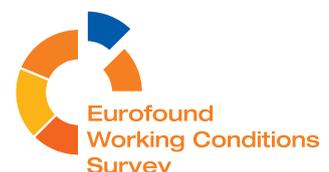




Work organisation and employee involvement in Europe

A report based on the fifth
European Working Conditions Survey



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5th

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Survey**

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Country codes

EU27

The order of countries follows the EU protocol based on the alphabetical order of the geographical names of countries in the original language.

BE	Belgium
BG	Bulgaria
CZ	Czech Republic
DK	Denmark
DE	Germany
EE	Estonia
IE	Ireland
EL	Greece
ES	Spain
FR	France
IT	Italy
CY	Cyprus
LV	Latvia
LT	Lithuania
LU	Luxembourg
HU	Hungary
MT	Malta
NL	Netherlands
AT	Austria
PL	Poland
PT	Portugal
RO	Romania
SI	Slovenia
SK	Slovakia
FI	Finland
SE	Sweden
UK	United Kingdom

Country groups

Continental: Austria, Belgium, France, Germany, Luxembourg and the Netherlands

Eastern Europe:

- East-Central: the Czech Republic, Hungary, Poland, Slovakia and Slovenia
- East-North: Estonia, Latvia and Lithuania
- East-South: Bulgaria and Romania

Nordic: Denmark, Finland and Sweden

North-West: Ireland and the UK

Southern: Greece, Italy, Portugal and Spain

The Mediterranean islands of Cyprus and Malta were not assigned to a group.

Other country groups

EU15 15 EU Member States prior to May 2004 (Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, Sweden and the United Kingdom)

NMS 12 new Member States that joined the EU in May 2004 (Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia) and in January 2007 (Bulgaria and Romania)

EU27 27 EU Member States, comprising the EU15 and the 12 new Member States

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Executive summary

Introduction

Given the importance of a highly skilled workforce for economic growth, the need to develop systems of work organisation to foster employee motivation and well-being is likely to become increasingly important to the policy agenda. It has been argued that organisations with high levels of employee involvement will be particularly successful in this respect. At present, relatively little is known about the prevalence of employee involvement across the EU and the factors that encourage it. The extent to which employee involvement leads to mutual benefits for the employee and employer is also controversial. The report *Work organisation and employee involvement in Europe* draws on data from Eurofound's fifth European Working Conditions Survey (EWCS) of 2010 to investigate these issues and to strengthen the evidence available.

Policy context

The European Union is committed to increasing competitiveness and to improving working conditions for all its citizens. The issue of whether forms of work organisation exist that are beneficial to both productivity and quality of work is crucial for the viability of this agenda. Analysis of the evidence from the EWCS strengthens the empirical basis for discussion between policy actors on the feasibility of and conditions for improving systems of work organisation.

Key findings

Patterns of employee involvement

In the EU27 overall, most of the workforce is in organisations that provide very limited opportunities for employees to participate in decision-making, either in their immediate job or in relation to wider organisational issues

affecting their work. While 38% of employees were in low involvement organisations in 2010, just 27% were in high involvement organisations, with 35% in organisations that offer intermediate levels of involvement.

There were marked differences between countries in the control that employees can exercise over their work tasks, their involvement in wider organisational decision-making and the likelihood that they work in a high involvement organisation. The Nordic countries (Denmark, Finland and Sweden) had the highest levels of involvement, while the Southern countries (Greece, Italy, Portugal and Spain) and the East-South countries (Bulgaria and Romania) had particularly low levels of involvement. The high levels of involvement in Nordic workplaces are evident even when a wide range of factors relating to individual characteristics and economic structures are controlled for. This suggests that it is influenced by a distinctive policy environment.

There were also important differences among the new Member States that joined the EU in 2004 and 2007. The East-North group of countries (Estonia, Latvia and Lithuania) had relatively high levels of involvement, being closer to the Nordic pattern than either the East-Central (Czech Republic, Hungary, Poland, Slovakia and Slovenia) or East-South groups.

Gender differences in involvement were relatively small, although women tended to have greater control over their immediate job tasks, while men had more say over wider organisational decisions.

Determinants of employee involvement

There was a strong association between types of work and employee involvement. Involvement was relatively low in work involving routine machine production, but considerably higher in work dealing with people and particularly in work involving extensive use of computer technology.

There was also a clear relationship between opportunities for involvement and occupational class, with those in more skilled jobs having a greater say over their work. However, there were also considerable differences between country groups in the extent to which involvement practices varied by occupational class, with occupational class differences being particularly low in the Continental and Nordic groups.

Organisations with a strong human resource capacity appeared to be particularly conducive to greater employee involvement. This is consistent with the view that involvement works most effectively when embedded in a wider organisational culture concerned with employee development.

The provision of institutionalised channels for dialogue between employers and employees was also an important support for effective employee influence. Where consultative procedures existed, employees were more likely to be in a high involvement than in a low involvement organisation. The association between the national strength of trade union membership and high involvement organisation also pointed to the potential importance of macro-level mechanisms of cooperation between social partners.

Consequences of employee involvement

There was also a strong association between the level of employee involvement and the opportunities for informal and formal learning at work. Nearly 60% of employees in high involvement organisations had received training in the previous 12 months compared to just over 42% of those in low involvement organisations. Greater involvement was also associated with stronger employee motivation in terms of commitment to the work task and to the wider organisation.

There were clear benefits in terms of working and employment conditions from being employed in an organisation that provided greater scope for involvement in decision-making. There was a significant reduction in general physical risks in the work environment, such as exposure to high levels of noise, extreme temperatures and potentially dangerous physical burdens. Such organisations also provided greater flexibility with respect to working time. More generally, employees in high involvement organisations were less likely to think that their health and safety was at risk because of their work.

Greater opportunities for involvement in decision-making were associated with higher levels of psychological well-being – for both men and women. It was also consistently related to fewer physical symptoms of stress. Furthermore, employees in high involvement organisations were less likely to be absent due to health problems.

Changes over time

There was a small increase in task discretion scores between 2005 and 2010 for both men and women. However, the pattern varied considerably by country, with primarily southern and eastern European countries experiencing a significant rise in employees' control over their job tasks.

Policy pointers

- The analysis shows that employee involvement can support employers' objectives to raise levels of work performance and can also enhance the quality of employees' lives at work.
- Employee involvement is a critical element of work quality, both in itself and for other key dimensions of work quality such as physical working conditions and work intensity.
- Higher levels of employee involvement are more likely to be found in companies with relatively advanced technology and a more skilled workforce.
- Policies that encourage employers to invest in well-developed human resource capacities are likely to be favourable for employee involvement.
- Policy support could be given to assist small and medium-sized companies in the implementation of advanced human resource management.
- Small and medium-sized companies could benefit from policy initiatives and funding to support better networking between companies and sharing of knowledge, skills and facilities.
- European Commission initiatives to encourage the spread of information and consultation procedures could lead to more widespread and effective employee involvement.

Introduction

This report assesses developments in patterns of work organisation in the EU27: the prevalence of different types of work organisation, their determinants, and the implications for employee learning, motivation and well-being. It takes employee involvement as the core dimension of work organisation.¹ As well as being central to the most influential theories of work organisation, this has been viewed as critical to both organisational productivity and employee psychological well-being.

Employee involvement could potentially be of major policy significance in a society increasingly dependent on knowledge-intensive production. Higher skills, it is argued, require more extensive use of discretionary effort on the part of employees, while the nature of the work is inherently more difficult to monitor. Involving employees more closely in decision-making may help to ensure the high levels of commitment that will motivate people to:

- make full use of their abilities;
- develop their skills;
- take the initiative in conditions where detailed managerial control of work performance is unfeasible.

At the same time, employee involvement is seen as fundamental to the quality of work and is widely thought to be a major factor affecting employees' welfare, their opportunities for self-development, satisfaction at work and psychological well-being.

The empirical trends in the forms of employee involvement, their variations by occupational class and gender, and their implications have, however, been controversial. While there is evidence in many countries of the growth of formal institutional arrangements to enhance direct dialogue between employers and employees, their effectiveness as channels for employee voice has been contested. Knowledge about the factors that encourage or discourage initiatives to involve employees more closely in decision-making is

limited. A relatively unexplored issue is whether the processes that stimulate employee involvement are relatively general across advanced capitalist societies or whether they are mediated by specific economic and organisational environments. There is little understanding of how developments in employee involvement are affected by the business cycle or by national institutions of employment regulation. Not least, there is a marked lack of information about the possible implications for employee involvement of the economic crisis.

Moreover, strong evidence about the implications of employee involvement is still limited. There are relatively few studies about its relationship to opportunities for skill development. There has even been debate about its implications for employee well-being. While some have claimed that employee involvement is an effective way of meeting the need of employees for work that provides opportunities for self-development and self-realisation, others have argued that it is a mechanism for intensifying work and undermines employee well-being. It is unclear whether the benefits or costs of employee involvement are similar across diverse categories of the workforce, for instance between men and women and between those in higher and lower occupational classes.

This report seeks to provide a clearer empirical assessment of the conflicting claims. It focuses on four central issues:

- the pattern of employee involvement in 2010 in the EU as a whole and in its constituent countries and regions;
- the structural determinants of the level of employee involvement;
- the consequences for employee learning, motivation and well-being;
- the extent and direction of change in employee involvement since the mid-2000s.

¹ This contrasts with analyses of work organisation based on the fourth European Working Conditions Survey which started from more holistic typologies of work organisation derived from hierarchical cluster analysis (Eurofound, 2009).

A simplified version of the underlying conceptual framework is presented in Figure 1.

Patterns of employee involvement

Employee involvement refers to the opportunities for employees to take part in decisions that affect their work. It is concerned with the capacity of employees to influence decisions as individuals rather than through representatives. It is often used synonymously with the term ‘direct participation’. Opportunities can be provided which may or may not be taken up; employee involvement therefore includes not only effective influence but latent capacities for action. It is the common concept that underlies diverse notions of ‘new forms of work organisation’ – whether ‘high involvement’, ‘high performance’ or ‘learning organisations’ – and it provides a core theoretical dynamic of their arguments.

In principle, it is possible to distinguish three levels of employee involvement:

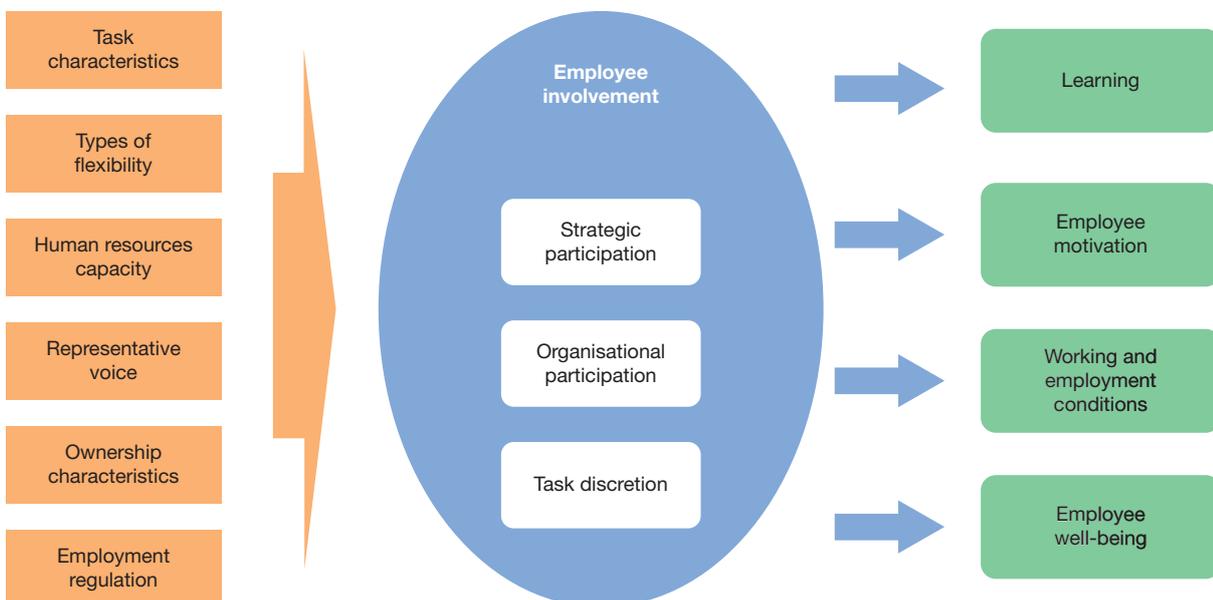
- higher level decisions such as investment, workforce structure and product development;
- involvement in decisions about work organisation;
- involvement in decisions about the immediate job task.

Although there is little consensus in the literature about nomenclature, this report refers to these three levels as ‘strategic participation’, ‘organisational participation’ and ‘task discretion’, respectively.

In practice, the fifth European Working Conditions Survey has a well-established set of indicators of task discretion, an enhanced set of questions on organisational participation and no questions for measuring strategic participation. The forthcoming wave of the European Company Survey (ECS) should provide a richer source of evidence with respect to strategic participation. This report therefore focuses on the second and third levels of involvement.

Previous empirical research has primarily examined involvement at the level of the job task or task discretion (Hackman and Oldham, 1980; de Terssac, 1992; Gallie et al, 2004; Gallie, 2007). This research revealed the limitations of workplace reform focused solely on the distribution of decision-making powers between front-line supervision and employees. This in turn has increasingly led to a view that task-level involvement practices are only likely to be effective and durable when they are embedded more widely in organisational practices (Frobel and Marchington, 2005). Some research has pointed to significant country variations in employee participation in wider organisational decisions (IDE, 1981; Tannenbaum and Rozgonyi, 1986; Heller et al, 1998). However, the relationship between different levels of involvement is empirically underexplored. Therefore, an assessment

Figure 1: Determinants and consequences of employee involvement



of patterns of employee involvement also requires an examination of employee influence over wider decisions about work organisation (organisational participation) and the way these relate to immediate job control.

Employee involvement systems are conceptualised in terms of combinations of the two dimensions – task discretion and organisational participation. Schematically this gives a matrix of four types of organisational context (Table 1).

Determinants of employee involvement

It is possible to distinguish at least six potential influences on the prevalence of employee involvement systems. These are:

- the characteristics of the work task;
- the nature of employer flexibility policies;
- organisational human resources capacity;
- the availability of consultative and representative institutions;
- the type of ownership;
- the nature of employment regulation.

However, the arguments about specific mechanisms are quite diverse. Moreover, they differ as to whether specific factors are viewed as direct determinants or mediators of the efficacy of employee involvement.

Arguments about the characteristics of work tasks have focused on two different types of factors:

- the type of work in the sense of the nature of the work process;
- the skill level of the job.

Theories regarding the importance of types of work point in rather different directions. The most substantial body of research has looked at the effects of technology on job

tasks. Theories of automation (Blauener, 1964; Woodward, 1970; Piore and Sabel, 1984) postulated that technical development was reversing earlier trends towards the simplification of work and the reduction of employee influence over the work process. Discussions about the growth of services pointed in a similar direction, with the view that work that is primarily concerned with people would require greater involvement of employees in everyday decisions about their work (Bell, 1974). However, there is also an extensive literature on the enhanced powers of monitoring and control that advanced technologies provide to employers.

Skill has also been seen consistently as a major factor affecting employee influence over decisions (Zhou, 2009). Occupational class theory postulates a very different employment relationship between higher skilled and lower skilled employees. For the former, employers are concerned to mobilise discretionary effort and ensure retention, while the priority for the latter is to maximise flexibility to hire and fire. The logic of this argument implies that employee involvement opportunities will be primarily directed at those in more skilled occupational positions.

The potential importance of flexibility policies derives from literature about the way employers may have been adapting to greater product market uncertainty. Some theories of innovation suggest that product market uncertainty provides the conditions for higher involvement through ‘organic’ as distinct from ‘mechanistic’ organisational structures (Burns and Stalker, 1961). The re-emergence of interest in employee involvement in the managerial literature was premised on the increasing importance of product and service quality in an increasingly competitive environment (Walton, 1985; Wyer and Mason, 1999; Wall et al, 2002). However, other theories of the implications of increased competitive pressure and uncertainty underlined the necessity of enhanced numerical flexibility, which was unlikely to be conducive to employee involvement (Atkinson, 1985; Capelli et al, 1997).

Segmentation and flexibility theories have argued that differences in employment relationships are centred on differences in contractual status. Employees in permanent and full-time work benefit from generally privileged employment relationships that would be conducive to employee voice, whereas temporary and part-time

Table 1: Types of employee involvement

	High organisational participation	Low organisational participation
High task discretion	High involvement organisation	Discretionary organisation
Low task discretion	Consultative organisation	Low involvement organisation

employees constitute a peripheral workforce with generally disadvantageous employment conditions. This has been linked to gender disadvantages in employment, leading to the expectation that women will have fewer involvement opportunities than men given their greater concentration in part-time and temporary work. Such arguments clearly have relevance for the issue of the implications of the economic cycle or major economic crises for decisions about work organisation and workforce structure.

It seems plausible that effective employee involvement systems require relatively sophisticated human resources capacity. This is particularly the case in larger scale organisations that face more complex problems in the coordination of work activities. The existence of such capacity is not easy to establish from an employee survey, but it is likely to be reflected in more employee-centred systems of supervision, greater use of teamwork, stronger systems of performance assessment, opportunities for career advancement and reward systems that reflect collective performance.

Ownership characteristics have also been seen as potentially important for the pattern of employment relations. In general, employees in the public sector have been thought to benefit from more progressive employment policies than those in the private sector, if only because it was more difficult for the state to avoid implementing regulations designed to improve employee welfare in organisations that it controlled directly. At the other extreme, employees in small and medium-sized enterprises (SMEs) are often assumed to be relatively vulnerable to directive forms of management, since ownership is commonly with private families who wish to retain their managerial prerogatives.

Finally, and least elaborated, it has been suggested that there are major differences in the character of the employment relationship not only within, but between countries as a result of different national systems of employment regulation. Particularly influential has been the argument of ‘varieties of capitalism’ or ‘production regime theory’: that differences in the coordination practices of employers and in systems of skill formation are associated with differences in the importance attached to employee involvement (Soskice, 1999; Hall et al, 2001). There are, however, alternative accounts of national difference that emphasise power relations in the wider society or cultural path dependency (for instance with respect to trust, authority and gender cultures).

Consequences of employee involvement

To examine outcomes, the report focuses on four issues that are crucial to the debate about the positive-sum or zero-sum nature of organisational structure:

- learning opportunities at work;
- employee motivation;
- work and employment conditions;
- employee well-being.

Learning opportunities at work

The scope for learning new things at work is a critical aspect of work organisation in an increasingly knowledge-intensive work process with rapid technical change. There are plausible grounds for the view that higher levels of involvement enhance learning opportunities. Where employees are given more responsibility, employers have an interest in ensuring that they are adequately trained to take sensible decisions. Furthermore, involvement in decisions on the job provides opportunities for on-the-job learning through the everyday work process (Felstead et al, 2010; Gallie et al, 2012). If the economic crisis has entailed reduced employee involvement, it may then have reduced learning opportunities at work, with important additional costs for future productivity.

