</i> of employee (external control)</li> </ul>	<ul style="list-style-type: none"> <li>• Regulation through "free collective bargaining"</li> <li>• Unionized workers groups meet management on "equal" terms to negotiate the terms of employment</li> <li>• Inherent conflict of interests between the sectional groups.</li> <li>• Conflict managed through a variety of roles, institutions and processes (e.g. dispute-grievance process, emphasis on consistency and fairness).</li> <li>• <i>Economic Exchange</i> (transactional contract), although pluralism implies intensified contacts between management-labour</li> <li>• Secure <i>compliance</i> (external control)</li> </ul>	<ul style="list-style-type: none"> <li>• Institutionalization and diffusion of collective bargaining.</li> <li>• Key partners / "actors": labour-management-state.</li> <li>• Common interest.</li> <li>• Expansion of bargaining scope to include issues of pension, supplementary benefits, unemployment.</li> <li>• <i>Economic Exchange</i> engaged also in the General <i>Political Exchange</i> (macro-level).</li> <li>• Secure <i>compliance</i> (external control).</li> </ul>	<ul style="list-style-type: none"> <li>• Institutionalization and diffusion of collective bargaining.</li> <li>• "Social partners". Often, the result: "Consensus".</li> <li>• <i>Economic Exchange</i>.</li> <li>• Share political power and responsibility at macro-level (Social Partners).</li> <li>• Institutionalization of worker participation.</li> <li>• Secure <i>compliance</i> and <i>Trust</i> (social exchange).</li> </ul>
<p>State</p>	<ul style="list-style-type: none"> <li>• Rather passive role but:</li> <li>• Legal doctrines of restraining trade unions development and protecting property rights.</li> </ul>	<ul style="list-style-type: none"> <li>• Actively involved in economic activity. Employer.</li> <li>• Co-operation with Labour-Management</li> <li>• Mainly responsible for macro-economic management (goals: growth and stability-peace).</li> </ul>	<ul style="list-style-type: none"> <li>• Far from drawing all political authority, shares political space public order function, responsibility with labour and management (Key actors).</li> <li>• Co-management at macro-level.</li> </ul>	

TABLE 1 (Continued)

Dominant Political Ideology	<ul style="list-style-type: none"> <li>• Liberalism/Lasser-faire : Market Individualism.</li> <li>• Clear separation of the political and economic social spheres</li> <li>• Market economic mechanism (invisible hand) bore the full burden of the fulfilment of the interests and expectations of Labour and Society.</li> </ul>	<ul style="list-style-type: none"> <li>• Liberal Collectivism / Pluralism / Voluntarism / (Post-Capitalist Society).</li> <li>• Separation of political - economic - social dimensions continue to exist.</li> <li>• Individuals combined together to pursue their sectional interests in competition with other groups' interests.</li> <li>• Micro-level / organizations: individuals organized formally / informally with distinct interests, expectations, goals, leadership.</li> </ul>	<ul style="list-style-type: none"> <li>• Corporatism/ Interventionist ideology, Organized Welfare State Capitalism, Keynesian policy.</li> <li>• Integration of political economic and social aspects of life.</li> <li>• Institutionalization, Centralized Organizations of labour - employers/ management. Process of their integration within the State Apparatus.</li> <li>• Reduction of autonomy (Or primacy in collective vs individual interest).</li> </ul>	<ul style="list-style-type: none"> <li>• Neo-corporatism, bargained corporatism, consensus politics.</li> <li>• Accomodation between corporatism and greater autonomy, collectivism.</li> <li>• State intervenes between labour and employer - management; in so doing becomes their bargaining partner.</li> <li>• Partners (in particular trade unions) restrain their interests within a strategy of national interest, resulting often in consensus.</li> </ul>
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labour, or to quash the conflict. Thus, corporatism can range from authoritarian corporatism to state-corporatism-fascism. The latter form implies the total incorporation, or even the conquest of autonomous labour organizations through the use of extensive national political resources (Franco's Spain, Hitler and Mussolini's World for example) (Crouch 1993: 47-49).

Second, the pluralistic view of the industrial relations system appears to be favoured, explicitly or implicitly, in many Western societies, in particular the United Kingdom and the United States, (e.g., by the pluralistic Anglo-American Industrial Relations School with Dunlop as theoretical doyen (Crouch 1993: 56; Fox 1985: 26). Nevertheless, within the European Union, distinctive national styles and significant shifts in dominant ideology between liberal and corporatist approaches characterize 19th and 20th century industrial relations patterns. In his in-depth study of European industrial relations from 1870 to 1990, Crouch (1993) concludes that there is no logical or inevitable path in industrial relations development and that persistent differences in industrial relations patterns reflect deeper historical differences in the "occupancy of political space" (Crouch 1993: 349-50). His conclusions are similar to those of Poole's comparative study of industrial relations (1986). The nature of the actors' strategic choices, values and convictions, and diversity of culture, ideology, history, demographic structures, political-economic conditions, industrial institutions and power distribution have a complex impact and produce a broad range of outcomes. Looking to the future, Poole supports the view that, despite the existence of convergent trends, forces that increase dissimilarities may well become progressively dominant in the long run (Poole 1986: 204-208). Finally, it should be noted that, in contrast to the United States, the European Union appears to prefer to share political space and responsibility with regard to economic and social issues with the two principle actors, labour and management. We will return to this theme later in our examination of the Greek industrial relations system. Indeed, the EU continues to lean towards neocorporatist patterns of industrial relations (i.e., bargained corporatism), having introduced collective bargaining at the EU level. Nevertheless, on the basis of the above analysis, the success of the bargained corporatist model as a harmonization policy depends heavily on EU policy makers' level of understanding of national diversities, an aspect about which Crouch appears to be rather sceptical. However, the major question raised refers to the future prospects of neocorporatism per se. According to Crouch, if neocorporatism, supported by recent research and theories, is perceived broadly and progressively "as means by which economic actors may organized themselves to secure collective and public goods not easily delivered by the free market," then it may prove to be a successful alternative and competitive choice for industrial relations in the future (Crouch 1993: 344).



## ***The 1980s: A Decade of Change and the Emergence of HRM***

### *A Decade of Change*

Since 1980, radical changes in both macro and micro business environments on a global scale have proved beyond a doubt that the world economy has entered a period of dramatic transformations. The new reality places strong pressures on the technological model of mass production, the state, employers, management, trade unions and employees, and business itself as an institution. Fundamental changes in goals, strategies, policies and practices, ideologies and cultures have become necessary. These changes, which have challenged and changed basic assumptions about industrial relations and the employment structure, amount to nothing less than a shift away from the traditional dominant postwar industrial relations system. It seems that key elements of the "old-style" industrial relations pattern, such as the division between management and unions, conflictual interests and the traditional collective bargaining framework, are being scrutinized.

