'Safety Matters Have Become Too Important for Management to Leave it Up to the Workers'

—The Nordic OSH Model Between Implicit and Explicit Frameworks

■ **Johnny Dyreborg**
Senior Researcher, MSc, PhD, NRCWE, Denmark

ABSTRACT

In a globalized economy it is relevant to question whether the Nordic Working Environment (WE) model will remain as the basic and implicit framework for the governance of the WE. This paper explores institutional changes in the governance of the WE, and critically examines how a more explicit and market-oriented framework might influence the governance of the WE in the Nordic countries. Firstly, the paper examines the changes in the governance of the WE at the societal level (Denmark) for the period 1954 – 2007, and identifies institutional logics informing these changes. Secondly, the paper examines changes in the governance of the WE at the level of the construction sector, using case material from four of the largest construction projects completed in Denmark in recent years. The analyses reveal three discrete periods, representing distinct logics influencing the governance of the WE, i.e., the logic of the state, the logic of democracy and the logic of the market. The logic of the state and the logic of democracy represent an implicit framework, whereas the logic of the market entails a shift to a more explicit framework. The shift to a more explicit framework for the governance of the WE, is also identified at the level of the construction sector. This leads to a pivotal shift in the clients' and the construction companies' relationship with the institutional environment in the four large construction projects. From worker representatives being the primary stakeholders, to a shift where the fulcrum of the development of the WE lies between management, the state and stakeholders in the companies' environment. This shift opens up a range of new and more market-oriented approaches to the governance of the WE that seems to challenge the extant Nordic WE model.

KEY WORDS

Construction industry / Governance / health and safety / institutional theory / regulation / reputational risk / worker participation.

Introduction

The Nordic Working Environment (WE) model, as a part of the Nordic Labour Market model, constitutes a long tradition of cooperation between social partners and the state, including collective agreements and participative approaches. This model has been taken for granted as an implicit framework with a strong impact on the governance of the WE in the Nordic Countries (Lindøe et al. 2001:22). The Nordic WE model has also provided an important impetus for the development of the EU Framework Directive for the WE (Riis & Jensen 2002). In a globalized economy with increased competition and flux of management concepts across borders, it is relevant to question

whether the Nordic WE model will remain as the basic framework for the governance of the WE. This article explores institutional changes in the governance of the WE and critically examines how these changes might influence the Nordic WE model, using the construction industry as the exemplar.

In a conversation I had with safety representatives involved in the building of the large and prestigious Multimedia house of the Danish Broadcasting Corporation, "Danmarks Radio" (DR), they expressed that "*safety matters have become too important for management to leave it up to the workers*". This observation by the safety representatives is symbolic of the changes in the governance of the WE that will be explored in this paper. The construction industry is known for being one of the most hazardous workplaces, because of the higher frequency and severity of accidents in the Nordic countries (Mikkelsen et al. 2004), as well as in the EU (Eurostat 2004; Lindøe et al. 2001). The client DR was aware that incidences of poor work safety in the construction of the Multimedia house could jeopardize the brand of DR. The client DR had the goal that the building site of the new multimedia house should be the safest in Denmark, and they put a lot of efforts in the management of the WE during the construction. In a ceremony in the Spanish city Bilbao, November 2004, the project received the '*European Good Practise Award 2004*', granted by the European Agency for Safety and Health at Work (2004). Hereby the reputation as a responsible client and a safe construction site were established.

This event can be seen as an expression of a turn of events in which the WE has assumed greater strategic importance to companies in their endeavours to demonstrate social responsibility. However, seen in a historical perspective, companies' social responsibility for the WE started a long time ago. The Nordic WE model, building on a strong cooperation among social partners and the state, is an institution associated with certain structures, understandings and social practices, which for over 100 years has developed and institutionalized social responsibility for people at work (Andreasen et al. 1999; Anne Trine Larsen 2005; Lindøe et al. 2001). National and international legislation and agreements between social partners have increasingly meant that employees have been involved in decisions affecting the management of companies (Hägglund & Degerblad 1996:143-149; Kristiansen 2005:388). Seen in this perspective, the past 10 years' more intensive focus on corporate social responsibility (CSR) in management circles, by authorities and various international organizations, seems to knock on open doors.

This paper argues that the social responsibility historically has been institutionalized in a number of societal institutions in the Nordic countries that allocates rights and duties, and thus limits the discretion of companies when it comes to the WE (Kristiansen 2005; Walters & Frick 2000). However, what is accepted as a social responsible behaviour will be under constant change and influenced by the extant institutional framework and governance structures (Rocha 2010). This assumption also entails that the predominant governance principles informed by the Nordic WE model in the various historical periods will influence social responsibility related to the WE. But what changes has the Nordic WE Model undergone and what happens when a more explicit and market-oriented framework, such as the CSR strategy, meets the implicit social responsibility in the Nordic WE Model?

Two research questions will be investigated in the following: what changes have there been in the institutional logics informing the governance of the WE and what impact do these changes have on the governance of the WE at the industry and at the company level? On the basis of these inquiries the article discusses whether a more explicit

and market oriented framework, is a complementary approach to the governance of the WE or whether it is an alternative that poses a challenge to the Nordic WE model.

This is done, partly in a historical perspective, at the societal level (Denmark), investigating the institutional changes in the governance of the WE within the Nordic Model, and partly, at industry and company levels, using the construction industry in Denmark as the exemplar.

Theoretical and methodological approach

In this paper I make use of neo-institutional theory, which is particularly well suited to combine a historical analysis of the evolution of governance structures related to the WE at the societal level (Dyreborg 2006), with an analysis of the influence on the governance of the WE at the levels of industry and companies (Campbell 2004; Thornton & Ocasio 2008). Friedland and Alford (1991) suggested that the core institutions of society, market, state, families, democracy and religion each has a central logic. This institutional logic constrains the means and ends of individual behaviour and is constitutive of individuals, organisations and society. There will often be more conflicting logics in a field, e.g., market, state and professions (Scott et al. 2002). This approach rejects both individualistic rational choice theories and macro structural perspectives.

Thorntorn and Ocasio (1999) defined institutional logics as 'the socially constructed, historical patterns of material practices, assumptions, values, beliefs, and rules by which individuals produce and reproduce their material subsistence, organize time and space, and provide meaning to their social reality'. Institutional logics consist of both structural (regulative), normative (behavioural) and symbolic (cognitive) carriers.

Institutions are thus understood as social structures that have attained a high degree of resilience but are at the same time subject to change processes, both incremental and discontinuous (Campbell 2004; DiMaggio & Powel 1991). In this perspective the WE must be seen as embedded in an institutional context which provides stability and meaning to social practice in the field, but is at the same time subject to change processes.