Employee motivation

In this report, employee motivation refers to a disposition to achieve sustained high quality work performance. As such, employee motivation has both task and organisational dimensions. In its task dimension, it designates the willingness to put in discretionary effort, which is likely to be closely related to the perceived interest and usefulness of work tasks. In its organisational dimension, it designates commitment to the employing organisation, which may be reflected in feelings of belongingness, shared values and adequate rewards.

Higher involvement is presumed to enhance motivation in two different ways. First, it is considered to be intrinsically valued, so that employees are more likely to emotionally invest in jobs that provide rewards of self-determination. Second, by providing opportunities for voice, it makes it more likely that other aspects of working conditions and work rewards match employee expectations.

The first ‘intrinsic’ source of motivation is likely to depend on the value employees attach to self-determination. Some suggest that this may vary both by skill level and gender

(for example, with lower work centrality among female employees). But robust evidence on such differences in work values is still lacking.

Work and employment conditions

Extensive research over several decades has pointed to the general deterioration of working conditions that accompanied the extreme simplification and division of tasks characteristic of Tayloristic systems of production (Friedmann, 1946; Chinoy, 1955; Braverman, 1974; Durand, 1978; Durand and Hatzfeld, 2003). There are grounds for expecting that higher involvement work systems are associated with higher standards of health and safety at work. The greater the employees' control over decisions, the more likely it is that work intensification will be kept in check. Indeed this was one of the original motivators of the emphasis on removing their control in 'scientific management'.

Employee well-being

A key issue is the capacity of work to enhance employee well-being. An important aspect of this is the implications for psychological well-being (that is, its capacity to enhance positive affective psychological states). But these also may find physiological expression such as anxiety in muscular tension and rapid heart rate, depression in sleep disturbance, fatigue and loss of appetite. It has been shown that enduring negative well-being is reflected in higher sickness absence and can be a significant cause of physical ill-health.

Perhaps the most influential (although still controversial) theories on the links between employee involvement and affective well-being are:

- 'demand-control' theory, which postulates the importance of employee control in mediating the psychological impact of work pressure;
- the theory of 'organisational justice', which emphasises the importance of procedural adequacy and predictability in adapting to perceived threats to personal well-being.

However, some have argued that involvement practices undercut employee well-being through their implications for the intensification of work (Barker, 1993).

An issue that crosscuts all these themes is whether employee involvement has similar consequences for men and women. High levels of female labour market participation are relatively recent in many countries and there has been considerable debate about whether women's orientations to work, in particular with respect to the intrinsic aspects of work, are similar or different to those of men. One

influential line of argument has suggested that employment is less central to women's life values and identity (Hakim, 1991, 1996). If this is the case, it could be that employee involvement matters less to women and that its consequences for both motivation and well-being are correspondingly less great. However, good research evidence on work orientations, especially of a comparative type, is scarce.

EWCS data

The European Working Conditions Surveys (EWCS) have been conducted by Eurofound every five years since the 1990s.

The first EWCS was carried out in 12 Member States and focused on risks, work organisation and working time. With the enlargement of the European Union over the past two decades, the EWCS has expanded into new geographical areas and the topics extended to include new areas of interest. The fifth EWCS, conducted between January and June 2010 on 44,000 workers in 34 countries (EU27 and Norway, Albania, Croatia, Kosovo, Montenegro, Turkey and the former Yugoslav Republic of Macedonia), covered a wide range of issues that included leadership styles, work organisation, worker participation, working time, precarious employment, pay, work-related health risks, cognitive and psychosocial factors, work-life balance and access to training. Of particular interest to this report is the enriched set of questions for assessing the prevalence and depth of employee involvement. Further details of the survey methodology are available from the technical report (Eurofound, 2010) and in Annex 1 of the overview report (Eurofound, 2012).

With its coverage of all the countries of the EU27, the fifth EWCS offers the possibility of contrasting developments in the different regions of the EU with their diverse institutional arrangements and cultural heritages. For at least a subset of the questions, it allows comparison with the results of earlier surveys, making it possible to compare patterns during a period of lengthy economic stability with those following the most severe economic crisis since the interwar period.

Although the fifth EWCS provides an invaluable basis for a systematic assessment of changes in employee involvement practices in Europe, the limitation of cross-sectional data means that causal links cannot be identified through comparison of survey results in different years. The use of terms such as 'effects' should be understood as shorthand for reporting associations between various factors rather than implying any demonstrated causal relationships.

It should also be borne in mind that the survey provides a view of work organisation through the eyes of

employees. While it is likely that they are particularly well placed to have a view about the influence they can exercise over their work environment, such evidence should be regarded as more tentative than conclusions based upon a combination of both employer and employee accounts. The strength of associations may be overestimated as a result of a 'halo' effect in which, for instance, a predisposition by an individual to a positive or negative evaluation may affect their reports of different aspects of their work experience.

A view of organisational characteristics from the point of view of employees is also likely to be derived from the particular sectors of the organisation in which they work. In practice, organisations may be segmented, with different categories of employee experiencing different relationships with their managers. In this report, when specific forms of 'organisation' are referred to, the more immediate organisational context experienced by this type of employee is meant.

Research methodology

The analysis uses a range of statistical methods. In the main, charts present results based on cross-tabular analysis methods, scoring and scaling methods, multivariate statistical methods and multilevel analysis. Cross-tabular analysis is suited to the identification of patterns and trends within survey data. Scoring and scaling methods are used to summarise and group the questionnaire responses, as past research has shown that, in measuring a substantive concept, a score or scale based on several correlated items provides more reliable information than any of the component items. Before bringing a group of items to form a composite measure, the internal consistency of these items is tested by means of reliability analysis. The statistical method used to assess inter-item reliability is Cronbach's alpha (Cronbach, 1951); a coefficient alpha above 0.6 is considered to indicate a reliable scale. However, the conclusions drawn also reflect more complex analyses controlling for potentially confounding factors. Significant results from such analyses for all employees are shown by an asterisk (*) in the relevant figures in the report and significant results for separate analyses for men and women by a plus sign (+).

The multivariate statistical methods used depend on the nature of the response variable. Three main types of multivariate techniques were used:

- multiple linear regression analysis;
- ordered logit models;
- logistic regression analysis.

In interpreting the meaning of regression coefficients, it is necessary to bear in mind that the effects of different independent variables can often not be compared directly because the variables are not commensurate. For instance, a unit increase in a given form of organisational flexibility may have very different implications for employee involvement compared with a unit increase in employee occupational class. In order to compare the magnitude of the effect of different factors, a separate set of analyses was carried out in which dichotomised values of independent variables were used to predict employee involvement. This exercise has the benefit of producing regression coefficients that allow comparison of the effect of variables measured on different response scales, but it also has the limitation that subjective judgement had to be used when determining a cutoff point for variables measured on odd number response scales. When interpreting the multiple regression results, this study has relied on the results from full regressions (using the original independent variables) to examine whether a factor has a statistically significant effect on employee involvement. The results from regressions using dichotomised predictor variables are used only to compare the effect of independent variables where statistically significant relationships exist.

In addition, multilevel analysis is used to explore the extent to which country variance in employee involvement can be accounted for by for the compositional differences in the workforce as compared with macro level institutional arrangements. Multilevel analysis is an ideal method for analysing data that have a hierarchical structure where individuals are nested within higher level units. It takes into account the fact that individuals within groups tend to be more similar to each other than those randomly sampled from the general population. Multilevel analysis is a useful tool for identifying contextual characteristics that help shape organisational design features such as the level of employer bargaining coordination and the strength of organised labour.

Throughout the report, cross-national weight (w5_EU27) was applied to analysis carried out at the aggregate EU level and post-stratification weight (w4) was applied to analysis conducted at country level. No weight was used in the analysis at country group level, which controls for individual countries to ensure that the effects discovered are applicable to all countries within the region.

Country and regional variations

As well as the overall pattern for the EU, the report examines variations both at the level of individual countries and in different regions of the EU. The latter is relevant for

assessing progress with respect to regional convergence, a key objective of EU social cohesion policy (European Commission, 2010).

In addition, a number of ‘regime’ arguments in the literature suggest that certain geographical regions share common institutional characteristics that lead to distinctive forms of work organisation, although there is considerable divergence in views about the institutional features that are most important in this respect (contrast Soskice, 1999; Gallie, 2007). Moreover, regime arguments have focused on the EU15 and there is no clear indication in the literature of how they are to be extended to the new Member States (NMS) of central and eastern Europe. The report does not seek to address such arguments systematically, but highlights specific points of interest.

For the western European countries, the analyses distinguish between:

- ✎ countries in north-west Europe (Ireland and the UK);
- ✎ Nordic countries (Denmark, Finland and Sweden);
- ✎ continental countries (Austria, Belgium, France, Germany, Luxembourg and the Netherlands);
- ✎ southern countries (Greece, Italy, Portugal and Spain).

With respect to the 10 NMS of central and eastern Europe, the report adopts a categorisation into:

- ✎ an East-North group (Estonia, Latvia and Lithuania);
- ✎ an East-Central group (the Czech Republic, Hungary, Poland, Slovakia and Slovenia);
- ✎ an East-South group (Bulgaria and Romania).

This makes it possible to examine the possibility that eastern European countries may have been influenced by the characteristics of neighbouring western European models.

The Mediterranean islands (Cyprus and Malta) do not fit easily into any conventional geographical classification of countries. Rather than artificially associate them with a specific group, they have been kept separate. They are present in the EU27 and the full country analyses, and their relative position with respect to the country groups is commented upon in the text.

In the analyses, countries are represented in the country groups proportional to their relative size in the EU27 in the presentation of overall results for the EU and of

descriptive results for regions. However, statistical analyses of ‘regional effects’ are based on unweighted data with controls for constituent countries. Results of analyses with controls and regional analyses are presented in the discussion and in some cases in summary charts. The detailed analyses are set out in the technical appendix to the report (available on request).

Structure of report

The empirical results are reported in the next four chapters.

Chapter 1 describes patterns of employee involvement in the EU27, and compares the individual countries and the country groups.

Chapter 2 assesses the consistency of the evidence with arguments about potential factors that may influence the level of employee involvement.

Chapter 3 examines the relationship between employee involvement on the one hand and factors related to employee work performance and employee well-being on the other.

Chapter 4 looks at evidence about change over time in one dimension of employee involvement (task discretion) and considers factors that may have affected this.

Finally, Chapter 5 draws overall conclusions from the analyses.

Patterns of employee involvement

Patterns of employee involvement

This chapter provides an initial picture of the prevalence of employee involvement across the EU27 Member States. The first section considers the EWCS questions used to assess employee involvement and the justification for the distinct scales of task discretion and organisational participation. The second section describes the patterns of employee involvement across the EU27, examining this with respect to task discretion, and then exploring employee involvement in wider decisions about work organisation. The final section examines the frequency of four different types of employee involvement systems which combine the dimensions of task discretion and organisational participation.

Assessing employee involvement

This report distinguishes between two dimensions of employee involvement:

- ▾ task discretion or the influence that employees could exercise over their immediate work tasks;
- ▾ organisational participation or the influence that employees can have over work organisation.

The EWCS provides three measures of task discretion, focusing on different aspects of the work task. Respondents were asked: 'Are you able to choose or change – your order of tasks, your methods of work or your speed or rate

of work?' For organisational participation, there are two potentially relevant questions. People were asked how often the following statements applied to their work situation: 'You are involved in improving the work organisation or work processes of your department or organisation', and 'You can influence decisions that are important for your work'.

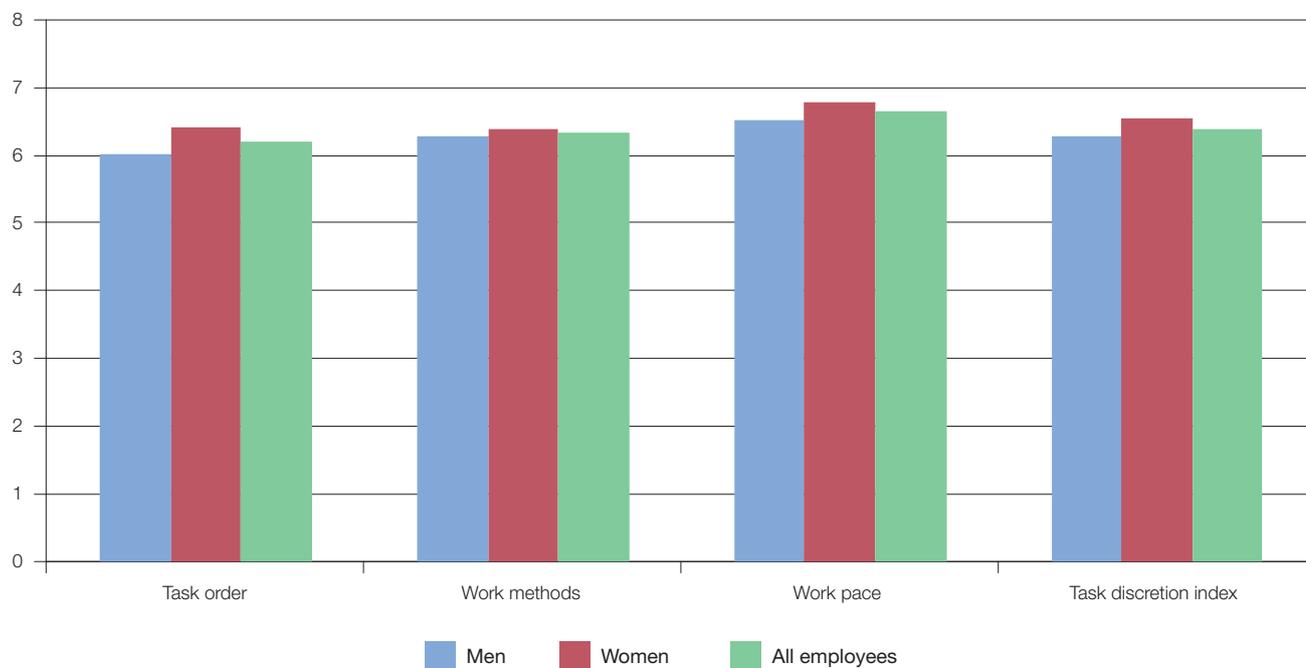
A principal components factor analysis confirmed that the task and organisational level items formed two distinct dimensions. Moreover, tests for scale reliability also showed that the items within each dimension were very closely related.² Given this strong support for both the difference between the dimensions and the internal consistency of their constituent items, summary indices were created for each by averaging the scores across the individual items. For ease of presentation, indices were rescaled to run from 0 to 10, with higher scores indicating higher levels of involvement.

Task discretion

The level of control that employees could exercise over their immediate work tasks for the EU27 as a whole in 2010 was found to vary depending on the aspect of the work task (Figure 2). Taking the workforce as a whole, it was lowest with respect to the ability to make choices over the order of tasks and greatest with respect to work pace. There were differences in the levels of task discretion between men and women. Women were slightly more likely than men to exercise control over their immediate tasks on all three dimensions.

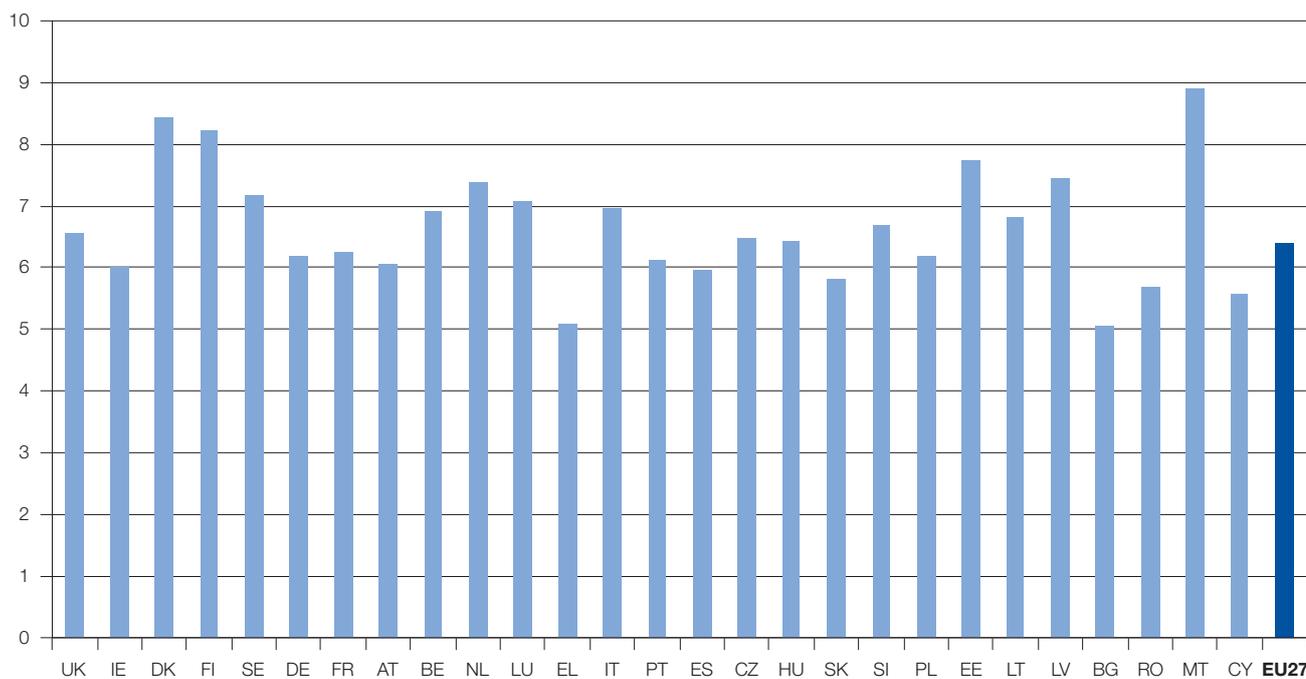
² The items for task discretion had a Cronbach's alpha of 0.77 and those for organisational participation an alpha of 0.73.

Figure 2: Task discretion in the EU27



Note: The task discretion index has been rescaled from 0 to 10.