It is not surprising that these changes led to a proliferation of controversial theoretical approaches attempting to capture the distinct elements of these transformations and provide a new, coherent model of a sustainable political, economic and social future. Generally, the major theories appear under the general label of "post-fordism," reflecting a shift away from the traditional model of mass production, or "fordism," and the advanced capitalist world's entry into a post-industrial era. At the same time, society was considered to be experiencing a new social and cultural order ("post-modernism") (Schoenberger 1988; Albertsen 1988).

The dominant term of post-fordism is flexibility, particularly in relation to the employment relationship. Economic, functional and numerical flexibility, implying flexible "new" pass systems, atypical patterns of work, duality in external and internal markets and the flexible firm (Atkinson 1984), have been emphasized as essential components of economic progress. These terms have substantially affected the reconstruction of European labour law and have entered the vocabulary of labour unions (OECD 1986; Pollert 1988a: 283-84). In her study, *Dismantling Flexibility*, Pollert (1988) compared the contemporary literature on flexibility with related management literature, in particular literature on the flexible firm, and concluded that the "language of flexibility" is a 1980s language of social integration. Its message: how to live with insecurity and unemployment and learn to love it (Pollert 1988b: 72).

A parallel response to the demands of the 1980s has been experienced in the field of management. "New wave" management appeared, implying significant changes in organizations and managers' roles (Wood

1989; Storey 1989). The key elements of the new literature include a focus on change and flexibility, a shift to “soft side” management or the “human side” of enterprise, and corporate culture. In short, borrowing Kanter’s metaphor: “giants must learn to dance.” The core message of the contemporary management literature appears to be fully incorporated into human resource management, and this constitutes an additional, fifth phase of the industrial relations evolution framework developed above.

### *Human Resource Management*

HRM, which emerged in the 1980s in the United States under the strong influence of Japanese management, meshes both old and new ideas. The idea of human resources is not new (Guest 1990), and today HRM is finding fertile ground in the shadow of a world recession, high unemployment, weak trade unions and the emergence during recent years of neoconservative political ideology. HRM aims to shift employee-management relations away from traditional personnel management. HRM is vested in line managers, leaning heavily on workplace cooperation and high-trust relations that function according to individualistic, “apolitical” values which presuppose the absence of unions (i.e., de-unionization, identification of interests, avoidance of conflicts).

Bearing in mind the four-phase framework of industrial relations, it might be argued that the unitarist nature of HRM directly contradicts the corporatist, bargained corporatist and pluralistic patterns. The main “tools” of HRM are culture and strategic human resource management (SHRM), two themes which have dominated the recent literature (Kochan and Barocci 1985). The central claim of HRM and particularly SHRM is that their sophisticated policies can take the place of unions. As Muller-Jentsch points out, “it is especially the adversarial and competitive type of job-control unionism whose survival is threatened” (Muller-Jentsch 1988: 188). In an earlier article (Karassavidou 1994), we supported the view that SHRM involves fundamental changes in employment relations, in management theory, ideology and practice, and in business itself as an institution. Thus, SHRM can be viewed as a new, extremely challenging and ambitious approach to management.

However, at the moment HRM remains an ideology and a very loose, controversial notion. With the exception of some recent contributions from the management and social science research, the vast literature on HRM is far from established practice (Guest 1990; Boxall 1992; Storey 1989: 3; Beaumont 1992). There is increasing empirical evidence that HRM is not very widely implemented and often comes closer to “macho” management policies, thus raising questions about HRM’s credibility (Legge 1989). Moreover, empirical evidence supports the view that there are limits to the wider

adoption of HRM-inspired policies, within both countries and organizations (Guest 1990; Beaumont 1991).

### *Reforms in Collective Bargaining and Third Party Intervention*

The second main strand in the "new industrial relations" debate is linked to innovations and reforms taking place in the theory and practice of collective bargaining and third-party intervention. Without losing its bipartite nature, collective bargaining has been increasingly decentralized to the plant level in order to respond more effectively to different organizational needs (Salamon 1987: 293). On the other hand, recent research in the field has resulted in the development of approaches, models and institutions which help both parties focus on issues of mutual interest and approach future problems in a proactive way. Thus, distributive bargaining, which reflects a basic conflict between the parties over the division of limited resources (called "fixed or zero-sum games" in game theory) is replaced by cooperative, integrative, predictive joint problem-solving (e.g., ACAS in the United Kingdom) or win-win collective bargaining (Barrett 1990) known as positive or negative "varying sum games" in game theory (Salamon 1987: 275-277; Lewicki and Spencer 1992). The key variable underlying these approaches is trust, or, more particularly, "experienced" trust rather than "naive" trust (Crouch 1993: 46). However, as Purcell (1993/94) points out, "it was only in the extreme circumstances of organizational crisis or trauma that management and unions previously locked into low trust relations were likely to be thrown together to deal with issues on a more integrative basis, often as the only means of ensuring survival." In addition, it is also argued that cooperative bargaining cannot be long-standing (Salamon 1987: 279). Finally, third-party intervention methods, such as conciliation, mediation and arbitration, which are integral to collective bargaining mechanisms, appear to be following in the same direction of collective negotiations with the introduction of more "soft", voluntary, dispute resolution models.

To sum up, the collective bargaining system has entered an era of transformation, is developing new dimensions and appears to be adopting and combining elements of HRM thinking. What this means for the future remains to be seen.

### **PRE-1990 INDUSTRIAL RELATIONS IN GREECE**

Greece is a "latecomer" to the industrial relations debate. In contrast to other Western societies, where industrial relations theory and practices date back forty or fifty years, terms such as management, dialogue, human resource management, negotiation, participation, social partners and industrial relations only began to be used in Greece in the middle of the 1980s (Raftis and Stavroulakis 1991).

Before turning to the analysis of industrial relations in Greece prior to 1990, which will be based on our four-phase development model of industrial relations, the following three points should be made. First, up to the present, the dominant source of regulation of employment and working conditions in Greece has been statutory legislation. Second, the postwar industrial relations system in Greece was remarkably stable from the time it was created until 1990. Third, 1990 saw a "U-turn" in Greek industrial relations, as incorporated in Act 1876/1990 entitled "Free Collective Bargaining".

### ***Industrial Relations and Dispute Resolution***

#### ***Labour Unions***

Labour unions are characterized by bureaucratic and authoritarian structures. Authority is centralized in the General Confederation of Workers of Greece (GSEE). With an estimated membership in excess of 600,000 GSEE is the most representative labour confederation and represents the interests of both private sector and public enterprise employees. The public sector agencies are represented by the Federation of Civil Servants (ADEDY), which has approximately 250,000 members (News Futures 1993). Currently, the general level of union density in Greece is estimated at 30 percent (Stratoulis 1995). The phenomenon of de-unionization experienced by other Western societies is not evident in Greece. Indeed, unionization actually appears to have increased somewhat, although this is due to a high level of union density (between 80 and 100 percent) in public enterprises, which are included in the GSEE (Kravaritou 1990: 21-22).