Furthermore, this paper uses the distinction between an implicit and an explicit framework, as suggested by Matten and Moon (2004), as an additional approach to explain changes in the governance of the WE. The implicit framework consists of values, norms and rules which result in primarily mandatory requirements for corporations, e.g., requirements related to the WE. The explicit framework would normally consist of voluntary, self-interest driven policies, programmes and strategies by corporations (e.g., CSR), addressing issues (e.g., fair payment, child labour, work safety etc.), perceived as being part of their social responsibility by the company and/or its stakeholders (Matten & Moon 2008).

A multi-level approach is taken, i.e., the societal level, the level of the construction industry and the level of the individual company. In the first part of the paper I will trace significant shifts in the institutional logics at the *societal level* (Denmark), which has informed the governance of the WE in the period 1954 - 2007. This analysis is based on written historical sources, e.g., issues of the magazine 'Working Environment'(Fälling & Lindegaard 1984) from 1954 to 2007 (in Danish; 'Pas På!', 'Tidsskrift for Arbejdsmiljø' and 'Magasinet Arbejdsmiljø'), books, governmental policies and documents. On a more operational level means – end relationships are mapped in the data material, and means –

end relationships that are widely reflected in all levels in the institutional field are defined as institutional logics. As institutional logics are resilient structures that only change very slowly it can be difficult to determine the exact point in time where a new dominating logic begins to take over. For this reason I used significant legislative changes as indicators for transitions from one period to another, knowing that these transitions can take several years and be preceded by significant cognitive and normative changes or events in the institutional field. Two important shifts, and thus three periods were identified in the studied period from 1954 to 2007.

To gain more insight into the importance of the institutional context for the individual company's governance of safety, in the latter two periods, an analysis on the level of the construction sector and the individual construction company will also be carried out. Data from four case studies of major infrastructure projects will be analysed, i.e., the Great Belt tunnel and bridge Link that was built in the years 1988-1998, connecting Funen and Zealand; the Oresund Bridge that was built in year 1992 – 2000, a tunnel and bridge connecting Denmark and Sweden; the Copenhagen Metro phase 1 and 2 that was built in the years 1994-2002, and finally the Multimedia house of the Danish Broadcasting Corporation (DR), which was built between 1999 and 2009. These analyses are based on case material that includes interviews, observations and written materials collected from company files. The data were analysed using the software program Nvivo 2 (Gibbs 2002), and the units of analyses are the institutional logics (means – end relationships) (Dyreborg 2006).

Responsibility for the WE has a long history

It is not something new that companies should take responsibility for the safety of their employees as this has been stipulated by national and international labour laws and conventions for more than a century (Koch & Nielsen 1998). Even in ancient time the responsibility of a builder was laid down in the legal codes by King Hamurabi (Richardson 2000).

> *"§ 229: If a builder builds a house for someone, and does not construct it properly, and the house which he built falls in and kills its owner, then that builder shall be put to death".*
> (Babylon law on constructions King Hamurabi, 1728-1686 BC)

The root of this governing principle is the fear of getting equitable retribution in case of an incident, and the normative standard for retaliation is the principle of an eye for an eye. It is unmistakable that a certain pressure was put on the part of the builder to do a proper job. Even if the basic idea of making somebody responsible for one's actions is not unfamiliar to us, it is, nevertheless, hard to believe that serious failures in construction work in our time, would entail the same tough consequences on the part of the builder.

From the 1800's onwards various laws aiming at reducing the working hours for children were introduced. In the United Kingdom the Factories Acts were already introduced at the beginning of the 1800s. The first acts were introduced in Denmark in 1873, and similar acts subsequently appeared in the other Nordic countries (Hägglund & Degerblad 1996; Koch & Nielsen 1998).

Seen from this perspective social responsibility related to the WE has for a long time been an issue that companies needed to take into account when doing business. This responsibility is driven by the normative pressure and enforcement of rules and regula-

tions in the actual social context (Matten & Moon 2004; Preuss et al. 2006). I would thus propose that social responsibility for people's WE is not a new issue as such, but the way in which responsibility is perceived and governed is influenced by the institutional context (Campbell 2006). This will also apply to companies' responsibility for the WE.

The Nordic WE is regulated mainly by transposition of WE Acts related to the European Framework Directive and the enforcement is managed by national Labour Inspectorates, which in Denmark falls under the Ministry of Employment. Another important part of the governance system in the Nordic Countries is the involvement of the social partners, which plays an important role in developing and supporting the labour laws. The social partners themselves can establish agreements related to the WE with some of them based on transposition of EU legislation. The agreements between the social partners govern the contractual relationship between the employee and the employer, whereas the legal system, i.e., the WE Act, primarily concerns the relationship between the employee and the WE surrounding the employee. However, these two governing systems are increasingly intertwined, in particularly when it comes to the psychosocial WE (Kristiansen 2005:388; Lindøe et al. 2001:27).

The empirical work related to the historical analysis includes the period from 1954 to 2007, where two major shifts in the governance of the WE were identified. First, a shift from a command and control approach to a democracy and employee involvement approach was identified (*first shift*). The command and control governance approach draws on the *logic of the state*, and the democracy and employee involvement approach draws on the *logic of democracy*. Later in the period, a shift from a governance approach based on democracy and employee involvement to governance structures based on competition and reputational risk was identified (*second shift*). The competition and reputational risk draws on *the logic of the market*. These changes should not be understood as a linear development with successive phases of logics, but rather that several (conflicting) logics might be present simultaneously with varying degree of influences.

Two other but less dominant logics were also identified in the empirical material. In particular a basic *logic of prevention*, i.e., "it is better to prevent than to cure". This appeared as a basic and relatively tacit and taken-for-granted logic in the field, throughout the period. Another less dominant logic throughout the period was the *logic of professions and knowledge* related to the state bureaucracy, science and professional bodies, e.g., the occupational health service. The logic of professions is a logic that can be identified in other fields as well, e.g., in the financial sector and in the health care sector (Lounsbury 2002; Scott et al. 2002).

In the following, I empirically demonstrate these shifts within a Danish context and then include the other Nordic countries in the discussion.

First shift: From *logic of the state* to *logic of democracy* (1954-1975)

The Command and Control Period

In 1954 a new law on industrial safety was introduced in Denmark, where safety committees became mandatory in dangerous factories (Socialministeriet 1956). These changes were already discussed in the 1930's but because of the Second World War the work on the law was deferred. Workers were also to elect a safety representative in es-

tablishments with ten or more employees. Although the safety committees at that time structurally resembled today's Joint Health and Safety Committees, it is essential for this article's argument to show that the former safety committees were not based on democracy and employee involvement, but that the committees and the safety representatives were 'labour inspector deputies' who controlled the employers' WE activities (Dwyer 2000:168).