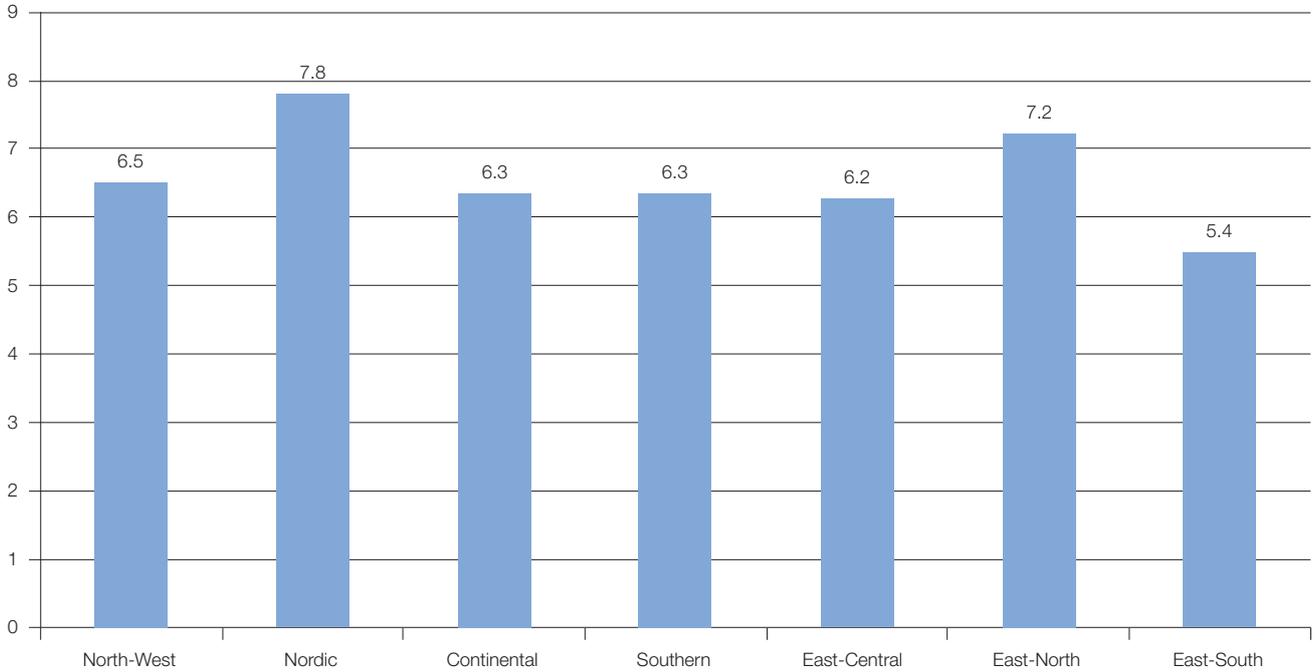
Figure 3: Task discretion index by country



Notes: The task discretion index has been rescaled from 0 to 10.

Countries are ordered by country group (see p. 4).

Figure 4: Task discretion index by country group



Note: The task discretion index has been rescaled from 0 to 10.

Country variations in task discretion

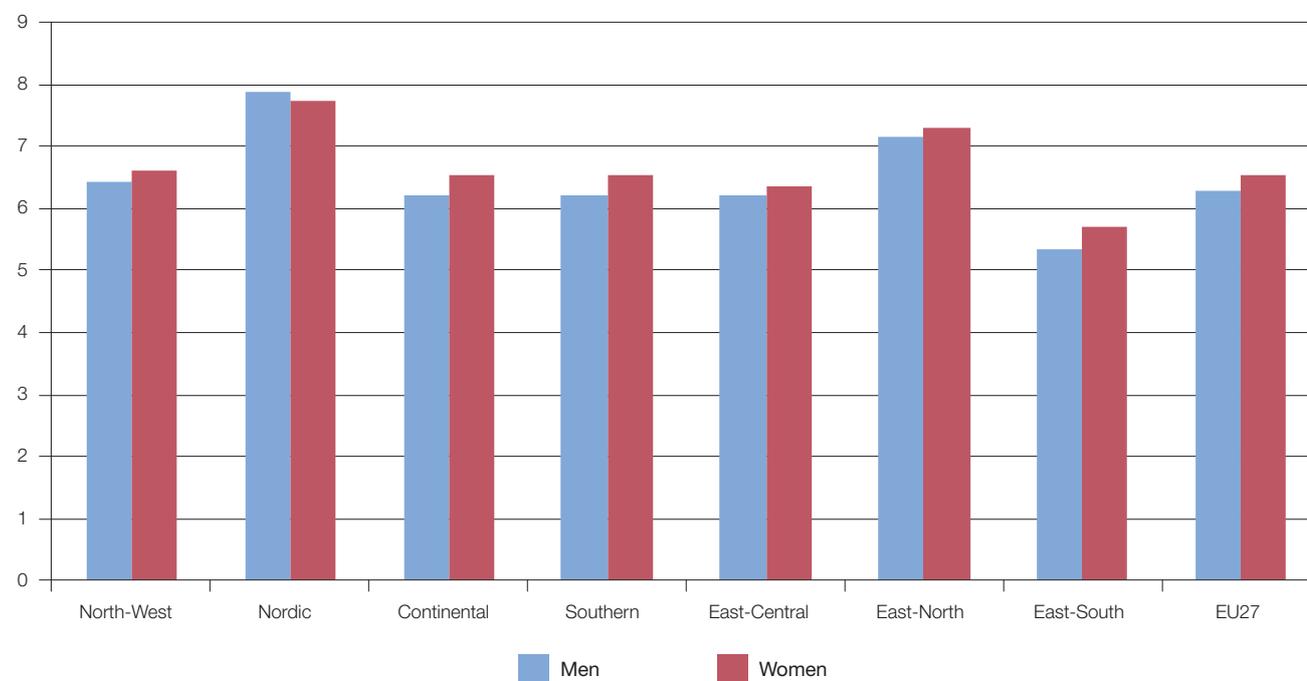
Turning next to the patterns by individual country, Figure 3 shows the average scores for the different countries ordered by country group. Task discretion was especially high in Denmark, Finland, Malta, the Netherlands and Sweden, and in two East-North countries (Estonia and Latvia). It is particularly low in Bulgaria, Cyprus, Greece, Romania and Slovakia. The score variation is substantial, with a task discretion score of 5 in Bulgaria rising to 8.4 in Denmark and 8.9 in Malta. There is a particularly marked variation among the eastern European countries, with some countries being among those with the highest task discretion and some being among those with the lowest.

The country groups were examined to assess the extent of the similarity or difference between the different geographical areas of the European Union. Taking the overall patterns for the regional groups, the Nordic countries had the highest level of task discretion followed by employees in the East-North group (Figure 4). This may reflect the possibility that this group among the eastern European countries has been particularly influenced by the Nordic model. The North-West countries came next followed by the Continental, Southern and East-Central groups. Finally, the East-South countries, which joined the EU relatively recently in 2007, showed the lowest levels of employee task level involvement.

The two North-West countries (Ireland and the UK) had a relatively similar pattern (Figures 3 and 4). This was also the case for the three groups of eastern European countries. There was, however, substantial variation within other country groups. The very high level of task discretion in the Nordic countries was primarily due to Denmark and Finland, whereas Sweden was lower. In the Continental group, Belgium, the Netherlands and Luxembourg had considerably higher task discretion than Austria, France and Germany. Finally, in the Southern group, while Portugal and Spain were rather similar in pattern, Italy had somewhat higher task discretion and Greece markedly lower task discretion.

The differences in the level of task discretion between the different country groups were very similar for both sexes (Figure 5). The pattern found for the EU27 as a whole, whereby women had higher influence over their immediate job tasks than men held for six of the seven country groups (North-West, Continental, Southern and the three eastern European country groups). Notably this was not the case for the Nordic countries where men had higher task discretion scores. The Mediterranean islands had contrasting patterns: women had higher discretion in Malta and men had higher discretion in Cyprus.

A more detailed analysis showed that the differences in country group pattern were statistically significant. Task discretion was significantly lower in all other country

Figure 5: Task discretion in the country groups by gender

Notes: The task discretion index has been rescaled from 0 to 10.

groups than in the Nordic countries, with the difference particularly pronounced among the East-South country group. Separate models by gender showed that these patterns of difference were very similar and statistically significant for both men and women. However, the negative coefficients were stronger for men in all the country groups, indicating that differences among country groups were somewhat less pronounced for women.

Organisational participation

The pattern for organisational participation in the EU27 as a whole was very similar for men and women but, in contrast to the pattern for task discretion, men had slightly greater influence over organisational decisions than women.

Within this overall EU27 picture, there were again considerable variations by country (Figure 7). In the EU15 countries, organisational participation was particularly high in Denmark, Finland, Ireland, the Netherlands, Sweden and the UK. It was relatively low in Austria, France, Germany, Greece, Italy, Portugal and Spain. Among the NMS it was highest in the Czech Republic, Estonia, Latvia, Malta and Slovenia, and lowest in Bulgaria and Romania.

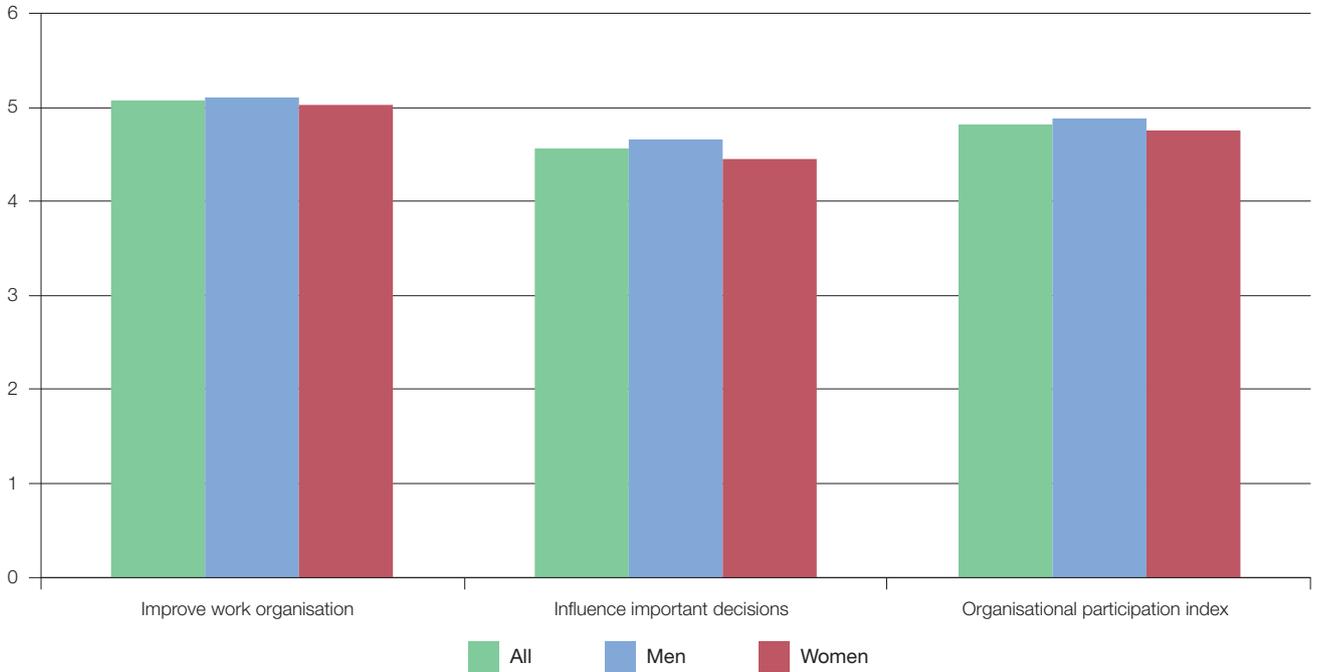
These country differences led to quite marked differences by region (Figure 8). The Nordic countries stood out as

having the highest level of organisational participation for employees, followed by the North-West group (Ireland and the UK). Of the EU15 countries, the Continental countries had relatively low levels of organisational participation and the Southern countries lowest of all. Among the eastern European countries, it was again the East-North countries that had the highest level of involvement of employees in organisational matters followed by those in the East-Central region. The countries of the Southern and East-South groups had the lowest levels of organisational participation.

A comparison of levels of organisational participation by gender shows that these broad regional differences were evident for both men and women. The pattern in the East-South countries is distinctive in that organisational participation was a little higher for women than for men, whereas in all the other country groups the reverse was the case. With respect to the Mediterranean islands, Cyprus followed the predominant pattern of higher organisational participation for men, while the scores for men and women were virtually identical in Malta.

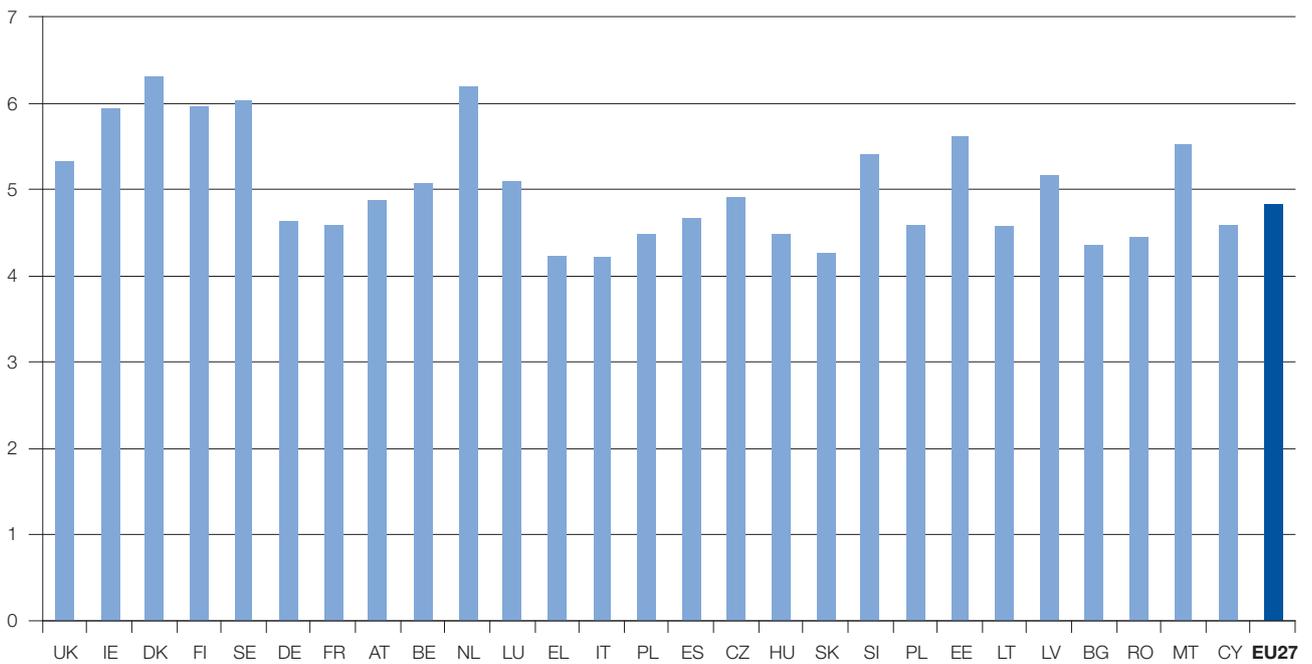
To check whether the differences between country groups were statistically significant, a regression analysis was carried out taking the Nordic countries as the reference group. All the other country groups had significantly lower organisational participation scores than the Nordic countries. This was the case for both men and women, although

Figure 6: Organisational participation for all employees and by gender in the EU27



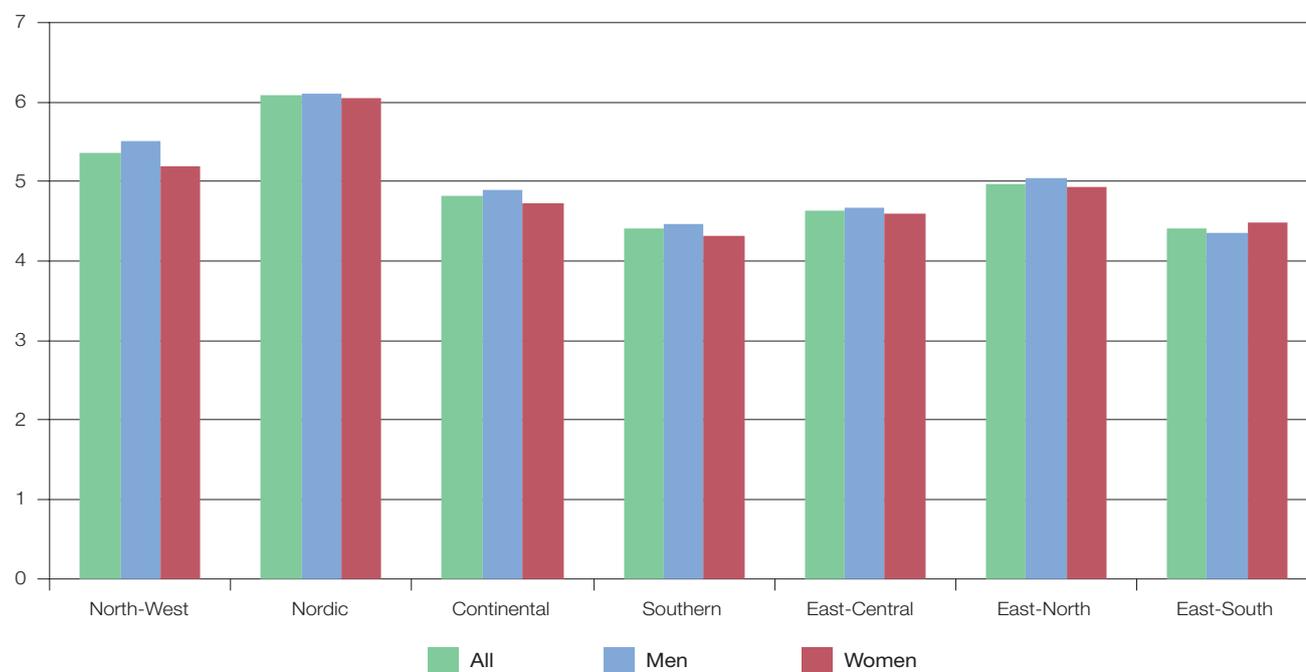
Note: The organisational participation index has been rescaled from 0 to 10.

Figure 7: Organisational participation index by country



Notes: The organisational participation index has been rescaled from 0 to 10.

Countries are ordered by country group (see p. 4).

Figure 8: Organisational participation by country group and gender

Note: The organisational participation index has been rescaled from 0 to 10.

for each country group, the regression coefficients were smaller for men than for women indicating that country group differences were most pronounced for women. This contrasted with the case of task discretion, where the differences among female employees were smaller than for male.

Types of employee involvement

Since both task discretion and organisational participation represent distinct dimensions of employee involvement, an overall measure needs to take account of how they interrelate. This report distinguishes between four broad organisational types:

- **high involvement organisation** (high task discretion and high organisational participation);
- **discretionary organisation** (high task discretion but low organisational participation);
- **consultative organisation** (high organisational participation but low task discretion);
- **low involvement organisation** (low on both dimensions).