The following are the main characteristics of Greek labour unions: (1) Internal divisions along political lines, implying a dual organization structure comprised of a formal and an informal structure, which is closely connected to and used by political parties; (2) Fragmentation of the labour movement and multi-unionism, partly explained by the fact that the dominant union type in Greece is based on occupation, both at the national and local level. This structure is imposed by the government itself (Act 3239/1955). Another explanation can be found in the fact that often political unions were established not to exercise union activities but to support or increase the influence of the political parties. There are also cases where trade unions are established to pursue the interests of particular union members. (3) Although the first labour union was established in 1875, it took about fifty years for the Greek labour movement to expand and be officially organized. More precisely, mainly influenced by the Russian Revolution (1917), the number of Greek trade unions increased from 200 in 1917, to 320 in 1918, with an estimated membership of 100,000. The GSEE

was established in 1918 (Mitropoulos 1985: 26–27; Kordatos 1972: 21). However, since then and for a long period of time, the evolution of unionism in Greece had been characterized by a slow pace in a rather rough and hostile environment. Traditionally, Greek industrial relations are highly adversarial. Among EC member states, Greece occupies third place with respect to the total number of strikes per year, and until recently has had very high levels of penalization and criminalization of industrial activities (particularly, strike activity) (Kravaritou 1990: 89–90). (4) Another idiosyncrasy is the high level of state intervention supported by Act 3239/1955 (Koukiades 1991; Ioannou 1989; Petrinioti 1985). The government not only unilaterally laid down the rules for employment relations, but it has traditionally used the state apparatus and political resources to intervene actively in the life and activities of trade unions. The appointment, either officially or unofficially, legally or illegally, of GSEE leadership by the government, and its intervention in collective bargaining in an attempt to keep wage costs at a low level, have been common practice in Greece until quite recently. (5) For a long time during the postwar period, and particularly following the 1949 Greek civil war, a strong anti-union attitude characterized right wing governments of the Greek state (Roussis 1983: 120). Unionism and union members were regarded as the “enemy of the Greek nation” and “organized forces aiming at destroying the society” (Kravaritou 1990: 17). (6) Finally, partisanship and power imbalances also managed to move the focus away from essential labour problems to acquisition of power and authority in trade union boards and committees, through which the government wielded its influence.

### *Employers*

The Association of Greek Industries (SEV), which encompasses approximately 8 local and 40 sectoral associations, representing 450 enterprises, is considered to represent Greek industry at the national level. Usually non-members accept SEV decisions and harmonize their activities with them. This is not the case for small- and medium-sized enterprises (SMEs), which dominate the Greek economy (99.4 percent of Greek businesses are firms employing less than fifty persons and 93.3 percent are firms employing less than ten persons). The majority of SMEs are not members of SEV and they often disagree with the social, economic and legislative proposals or decisions supported by SEV (Kravaritou 1990: 24). It should be noted that most private enterprises in Greece are family businesses, and family-style management (Alexander 1964), which was facilitated by state protectionism, persists with little change. This situation has several distinctive characteristics: an unwillingness to alter the ownership status quo by delegating authority to managers; authoritarian leadership; a hostile attitude towards

workers; a lack of openness concerning business goals and processes and its internal-external relationships; and negative attitudes towards change. In general terms, this means conservative business beliefs and an out-of-date business culture (Bourantas et al. 1990; Jecchinis 1994: 551). In short, the diffusion of ownership and its separation from management has not occurred in the Greek business world. Second, despite some developments witnessed in the late 1980s in the management and industrial relations area, recent studies indicate that management, both as a science and an art, generally remains extremely underdeveloped in Greece as compared to other EC member-states (Bourantas et al. 1990; EEDE 1986). As for personnel management, suffice it to say that until recently, personnel departments were mainly staffed by people who either had extensive supervisory experience in a particular firm and no relevant qualifications or were retired police or army officers. Personnel and human resource management were almost unknown terms until quite recently (Bourantas and Mantes 1987; Papalexandris 1987).

To conclude, when the issue of employment relationships is addressed in the Greek context, it is connected with employer-employee relations. The term management does not exist in the pattern. This is very much the case to this day, as can be seen from the entire current legal framework of industrial relations.

### *Employer-Employee Relations*

The adversarial relations between the two parties and the nature and secondary role of management have already been demonstrated above. A few more points should be noted. State intervention aimed at minimizing the use of industrial action and at the same time influencing the level of wage increases, combined with the state-imposed, occupation-based trade union structure and client relations developed by the government, labour and management, had a strong impact on employer-employee relations. Under these conditions, employees, instead of pursuing their interests in the workplace, shifted their focus and "externalized" their union activity, participating in a variety of unions outside the firm. Moreover, due to these government interventions, Greek collective bargaining and trade union activities have often been associated with broader social, economic and political issues resulting in direct confrontation with government policies and mechanisms. It could thus be argued that the "business unionism" philosophy and the role of business as a principal social and economic institution have been rather undervalued or even non-existent in Greece (Doucakis 1988: 41).

Finally, this exploitative (at worst) and paternalistic (at best) system, implicit deregulation and sustained authoritarianism seemed to be supported

not only by the majority of Greek industrialists and ship owners but also by the owners of SMEs. This attitude on the part of Greek employers may be partly explained by the fact that Greece has not succeeded in establishing a national bourgeoisie with a developed manufacturing sector, particularly "heavy" industry. More precisely, Greece not only failed to evolve beyond the "fordist" model, but since the beginning of the 1970s, has been experiencing a period of economic recession and de-industrialization. Under these circumstances, Greek employers were rather reluctant to put forth any initiatives that could equalize the power base in the labour market, thus leaving the state to take the initiative. In fact, it could also be argued that they "had no reasons to be seriously concerned about industrial relations since the State was making the relevant decisions and enacting laws on behalf of Greek employees" (Mitropoulos 1985: 19).

Given these conditions, it is not surprising that field studies and surveys indicate that the Greek workplace is characterized by autocratic and paternalistic management styles, low levels of trust and job satisfaction, insecurity, strong uncertainty avoidance and a rather large power distance (Hofstede 1980a; Hofstede 1980b; Bourantas and Mantes 1990; Karassavidou and Markovits 1994).

### *The Greek State*

The nature and extent of state intervention in Greek industrial relations is reflected clearly in Act 3239/1955, "Collective Dispute Resolution." The origins of this act can be traced back to before World War II. In fact, the act embodied the same principles as those found in legislation under Metaxa's dictatorship (1936). The main features of Act 3239/1955, the backbone of the Greek postwar system of employment relations were as follows: (1) Collective bargaining was interpreted as a mechanism for resolving disputes through compulsory arbitration, imposing income policies and criminalizing strike activity. (2) The Compulsory Arbitration Court was a tripartite panel composed of one representative from each of the parties and a member of the judiciary as president of the court. According to Ministry of Labour archives, more than 99% of all cases referred to compulsory arbitration were initiated by trade unions. The award usually reflected a compromise solution between the two proposals, and thus, although the trade unions were rather suspicious of the court's decisions, they expected arbitration to somehow produce more acceptable solutions than the employer's first proposal. An interesting result of this long-standing conventional model of arbitration was the "chilling-effect," whereby both parties, but especially the labour unions, tended to exaggerate their positions in order to offset the impact of arbitration decisions that tended to "split the difference" (Kochan 1988: 280; Lewicki and Spencer 1992: 237-238). The view that when labour

unions enter the bargaining process they ask for one hundred in order to get ten is fairly widespread in Greece. Therefore it is not surprising that, in Greece, the development of negotiation theory and practice has degenerated. (3) It should also be noted that the state, as officially expressed by the Minister of Labour, could intervene in defining the terms of the collective agreement (this was revised only in 1974), during the process of collective bargaining and with regard to the outcome of the arbitration process. (4) Moreover, once the dispute was referred to arbitration, industrial action was prohibited for a maximum of 45 days. (5) Finally, it is interesting to note that the state, which employs approximately one-sixth of the total Greek labour force, was and continues to be the largest employer in Greece.