In this way the safety committees and safety representatives could ensure compliance with the law on a daily basis, and thus serve as a supplement to the Labour Inspectorate, who only periodically inspected the premises (Federation of Workers' Education, Denmark - Arbejdernes Oplysningsforbund i Danmark (AOF) 1960; Rieper 1985: 86). In the Statutory Order of the Ministry of Social Affairs, from 1955, "Guidance on safety representatives" (Socialministeriet 1955), the focus was mainly on the safety representative's role as an inspector of work colleagues behaviour, and their duty to inform their employer about safety problems in relation to work and machines. In practice the safety representative was primarily imposed the role as the one who admonishingly kept a watchful eye on colleagues' accident-prone behaviour (Rieper 1985), in order to ensure:

> "that workers strictly adhere to the rules and regulations that have been introduced in order to protect them from dangers and health risks, and that they respect and keep active the preventive measures that may be taken with this in mind, and using these measures according to their purposes" (Nilsson 1956).[1]

Members of the Safety Committees acted in this way as the Labour Inspection's "internal watchdog" 'in the daily safety work, and the safety representatives educated their work colleagues in working safely with the new dangerous industrial machinery, and in this way controlled that the legal provisions were complied with.

> "The background for the establishment of safety committees in the industry was initially that is was realized, that labour inspectors only have the possibility to inspect the individual company, with longer intervals." (Atlung 1961).

In this period the predominant view was the worker protection perspective. Work accidents and occupational diseases were perceived as by-products of the modern development, which could easily be eliminated through workers' awareness, the provision of information about hazards and technical progress in the industry (Federation of Workers' Education, Denmark - Arbejdernes Oplysningsforbund i Danmark (AOF) 1960).

> "It must be considered a matter of course to ensure the removal of the hazards, which may appear, and when an accident happens, it will often be because you either were unaware of it or you have not recognized an existing danger" (Secretary, Jørgen Nicolaisen, Labour Inspection Authority (AOF 1960:12).

In summary, it can be concluded that the governing principle, which should ensure societal responsibility for the WE in this period, was the enforcement of the WE Act. The logic behind the enforcement and development of the WE was thus a command and control approach drawing on *the logic of the state*, and the *normative standard* was defined by the WE standards specified in the Act.

Employee Involvement

In 1973, the Danish Parliament passed a law on employee representatives on corporate boards. Prior to this adoption, there had been a broad societal debate on the democratization of industry, preparation of reports as well as a bill on economic and industrial democracy presented in the Danish parliament (Christensen & Westenholz 2001). At the referendum in 1972 the majority voted for Denmark's membership in the European Community (EC). There had already been a discussion of industrial democracy among former members of the EC, where West Germany already had introduced employee representatives on company boards. This resulted, according to Christensen and Westenholz (2001), that the right-wing parties and employers' professional organizations considered democratization as harmless, and perhaps even necessary.

The worker protection laws were reviewed in the 1970s, and employee influence was suggested as a new instrument to improve the WE, not least because of pressures from the General Workers Union (Kolstrup 2006). In 1972 a new legislation came into force in the internal management of the WE (Fälling 1972b), which established that all companies with more than ten employees should implement a safety organization, i.e., a safety committee with representation of employees and management. Furthermore, a more comprehensive WE Act was decided on in 1973 and came into force the on 1. July 1977. Democracy as a basic idea had its entry in terms of employee participation in company boards and on the internal cooperation and development of the WE, supported by the social partners. However, the employer's managerial rights remained unaffected, although the Working Environment Act could be viewed as a systematic and very comprehensive exemption from employer's managerial rights (Kristiansen 2005:388). Similar WE Acts came into force in Norway on 1. July 1977, in Island on 1. January 1981, and in Sweden the new law came on 1. July 1998 (Lindøe et al. 2001:25). Finland had experienced smaller successive changes in WE legislation during the years.

The organising principle behind the strengthening of the safety organization was that the working conditions in future should be improved through the democratization of working life. The Social Democratic Minister of Work, Erling Dinesen, set up an independent working group that aimed to scrutinize the fundamental objective of the worker protection laws ('Arbejdsmiljøgruppen af 1972' 1973; 1974; 1975; 1976; Fälling 1972a). Democratization of working life was a major focal point for this working group, which featured three major reasons for democratization. Firstly, employee involvement was in itself a tool to create a better WE. Secondly, employee involvement in itself affects the WE, and the third reason was that the individual's influence should be considered as a right in itself ('Arbejdsmiljøgruppen af 1972' 1976). Several approaches and degrees of influence on the working conditions were suggested, but the result of the later WE Act was a participation-based model, where the legal basis protected safety representatives against arbitrary dismissal and loss of income during their safety work similar to the protection of shop stewards (Kolstrup 2006:15).

The revised WE Act of 1975 (Arbejdsministeriet 1975) and the later 1978-Order (Arbejdsministeriet 1978), put a great deal of emphasis on the employees' influence on planning and processes with a focus on minimizing harmful exposures from the WE (Arbejdstilsynet 1988). The basic idea of the legal framework was now clearly shifted so that it was the working conditions which were to be adapted to the employees, and not vice versa - the workplace was now considered the patient, not the employees (Sønderriis

1989). This became a slogan for the changes in the new approaches to solving WE problems, in opposition to the system with company physicians, where the worker in practice was the patient. In the official discourse the admonitory attention was now, in principle, called to the harmful environment around the employees, and to a lesser degree the employees themselves. Another important aspect of the 1975-law was the change from the worker protection perspective, which acted to protect workers from some well-defined and isolated hazards in the production environment, to the introduction of a broader and more inclusive concept of 'working environment', where issues related to the WE could be raised by workers and problems could be settled locally by negotiation (Kabel et al. 2008; Lorentzen 1988; Sørensen 2007). A parallel development took place in Norway and Sweden (Allvin & Aronsson 2003).

The Command and Control governance model was in this way supplemented by a decentralized participation model to ensure that companies themselves could solve WE issues in cooperation between employers and employees with the control and guidance from the Labour Inspection and the social partners (Rieper 1985). In the preamble of the Working Environment Act it is stipulated that the norm is to create "a safe and healthy working environment that is always in accordance with the technical and societal development" (Beskæftigelsesministeriet 2005). According to the preparatory work of the law this preamble should be interpreted as companies must always "strive for a WE that is on par with the best companies when it comes to safety and health" (Falk et al. 1978:42; Kristiansen 2005:361), and actually go further, if the societal perception precedes the best companies (Huulgaard & Knudsen 1991:42). Similar norms are included in the WE Acts in Sweden and Norway, even though, that these Acts more clearly emphasise the aim of creating a safe and healthy WE compared to the Danish WE Act (Lindøe et al. 2001; Trygstad & Lismoen 2008).

The *governing principle* of the WE during this period was primarily based on development of democracy and employee involvement, and the technical and social developments in society provided the *normative standard*. Thus, the governance of the WE was primarily informed by the logic of democracy in the period between 1975 and 2001, and in order to support this development knowledge and education of safety representatives were established. The logic of the state was still important in the period, but this logic was less predominant as a governing principle, compared to the logic of democracy. This is also consistent with the development of more reflexive forms of regulation that delegated the WE problems to be solved directly between management and employees at the company level (Koch & Nielsen 1998).