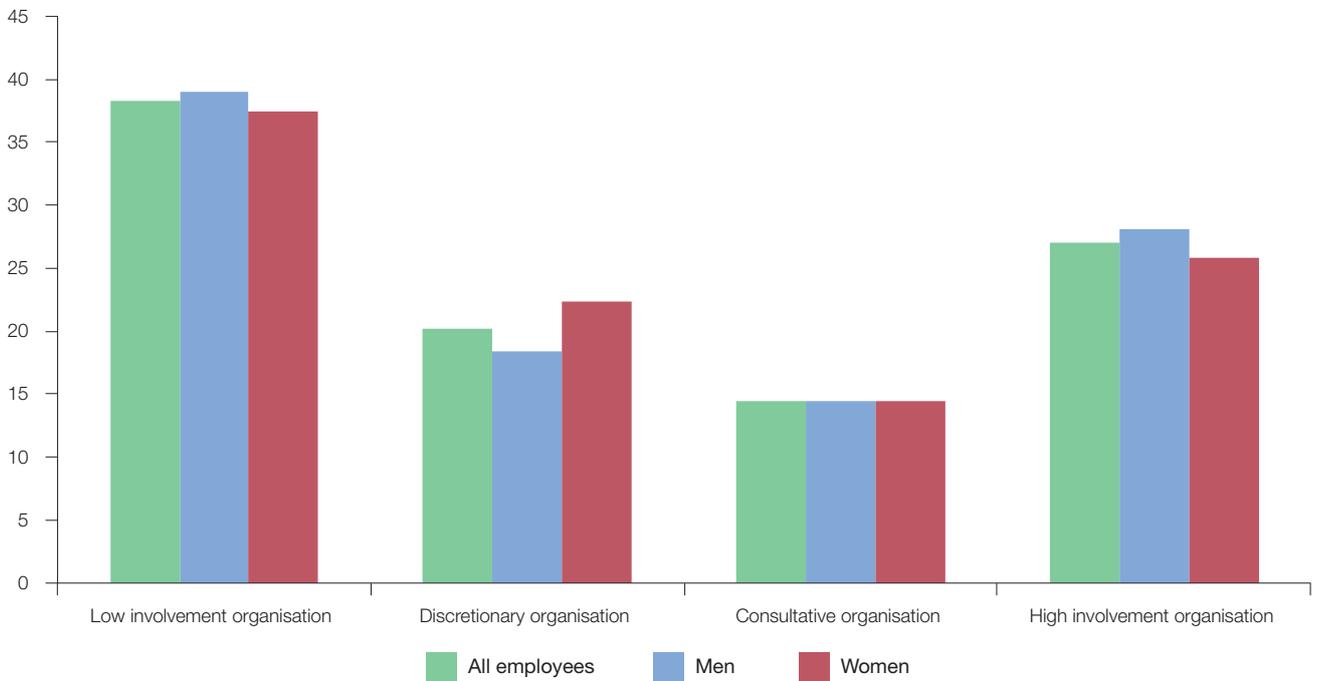
Measures of the four types of employee involvement system were constructed by dividing employees into two groups on each dimension, with those above the EU27 median taken as having relatively high involvement and those below the median as having relatively low involvement. The two task discretion groups were then cross-classified with the two organisational participation groups to produce the four employment involvement categories.

Employee involvement in the EU27

Taking first the pattern across the EU27 as a whole (Figure 9), it can be seen that employees were most frequently in organisations at the two extremes of involvement – those that offered relatively high involvement with respect to both task discretion and organisational participation and those with low involvement on both dimensions.

Among all EU employees, 27% were in high involvement organisations and 38% were in low involvement organisations. There were much smaller proportions of employees in the two intermediary categories, that is, 14.5% in consultative organisations and 20.2% in discretionary organisations. The broad pattern was very similar for both men and women. Men were somewhat more likely, however, than women to be in organisations at both of the involvement extremes. In contrast women were more likely than men to be in discretionary organisations that

Figure 9: Employees in the EU27 in organisations with different types of employee involvement (%)



provided relatively high immediate job control but little influence over wider work organisation decisions.

There were marked differences in the prevalence of the different involvement types by sector (Figure 10). Employees were most likely to be working in low involvement contexts in the transport, retail, construction and manufacturing sectors. Financial services, education and ‘other services’ were the only sectors where high involvement organisation was the most common work setting. Discretionary organisation was more frequent in the other services and financial services sectors while consultative involvement was more commonly to be found in the health services.

Employee involvement by country groups

The relative importance of these organisational types varied considerably by country group (Figure 11). Employees were most likely to be in high involvement organisations in the Nordic countries (41%). This group was followed at some distance by the North-West group (34%) and the East North group (32%), which were in turn well above the other regional groups. The differences between countries in the proportions of employees in the intermediate involvement categories (consultative and discretionary) were considerably lower than at the extremes.

The Nordic countries were the only country group where high involvement organisations constituted the dominant organisational form. In the North-West and East North

countries, high and low involvement organisations were relatively evenly balanced. In the other country groups the most prevalent form was low involvement organisation, with the highest proportion (47%) in the East-South countries. The two Mediterranean islands formed sharply contrasting cases, with Malta having a predominance of high involvement organisation and Cyprus of low involvement.

A test of the significance of the difference between the Nordic countries and other country groups showed that it was at a high level of statistical significance. This was also true for both male and female employees taken separately. However, the negative coefficients were in general higher for male than for female employees, indicating particularly strong country differences among men. The exception was the North-West group (Ireland and the UK) where there was little evidence of difference between men and women.

Summary

The most striking feature of the results is the consistently distinctive position of the Nordic countries (Denmark, Finland and Sweden). This group had higher levels of employee involvement than any other country group with respect to task discretion and organisational participation, and therefore with respect to the prevalence of high involvement forms of organisation. At the other end of the spectrum, the Southern (Greece, Italy, Portugal and Spain) and East-South (Bulgaria and Romania) groups

Figure 10: Employee involvement by industrial sector (%)

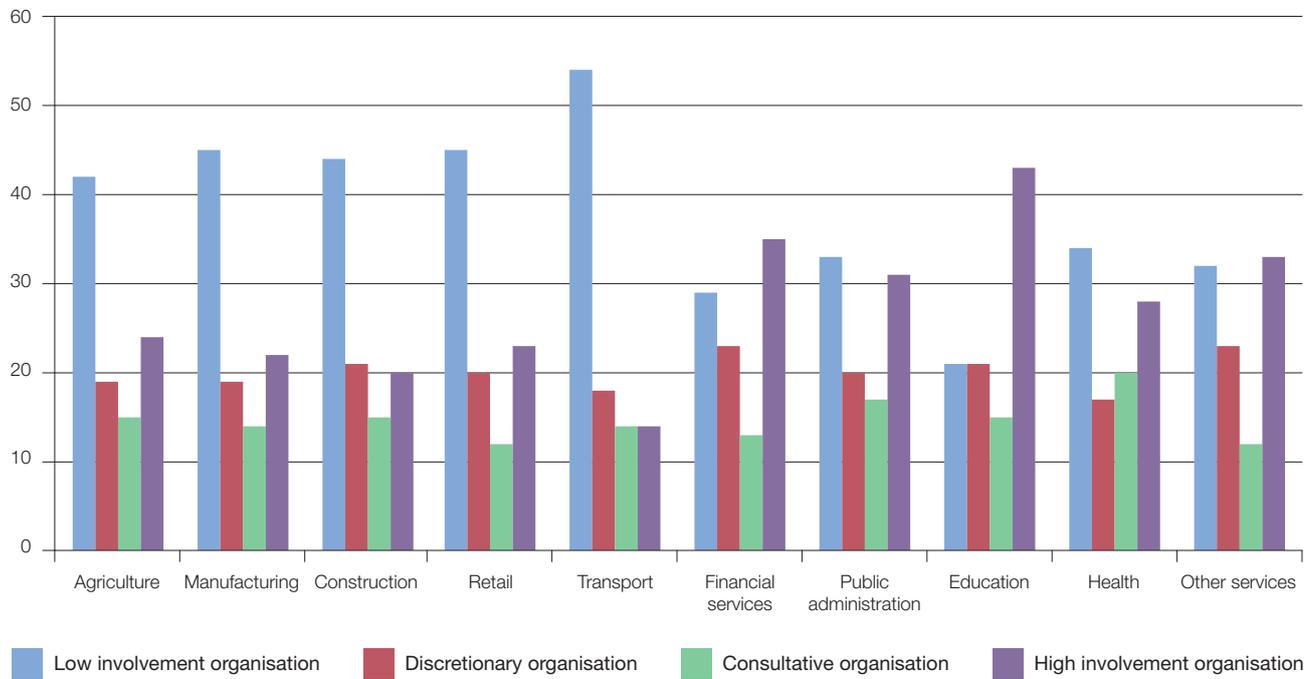
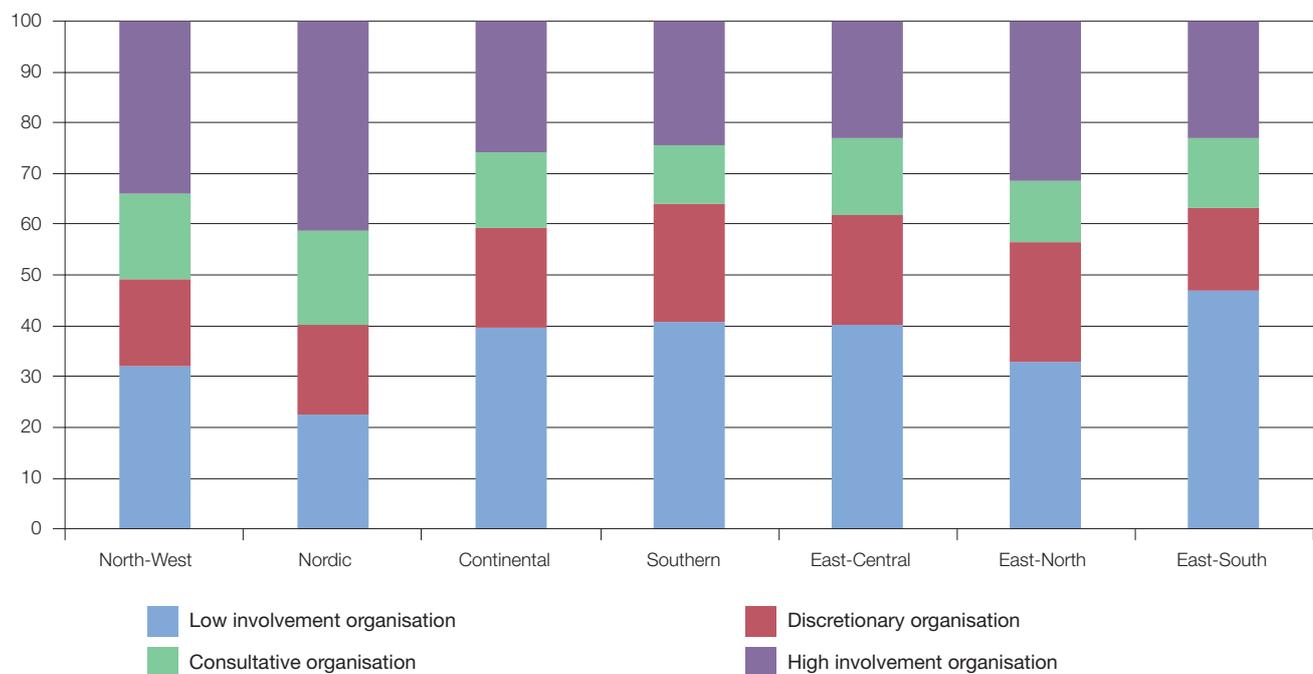


Figure 11: Employees in different organisational types by country group (%)



had the lowest levels of employee involvement, although the pattern in the two cases was somewhat different. The East-South countries had the lowest levels of task discretion and the second lowest level of organisational participation. The Southern countries had the lowest levels of organisational participation and the second lowest levels of task discretion. The situation of other country groups was intermediate. Among western European countries, the North-West group (Ireland and the UK) came second to the Nordic countries with respect to both task discretion and organisational participation followed by the Continental countries. Among the other eastern European country groups, the East-North countries (Estonia, Latvia and Lithuania) had relatively high levels of employee involvement and, among the eastern European countries, came closest to the Nordic model. In contrast, the pattern for the East-Central countries (the Czech Republic, Hungary, Poland, Slovakia and Slovenia) was closer to that of the Continental group (Austria, Belgium, France, Germany, Luxembourg and the Netherlands).

Determinants of employee involvement

Determinants of employee involvement

This chapter examines the structural factors thought to be related to different levels of employee involvement. It first considers the implications of task characteristics and types of organisational flexibility, turning then to an examination of the significance of organisational human resources capacity and the presence of workplace consultative and representative institutions, and continues with an analysis of differences relating to ownership characteristics. The final section assesses how far differences in employee involvement between countries and country groups can be accounted for by differences in underlying economic and occupational structures and how far they are likely to be attributable to differences in institutional regimes of employment regulation.

Task characteristics

Two principal aspects of the task characteristics of the job can be distinguished. The first is the nature of the work process. Different types of work can be distinguished in terms of the technology they involve or their inherent requirements for social interaction. The second is the skill level of the task, that is to say its substantive complexity (Spenner, 1990).

Types of work

Traditionally the theory of employee involvement at work and research into it have focused on the potential effects of changes in technology on reducing or enhancing employees' influence over decisions. Much of the initial discussion centred on the implications of the growth of mass production technologies that had led to a simplification and de-skilling of work tasks.

These were seen as necessarily reducing the scope for employees to take decisions about their work and led to a highly pessimistic scenario of the long-term evolution of work. However, this conclusion became increasingly questioned with the growth of computerised and automated technologies. Not only did these technologies favour a revival of smaller and more flexible forms of production, but they were thought to transform work even in a mass production context in a way that allowed employees to broaden the scope of their work tasks and to take increasing responsibility for decision-making. The increasingly skilled nature of work, it was suggested, would also encourage employers to seek to integrate their employees by developing wider forms of organisational participation. Such arguments were rooted primarily in research on developments in manufacturing industry. But the growing importance of the service industries also contributed to a more optimistic vision of the way in which work was changing. The fact that work increasingly involved direct dealings with other people was seen as a factor that would encourage higher levels of employee involvement in decisions, given the greater variability and unpredictability of people's responses to work routines.

A number of measures in the fifth EWCS can be used to characterise the technical nature of the work process. Traditional mass production technologies have been regularly shown to be associated with highly repetitive work and the machine pacing of work. Four questions from the EWCS were used to construct a measure of 'routine machine work'. There are three indicators of repetitiveness: 'Does your main paid job involve – repetitive hand or arm movements?', followed by questions asking whether it involved short repetitive tasks of less than one minute or

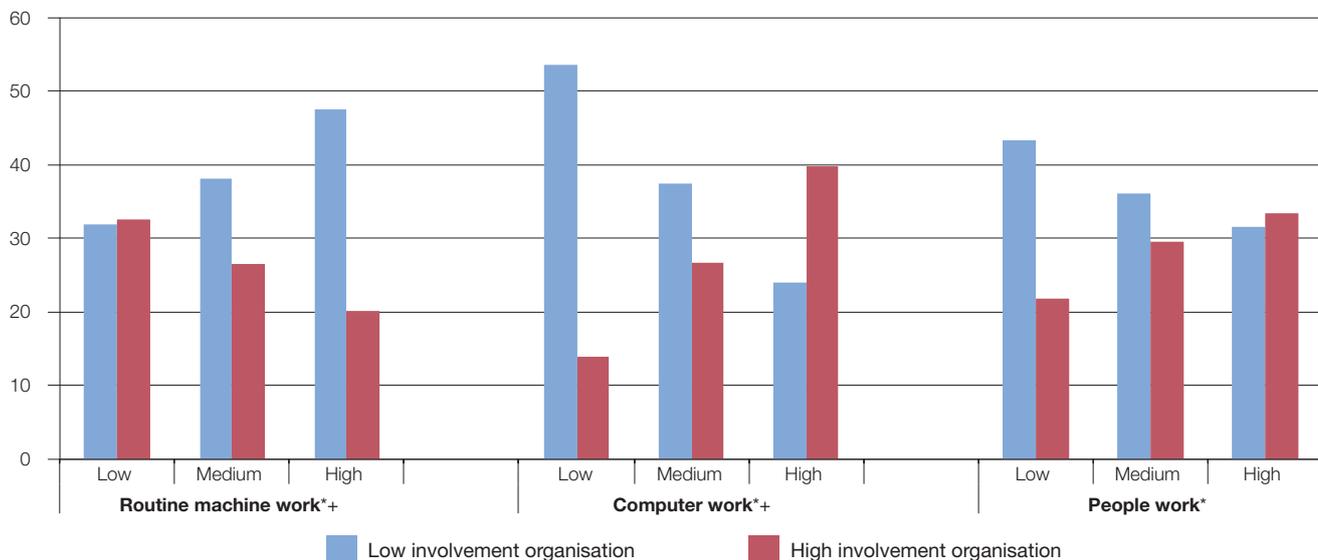
less than 10 minutes. There is one item in the survey that captures machine pacing: 'On the whole, is your pace of work dependent, or not, on automatic speed of a machine or movement of a product?' A summary measure has been constructed by adding responses across the four questions. Computer-based work is measured by the average of the responses to two questions. The first asks 'Does your main paid job involve – working with computers: PCs, network, mainframe?' and the second asks 'Does your main paid job involve – using internet/email for professional purposes?'

In many jobs (particularly in the service sector), however, the work process is characterised not by a specific technology but by a required interaction with other people. The research constructed a measure of work that is predominantly people-orientated, based on three questions from the EWCS: 'Does your main paid job involve – dealing directly with people who are not employees at your workplace such as customers, passengers, pupils, patients?', 'Does your work involve visiting customers, patients, clients or working at their premises or in their home?' and 'On the whole, is your pace of work dependent, or not, on direct demands from people such as customers, passengers, pupils, patients, etc.?'³

These task activities were selected because of their theoretical importance and represent only a limited number of possible types of task activity. They can also be inter-related. In practice, repetitive machine technology is negatively associated with both computer technology and with people work, but there is a positive association between computer technology and people work.

How are these different types of work related to employee involvement? The analysis focuses on the two most prevalent types – the high involvement organisation and the low involvement organisation. Being in a low involvement organisation was particularly common where work involved highly routine machine production, where there was little use of computers and where the work involved few dealings with people (Figure 12). The prevalence of the high involvement organisation rose with both greater use of computers and with work that was more strongly orientated to people. But it was only for those in work situations where there was extensive use of computerised technology that high involvement organisations clearly became the dominant organisational form. Among those whose work involved little or no use of computers, only 14% were in high involvement organisations compared with 40% where computer use was high (Figure 12).

Figure 12: Employees in high and low involvement organisations by type of work (%)



Notes: * The effects of the factor remained statistically significant at the $p \leq 0.001$ level after controls were introduced for gender, age, tenure, occupational class and size of establishment.
+ The same pattern held for both men and women.

³ Although 'routine machine work', 'computer work' and 'people work' constitute distinct factors, the Cronbach's alphas are low by conventional standards. Adjusted Cronbach's alpha: routine machine work 0.47; computer work 0.90; people work 0.51.

Statistical tests showed that this pattern could not be accounted for by differences in the individual characteristics of employees, their occupational class, type of employment contract or the size of their establishments. Separate analyses for men and women indicated that the positive effect of computer work for being in a high involvement organisation was stronger for men than for women (although still significant for women). However, with controls, people work only had a significant positive effect for men.

Even when other factors had been controlled for, the negative effects of routine machine work for employee involvement and the positive effects of computer-based technologies and people work were also found in a majority of the different country groups.