The major question raised by the above analysis is why the status quo of Greek industrial relations has remained largely intact for fifty years. To our knowledge, this is a unique phenomenon. Different explanations exist, related to the economic sphere, which we have already mentioned, as well as to the political sphere. Greece's Civil War, which lasted from 1946 to 1949, resulted in military and political defeat of the Left. To maintain the status quo and eliminate any potential threat that could undermine the political and social power of postwar right-wing governments, a strong interventionist style in industrial relations has often been regarded as necessary. Finally, Greek labour law, established as a result of the government's initiative at the beginning of the 20th century (1909–1918), incorporated the paternalistic and authoritarian spirit of the Greek state. Greek labour law, which developed rules that facilitated state intervention, has been used from the outset as a tool to control industrial relations (Kravaritou 1986: 37). Moreover, it is worth noting that to the present day, the study of industrial relations has mainly focused on labour law. In fact, labour law seems to monopolize the field.

Considering these principle elements of the Greek industrial relations system prior to 1990, it can generally be concluded that Greece does not appear to have experienced evolutionary stages similar to those of other Western societies. Pluralistic values seemed to be alien to the Greek state and corporatist beliefs and practices, which were characteristic of many European countries during the postwar period, seem to have been more influential. Thus, in situating the Greek postwar industrial relations model within our four-phase evolution framework of industrial relations, it might be argued that it best fits the Corporatist-Authoritarian model, with the coercive elements predominating over the pluralistic elements. However, the Greek postwar industrial relations model also appears to lack some central attributes relevant to the corporatist bargaining pattern. For example, an institutionalization and diffusion of collective bargaining has not taken place in



Greece. Instead it has been identified with dispute resolution. Secondly, the terms "actors" and "partners" were unknown in Greece until as recently as the mid-1980s.

### ***THE 1990S "U-TURN" IN GREEK INDUSTRIAL RELATIONS***

In order to cope with strong environmental pressures, the Greek government was recently forced to make a "U-turn" in the area of industrial relations. This fundamental change might be viewed as the effect of being a "latecomer," resulting in much faster development of employment relations in order to "catch up." However, it is worth mentioning that the rather fertile ground for such a shift that was provided in the 1980s was cultivated. In this sense, the 1980s represented a "thaw" in Greek industrial relations.

#### ***The 1980s and the Great "Thaw": Pressures for "Europeanization"***

During the 1980s, a unique confluence of events took place, stimulating the process of change in the Greek industrial relations system and resulting in the enactment of Act 1876/1990. The driving forces of this change were: (1) the external international environment, which was considered in the first part of this paper, (2) increasing problems in the economic sphere such as downsizing, austerity policies and a high external deficit, and (3) remarkable changes in the political sphere.

Politically, there was a shift in power from the right-wing party, which except for a short break was in power throughout the postwar period, to the socialist party (PASOK). The latter remained in power from 1981 to 1989 and established a number of new institutions which gave rise to significant changes in trade union activities and the workplace. In particular, Act 1264/1982 (Democratization of the trade union movement and protection of trade union rights) is generally regarded as the most important labour law, with the exception of Act 1876/1990, of recent years (Kravaritou 1986: 97). Moreover, this law, together with Act 1365/1983 and Act 1767/1988 (ratification of the ILO convention), provided an enabling framework for mechanisms of participation. Although the atmosphere in workplaces, at least in established institutions, changed noticeably during the 1980s, actual practices have evolved more slowly. While no empirical evidence is available on the diffusion of the new institutions, it is widely believed by academics, practitioners and trade unionists that the use of the newly introduced legal framework ranges from marginal to non-existent. The findings of one recent field study, as well as surveys, indicate that workers have called for participation temporarily, mostly when their firms have been confronted with the threat of bankruptcy. Generally, trade unionists appear to favour this form of

representation, while rejecting schemes involving distribution of company shares to workers. Top management and supervisors are more sceptical about participation. If the participation process is to advance, education in human relations issues must be promoted (Raftis and Stavroulakis 1991). Moreover, it can be said that historically, Greece has been eager to ratify international agreements and guidelines, unless there was strong internal resistance, but has shown little or no interest in supporting their implementation (Kravaritou 1990: 122). Thus, in Greece the path from an institution's introduction to its actual practice seems to be rather long.

Finally, a rather unique event occurred in 1990. For a short time, a coalition government made up of all of the political parties across the Greek political spectrum was in power. This coalition government, in cooperation with trade unions and employer representatives, decided to abandon Act 3239/1955 and change the long-standing system of industrial relations. In this sense, Act 1876/1990 reflects a compromise agreement that was accepted by all of the political and social forces in Greece.

#### *Pressures for Europeanization*

Up until 1984, the EC's role in national industrial relations was rather minimal. The lack of a legal basis for an EC legal framework for employment relations, the voting requirement of unanimity in decision-making and the diversity of approaches, practices and traditions in the field, were the main explanatory factors for this inactivity on the part of the EC (Roberts 1992: 3). This situation changed in 1984. The new Commission of 1984, presided by Jacques Delors, sought to create a "Social Europe." This orientation paved the way for three events of outstanding importance: the Single European Act (1987), the Social Charter (1989) and the Maastricht Treaty (1991). All three have been ratified by the Greek government. Under this regulatory framework, the following has occurred with respect to industrial relations: (1) The European-wide social bilateral dialogue, and the leading roles of "social partners" in the construction of Europe, has been institutionalized. (2) The path both to participation of the social partners in the formation of EC labour law and its implementation within member states through collective bargaining has been officially initiated (Guery 1992). Thus, if the social partners at the EC level reach agreements – although it is not clear how this is to be accomplished – it appears that member states are obliged to implement these agreements within their national legal framework (Bercusson 1992). (3) The scope of collective bargaining, which is tied to the level at which the agreement is concluded, is structured into inter-sectoral (or multi-industry), sectoral (or industry) and inter-regional and group or enterprise levels. (4) A series of initiatives to promote "European Business Culture" and "European Management" is developing (Jacob 1990).