This entails that the norm for the WE, is not only linked to the statutory standard of worker protection laws, as was the case of the 1954 legislation, but in accordance with the new, and more dynamic, Framework Principle, the working environment was to be on par with those companies doing it best, and the most predominant governance principle was informed by the logic of democracy.

Second shift: From *logic of democracy* to *logic of the market* (1975-2007)

New regulative proposals coming from the Labour Inspectorate on reduction of noise levels and improvement of working conditions for sewerage workers, were perceived as a threat to the improvement of competitiveness and to combat the high unemployment

rates (Litske 1987). During the economic crisis in the early 1980s the Social Democratic Government introduced cost-benefit analyses of all new proposals for WE regulations. In the middle of the eighties, when a Conservative Government took office, the issue of WE was increasingly connected with commercial policy objectives. Under the heading 'Working Environment and Growth', requirements for the WE were, according to the conservative-led government, to lead to product innovation, expertise and export opportunities (Arbejdsministeriet 1986).

With the 'Clean Working Environment 2005'-reform of 1995, new instruments were identified, where the aim was to stimulate the politically observant consumer, so more WE friendly services and goods were chosen. Under the headline "The working environment - the individual's responsibility throughout the lifetime", the individual citizen was called upon to contribute to a clean WE. The consumer role was to be changed so that WE friendly goods and services were demanded (Arbejdstilsynet 1995). Although these steps were not implemented in practice during the program period (Arbejdstilsynet 2007), they were nevertheless a harbinger of a shift to a new organising principle in dealing with the WE.

Initiatives related to the inclusive labour market and CSR in the late 1990s focused on getting companies to bear a greater share of social responsibility for public services, especially in order to retain employees with reduced work capacity (Boxenbaum 2005; Holt 2000; Nielsen & Dyreborg 2001). In this way the WE policies were coupled with other policy fields, which moderated its more conflict-oriented status. However, the WE was also brought out of the more isolated role it had in the joint health and safety committee, and was coupled with other strategic areas, which traditionally fell within the management's rights to manage. As we will see, this development will put a pressure on the local joint health and safety committees, as an organizational framework for developing the WE at the company level.

Although this second shift became more evident with the presentation of the Liberal-Conservative government's WE reform 10. June 2003, it was a development that already had been started in the 1990s. In this new reform the politically observant consumer received a new instrument, the Smiley-Scheme (Arbejdstilsynet 2005). The idea behind the 'Clean Working environment Reform' in 1995 was to make the WE a public issue, with a focus on consumer choice of WE-friendly products and services. This reform can be seen as a precursor to the Smiley Scheme. However, the smileys were, in the end, not labelled on the WE friendly products, but on the individual company exposing its working conditions to the institutional environment:

> "Claus Hjort Frederiksen [Minister of Employment] emphasizes that the smiley scheme will strengthen prevention in the companies, because each company's efforts in improving the working environment becomes visible to both employees, customers and the public ..." (Arbejdstilsynet 2004).

The WE thus becomes more and more articulated in a competitive perspective, using market forces as a means to improve the WE, which in turn paves the way for more market-oriented governance structures. The *logic of the market,* as a basic principle for the governance of the WE, has come to the forefront, and regulative measures are being implemented that will expose the company's social responsibility for the WE towards a broader range of stakeholders. The *normative standard* is the expectation from the insti-

tutional environment for the content and extent of this responsibility. The WE Authority is given a new and growing role in making the content and scope of each company's social responsibility visible to its external stakeholders, e.g., by making the individual company's smiley public on the authority's web site. A negative smiley exposes the company to the environment, which in turn could transform it into a *reputational risk* for the company, a term suggested by Michael Power et al. (2009).

From implicit to explicit social responsibility for work safety

In the investigated period from 1954 to 2007 it is not questioned whether companies should take social responsibility for the management of the WE. However, as an answer to the first research question, the analysis has shown that there are significant changes in the institutional logics that govern this social responsibility for the WE. In the first period the WE was governed through the enforcement of rules and regulations, which were drawing on the *logic of the state*, and the normative standards, are stipulated in the law. In the second period, beginning in 1975, the democracy and employee involvement came to be the prime mode of governance of the WE together with the introduction of a decentralised structure at company level for the election of safety representatives and procedures and roles for cooperation between employers and employees with regard to solving WE issues (Nielsen 1986:4-9). This governance structure draws on the *logic of democracy*, and the technical and social development in society provided the normative standard that companies should strive for.

Finally, in the third period beginning in 2001, new regulative changes and policies emerged, e.g., the introduction of various performance standards and corporate social responsibility approaches that emphasised competition and exposure to the institutional environment of the companies' performances, and as such the governance of WE was increasingly drawing on the *logic of the market*. The expectations from the institutional environment provided the new normative standards that companies were to interpret and strive for (Figure 1).

The latter historical period is relatively short and consequently the empirical basis is weaker, and therefore should be interpreted with some caution. In addition, there was not a larger law complex adopted by the Danish Parliament, but rather incremental changes of the 1975 law. However, 2001 was a turning point, partly because of new legislation putting emphasis on the market perspective and partly because a new Liberal-Conservative government took office, who emphasised the deregulation and the market logic as a prime governance principle. However, it should be emphasised that the other two logics, the logic of the state and the logic of democracy did not disappear in the period, but they were less salient and to a lesser degree a part of the public discourse on the development of the WE. Thus the WE Act is still being enforced by the WE Authority and safety representatives are still being participating. However, more soft law elements were introduced in the period, and the new policies, like certification and the smiley-scheme, enabled the logic of the market. Ove K. Pedersen (2011) underpins this dominance of the logic of the market in a newly published book in which he argues that the Danish welfare state is being transformed to a 'competition state', which has other tasks than the welfare state and is also organized and governed differently.

Figure 1: Changes in the dominant institutional logics for the governance of the working environment at the societal level, Denmark (1954-2007)			
	The logic of the State (1954 – 1974)	**The logic of democracy** (1975 – 2000)	**The logic of market** (2001 – 2007)
Regulative changes	More intensive enforcement and safety representatives as a supplement to enforcement	Joint Health and Safety Committees in all sectors	Certificating, standards, performance indicators, CSR
Driving force of governance	Command and control	Democracy and employee participation	Competition and reputational risk
The normative referent for WE standards	Standards for safety at work are stipulated in rules and regulations	Standards for the WE should follow technical and social developments in society	Standards for the WE follow the perceived expectations of stakeholders of the company
Perception of hazards	Unambiguous and technically well-defined hazards in work	Multi-causal exposures, difficult to distinguish work and non-work exposures	Multi causal exposures, difficult to distinguish person and work
Predominant prevention logic	Building barriers between hazards and workers, and workers must be on their guard for hazards	WE should be adjusted/adapted to workers	WE as culture, lifestyle and individual responsibility
Obligation or virtuousness	Compliance with rules and regulation	Involvement of workers in decisions	Parade the right attitudes
Role of Employee	Victim	Participant	Resource
Ministry (Denmark)	Ministry of Social Affairs	Ministry of Labour	Ministry of Employment

Thus all three logics, and perhaps even other less dominant or widespread logics in the institutional field, are available for people and organisations in the field of the WE to challenge and to use, and must be seen as potentially competing logics. However, the analysis indicates that the logic of the market is the dominant in the latter period, and will provide the most important logic that individuals will draw upon in their production and reproduction of their material subsistence, in providing meaning to the development of the WE and to the practices and rule structures used in the field. A report from the Nordic Council of Ministers also concludes that the governance of the WE in all Nordic countries put increased emphasis on the market logic, but in varying degrees

in the Nordic countries, with less emphasis on the logic of the market in Finland and most emphasis on the logic of the market in Denmark (Lindøe et al. 2001:105-106).