The skill level of jobs

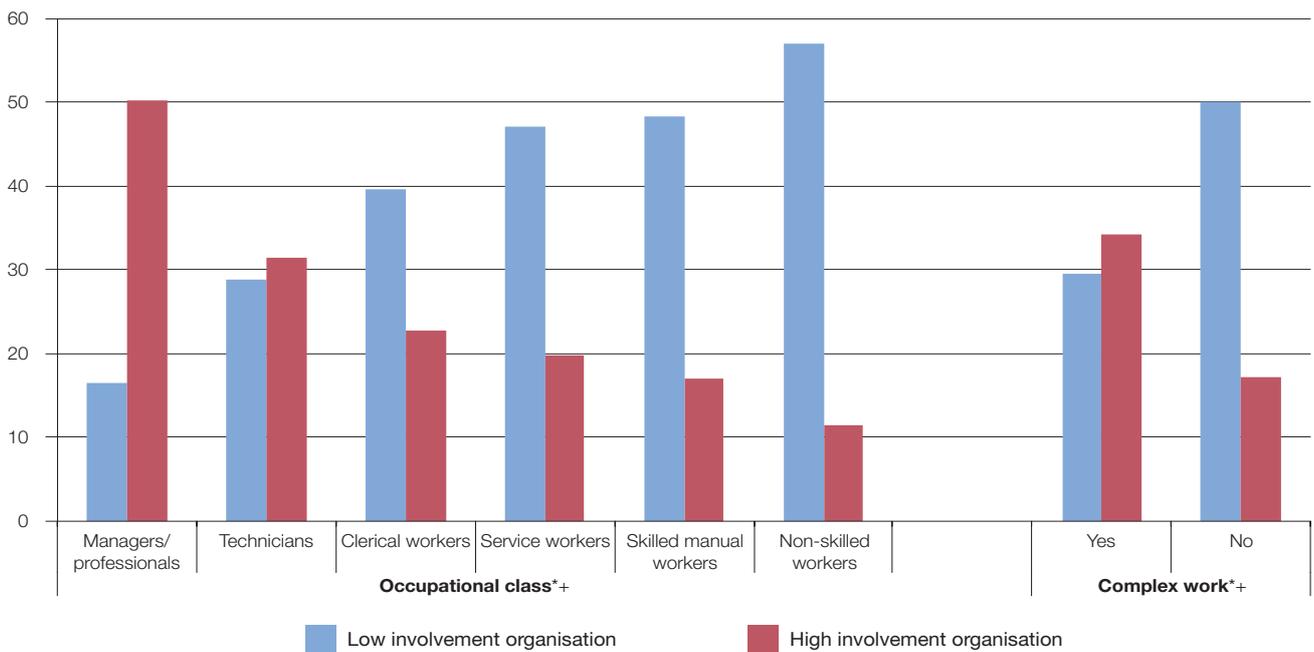
Skill level could be expected to affect employee involvement for a number of reasons. Those in higher occupational class positions are more likely to have accumulated knowledge that is specifically relevant to the particular organisation (asset specificity), plus their work is inherently more difficult to monitor and control. Moreover, since highly skilled workers are rarer in the labour market, employers will be concerned about their

retention. Employers will seek to ensure the commitment and long-term attachment of their highly skilled workers by offering them better employment conditions, including higher levels of autonomy and more secure work. In contrast, since those in lower occupational class positions can be more easily replaced and their performance more easily controlled by supervision, there will be less concern to take measures to secure their commitment.

The EWCS does not include detailed skill measures, for instance, in terms of learning time requirements. However, broad differences in skill level between jobs are captured by their location in the major occupational class classifications, in this case the International Standard Classification of Occupations (1-digit ISCO-08). In addition there is a simple indicator of task complexity in the fifth EWCS in which people were asked whether or not their job involved ‘complex tasks’.

Turning to the implications for employee involvement (Figure 13), it can be seen that there are two strong linear trends by occupational class. The higher the occupational class position, the more likely employees are to be working in high involvement organisations, while the lower occupational class position, the more likely they are to be in low involvement organisations. It is notable that the only occupational class in which high

Figure 13: Employees in high and low involvement organisations by occupational class and complex work (%)



Notes: * The effects of the factor remained statistically significant at the $p \leq 0.001$ level after controls were introduced for gender, age, tenure, occupational class and size of establishment.
 + The same pattern held for both men and women.

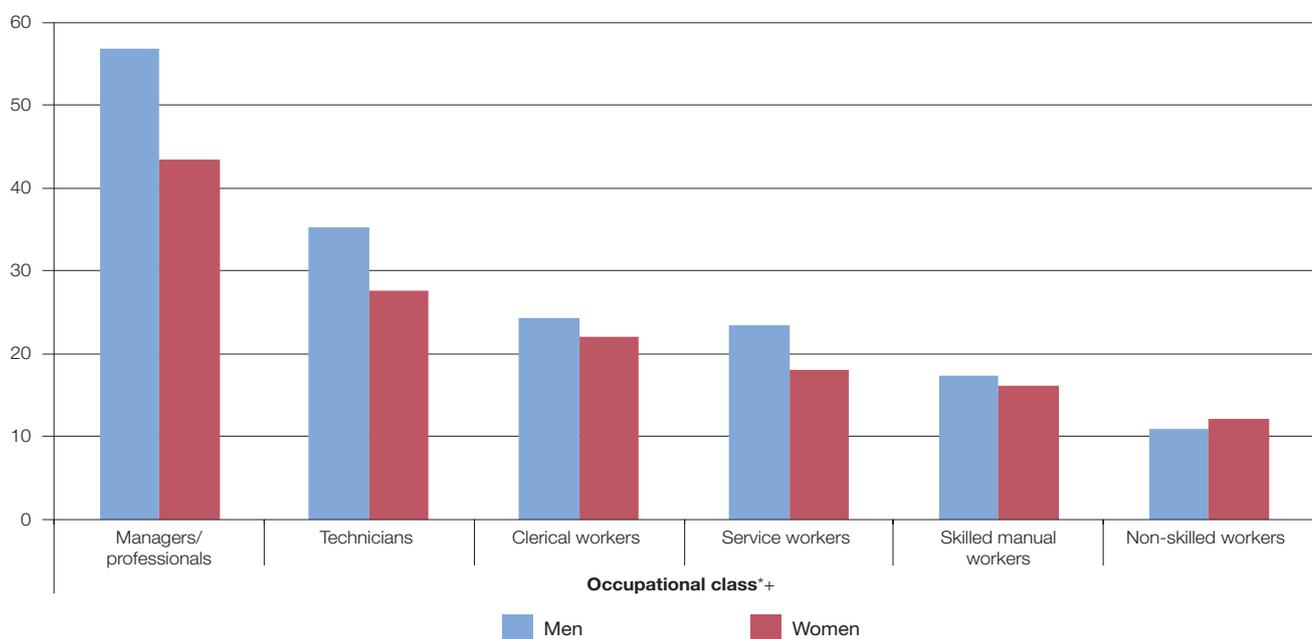
involvement work organisation clearly dominates is that of managers and professionals, 50% of whom are in high involvement and only 17% in low involvement organisations. In contrast, the non-skilled are predominantly in low involvement systems (57%). This is precisely the pattern predicted by occupational class theory. Similarly with respect to task complexity, those with jobs of low complexity are overwhelmingly in low involvement organisations, while those with complex jobs are more likely to be in high than low involvement organisations.

The pattern of occupational class differentials was broadly similar for men and women (Figure 14). However, overall occupational class differentials were stronger for men than for women. In most occupational class groups, men were more likely to be in high involvement organisations than women. The gap between men and women was particularly high among managers and professionals and technicians. It was only among the non-skilled that the pattern was inverted, with women a little more likely to be in high involvement organisations than men.⁴

The simple indicator of the complexity of work also showed a clear relationship with both types of employee influence. Occupational class and task complexity were highly related; whereas 75% of managers and professionals considered they performed complex work, this was the case for only 36% of service workers and 33% of the non-skilled. This was consistent with the view that the occupational class categories partly represent differences in skill. However, the positive effects of the complexity of work for employee influence remained at a high level of statistical significance even when included together with occupational class. In part, this is likely to be due to the fact that occupational classes are relatively broad categories and that there is considerable skill heterogeneity within them.

Occupational class differences in types of employee involvement were pervasive across all the country groups. However, the extent of the occupational class differential varied considerably. Table 2 shows the probability of employees in any given occupational class being in a high involvement organisation compared with that of

Figure 14: Gender differences in effects of occupational class on employee involvement (%)



Notes: * The effects of the factor remained statistically significant at the $p \leq 0.001$ level after controls were introduced for gender, age, tenure, occupational class and size of establishment.

+ The same pattern held for both men and women.

⁴ This result may be an artefact as the ISCO classification tends to provide greater differentiation among male than female jobs.

a non-skilled worker in the same country group once individual characteristics and other aspects of the work setting had been taken into account.

Occupational class differences were notably less great in the Continental and the Nordic country groups than in the other country groups. In the Continental and the Nordic groups, managers and professionals were almost 4 times more likely than non-skilled workers to be in high involvement organisations. But in the Southern group they were 7 times, in the East-Central group 8 times and in the East-North group 12 times more likely than the non-skilled to be in such organisations.

Types of flexibility

There are sharply contrasting views in the literature about how organisations best respond to economic uncertainty. These views differ in their emphasis on the relative importance of functional and numerical flexibility in strategies to contend with a rapidly changing environment. In the first case, the most effective response of employers is thought to be to increase the innovative capacity and adaptability of the organisation to the demand for new products by decentralising decision-making and adopting an ‘organic’ form of management. In the second case, priority is given to the capacity to alter rapidly the input (and hence the cost) of labour through increasing management’s scope for altering working hours and staff levels.

The different strategies are likely to have important implications for differences in employee involvement. Where employers seek functional flexibility through decentralisation, they are more likely to involve employees in decision-making concerning their tasks and, given its importance, commitment to wider organisational decisions. A more coercive numerical flexibility strategy assumes that employees will have relatively short tenure in the organisation and is likely to lead to low involvement and an emphasis on retaining management prerogative over decisions.

The fifth EWCS included a number of potential indicators of the two forms of flexibility. Organisations that seek functional flexibility are likely to experience more frequent changes to work processes and work organisation. They are also more likely to require employees to change tasks at short notice to deal with changes in demand. There were two principal questions in the survey that give an indication of task flexibility: the first related to the frequency of taking on unforeseen tasks, asking: ‘How often do you have to interrupt a task you are doing in order to take on an unforeseen task?’ The second captured whether there was rotation across jobs requiring different skills (sometimes termed polyvalence). Employees were first asked whether their job required ‘rotating tasks between yourself and colleagues’ and, if they did, this was followed with a question about whether or not the task required different skills. These have been combined to create a ‘skill rotation’ indicator.

Organisations that rely primarily on numerical flexibility underline the dependence of employment on the state of the market and are likely to employ workers on non-standard employment contracts that allow faster adaptation with respect to the hours and numbers employed to meet market fluctuation, since they are less strongly protected by employment regulations. To capture numerical flexibility, the nature of the employment contract was examined, that is, whether people were employed on part-time or temporary employment contracts.

How did these diverse forms of flexibility relate to employee involvement? The responses to questions reflecting functional flexibility were strongly associated with a higher prevalence of high involvement systems, while those reflecting numerical flexibility were associated with a greater frequency of low involvement organisation. The differences in the likelihood of being in a high involvement organisation as a result of different flexibility practices were substantial. For instance, 41% of those who changed tasks very often were in this type of organisation compared with only 19% of those who

Table 2: Occupational class differentials

	North-West	Nordic	Continental	Southern	East-Central	East-North	East-South
Managers/ professionals	5.36*	4.26*	3.81*	7.03*	7.72*	12.26*	5.53*
Technicians	2.57*	2.41*	2.38*	3.50*	3.87*	6.75*	3.06*
Clerical workers	1.51	2.14*	2.07*	2.43*	2.18*	7.07*	3.04*
Service workers	1.38	2.13*	1.58*	1.85*	1.71*	3.32*	1.57
Skilled manual workers	1.58	1.08	1.14	0.96	1.46*	1.90	1.34
Non-skilled workers	1.00	1.00	1.00	1.00	1.00*	1.00	1.00

Notes: The relative odds compared with the non-skilled of being in a high involvement organisation by country group (with controls).
 * Indicates a significant difference from the reference category of at least $p \leq 0.05$.

never changed task. Similarly, those who were in jobs where there was skill rotation were more likely to be in high involvement organisations than those who did not rotate through jobs with different skills (32% compared with 24%).

The simple associations for task flexibility are shown in Figure 15; these remained after introducing controls for individual factors, occupational class and size of establishment. In general the pattern was the same for men and women.

Numerical flexibility: contract status

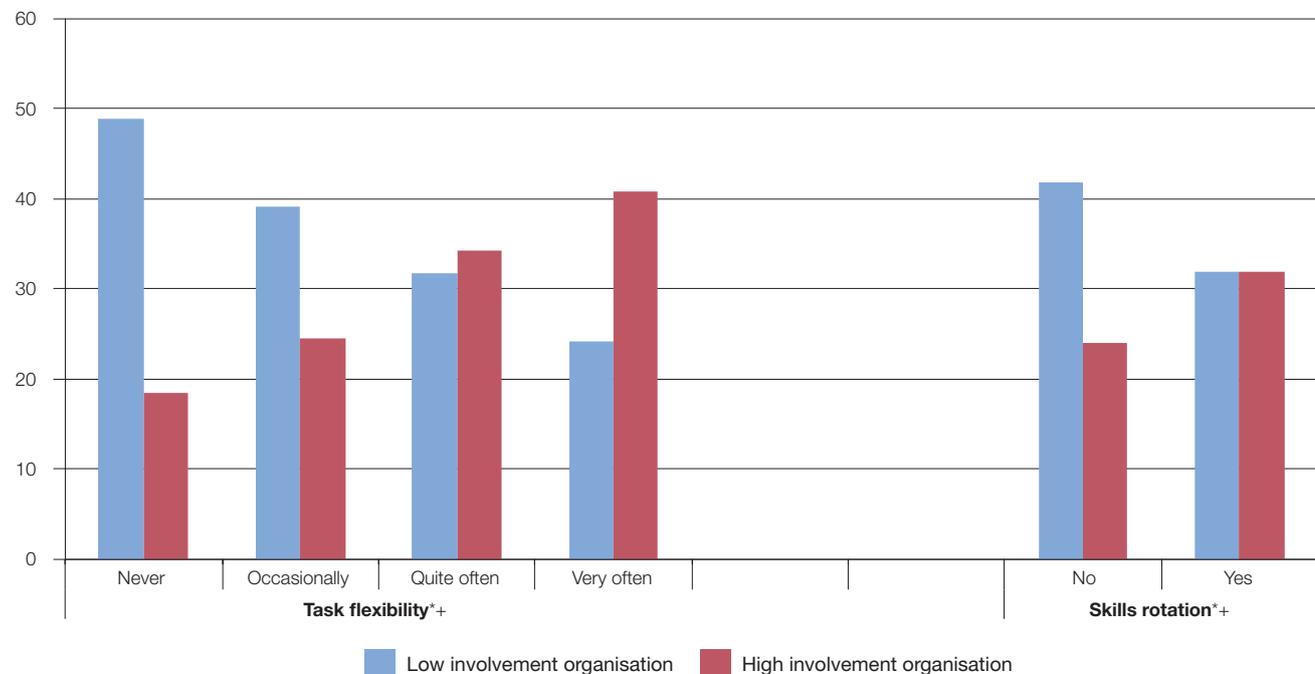
In recent decades, the growth of a ‘flexible’ or ‘peripheral’ workforce on non-standard employment contracts has increased. Such employees are seen as suffering from multiple disadvantages in terms of opportunities for skill acquisition, pay and security. It is possible that their more marginal position in organisations (whether because of the shorter duration of contracts or shorter working hours) also implies lower integration with respect to decision-making influence.

In this report employees are classified as temporary workers if they reported that they were either on a fixed-term contract or a temporary employment agency contract.⁵ Part-time work is defined as working 34 hours or fewer.

Temporary employees were more likely than regular employees to be in low involvement organisations and less likely to be in high involvement organisations (Figure 16). Whereas 28% of permanent workers were in high involvement organisations, this was the case for only 19% of temporary workers.

Temporary workers are disproportionately concentrated in lower occupational class positions. Hence their lower involvement in work decisions might well reflect their occupational class position, which has already been seen to have a strong influence on decision-making scope. Statistical analyses that included occupational class and task complexity, together with the broader range of individual and contextual variables used in previous sections, showed that having a temporary employment contract continued to have a significant effect independently of occupational class and other controls.

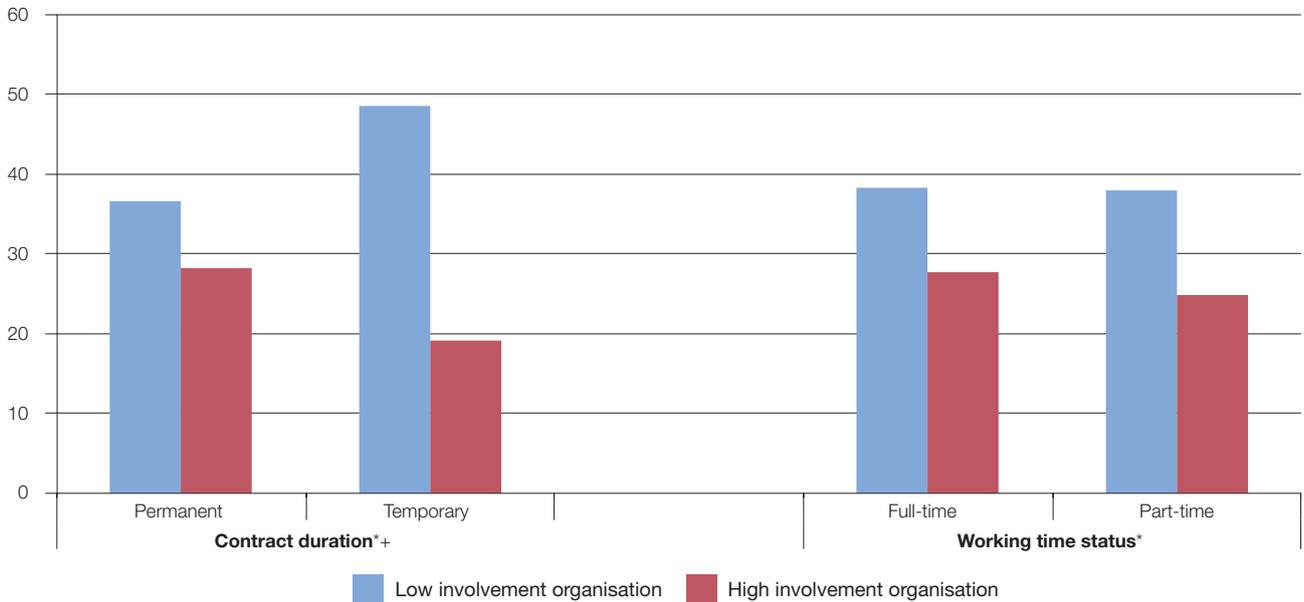
Figure 15: Employee involvement by types of flexibility (%)



Notes: * The effects of the factor remained statistically significant at the $p \leq 0.001$ level after controls were introduced for gender, age, tenure, occupational class and size of establishment.
 + The same pattern held for both men and women.

⁵ The response also included a category of ‘no contract’, but this appears to be very heterogeneous. It was included in this analysis as a control.

Figure 16: Employees in high and low involvement organisations by employment contract type (%)



Notes: * The effects of the factor remained statistically significant at the $p \leq 0.001$ level after controls were introduced for gender, age, tenure, occupational class and size of establishment.
 + The same pattern held for both men and women.

Part-timers were also less likely to be in high involvement organisations when other factors (including occupational class and task complexity) were controlled for, but they were not more likely than full-timers to be in low involvement organisations. This reflected the fact that part-timers were more likely than full-timers to be in discretionary organisations that gave significant scope for influence over job tasks, but little say in wider organisational decisions.