This EC policy is associated with a set of legislative initiatives aimed at the decentralization of collective bargaining in which problem-solving is shifted to the firm level and which focuses on worker participation. It is also interesting to note that, paralleling these developments, "atypical", flexible patterns of work (White Paper in Employment, Competitiveness and Growth) are being officially recognized and developed. Although these latter developments are not connected to the EC "Social Policy," and in conflict with the spirit of "Social Europe," they reflect elements of HRM thinking and the "flexibility" literature.

To conclude, despite scepticism about the future prospects of "Europeanization" and uncertainty about the EU's role in industrial relations, it is presumed that this is the framework and direction that Greece will follow as an EC member.

### ***The New Status Quo in Greek Industrial Relations: Act 1876/90 on Free Collective Bargaining***

The spirit and the philosophy of the new legal framework are clearly reflected in the introductory report, appended to Act 1876/1990, which outlines its major directions:

The state gradually resigns from its interventionary jurisdictions for the regulation of the activity of the social partners or competitors (collective autonomy) without however obliging the sides to reach an agreement (respect of conventional freedom)...The decentralization of collective bargaining to the plant level with the maintenance at the same time of all intermediary levels to ensure likely favourable coalitions of power for employees... Compulsory arbitration is abolished... The establishment of mediation as a substantial, impartial, reasonable and reliable process that the sides will have access to, with the assurance that they will conclude a collective agreement and not be led to an impasse.

In the same report it is emphasized that the established legislative Committee (with chief legislative sponsor Kouciades I., Professor of Labour Law at Aristotle's University of Thessaloniki) concluded to the proposal of the new legal framework (Act 1876/90), "without any intervention on the part of the State". To summarize, the new act includes four key innovations. First, it introduces and supports the institution of "free collective bargaining," to be conducted "in good faith." Second, the scope of collective bargaining is broadened, both horizontally through the inclusion of a wide range of issues, and vertically, through its diffusion to all contract employees, in all sectors, and its inclusion of atypical, flexible patterns of work. In addition, the bargaining structure is changed by being tied to the level at which agreements are reached. Third, for the first time in Greek history, disputes are made subject to voluntary third-party intervention. Finally, during negotiation, mediation and arbitration, trade unions have the right to

strike, unless strikes are disallowed by previous collective agreements. It is argued that under the current legal provisions, the strike has become an *ultima ratio*.

To conclude, the term management is absent, and industrial relations continue to be interpreted principally as the regulation of the relationship between employees and employers.

### ***Third Party Intervention: OMED***

#### *Conciliation, Mediation, Arbitration*

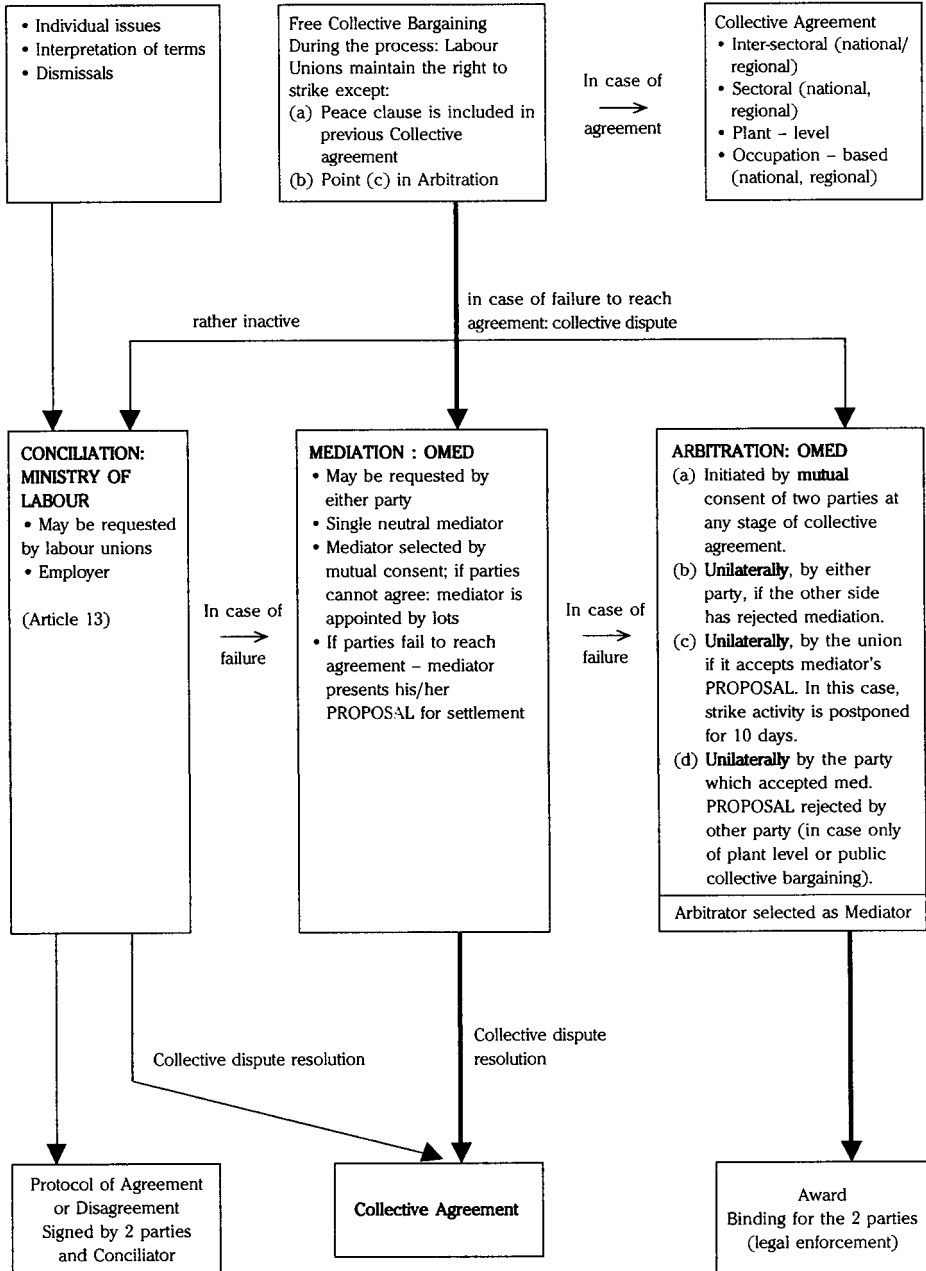
The willingness of the legislator to support free collective bargaining and the modernization of the dispute resolution system can be seen clearly in the provision made in Act 1876/1990 with respect to voluntary third-party intervention, which may take the form of conciliation, mediation or arbitration. Conciliation, which is the responsibility of the Ministry of Labour, is a long-standing practice. However, mediation and arbitration services are now provided for (articles 17, 18) through the establishment of a new institution, the Organization of Mediation and Arbitration (OMED). The new legal context associated with third-party intervention and its principal elements are shown in figure 1.