Whereas the social responsibility for the WE primarily has been an implicit part of the formal and informal legal and collaborative system at the workplace, the responsibility has increasingly become more explicit as '*corporate social responsibility*', drawing on the logic of the market in the last decade (Matten & Moon 2008; Trygstad & Lismoen 2008). It is no longer sufficient that companies comply with the rules and regulations, or that they involve their employees, but rather it has become a key virtue to show the right attitudes to meet stakeholders' expectations for taking social responsibility for the WE and to counter reputational risks.

The position of the employees has also changed over time, from a passive object of protection (*victim*) to one who has legal rights to watch over via the democratic structures (*participant*), and finally the employees are increasingly seen in a resource perspective (*resource*). The latter perspective entails an increasing focus on reducing absenteeism, improve job retention, reduce early retirement and thereby increase the availability of manpower. This does not mean that worker participation, i.e., the logic of democracy, is no more important for improving the WE, but that worker involvement has become a less predominant logic, and it may be that employee participation has become a means to an end, rather than the end in itself.

The emerging logic of the market establishes a competitive framework where reputational risk (Power et al. 2009) constitutes an important element in the governance of WE. This framework provides new governance mechanisms that is enabled by the state and influenced by a range of external stakeholders as a potential risk to the company, and in turn provides the basis for new market-oriented measures in the governance of the WE, i.e., the logic of the market. CSR must be seen as an explicit strategy adopted by companies to counter governance mechanisms based on the logic of the market.

The second purpose of the article was to examine the importance of these institutional changes for governance of the WE at the level of the construction industry and individual corporations, and whether the explicit framework, i.e., the market logic, is adjuncts to the existing governance principles or an alternative? Expressed in an institutional perspective the conflicting logics of the governance of the WE will be examined. This question will be examined through four case studies representing some of the largest Danish construction projects in recent times, where the explicit framework and CSR strategies have played an increasing role.

The Construction industry – and its new institutional environment

Industrial associations have been aware of the growing importance of the demands to companies coming from stakeholders in their environment. In a report by the Danish Construction Association this is made clear:

> "The requirements for companies on social responsibility, especially in the working environment field, will henceforth be ever greater. A safety certificate is a tangible proof that the company is making a determined effort to ensure employee health and welfare. The certified company will be much stronger in the competition for new customers and new workforce" (Dansk Byggeri 2004).

A certificate is in this case highlighted as a tangible proof of being socially responsible, and thus having a competitive edge in attracting both customers and workforce. The visible evidence demonstrating the right attitude is not an insignificant factor in the legitimacy of CSR regarding the WE. This development also manifests itself in changing WE strategies in relation to recent years' major construction projects in Denmark. In the following I will examine how the governance of the WE is transformed into an explicit framework in these major construction projects, and what it means for how the WE is being managed. The case analysis will start with the construction of the Great Belt Link, Denmark.

The Great Belt link Construction runs into stakeholder problems

The establishment of the Great Belt Link, a 16 km tunnel and bridge link between the two main Danish islands started in 1988 and lasted 10 years. The large and sustained attention as this construction project had from the stakeholders in the environment was something entirely new for the construction industry at that time. There were two main reasons for this attention from the external stakeholders. First of all it was triggered by the project's controversial status already from the beginning because of the possible ecological impact, and secondly public attention was drawn to the problems that the project encountered along the way of political, technical and safety related aspects. For example, severe safety problems were encountered in relation to the excavation of the tunnel under the Great Belt, as the following example illustrates:

Suddenly, 11 June 1994 in the early morning, a gas alarm started in the northern tunnel under the Great Belt on the Zealand side and 10 seconds after a violent explosion occurred in front of the large tunnel boring machine Dania. Stig Christensen (conductor and tunnel foreman):

> "My inner voice said to me 'Stig, now you drive into a two-kilometer long tunnel, 50 meters below sea level, where a 220 meter long tunnel boring machine is in flames (...) and I just got a regular panic attack" (Christensen 2007).

Work on the Great Belt was dangerous, and although the fire did not cost lives, it was such events that attracted the attention of workers, unions and other stakeholders to the poor WE on the project. There were seven fatal accidents during the construction of the Great Belt Link, and the accident incidence rate was about twice the rate of the construction industry in general (Dyreborg 2006; Dyreborg et al. 2010). The contractor of the Great Belt Link had not established a safety and information team with adequate expertise to handle such a complex and difficult project with regard to safety (Nielsen 2007). According to the regulations, it was the contractors' responsibility to manage safety at the site, apart from safety in public areas, where the client was required to coordinate safety. However, since the client was mainly concerned with the legal aspects and collaborative relationships internally within the project, the client was unable to match the emerging expectations from stakeholders in the environment and to demonstrate social responsibility for the large project (Dyreborg 2006).

The Great Belt Consortium's communication policy was oriented towards the traditional three parties, namely government, employees' and employer's organizations. This

communication strategy was, however, out of step with the new network of stakeholders and their expectations. For example, the client could not demonstrate social responsibility to the stakeholders by passing the responsibility for the poor safety standards to the individual contractor. Seen from the stakeholders' perspective, it was the client who appeared as the one who was responsible for the safety conditions at the construction project. These factors contributed to the fact that this large construction project ran into major problems in relation to stakeholders, and it resulted in long delays. In addition, the project received a 'posthumous reputation' as being scandalous, particularly because the accident rate was well above the industry average (Nielsen 2007; Overgaard 1991). The experience from the construction of the Great Belt Link thus demonstrated that it became more important to establish a wider social acceptance, when large public construction projects were to be undertaken (Dyreborg 2006).