However, the effects of employment contract status were less consistent in the separate analyses within country groups (Table 3). Temporary workers were only less likely to be in high involvement organisations in the Continental,

Southern and East-Central countries. This suggests that labour market dualism, in which the workforce is divided into a core of relatively privileged and a periphery of relatively disadvantaged workers, may have been particularly strong in the Continental, Southern and East-Central country groups.

Similarly, separate analyses for the different country groups showed part-timers as significantly less likely to be in high involvement organisations only in the North-West, Nordic, Southern and Continental country groups (at a marginal level of significance). However, further analysis (not shown) revealed that, even in these countries, part-timers were not more likely to be in low involvement organisations.

Table 3: Employment contract differentials

	North-West	Nordic	Continental	Southern	East-Central	East-North	East-South
Fixed term (relative to permanent)	0.94	0.80	0.57*	0.71*	0.70*	0.87	0.89
Part-time (relative to full-time)	0.79*	0.79*	0.90(*)	0.66*	1.07	0.89	1.38

Notes: The relative odds compared with employees on standard employment contracts of being in a high involvement organisation by country group (with controls).

* Indicates a significant difference from the reference category of at least $p \leq 0.05$.

(*) Indicates a significant difference from the reference category of at least $p \leq 0.10$.

Overall, while there is a clear association between functional flexibility and high involvement organisation, the negative implications of numerical flexibility would appear to be primarily related to temporary work. This is particularly the case among temporary workers in the Continental, Southern and East-Central countries where labour market segmentation is particularly severe.

Human resource capacity

An important development in theories of management from the 1990s was the emergence of a new model of management, variously termed ‘high performance’, ‘high commitment’ or ‘high involvement’ management. The distinctiveness of this model compared with earlier theories of participation was that effective and durable forms of employee involvement were held to depend on their being embedded in a broader set of human resources policies. These provided stronger incentive structures of both an individual and collective type. One aspect of this was a reconstruction of the role of line supervisors to have more active concern for the skill development and welfare of their employees. This was to be reinforced by the introduction of formal appraisal systems, which were in turn linked to opportunities for career advancement. A second aspect was the redesign of work tasks to replace individual work posts with flexible team working. A third was the adaptation of the payment system to provide rewards for collective performance, either in the form of bonuses or shares.

The fifth EWCS included a range of questions indicating the extent to which supervisory style was employee-oriented. People were asked whether their immediate manager/supervisor ‘provides you with feedback on your work’, ‘respects you as a person’ and ‘is good at resolving conflicts’. These had a scale alpha of 0.55 and a scale based on the average response was constructed.⁶ The existence of formal appraisal was tapped by the question ‘Over the past 12 months, have you been subject to formal assessment of your work performance?’ and career opportunities by a question asking people how much they agreed or disagreed that ‘my job offers good prospects for career advancement’.

There are also a number of questions establishing whether people worked in teams and, if so, the degree of autonomy of the teams. The survey began by asking ‘do you work in a group or team that has common tasks and can plan its work?’ and then probed whether teams could decide on the division of tasks, the choice of team head and the

timetable of work. This report distinguishes between teams with no influence, influence over one issue and influence over two or more issues. Teams with influence over two or more decisions are termed ‘semi-autonomous teams’. With respect to a rewards system, the fifth EWCS had two questions asking whether people’s earnings included ‘payments based on the overall performance of the company where you work’ and ‘income from shares in the company you work for’.

There was a strong association between the different human resources practices and the overall type of employee involvement (Figure 17). For instance, where there was only weak supervisory employee orientation, only 15% of employees were in high involvement organisations while 54% were in low involvement organisations.⁷ In contrast, where supervisory employee orientation was strong, the proportions in high and low involvement organisations were very similar. A similar pattern emerged for teamwork. Where there was no teamwork, the low involvement organisation was the dominant type (44% compared with 22% in high involvement organisations). In contrast, where there was semi-autonomous teamwork, high involvement organisations were considerably more common than low involvement ones (41% compared with 22%).

More detailed statistical analysis confirmed that the positive effects of these employee-orientated human resources policies remained even when controls were introduced for individual characteristics such as age and tenure and other aspects of the work situation such as occupational class, employment contract status, industry, ownership sector and size of establishment. Moreover, even with such controls, they were at a high level of statistical significance for both men and women.

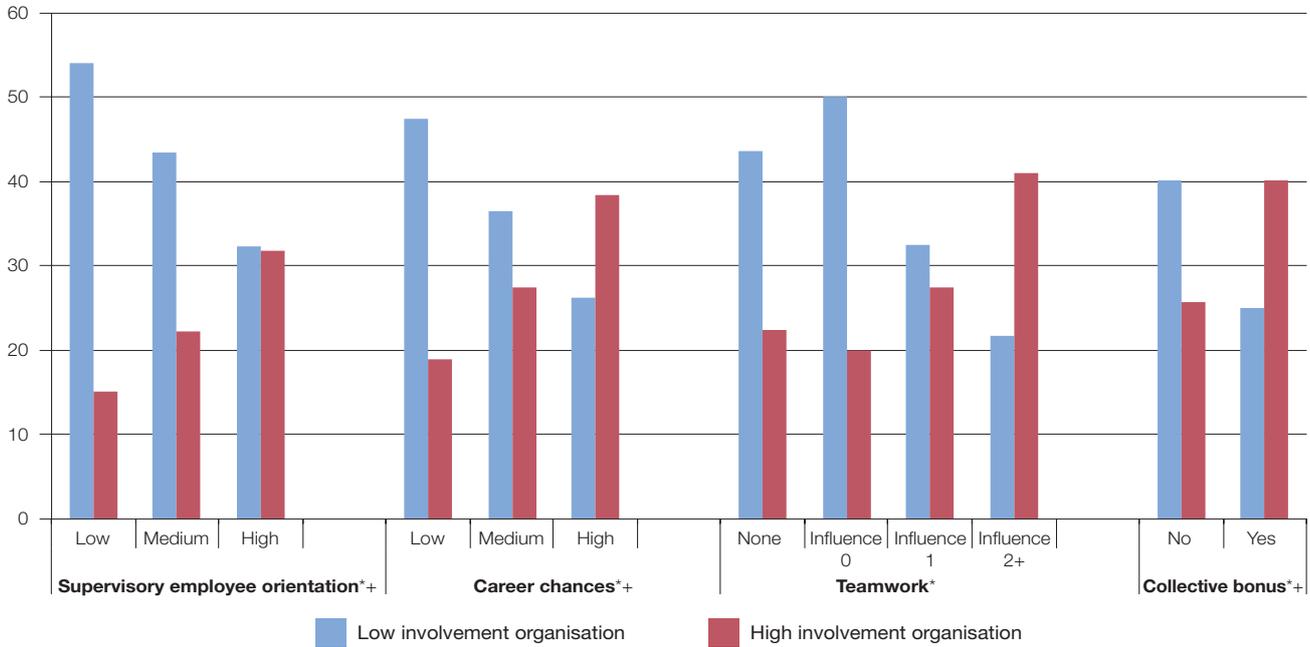
The strength of the links between these practices and employee involvement was further confirmed by separate analyses for the separate country groups. Employee-orientated supervisory style, the availability of career opportunities and semi-autonomous teamwork had consistently positive effects for high involvement organisations across all the country groups. The pattern of relationship between human resources capacity and employee involvement in Malta was similar to that of other country groups. Human resources capacity in Cyprus was not significantly associated with the presence of high involvement organisations.

The association between collective performance bonus payment systems and employee involvement was less clear.

⁶ A further question on whether the supervisor was good ‘at planning and organising the work’ was found in a factor analysis to be unrelated to this dimension and was therefore excluded from the index. Appraisal and careers, and the two reward items were only weakly related statistically and were therefore kept separate.

⁷ If the supervisor index equals 1, the organisation is considered as having strong supervisory employee orientation. A value of 0.67 indicates medium supervisory employee orientation and 0.33 or below indicates weak supervisory employee orientation.

Figure 17: Human resource practices and employee involvement (%)



Notes: * The effects of the factor remained statistically significant at the $p \leq 0.001$ level after controls were introduced for gender, age, tenure, occupational class and size of establishment.
 Influence 0 = no influence; influence 1 = some influence; influence 2 = strong influence.
 + The same pattern held for both men and women.

It was positively linked to high performance organisations only in the Continental and East-Central countries, and at a marginal level of significance in the Southern countries.

Workplace consultative and representative institutions

Early theories of employee integration into the company stressed the importance of the institutionalisation of channels of dialogue. The initial emphasis was on the growth of joint regulation between management and representatives of employees. Subsequently, there has been an increased interest in the formalisation of more direct contacts between management and employees through the institution of meetings in which employees could express their views directly on workplace problems. The sources of such developments could be diverse. They could be management initiated and, indeed, could be a constituent part of the more systematic human resources strategy that was examined in the previous section. They could

also come about through the pressure of either organised labour (as in Sweden) or government (as in France with introduction of the *lois Auroux*). This raises the issue of whether the existence of more formal channels of communication was important for employees' sense of their influence over decision-making or whether informal processes of influence were as, or possibly more, effective.

The fifth EWCS had relatively few questions relating to the institutional aspects of the relations between employers and employees, but there are two that allow for some examination of the issue. The first, which can be taken as a measure of the existence of some type of representative channel of communication, asks 'At your workplace is there an employee acting as an employee representative?' The second, termed 'consultation procedure', asks 'At your workplace, does management hold meetings in which you can express your views about what is happening in the organisation?' The two are associated, with a significant correlation of 0.32, possibly indicating that representative influence is a factor that helps to underpin more direct forms of consultation.⁸

⁸ There was also the following question: 'Over the past 12 months, have you raised work-related problems with an employee representative?' However, this was excluded as it gave no statistical improvement and is conceptually vaguer, combining an individual issue and with institutional structure.

Taken separately, both consultative and representative channels increased the chances that people would be working in a high involvement organisation (Figure 18). However, the effect of having a consultation procedure was notably stronger. Where it existed, employees were much more likely to be in a high involvement than in a low involvement organisation (36% compared with 27%). Moreover, when account was taken of differences in individual and other work factors, the effect of having a consultation procedure for employees in the EU27 as a whole remained at a high level of statistical significance, and this was the case for both men and women. In contrast, employees in organisations where there were representatives were still predominantly in low involvement organisations and even, though to a lesser extent, than where there was no representative. When controls were introduced for other potential influences, representation had only a significant positive effect for women.

Finally, moving to the separate analyses for the different country groups, representation did not have a statistically significant effect on employee involvement (either with respect to being in a high or a low involvement organisation) in any of the groups other than the East-South countries (where it was of marginal significance). In contrast, consultation procedure proved to be consistently important. It had a highly significant positive effect with respect to high involvement organisation, even with other factors controlled

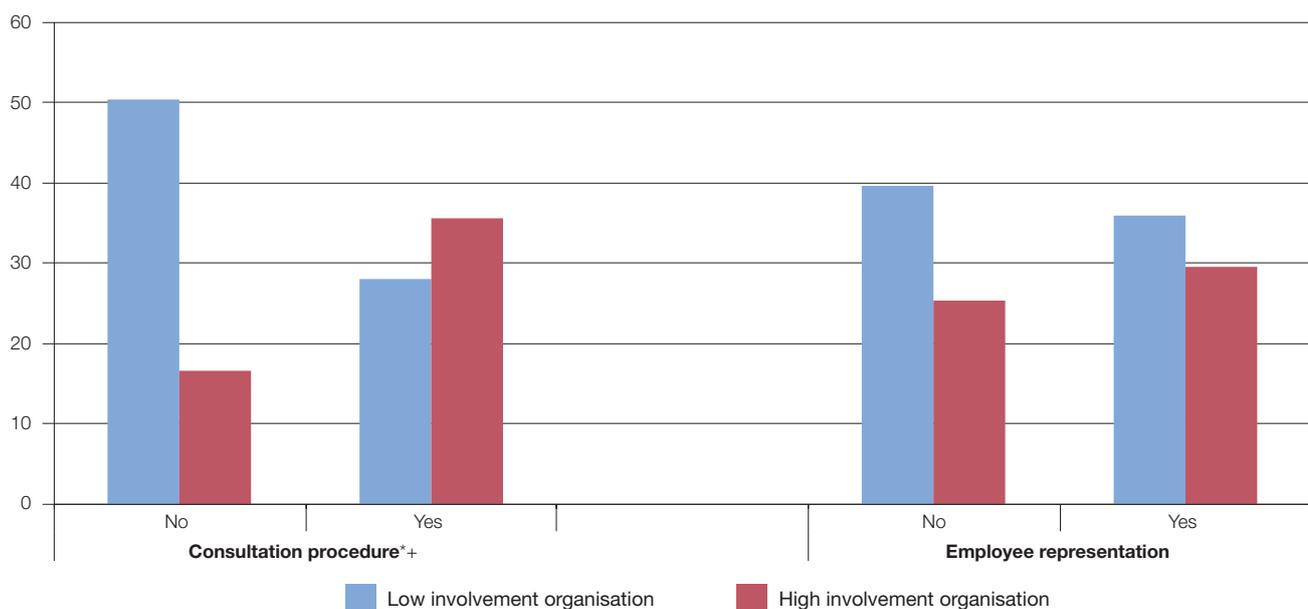
for, in all of the country groups, whereas it was negatively associated in all country groups with low involvement organisation. The pattern was the same for Cyprus and Malta.

The results, therefore, support the view that the provision of institutional arenas for dialogue is an important support for effective employee influence. This was particularly the case with respect to consultative procedures, whereas the evidence for a positive effect of representation was much weaker. This may, however, be due to a degree of institutional specialisation, with representation more strongly focused on influencing the terms of employment (pay and working hours) and consultation procedures on working conditions. The fact that there is a moderately strong correlation between the two may reflect the fact that representation is a significant support for more direct forms of consultation.

Ownership characteristics

It has been suggested that management policies may differ substantially depending on the nature of ownership of the workplace. The public sector and SMEs in the private sector are often seen as having sharply contrasting employment relationships. In the 1960s and 1970s the public sector was often considered as having the mission of providing a model of good employment practices, offering good

Figure 18: Employees in high and low involvement organisations by consultation procedure and representation (%)



Notes: * The effects of the factor remained statistically significant at the $p \leq 0.001$ level after controls were introduced for gender, age, tenure, occupational class and size of establishment.

+ The same pattern held for both men and women.

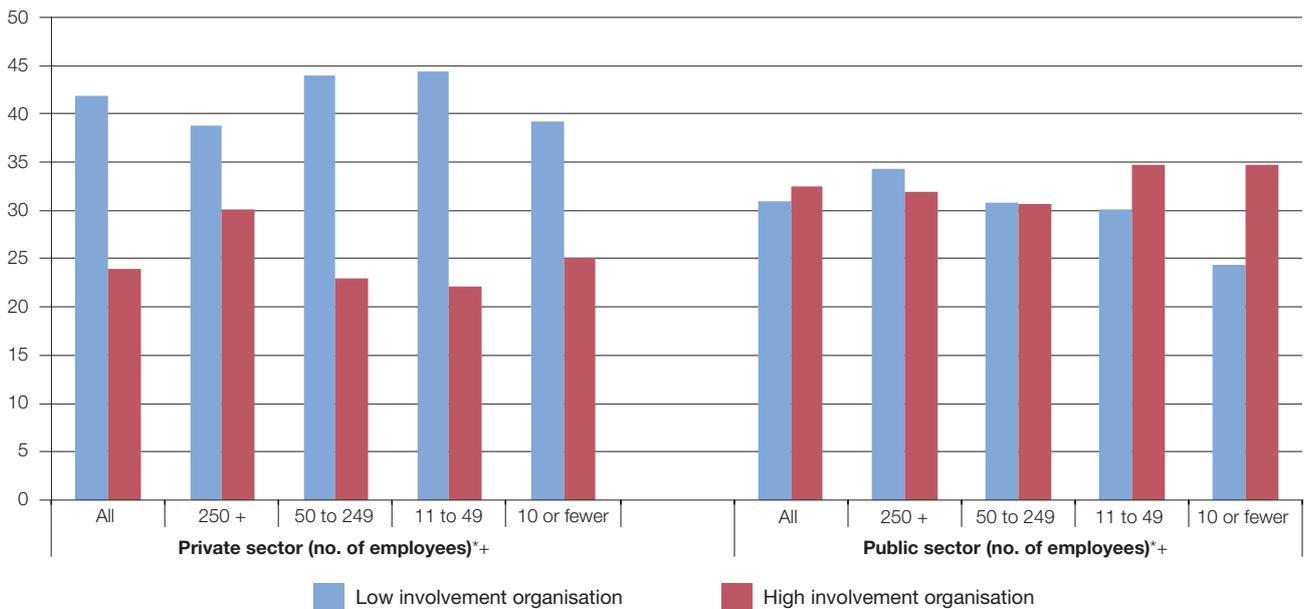
working conditions, a concern for employee welfare and high levels of job security. Yet at the same time, it was also the exemplar of a large-scale bureaucratic organisation, which could be seen as adverse to employee decision-making initiatives. More recently the employee-centred quality of public sector employment may have been called further into question with the growing popularity among governments of new public sector management practices that impose detailed performance targets and monitoring. Therefore an important issue is how far the public sector did provide greater scope for employee involvement by the time of the fifth EWCS in 2010.

At the other extreme, SMEs are sometimes depicted as a potential source of poor employment conditions. In some versions of the dual labour market theory, the peripheral sector is seen as primarily involving small companies in contrast to the core constituted by large ones. Various factors may underlie this vision of work in the SME sector. There is often a size threshold beneath which labour regulations do not apply, and smaller companies are unlikely to find it viable to have relatively sophisticated human resources management (HRM) systems. The view that employees are unlikely to be granted significant influence in decision-making may also flow from the fact that a substantial proportion of such companies may still be

family owned. It seems plausible that family ownership is associated with a stronger sense of managerial prerogative and a reluctance to allow employee interference in decisions. The fifth EWCS does not contain a direct measure of ownership status or indeed of overall company size. Therefore, the analysis took workplaces with fewer than 250 employees in the private sector as the best available proxy for an SME, distinguishing within this category 'medium-sized' organisations with 50–249 employees, 'small' organisations with 11–49 employees and 'micro' organisations with 10 or fewer employees.⁹

The patterns in Figure 19 confirm the image of the public sector as providing more favourable conditions for its employees. Those who work in the public sector typically have higher task discretion and higher levels of organisational participation than those who work in the private sector. Whereas those who work in the private sector are predominantly in low involvement organisations, employees in the public sector are by a small margin more likely to be in a high involvement organisation. This might be influenced by the difference in occupational class composition between the public and private sectors. But even with occupational class and other controls, public sector work remains associated with a greater likelihood of working in a high involvement organisation for the EU27 as a whole.

Figure 19: Employees in high and low involvement organisations by ownership sector and workplace size (%)



Notes: * The effects of the factor remained statistically significant at the $p \leq 0.001$ level after controls were introduced for gender, age, tenure, occupational class and size of establishment.
 + The same pattern held for both men and women.

⁹ Since there may be multiple workplaces in a company, this should be regarded as a tentative indicator.