#### *OMED's Mission and Ideology*

Despite the scepticism and criticisms expressed by academics and practitioners with respect to the new institution, the establishment of OMED is one of the major institutional innovations produced by Act 1876/1990. OMED not only constitutes a new approach to dispute resolution in Greece, but it signals a shift from the anachronistic postwar system to one more closely resembling that which prevails in the majority of EU member states. To the best of our knowledge, OMED includes elements that are unique among contemporary approaches to dispute resolution. Thus, it might be argued that OMED represents an interesting experiment not only in the Greek context, but in the Western world as well. The ideology, mission and policy of OMED are clearly outlined below:

The main duty is to promote and facilitate direct dialogue between the two parties by providing professional (know-how) support and to create the appropriate psychological climate (moral support) in case dialogue, due to various reasons, is avoided... Thus, the basic mission of the Mediators-Arbitrators' Board is to strengthen or complement the collective negotiations and not substitute them. The spirit of Act 1876/1990 is to minimize completely the space for Arbitration in favour of Mediation; the latter is called upon to play a very significant role, which moreover presupposes both a high level of relevant knowledge and experience. The principal weapon of mediators is "persuasion".

FIGURE 1  
Third Party Intervention in Greece (Act 1986/1990)



Concerning ideology, the predominance of “Europeanization” is obvious:

Europe is not just a harmonization of numbers but primarily presupposes a convergence of perceptions... Amongst these perceptions are those about labour relations which are founded traditionally in Europe on a long-standing basis of distribution rules and mutually accepted terms of social peace. These perceptions constitute a stable factor of the Single Market. OMED is called upon above all, and among all, to incorporate these perceptions in social partners’ policy and state authority. (1993, official speech – brief annual report by OMED’s President – Kouciades, I., chief legislative sponsor of Act 1876/1990).

#### *OMED’s Functions, Board and Financial Resources*

OMED is managed by a Board of eleven members. Employees and employers are equally represented, with three representatives of GSEE (one of whom must be an economist) and three representatives of employers’ associations, one from SEV, one from the General Confederation of Professionals and Handicrafts (GSEVE), and one from the Union of Societies of Commerce. One of the employers’ representatives must be an economist. These six members cannot be members of the boards of their organizations. The remaining five members include a representative of the Ministry of Labour, an academic specializing in economics or industrial relations, an academic specializing in labour law, and a well-known person in the industrial relations field who is elected by majority vote by the other ten members of the board.

The composition of the board clearly reflects the legislator’s willingness to ensure fair representation and a balance of power between the two parties. The substantial presence of academics and experts from the fields of industrial relations and economics reinforces the impartial character of OMED and at the same time provides the basis for the development of a wider approach to industrial relations and an atmosphere of cooperation.

The primary function of OMED is to provide mediation services for collective dispute resolution, but it also provides arbitration services. In addition, with the agreement of a majority of board members, OMED may provide consultancy services in industrial relations, support for the improvement of negotiations, and research and surveys.

Considering the functions entrusted to OMED, it can be said that mediation is used in two ways. In the short term, it is used in the resolution of a particular dispute, presently its major focus. However, the provision for additional functions appears to open up future avenues for OMED to operate on a long-term basis, through constructive improvement in employer-employee relations.

The financing of OMED reinforces its independence from the state. It is primarily financed by the two parties, that is, trade unions and employers' associations (three percent of total annual contributions), by the state and by the parties that use its services.

Thus, although the creation of OMED appears to have been influenced by ACAS in the United Kingdom (Kessler and Purcell 1993/94), it has incorporated distinctive elements, reflecting the Greek context. Indeed, in some ways, particularly with regard to its autonomy, it is more independent than ACAS whose members are all appointed by the Secretary of State (Salamon 1987: 378).

### ***THREE YEARS' EXPERIENCE OF OMED***

#### ***Problems and Limitations***

OMED started operations in January of 1992. In our attempt to evaluate its effectiveness, we identified the following two major problems and limitations:

- (1) OMED is a new, untried institution with unique characteristics that have already been mentioned. Moreover, it operates in an area that is strongly associated with a low level of trust and great uncertainty. Thus, time and systematic research are needed to reach safe conclusions.
- (2) To the best of our knowledge, generally accepted approaches and criteria for evaluating the institution of third-party intervention per se are not available in the literature. Researchers appear to focus more on mediation and arbitration processes and techniques, and the level of analysis is the individual mediator and arbitrator. However, it should be noted that research by Kessler and Purcell (1993/94), which evaluates ACAS, and the mediation process model developed by Kochan and Katz (1988), proved to be a significant help in developing the methodology adopted for the present research.

#### ***Methodology***

Our evaluation of the effectiveness of OMED (institution of third-party intervention) is divided into two phases.<sup>1</sup> In the present paper we present the findings of the first phase, in which we sought to answer the following questions, which served as criteria for evaluating the effectiveness of OMED.

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1. The second phase, which is currently underway, involves a survey of members of the mediation-arbitration body and of employees and employers who have requested mediation services.

First, is the mission and the main duty of OMED — as it is explicitly and implicitly defined by the legislation — supported by the Board of OMED? To address this question, we relied on discussions held with the president, vice-president and members of the board representing all of the participating parties. In addition, events and activities related to the research question, drawn basically from the board's proceedings, were taken into account. Finally, our personal experience during the time we spent in OMED's central offices in Athens (1994) were taken into account.

Second, how successful has OMED been in implementing the basic goals as defined by the current legal framework? These goals are, firstly, to provide mediation services for collective dispute resolution and, secondly, to provide arbitration services. Given the importance attached to marginalization of the role of arbitration, this question is divided into two subquestions as follows: (1) Has OMED's intervention during 1992-93 resulted in a decline in the number of arbitration requests? and (2) In general terms, how effective was the mediation process during the same period? The analysis referred to these two subquestions and consists of a general evaluation of OMED's effectiveness. It is based on Ministry of Labour statistics, OMED's own statistics and proceedings, and anecdotal evidence.

### ***General Evaluation of OMED's Effectiveness***

Turning to the first question, the mission and main duty of OMED, as defined legally is: "Within the broad framework of free collective bargaining, to promote and facilitate direct dialogue between the two parties—by providing professional support or know-how and creating the appropriate psychological climate."

Based on the proceedings of the board's meetings, we concluded that two aspects should be considered. First, unanimity in decisions made during the two years (1992-93) is rare. Second, the board established the practice of twice-yearly meetings with a broader representation of the two parties. A typical statement to justify these meetings is, "They have to know how we work because, after all, it is their money we spend and we want them to trust us."

We concluded from discussions with the members of the board that they are strongly committed to the above-mentioned mission of OMED. It is of primary importance for them to increase levels of trust of the two key actors. A characteristic statement was, "Here they are given the opportunity to know each other, to learn to listen to each other and hold discussions on important issues." In this sense, some members supported the view that OMED's role is also to "educate." What also seems to be a long-term goal and vision of the board is how to diffuse the climate of cooperation and



trust at the top of OMED downwards to employees, employers, unions and the plant.

Finally, it should be noted that we have personally experienced the openness, flexibility and trustful atmosphere at OMED. We had no problems talking with people and obtaining any information we regarded as necessary.