The Oresund Link - a turning point for safety in construction

The client of the Oresund Link between Denmark and Sweden on the Danish part of the project, the Danish government, did not want the serious problems from the Great Belt Link repeated during the construction of the Øresund link. One of many new initiatives on this project was that the client undertook the coordination requirement concerning the WE and thereby stood as a notable pioneer client in the industry. The WE was thus a major focus area in the establishment of social responsibility, and the project instituted new standards for the organization of WE in larger construction projects. For instance, safety campaigns, safety courses, safety rounds, and monitoring systems were introduced, and the approach was also supported by representatives of management and labour, who also put a lot of efforts into the safety work during the construction of the link (Øresund A/S et al. 1997). Overall, this strategy contributed to an improvement of the work safety, and led to a significant reduction in the number of accidents during the construction of the Oresund Link (Spangenberg et al. 2002). Interestingly though, the Danish construction workers experienced 4-5 times more accidents on this project compared to their Swedish colleagues (Spangenberg et al. 2003).

However, the need to establish new forms of relationships with the stakeholders was recognised by the client if social acceptance of this major construction project was to be achieved. This awareness is expressed quite well in the interim report of the Oresund Link, concerning the WE (Øresund A/S et al. 1997).

> "A large infrastructure project such as the Oresund Link is, when it is finished, more than the sum of the steel and concrete, it consists of. The very making must match the surrounding community's demands and the external perception of an environmentally sound, ethical and responsible behaviour, which includes the conditions that the thousands of employees are working under."

The actual interim report was part of a communications strategy aiming to build public acceptance and understanding of this large construction project. Underway in the project doorbells were rung at each of the affected neighbours, and public meetings were held for residents and other stakeholders who were affected by the project (Poulsen 1998). This was the turning point that illustrates that the inward-looking, the technical scientific

rationale, and the legal focus were no longer enough to achieve legitimacy among the stakeholders. This is expressed clearly by the Information Officer for A / S Øresund, Ajs Dam, (quoted here from (Poulsen 1998:57).

> "We executed a 360 degree environmental analysis from the clients, i.e. from the [Danish] Ministry to the green organizations, neighbours, users, governments, municipalities, contractors, unions and so on. If we were to have room for our company, we had to create confidence and trust that we could manage the task and that we would treat others properly."

The client of the Great Belt Construction failed by only using a one-way communication strategy, where information was sent out without knowing about stakeholder expectations. With the Oresund Link construction this was recognised, and by use of environmental analysis the stakeholders' expectations and thus the reputational risks were known, and it was possible to integrate them into the corporate strategy. The communication policy for the Øresund Link project aimed at calming down any public feelings that possibly could disturb the core activities of the project (Poulsen 1998: 61).

> "The objective of the Øresund Link communication strategy is to gain public acceptance of the project and provide such a relationship to the public that the technical organization will have peace and quiet to accomplish the project."

The need to shield the core activities from the outside world is particularly sensitive in the case above, where a huge and controversial building project has been launched. This clear demarcation of a new communication strategy, I would describe as a *watershed* in the governance of risk reputation, at least when talking about major public construction projects in Denmark. This model for organizing the WE and managing risk reputation is indeed maintained by subsequent large construction projects, such as the establishment of the Copenhagen Metro and the Multimedia house of the Danish Broadcasting Corporation (DR).

During the construction of the Multimedia house of the Danish Broadcasting Corporation (DR) an intensive communication with the stakeholders was likewise established. This strategy was to contribute to maintaining or enhancing the brand of DR. The experience from the Oresund Link project provided a strategy for managing the institutional environment, which could be taken over by other large construction projects.

However, managing risk reputation is not without cost to an organization. Both the Metro project and the DR Multimedia house project pursued another major innovation of the Øresund project, the establishment of an external reference group for health and safety. It functioned as an 'external safety committee' which laid the strategic framework for the WE at the construction project. The reference group had representatives from public authorities, trade unions, entrepreneurs and people from the industry in general. These representatives could act as an intermediary between stakeholders in the environment and their expectations for a socially responsible building project, and on the other hand, act as 'ambassadors' for the client and the builders, by continually sending out positive messages to their hinterland and stakeholders. The cost is the time and influence

that the client had to provide to this external reference group. The possible outcome is a reduced reputational risk and increased legitimacy of the organisation.

Kjeld Boye-Møller (Project Director, DR):

> "It also works the other way round, so that the reference group will be the ambassadors of the stuff, i.e., the attitudes we have, (...) They know about the factual things we do, and carry it over into their system , it's a good thing."

Interviewer:

> "What can you make of it, that they carry it over, if one could say so?"

Kjeld Boye-Møller (who in this case refers to the construction of the Oresund Link):

> "I remember an episode from Sydhavnsgade [Building site] where there was a crane toppling down into the excavation, one evening, and I think it was TV2 [national television] that was out there first. Before I came to answer the media, the Working Environment Authority responded to the media saying that the Oresund Link construction project does everything they can for the working environment, so there is nothing to worry about."

In this case the client achieved a normative legitimacy in the environment, which means that their behaviour and actions are assessed on the basis of values that are desirable in the field (Suchman 1995). The Labour Inspection Authority's evaluation was not based on a condemnation of the current event in itself, but rather assessed it in relation to the actor, as a normative judgement. The client, in this case for the Oresund Link project, had succeeded in the creation of a solid legitimacy in the institutional field to such an extent, that a reasonable serious incident, instead of criticism of the client and the management of the project, lead to a reaffirmation of their efforts in establishing a reputation of having a high WE standard.

Managing legitimacy had become as important as managing the project in itself, in order to preserve the image of a socially responsible corporation, in this case regarding safety management. Reputational risks have become costly for companies, and in expenditures may exceed the cost of safety measures.

Henning (Director, NCC)

> "... if they [employees] do something in order to gain advantage without using the proper safety equipment, we actually look at it very critically. We do not look at it as if they've saved resources; we look at it as if they have damaged our image."

The general public is present in both the client's and the contractor's assessment of their relations with the environment, as a reflexive component. The great importance attached to the institutional environment and the reputational risks it could encounter, has not only been materialized internally in terms of marketing, company policies, safety measures and emergency plans, but also in the establishment of the client's communication contingency plan, in case of sudden reputational crises. The concern about how the organization is perceived by the institutional environment has been internalised (Power

et al. 2009). The *logic of the market* is thus present in the organisational policies, procedures and practices with regard to the WE.

However, it is equally important that the logic of the market, within the institutional field, opens up entirely new forms of governance of the WE in the construction industry. In 2005 a 'grade book' was introduced, that all construction companies were to possess in order to bid on public tenders. Each contractor's 'grade book' includes information on exceeding of time and economy, the extent of defects, customer satisfaction and work accidents (Hesdorf et al. 2003). This is how CEO Curt Liliegreen, The Building Evaluation Centre, describes the idea of the grade book (Liliegreen 2004).

> "The companies that in one way or another engage in sloppy or cheating activities, will obviously not get very good grades, and it would therefore be difficult for them to get contracts for governmental building projects."

Like the smiley scheme, the grade book aims to expose the builder's WE performance and other types of performances to consumers and other stakeholders in the environment, which in turn will have indirect implications for their earning power. Without an institutional environment based on the market logic, the smiley scheme and the grade book would probably have limited impact.