However, there is a difference between the private and public sectors in terms of the effect of workplace size on employees' organisational involvement. In the public sector the size of establishment has relatively little effect on the likelihood of being in a high involvement organisation, although those in small and micro establishments are more likely to be in such organisations (this difference is statistically significant). In the private sector, those in small and medium-sized establishments are significantly less likely to be in high involvement organisations. Controlling for other factors, this effect is most pronounced in medium-sized enterprises. Employees in the smallest workplaces (micro workplaces) have higher levels of involvement than those in medium-sized and small establishments.

The effects of employment in the public sector and of differences in establishment size, however, were not significant for any of the separate country group analyses; the pattern was similar with or without controls for industry.

Economic structure, employment regulation and country differences

The various factors examined so far relate to the structural and policy characteristics of the organisations in which people are employed. However, there may be wider macro-level institutional differences that form the context in which management choices are made. Two perspectives have been particularly influential in this respect. Production regime theory has pointed to the importance of differences in employer organisation and culture that lead to very different levels of bargaining coordination, which in turn affect the involvement of employees in decision-making at workplace level. Employment regime theory, in contrast, has argued for the significance of the strength of organised labour in affecting government and employer policies about workplace relations.

This section considers how far the initial country and country group differences discussed in Chapter 1 remain after controlling for differences in the demographic composition of the workforce, occupational class and industry structure, typical company size and types of work. Residual national and country group differences are regarded as suggestive of the potential effects of macro-level structures.

The 'without controls' series in Figure 20 shows the initial country differences relative to Bulgaria. In seven countries (Denmark, Estonia, Finland, Malta, the Netherlands, Sweden and the UK), employees were two or more times more likely to be in a high involvement organisation than Bulgarian

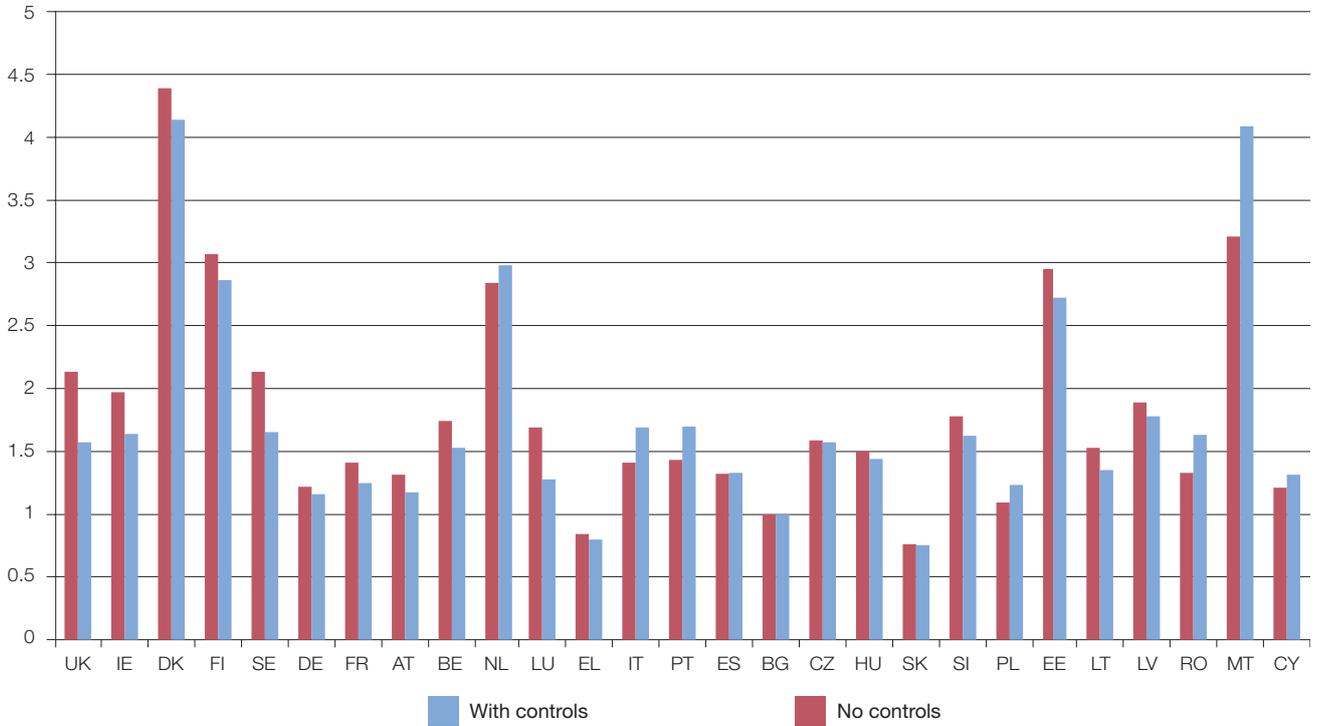
employees. The 'with controls' series in Figure 20 shows the residual country differences once demographic factors and economic structure are taken into account. This gives a sharply reduced differential for most countries, with a particularly marked decline in Luxembourg Sweden and the UK. In the eastern European countries, in particular, controlling for differences in workforce demography and economic structure eliminated previously statistically significant differences compared with Bulgaria. This was the case, for instance, with Hungary, Latvia, Lithuania and Slovenia. In a few cases (Italy, Malta, Poland, Portugal and Romania), the relative difference with Bulgaria grew greater once compositional factors were controlled for.

Turning to the country groups, Figure 21 shows the difference in the probability of an employee working in a high involvement organisation in each country group relative to an employee in the East-South country group. The 'without controls' series shows the overall difference, while the 'with controls' series shows the adjusted difference once account is taken of country differences in workforce demography and economic structure.

Before taking account of compositional factors, employees in the Nordic, Continental, North-West and East-North groups all had a higher probability of working in a high involvement organisation than an employee in the East-South group. The odds were 130% higher in the Nordic group, 70% higher in the North-West group, 50% higher in the East-North group, and 15% in the Continental group. However, these differences diminished sharply in all country groups once compositional differences were taken into account. Net of compositional effects, it is only employees in the Nordic countries that stand out as still having a statistically significant higher level of participation in high involvement organisations.

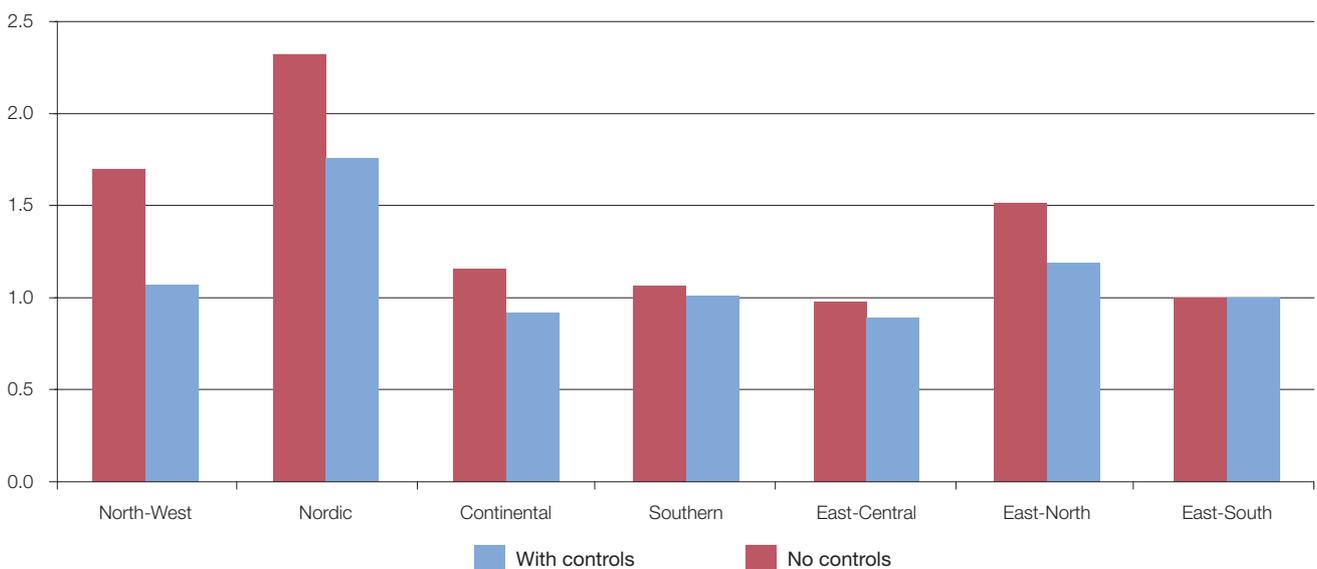
Most of the country group differences in employee involvement can therefore be accounted for in terms of differences in the composition of the workforce and the economic structure. However, this is not the case for the especially high level of involvement in the Nordic group. This suggests additional effects of national institutional differences in employment regulation, some of which may have been reflected in differences in organisational practices considered in the previous sections of this chapter (that is, flexibility, human resources orientation and worker representation practices). In a further analysis, these factors were also introduced. This led to a further substantial reduction in the effect for the Nordic group. When demographic and economic structure variables were controlled for, the odds of employees in the Nordic group being in high involvement organisations were 80% higher than those of employees in the East-South group, but they were only 43% higher once these specific organisational policy factors were taken into account (a difference, however, that remained significant statistically).

Figure 20: Likelihood of working in a high involvement organisation by country



Notes: Relative odds of an employee working in a high involvement organisation compared with employees in Bulgaria. Countries are ordered by country group (see p. 4).

Figure 21: Likelihood of working in a high involvement organisation by country group

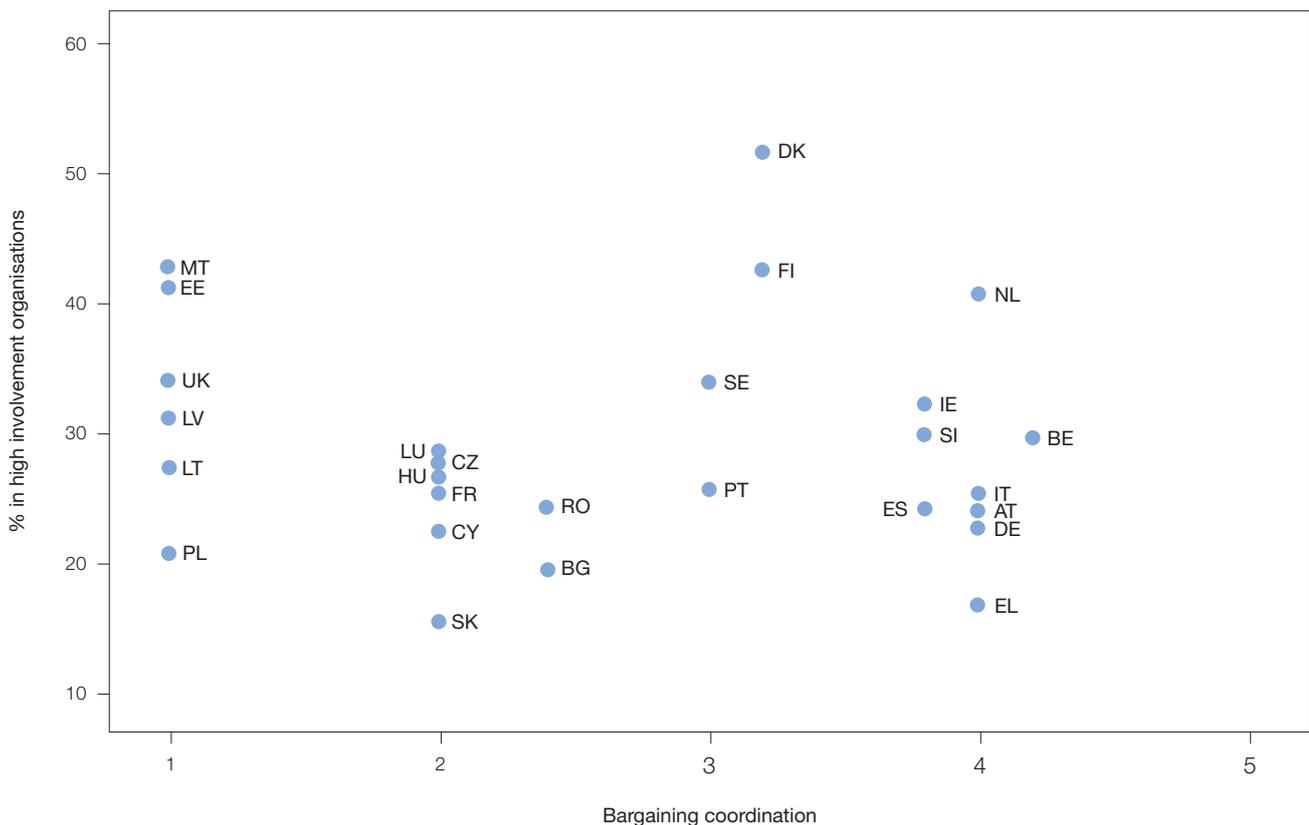


Notes: Relative odds of an employee working in a high involvement organisation compared with employees in the East-South country group. Results with controls include age, gender, tenure, occupational class, industry, size of establishment, ownership sector and type of work.

Finally, employer policies may also be affected by the broader ethos of industrial relations deriving from macro-institutional arrangements. The two institutional perspectives that offered interpretations of country variations emphasised the importance, respectively, of employer bargaining coordination and the strength of organised labour. However, an aggregate country-level analysis, using a well-established measure of bargaining coordination,¹⁰ did not show a significant relationship between the extensiveness of employer bargaining coordination and the proportion of employees in high involvement organisations. Countries with high and low degrees of bargaining coordination both had very diverse proportions of the workforce in high involvement organisations (Figure 22).

In contrast, there was a strong relationship (a significant correlation of 0.48) between the prevalence of high involvement organisations and the membership strength of trade unions.¹¹ The three Nordic countries (Denmark, Finland and Sweden), which had high levels of employee involvement, stand out very sharply in terms of the strength of their trade unions, while the majority of the Southern and eastern European countries had relatively weak unions (Figure 23). Strong national union membership was not a necessary condition of high involvement as is shown by the cases of Estonia and the Netherlands, where unions were also relatively weak, but it does seem likely that a high level of union membership encouraged an organisational culture based on dialogue and greater employee influence over their job tasks.

Figure 22: Employees in high involvement organisations by country and degree of bargaining coordination (%)



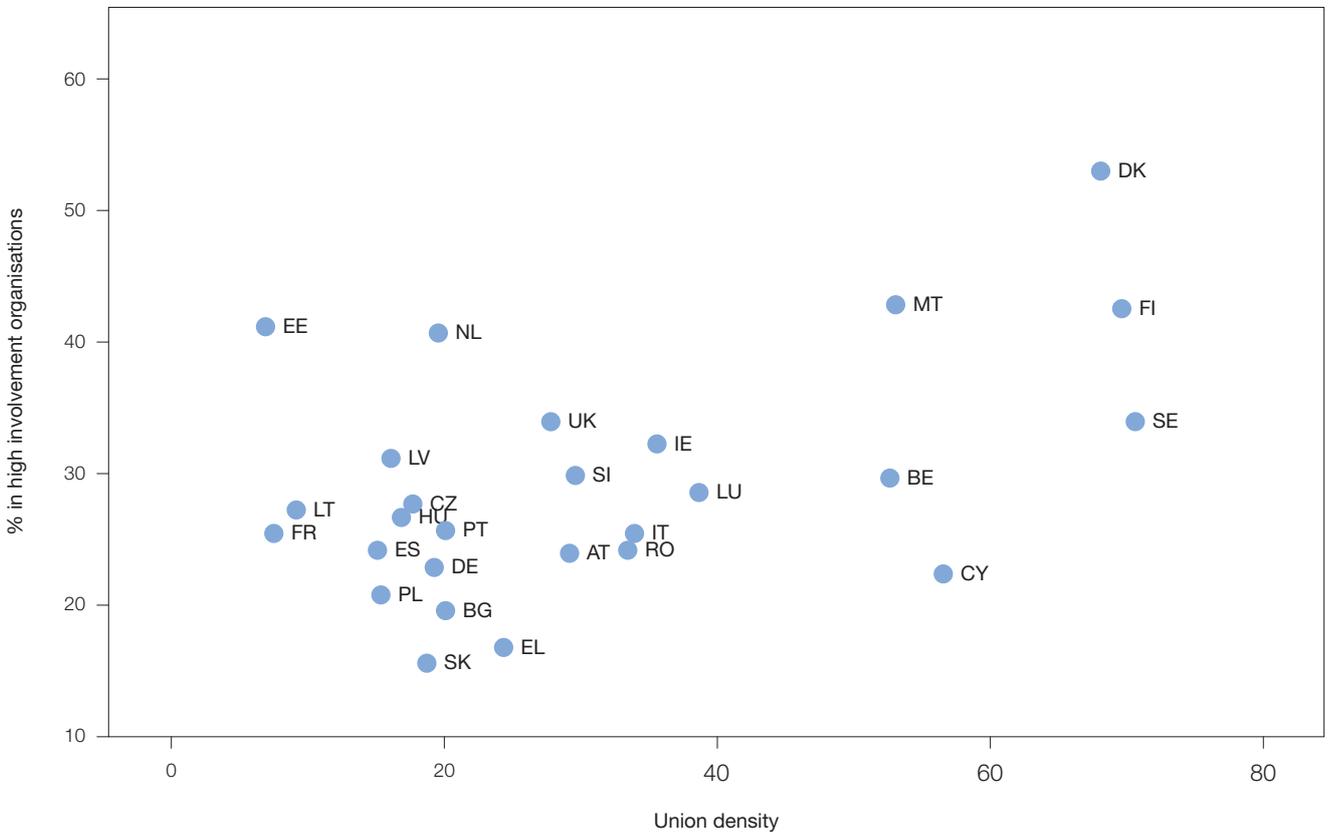
Notes: Vertical axis shows the proportion of employees in high involvement organisations in each country and the horizontal axis shows the degree of bargaining coordination.

Measure of bargaining coordination taken from the ICTWSS dataset, version 3, May 2011 (Visser, 2011).

¹⁰ The indicator WCOORD in the ICTWSS (Institutional Characteristics of Trade Unions, Wage Setting, State Intervention and Social Pacts) dataset (Visser, 2011). The correlation was -0.07 , $p = 0.75$.

¹¹ The measure of union density (UD), averaged over the period 2006–2010, was also drawn from the ICTWSS dataset.

Figure 23: Employees in high involvement organisations by country and national trade union density (%)



Notes: Vertical axis shows the proportion of employees in high involvement organisations in each country and the horizontal axis shows the proportion of employees who are union members. Measure of union density taken from the ICTWSS dataset, version 3, May 2011 (Visser, 2011).

The impact of bargaining coordination and union membership can be examined in more detail by looking at the relative importance of different factors in accounting for country variance in the constituent dimensions of high involvement (that is, task discretion and organisational participation) using a multilevel model (Figure 24).¹² A test of the effect of the indicator of the extent of bargaining coordination on country variance showed that it was not statistically significant for either task discretion or organisational participation. Union density, however, was highly significant and on its own accounted for 33% of country variance with respect to task discretion and 40% with respect to organisational participation.