In short, it seems clear that, given the provisions made by the new legal framework, the board's activities and commitment at the present time seem to be taking the right direction.

The second question has to do with OMED's success in implementing its basic goals as defined in the current legal framework. The first aspect of this issue is whether OMED's intervention during the period 1992-1993 resulted in a decline in the number of arbitration requests.

OMED's approach as regards arbitration has been "to persuade parties that it is not in their best interest to take the risk of invoking arbitration" (official speech - report 1993). Thus, arbitration seems to be viewed more as a "threat" than as services to be provided. This position is probably strengthened by the fact that although Act 1876/90 set out a rather voluntary approach to arbitration, at the same time a provision was made that arbitration awards be legally binding for both parties.

An analysis based on OMED and Ministry of Labour statistics shows that the number of arbitration requests steeply declined after the establishment of OMED (table 2). Closer examination of the arbitration cases reveals a number of points. First, the proportion of arbitration requests made unilaterally by the trade unions is much higher than the proportion of requests made by employers. It is clear that there has only been a slight decline, when the above values are compared with those of previous years, where almost all arbitration requests came solely from trade unions (table 3). Secondly, with only one exception, all arbitration requests in 1992-1994 were made subsequent to an effort at mediation. Thirdly, both sides appear to prefer to reach a settlement by award (ranging from 64.6% to 93% of cases). Finally, there has been a moderate increase in the number of cases where the arbitrator was accepted by both parties - from 19.4% in 1992, to 29.3% in 1993 and 28.6% in 1994.

With respect to the arbitration process per se, what is clear is that the "Final Offer Arbitration" model, even though it originates in "Athenian" law (Flanagan 1990), is not used as a decision rule. Instead, "conventional procedures" are generally adopted, whereby the arbitrator is free to decide on a final award after taking into account the position of the two parties, the results of his own research and the general economic and social conditions. However, this area needs further in-depth research to identify more precisely characteristics attributed to the model that is normally followed.

On the whole, then, the first goal related to arbitration seems to have been achieved.

TABLE 2  
Arbitration Cases Until 1994

<i>Arbitration Cases (analysis)</i>	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
Total number of requests – awards	148	59	61	61	96	102	87	32	32	39
% of total number of collective agreements	46%	57%	45%	23%	26%	36%	23%	16%	11%	NA
Unilaterally by Unions				99%						
Unilaterally by Employers				1%						

NA: Not available

As regards the effectiveness of the mediation process, some of the most interesting findings of the analysis of OMED's statistics, proceedings and anecdotal evidence are presented in table 4 and outlined below. To begin with, mediation appears to be a process invoked almost solely by the trade unions – 93.2% of the total number of mediation requests in 1992, 98.1% in 1993 and 96.3% in 1994 came from trade unions. Therefore, it is of crucial importance to conduct field research which examines the attitude of employers. Secondly, in more than fifty percent of cases the mediator had to proceed with his or her own settlement proposal. It is interesting to note that although the proportion of acceptance of mediators' proposals by trade unions shows a moderate decline, from 74.5% in 1992 to 65.2% in 1994, it remains rather high. At the same time, the proportion of joint acceptance by trade unions and employers of mediators' proposals increased significantly, from 8.5% in 1992 to 29.8% in 1993 and 28.9% in 1994. Thus, at first sight, the introduction of the proposal stage in the mediation process appears to have been successful. Thirdly, 33.4% of the 87 mediation cases handled in 1992, 45.3% of the 106 cases in 1993 and 42.7% of the 110 cases in 1994 resulted in settlements and the signing of collective agreements by all of the trade unions and employers' associations involved. Lastly, the level of joint acceptance of mediators rose from 36.7% in 1992 to 45.3% in 1993 and then to 50% in 1994. A very small number of mediators-arbitrators (five) appear to be strongly preferred by the two parties.

TABLE 3  
Arbitration by OMED 1992-1994

<i>Arbitration Cases</i>	<i>1992</i>		<i>1993</i>		<i>1994</i>	
	<i>Number of cases</i>	<i>% of total</i>	<i>Number of cases</i>	<i>% of total</i>	<i>Number of cases</i>	<i>% of total</i>
Total number of arbitration requests	40	—	48	—	42	—
Disputes settled by OMED by <i>award</i>	32	80	31	64.6	39	93
The two parties signed coll. agreement, avoiding award	3	7.5	8	16.7	3	7
Withdrawn/settled privately/unresolved	5	12.5	9	18.7	—	—
Unilateral requests by the <i>unions</i> (employers rejected mediation process)	5	13.9	8	19.5	3	7.1
Unilateral requests by the <i>unions</i> (employers rejected mediator's proposal)	27	75	29	70.7	37	88.1
Unilaterally requests by the employers (unions rejected mediation process or mediator's proposal)	2	5.5	1	2.4	2	4.7
Joint requests (by unions and employers)	2	5.5	3	7.4	—	—
Arbitrator accepted by both parties	7	19.4	12	29.3	12	28.6
Arbitrator appointed by lots: 1st drawing	16	44.4	18	43.9	22	52.3
2nd and 3rd drawing	13	36.2	11	26.8	8	19.1
Arbitration requests related to private sector	30	83.3	32	78	33	78.6
Arbitration requests related to public sector	6	16.7	9	22	9	21.4

TABLE 4  
Mediation by OMED 1992-1994

<i>Mediation Cases</i>	1992		1993		1994	
	<i>Number of cases</i>	<i>% of total</i>	<i>Number of cases</i>	<i>% of total</i>	<i>Number of cases</i>	<i>% of total</i>
Total number of mediation requests	99	—	128	—	116	—
Withdrawn or private dispute settlement	12	12.2	22	17.2	6	5.17
Total number of requests in which mediation process took place	87	87.8	106	82.8	110	94.8
Mediation requests <i>unilaterally</i> by unions	81	93.2	104	98.1	106	96.3
Mediation requests unilaterally by employers	5	5.7	2	1.8	3	2.7
Joint requests (by unions and employers)	1	1.1	0	0	1	1
Mediator submitted proposal for settlement	47	54.1	57	53.7	69	66.4
Mediator's <i>proposal</i> accepted by <i>both</i> parties – <i>Collective Agreement</i>	4	8.5	17	29.8	20	28.9
Mediator's <i>proposal</i> accepted <i>unilaterally</i> by unions (union: right for arbitration request)	35	74.4	37	64.9	45	65.2
Mediator's proposal accepted <i>unilaterally</i> by employer (right for arbitration)	5	10.6	0	0	0	0
Mediator's <i>proposal</i> accepted by the union and only <i>some</i> employer's associations	1	2.2	0	0	4	5.8
Mediator's <i>proposal</i> rejected by <i>both</i> parties	2	4.2	3	5.2	0	0

TABLE 4 (Continued)