WE between an implicit and explicit framework

Seen in an institutional perspective CSR is not just a new attractive concept that companies voluntarily can use in order to impress the institutional environment (Campbell 2006). On the contrary, it is rather a 'must' that companies must manage the dynamic pressure on the company, which in this case means that the larger contractors and builders are forced to handle the increasingly demanding institutional environment and reputational risks regarding the WE. In this respect, firms have not necessarily become more socially responsible with regards to the WE as such, but it has been necessary to make the social responsibility more explicit towards a broader and perhaps a more complex range of stakeholders, that previously only counted the state and the social partners. An important question is to what extent the more explicit market oriented framework, such as CSR, influences the implicit social responsibility integrated in the existent framework for the governance of the WE in the Nordic countries (Morsing & Beckmann 2006; Shanahan & Khagram 2006).

From internal to external 'watchdogs' of the WE

The Joint Health and Safety Committee has been characterized as the company's internal watchdog for the WE (Jensen 1990), which should ensure that companies meet the normative standards. The Working Environment Acts in the Nordic countries stipulate the basic rules and procedures for how the employer and employees in cooperation shall solve WE issues with guidance from the authorities (Hasle 2001; Jensen 1990; Rieper 1985). The previous analysis has shown that the traditional tripartite cooperation has been challenged by a broader set of stakeholders in the institutional environment. The

problem of the safety organization is not just that the prevention activities seem to be reactive and ad hoc (Hasle 2001; Jensen 1990), but more fundamentally, that the safety organization is unable to capture the wider set of stakeholder interest that exist when major public construction projects are carried out. In other words, the management's strategic focus on the WE has shifted from workers as the primary stakeholders, to a broader and more nonspecific group of external stakeholders, including the public, neighbours, NGOs, etc.

This is illustrated quite well with the establishment of the external reference group during the construction of the Oresund Link, the Copenhagen Metro and the DR Multimedia house, as described above. Although this external reference group only included the traditional "internal" stakeholders, this shows clearly a need for a new structure that can capture the expectations from a broader range of stakeholders in the "grey zone" between safety and health legislation, cooperation and the political environment, or the 'sub-politics' as suggested by Matten (2004) in accordance with Beck (1997).

This development implies that the driving force in developing the WE will be located in the triangle between the state, management and the institutional environment. As is illustrated in **Figure 2**, this implies that the local joint health and safety committee tend to be switched off, as soon as the triangular relationship between government, business and environment becomes the main focal point for carrying out WE activities. A similar observation is made by Lindøe et al (2001:108 and figure 7.1), who suggest that the strength of the tripartite system at the national level remains strong, but that it will be weakened at the local level because the governance of the WE will bypass the tripartite system.

Figure 2: The shift from and implicit to an explicit framework for governance of the working environment

JH&SC = Joint Health & Safety Committee
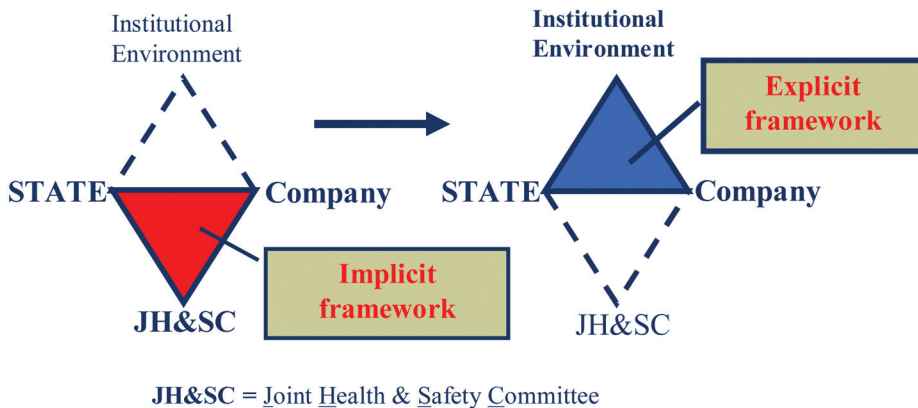
Traditionally, the enforcement of WE regulations by the authorities has been the most dominant approach to ensure social responsibility for the safety of workers, and the Joint Health and Safety Committee was intended to have the role as the 'internal watchdog', keeping an eye on whether WE standards were met, and if not, to report it to the labour inspectorate. The increasing importance of the institutional environment involves a somewhat broader range of stakeholders or 'external watchdogs' that mediate the

provision of social expectations through a range of channels. The established mecha-nisms, smiley schemes, certification schemes, etc., will, in principle, give the institutional environment the means to keep up with companies' WE behaviour, and in turn provide new sources of reputational risk for companies (Power et al. 2009). I will take these arrangements as a manifestation of an institutionalization of a market-oriented gover-nance of the WE, i.e., the logic of the market, which is reflected in both legal, normative and material practices.

The construction industry's increased orientation towards the institutional environ-ment thus creates an entirely new arena for the governance of the WE. As such, the joint health and safety committee, as an arena for influence and development, can thus be pushed somewhat into the background. In her inquiry into the handling of chemicals in Australia over two decades, Suzanne Benn (2004:408) identified similar patterns. In this case, local committees were established that helped to facilitate communication between companies, communities and authorities at the points where the traditional tripartite cooperation did not cover. Similarly, it appears that the Joint Health and Safety Commit-tees at the large construction projects analysed in this paper, were not able to capture the broader range of stakeholders throughout the institutional environment, and therefore may be captured via the established external reference group for safety. Interestingly, this external safety committee opens up new channels for involvement of stakeholders, and thus a broader democratic perspective that challenges the employees and the state as the primary stakeholders.

Conclusion: The Nordic Working Environment Model between implicit and explicit frameworks

Seen from the institutional perspective used in this paper, some significant changes were identified in the institutional logics informing the governance of the WE. During the period examined, there has been a shift from an implicit social responsibility embedded in the institutions related to the Nordic WE model, to a more explicit corporate social responsibility for the governance of the WE. The social responsibility for the WE in the implicit approach was secured through the enforcement of the WE Act (*the logic of the state*) and involvement of employees in developing the WE (*the logic of democracy*). The explicit social responsibility is very much tied to a more market-oriented governance of the WE (*the logic of the market*), where companies come to be accountable to a wider range of external stakeholders.

This entails that the corporate strategic focus on the WE tend to move from the safety organization to the institutional environment in order to better address the expectations of the external stakeholders affected by the large construction projects examined in this paper. This was solved on the Øresund Link construction project through the creation of the 'external reference group' for health and safety at work, with participation from the government, trade unions, entrepreneurs and people from the industry in general, which together contributed to the improvement of safety on this construction project. The management's strategic focus on the ex-ternal stakeholders, regarding the WE at the DR Multimedia construction project meant that the safety representatives experienced that it was management who 'drove the WE business'. This contributed to the strategic development of the WE mainly

being located in the relationship between state, management and the external environment.

A strong focus on accident rates implied that the on-site safety performance was primarily focusing on the employees' safety behaviour, absenteeism and return to work programs and to a lesser degree on the primary prevention on-site. The WE became part of a 'human resource management' strategy. The results demonstrate that, at the very moment when new forms of governance of the WE come into force, such as certification, smiley schemes and other types of performance measures, then the content and form of the social responsibility for the WE will change.

To the extent that the WE is seen in a worker protection perspective, and linked to standards in the WE Act, then the joint health and safety committee makes up an appropriate organizational arena for solving problems related to the WE. But, at the point where the WE becomes part of a corporate strategic perspective, such as CSR linked to norms in the institutional environment, then the joint health and safety committee is 'cracking at the seams'. The reason for this is that the WE is coupled with policy areas falling under the human resource management domain, for example if work accidents are seen in the perspective of absenteeism, and not accident prevention. Problems which in the legal sense are defined as a matter between the employee and the WE, e.g., exposure to accidental risks, and which can be a case for the joint health and safety committee and the labour inspection authority, can shift into the corporate agreement arena that governs the relationships between management and employees.

These changes can cause conflicts between the more implicit social responsibility for the WE, and the more explicit corporate social responsibility, i.e., conflicts between the three institutional logics (Figure 3). There is partly a conflict between the enforcement of a law, i.e., the logic of the state, based on a prevention idea where the (long term) primary prevention is fundamental, and then the need for companies to demonstrate

Figure 3: Potential conflicts between three institutional logics the governance of the working environment
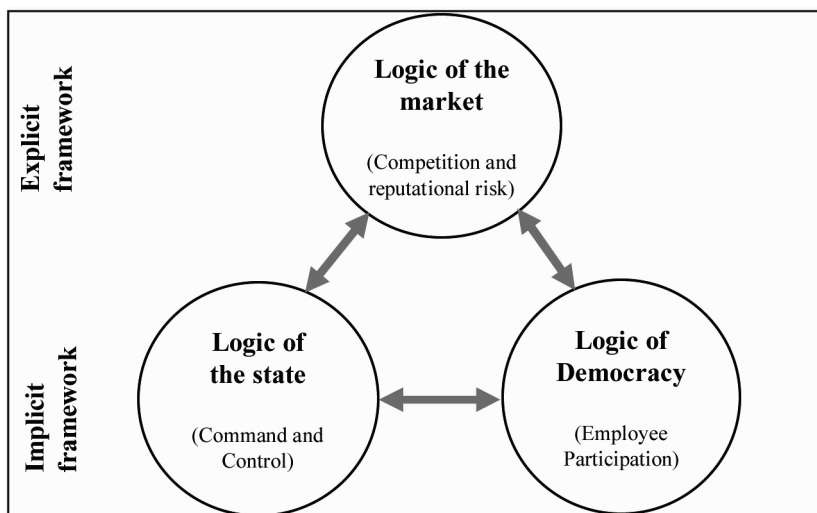
corporate social responsibility here and now to their institutional environment, i.e., the logic of the market. Due to pressure from the institutional environment, in this case competition on accident rates, focus is directly on the frequency of accidents. It shows an unfortunate side effect of this type of regulation that could mean a shift in the company's focus on accident prevention. Instead of the 'long haul' to reduce the risk of accidents at work, then, the solutions focus rather on compensation. This could be the introduction of swift and efficient back-to-work measures for injured employees, in order to avoid an accident being counted in the accident statistics, a phenomenon known as 'trickery' (Jæger 2005). One of the basic prevention principles laid down in the EU Framework Directive (1989), that prevention should take place as close as possible to the source of the hazards, seems to be weakened in the practical WE activities.

A conflict was also identified between the implicit social responsibility, i.e., the logic of democracy, and the explicit corporate social responsibility with regard to the role of the safety representative. When the corporate social responsibility takes over, and it is the triangular relationship between government, company and external stakeholders, that is pivotal for the development of the WE, the safety representatives will have to share their role and influence with other external stakeholders. Instead of being participants in shaping the WE, there is a danger that employees are only involved to the extent that management takes the necessary detour and consults the employees in order to fulfil their corporate social responsibility. In this sense the Nordic WE model as the basic framework for the governance of the WE in the Nordic countries could be challenged, in particular when it comes to the local involvement of employees. Where the WE is driven by the co-operation between employers and employees in the Nordic WE model, then the development and definition of what counts as WE, seems to be driven mainly by the management in the explicit CSR perspective. This tendency is facilitated by the voluntary aspect that the EU assumes regarding CSR, and this provides management a central role in the definition of CSR (Frostenson & Borglund 2006). An important question that cannot be fully answered from this study, is to what extend employees are involved in the development of the CSR strategies in the Nordic countries (Trygstad & Lismoen 2008).

However, at this point there is also a potential for sustaining the democratic and participative principles, since it opens up to the external stakeholders, including the unions, being able to influence the individual company's transactions regarding the WE, as was the case with the external reference group for the Øresund Link construction project. In the three construction projects, the Oresund Link, the Copenhagen Metro and the DR Multimedia house, the safety representatives had to share their influence with the external reference group. In the explicit CSR framework, it is thus important to distinguish between the role of the trade union at a regional or national level and the role of workers and their representatives at the company level. The trade union level would be even more important in order to ensure WE cooperation on the company level, and not only to cooperate on the more general level with regard to participation in development of WE regulations (Preuss et al. 2006).

In light of the foregoing it is concluded that the explicit framework and CSR approaches, must be seen as a competing perspective, informed by the logic of the market, and not merely a supplement to the existing implicit framework for the governance of the WE in the Nordic model, informed by the logic of democracy and the logic of the state. Whether these changes in the institutional logics will result in a better WE or not, will depend on the extent to which external stakeholders, in practise, have interests and

opportunities to act as watchdogs (Braun & Gearhart 2004). In the case where external stakeholders are not persistent, it may be a step backwards for the WE, particularly if employees' position as internal watchdogs in the meantime becomes weakened. In addition, it must be questioned whether performance goals, smileys and other rating instruments, which form part of the market-oriented governance of WE, are reliable and sensitive enough to inform external stakeholders. In this sense, the WE could be too important an issue to leave up to external stakeholders.

   There are some limitations in this study. Firstly, it is only the construction industry that has been examined and it is only larger construction companies having been included. Smaller companies might not be representative of these findings. Secondly, the comparison with other Nordic countries is not straightforward, as only secondary data have been used. For these reasons, caution should be taken in extending these findings to other industries and settings, i.e., how important the logic of the market will be in relation to the governance of the WE in the other Nordic countries. As indicated above, Denmark might be the Nordic country where the market logic most strongly has influenced the governance of the WE, and for this reason it represents an informative case for the study of challenges to the Nordic WE model, as shown in this paper.

Acknowledgement

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End note

[1] All quotations are translated by the author, from Danish to English.