<i>Mediation Cases</i>	<i>1992</i>		<i>1993</i>		<i>1994</i>	
	<i>Number of cases</i>	<i>% of total</i>	<i>Number of cases</i>	<i>% of total</i>	<i>Number of cases</i>	<i>% of total</i>
Dispute settled by OMED-Collective Agreement signed by all unions and employers' associations	29	33.4	48	45.3	47	42.7
Right on the part of the unions for unilateral arbitration requests	39	44.8	38	35.8	55	50.1
Right on the part of the employers for unilateral arbitration request	3	3.5	0	0	1	0.9
Unresolved disputes/exceptions	16	18.3	20	18.9	7	6.3
Mediator accepted by both parties	32	36.7	48	45.3	55	50
Mediator appointed by lots: 1st drawing	30	34.4	39	36.8	45	40.9
Mediators appointed by lots: 2nd and 3rd drawing	25	28.9	19	17.1	10	9.1
Mediation cases related to private sector	72	82.8	73	68.8	85	77.2
Mediation cases related to public sector	15	17.2	33	31.2	25	22.8

Close examination of the profile of mediator-arbitrators shows that the mediation-arbitrations Board consists of twenty members. Ten of the twenty members are appointed as arbitrators, and three of the twenty are women. In addition, eight of the mediator-arbitrators are lawyers. Of the rest, five specialize in labour law, three in labour economics, three in economics and statistics, and one in conflict management and industrial relations. The predominance of lawyers and labour lawyers is not surprising, since in Greece industrial relations are primarily approached as the regulation of the relationships between the two parties and leans heavily on the legal framework.

It is also interesting to note that one of the criteria used to determine the mediator-arbitrators' compensation is the "complexity" of a case. A case is considered "complex" when it includes many points of disagreement, the dispute is associated with terms and regulations which imply significant changes for both parties (such as a new pay system, hours of work) and, finally, when mediation takes place under conditions of extreme crisis and conflict between the two sides. An examination of all mediation cases in 1992-93 shows that only three cases were designated as complex, and of these three cases, one was solved by mediation. This evidence from our analysis of OMED's activities seems so far to fully confirm Kochan and Katz's position that the mediation process appears to better fit "positive contract zone" disputes, and that it is a rather "weak" tool for disputes related to multiple sources, highly intense conflicts and those implying significant intra-organizational changes (Kochan and Katz 1988: 269-71).

To summarize, our analysis of three years' experience of OMED in terms of the number of dispute settlements, the number of mediation requests, the extent of acceptance of mediators, and the changes in the behaviour of the two sides supports the conclusion that in, general, the mediation process is rather effective.

### ***SUMMARY AND CONCLUSIONS***

The "new industrial relations" debate constitutes one of the major issues raised over the past "decade of change." Two main strands have been developed. The first strand, implying reconstruction and innovations in collective bargaining and dispute resolution, has tended to stress the philosophy of co-management by trade unions and management, both at the macro and micro (or plant) level. In principle, this approach emphasizes the reshaping the neocorporatist industrial relations pattern, in a way to respond to demands of the new reality. This solution seems to be preferred by the EU, which recently institutionalized collective bargaining at the EU level. The second strand, represented by HRM and which emerged in the United States, appears to be in direct contradiction to both the neocorporatist and pluralist employment patterns. HRM aims to "incorporate" employees into the organization using sophisticated HRM policies to develop appropriate cultures, goals and strategies which mediate the tension between individualism and collectivism. HRM presumes a shift away from trade unions to the philosophy of individualism and a focus on the plant level.

Although each of the above strands presupposes quite different management styles and techniques, at the same time they appear to have some common elements and their future prospects depend heavily on "high trust" employment relationships. At the present time, HRM is more an ideology

and is far from being translated into coherent managerial practices. Finally, many things remained to be discovered about the first strand.

Greece adopted the first of these two approaches in 1990 (Act 1876/1990), thereby signalling a "U-turn" in its industrial relations system. This decision, although taken in the light of harmonization with relevant EU policy, appears to be better suited to the characteristics and historic specificities of Greek industrial relations. The institutionalization of free collective bargaining at the national, industry and plant level, third party intervention on a voluntary basis, and the establishment of OMED, form the core of the new status quo in employer-employee relations. OMED represents an interesting experiment not only in the Greek context of dispute resolution, but in the Western world as well. A general evaluation of three years' experience of OMED indicates that a gradual, positive change in the atmosphere of Greek industrial relations appears to have taken place. However, the transition from a long-standing low-trust and authoritarian industrial relations pattern requires the diffusion of the new knowledge and experience, changes in cultures and the support from multiple sources. Thus it is of utmost importance to develop integrative, dynamic, multidimensional (micro-meso-macro level) interdisciplinary research approaches to encompass and understand all aspects of employment relations.

OMED has an important role to play in Greek industrial relations, but strong support from the government, systematic research on new institutions, change in cultures and diffusion of information, knowledge and experiences, in particular to upgrade and diffuse management knowledge, form the huge agenda of the "new deal" in Greek employment relations.

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## RÉSUMÉ

### **L'évolution de la résolution des conflits, de la négociation et de la médiation en Grèce**

Au cours des quinze dernières années, l'économie mondiale, surtout des pays industrialisés, a connu une série de transformations radicales et continues sur les plans macro et microéconomiques. Ces transformations qui ont remis en question et changé les prémisses de base des structures d'emploi constituent un retournement du système traditionnel des relations professionnelles d'après-guerre en faveur d'un nouvel ordre.

Afin de comprendre à fond les développements contemporains dans le domaine des relations professionnelles, on élabore ici un cadre de développement des relations professionnelles en quatre étapes. Il existe deux courants de « nouvelles relations professionnelles ». Il semble que le premier courant qui implique la reconstruction et les innovations en matière de négociation collective et de résolution de conflits est privilégié par la CEE. Le deuxième courant qui est représenté par la gestion des ressources humaines provient des États-Unis. Bien que chacun des deux courants présuppose une philosophie, des modèles et des techniques de gestion bien différents, il semble qu'ils ont des éléments communs et que leurs perspectives d'avenir dépendent fortement de relations du travail de haute confiance.

La Grèce, qui est arrivée très tard sur la scène du débat des nouvelles relations professionnelles, a adopté la première des deux approches mentionnées ci-dessus, manifestant ainsi en 1990 un revirement dans son système des relations professionnelles.

Bien que cette décision soit prise en vue d'une harmonisation avec la politique de la CEE, elle s'inscrit mieux dans le contexte des caractéristiques et des spécificités historiques des relations professionnelles en Grèce. L'institutionnalisation de la « négociation collective libre » au niveau de l'industrie et de l'établissement, l'intervention du tiers sur une base volontaire et la création de l'Organisation de médiation et d'arbitrage (OMED) constituent l'essentiel du nouveau statu quo des relations du travail en Grèce. Quant à l'OMED, on soutient qu'il représente une expérience intéressante non seulement dans le contexte grec mais aussi dans le cadre de la résolution de conflits dans les pays occidentaux. Une évaluation globale (il s'agit du premier volet d'une étude en cours menée par les deux auteurs) des deux premières années de l'OMED confirme que des changements graduels et positifs dans le climat des relations professionnelles en Grèce sont en cours.

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