However, since union density could at least in part be acting as a proxy for differential characteristics of the workforce, the next step was to enter it only after a range of individual characteristics (age, gender and tenure), factors relating to economic structure (occupational class,

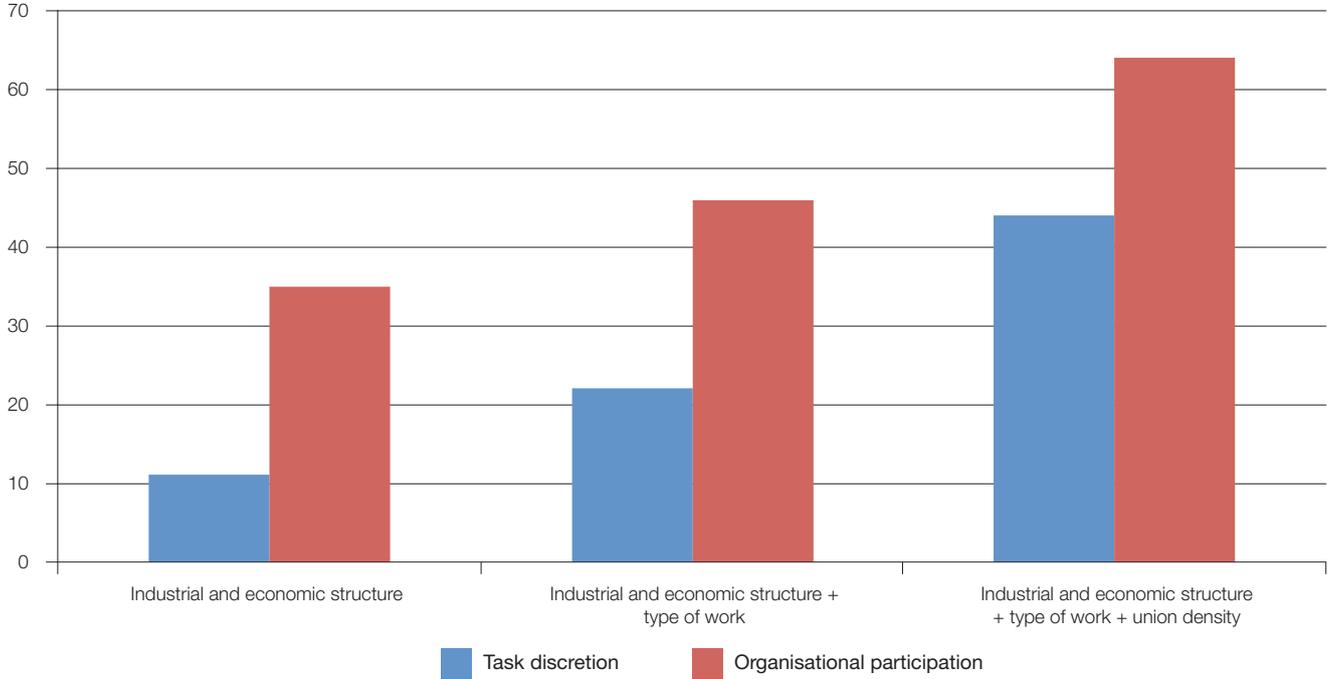
employment contract status, industry, ownership sector and size of establishment) and variables relating to the type of work task (routine machine work, computer work and people work).

Individual characteristics, together with basic controls for differences in economic structure, accounted for 11% of the variation between countries in terms of task discretion. Introducing type of work made a further 11% reduction in the unexplained variance. Once these factors had been taken into account, however, union density still made another major contribution, leading to a further 22% reduction in the unexplained variance. Overall, the three factors accounted for 44% of the difference in task discretion between countries.

The pattern was similar for organisational participation. Controls for individual characteristics and economic structure accounted for 35% of the country differences and

¹² Model used MLWIN software.

Figure 24: Country variance in task discretion and organisational participation by various factors (%)



types of work for a further 11%. Even with these factors included, however, union density led to a further 18% reduction in the variance. Taken together, the three factors accounted for 64% of the difference between countries in organisational participation.

The strength of trade unions would therefore appear to be an important factor underlying national differences in employee involvement over and above differences in the demographic composition of the workforce and economic structure. In addition, union density was substantially more important than the degree of employer bargaining coordination.

Consequences of employee involvement

Consequences of employee involvement

An important claim in the literature advocating the benefits of employee involvement is that it is beneficial for both economic performance and employee well-being. It is therefore a positive development that has advantages for both employers and employees.

The argument with respect to economic performance hinges on two principal assumptions. The first is that involvement in decision-making enhances learning opportunities in the job, while the second is that it leads to higher levels of motivation. The view that it at the same time improves employee well-being is based on the belief that:

- greater scope for employees to share in decision-making leads to improvements in the quality of work and employment conditions;
- it provides an important source of protection against psychological stress at work.

However, there is also scepticism in the literature of the supposed economic and well-being benefits of employee involvement. This chapter investigates which of these arguments receives greatest support from the comparative evidence.

Learning opportunities

There are a number of grounds for thinking that involvement in decision-making should improve employees'

knowledge about the work process and the skills they use at work. At the level of the work task, greater scope for decision-making should enable employees to experiment with different ways of performing tasks and learning through a process of problem-solving through trial and error. At the level of the organisation, greater employee involvement should provide a better understanding of the way individual tasks relate to the wider work process, while higher levels of employee influence could be expected to encourage employers to invest more in the skills of their employees through the provision of training.

In assessing this, two types of employee learning at work can be discerned – informal learning and formal learning. Informal learning is acquired by the individual employee through discussion and problem-solving in everyday task activity, while formal learning involves instruction either by another person in the organisation or by someone external to the organisation.¹³

Informal learning

The fifth EWCS included three useful proxies of informal learning. The first asked people whether their job involved learning new things, the second whether it involved solving unforeseen problems and the third how frequently they were able to apply their own ideas to their work.

The four types of employee involvement were associated with rather different informal learning profiles (Figure 25).

¹³ The selection of relevant items for the two types of learning is based on the results of a principal components analysis with varimax rotation, which revealed two distinct dimensions with an eigenvalue greater than 1. However, the items representing informal learning had a low scale Cronbach's alpha and should be seen as discrete forms of informal learning; the training items had a Cronbach's alpha of 0.58, close to the threshold for accepting that they represent a scale.

All measures were lowest in low involvement organisations and improved substantially in discretionary organisations (high task discretion, but low organisational participation). Consultative organisations (high on organisational participation, but low on task discretion) were associated with still higher learning opportunities. Finally the combination of high task discretion and high organisational participation that characterised a high involvement organisation produced the best informal learning environment on all measures. This remained the case even when a wide set of controls were introduced for individual characteristics (age, gender, tenure) and for other features of the work situation that might have been underlying the effect of type of involvement (occupational class, employment contract status, industry, size of establishment and type of work – whether routine machine, computer-based or people work). The same pattern emerged in separate analyses for men and women.

Formal learning

The indicators of formal learning focus on the provision and consequences of training. People were asked in the fifth EWCS whether they had undergone any training in the previous 12 months to improve their skills. It was possible to differentiate between training paid for by the employer and training paid for by the employee. On-the-job training could also be distinguished from other types of training. Finally, there was a question that sought to capture the quality of the training by asking those who had received

it whether the training had helped to improve the way they worked.

For the EU overall there was a strong association between the type of employee involvement and both the overall level of training and the nature of the training provided (Figure 26). Employees in low involvement organisations were the least likely to have received training. The provision of training was successively greater across discretionary, consultative and high involvement types. Whereas only 42% of employees in low involvement organisations had received training in the previous 12 months, this was the case for nearly 60% of those in high involvement organisations.

Of those who did receive training, those in low involvement organisations were the least likely to have received dual off-the-job and on-the-job instruction. The relative importance of dual on-the-job and off-the-job training was highest in both the consultative and high involvement types, suggesting that it depended primarily on the strength of wider organisational participation. Given its relevance for work performance, the proportion of employees who had received training that improved the way they did their work increased across the different involvement types and was highest among those in high involvement organisations.

More detailed statistical analysis confirmed the positive effects of higher involvement for both informal and formal

Figure 25: Employees involved in informal learning by type of employee involvement (%)

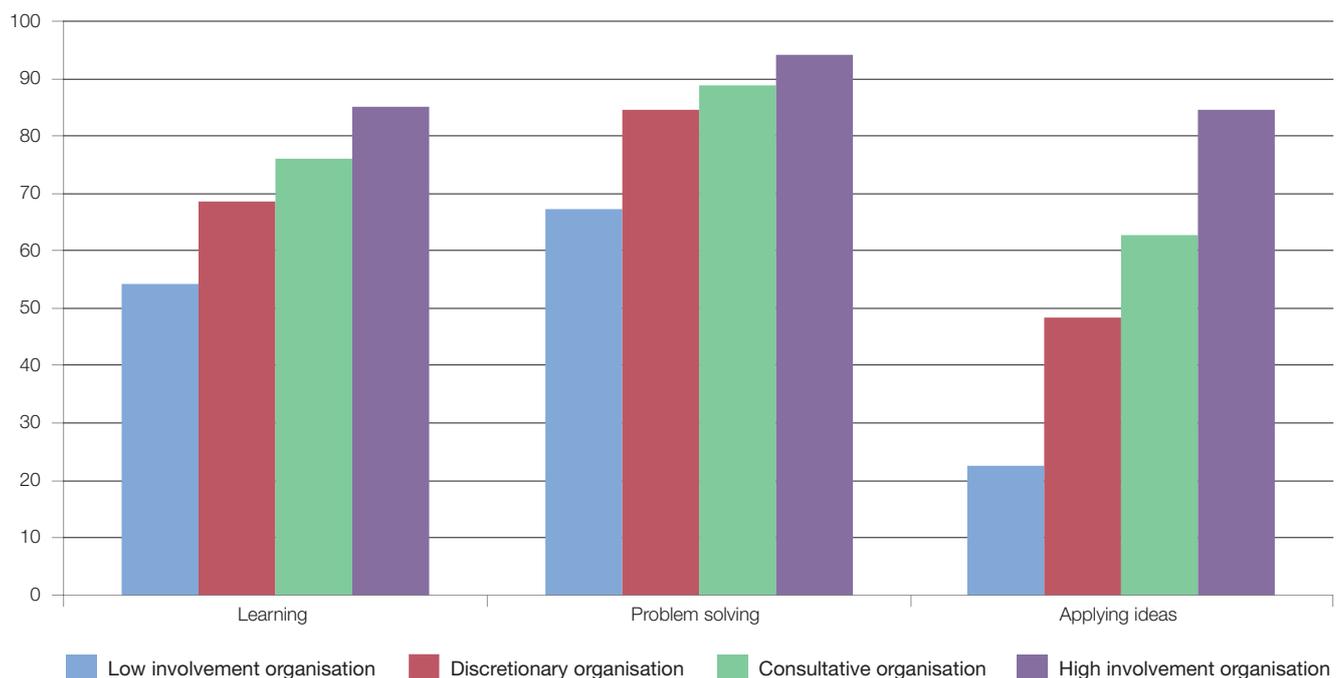
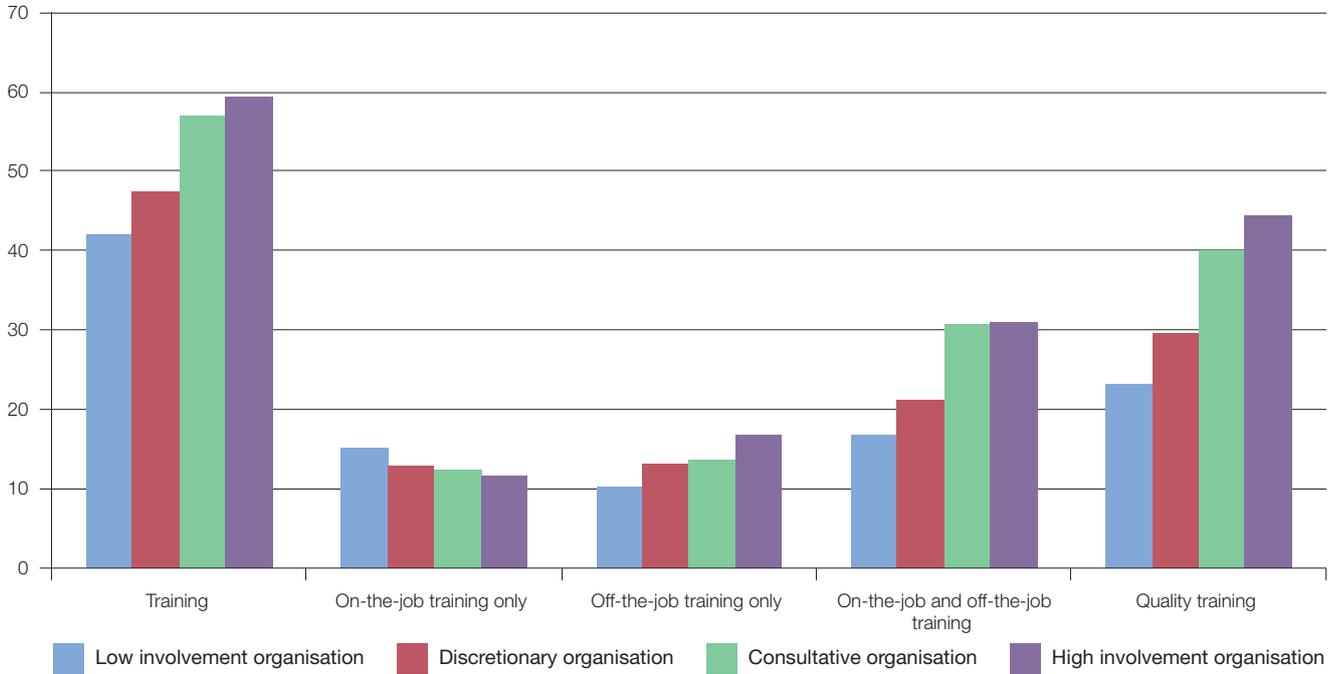


Figure 26: Employees involved in formal learning by type of employee involvement (%)



learning even when other potential influences with respect to individual characteristics and work factors were controlled for. Separate analyses for men and women showed that the same pattern was evident for both sexes. Overall, more participatory organisations, and in particular high involvement organisations, provided a better learning environment.

Separate analyses for each country group were conducted for the informal learning indicators and for the training quality indicator (which has the clearest relevance for work performance) with controls for individual and other work characteristics. They showed that the positive effects of high involvement for learning emerged very consistently. High involvement organisation was significantly associated with the informal learning and training quality indicators in all the country groups. In the great majority of cases, it had the strongest effect of any of the types of employee involvement on informal learning. It was the form of employee involvement with the strongest association with employees’ ability to apply their own ideas to their work in all country groups, with their likelihood of dealing with unforeseen problems in six of the country groups and with learning new things at work in five. While it was highly significant with respect to training quality, the effect coefficients were lower, although very close to, those of consultative types of organisation in four of the country groups. Discretionary organisations had the least clear effects for formal learning. In both Cyprus and Malta, high involvement organisations were associated

with higher levels of learning (solving unforeseen problems and applying one’s own ideas in work). High involvement organisations had a significant impact on training quality in Malta but not in Cyprus.

Employee motivation

A second way in which more participatory organisations may contribute to better work performance is through their impact on employee work motivation. Conceptually, two aspects of work motivation can be distinguished – task commitment and organisational commitment. Higher task commitment is likely to be associated with a greater willingness to put in discretionary effort, higher levels of innovation and better work quality. Organisational commitment has been shown to be associated with lower absence rates and lower turnover (Meyer and Allen, 1997).

The fifth EWCS had two questions that can be taken as proxies of task commitment. The first asked people whether or not their work involved ‘monotonous tasks’, implying a negative view of the work task. Those who rejected this description of their work can be seen as having a higher measure of task commitment. The second question focused on positive perceptions of the job, asking how often ‘your job gives you the feeling of work well done’. This could be seen as an indicator of satisfaction with the job task. There were three relevant questions for organisational commitment. The first asked people how

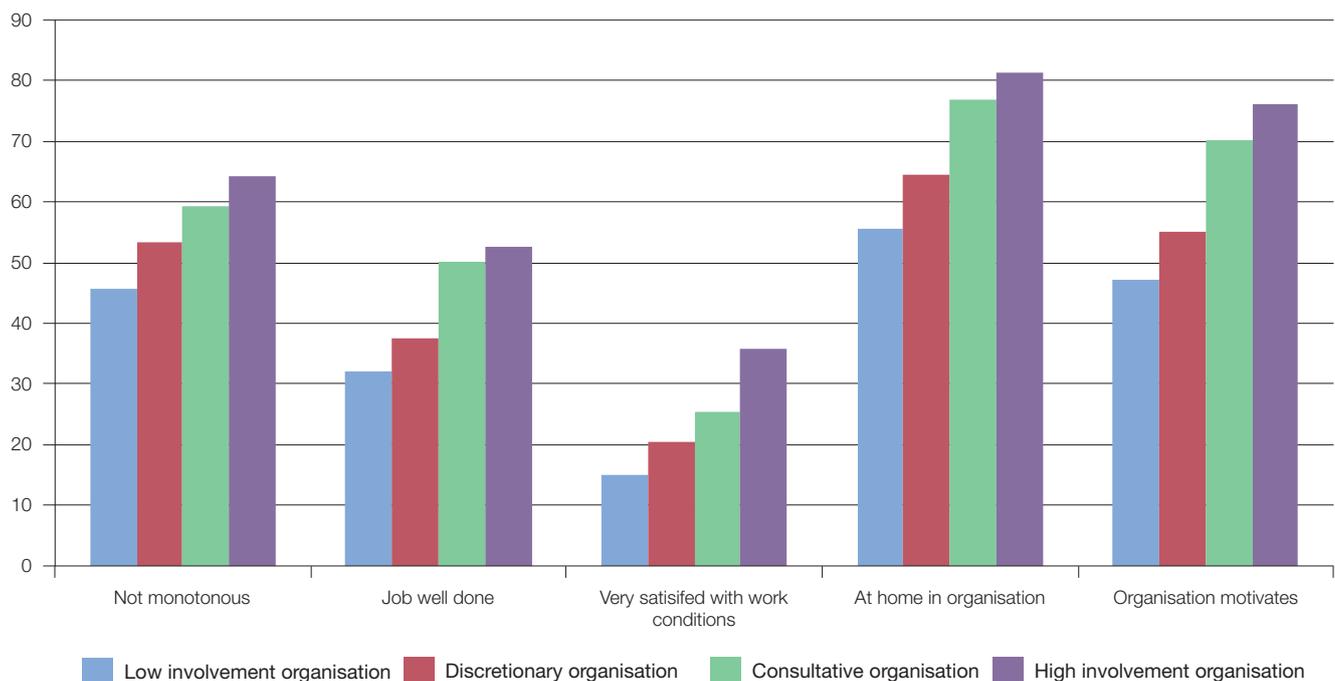
satisfied they were with the working conditions in their job, the second how much they agreed that they felt ‘at home’ in their organisation and the third how much they agreed that ‘the organisation I work for motivates me to give my best job performance’. These three scaled well, indicating that they reflected a similar underlying dimension.¹⁴

Type of employee involvement was indeed strongly related to both task commitment and organisational commitment (Figure 27). Employees in low involvement organisations were lowest on all measures. The proportion of committed employees then rose successively across the discretionary, consultative and finally the high involvement types. The differences were substantial; for instance with respect to task commitment only a minority of employees (46%) in low involvement organisations considered that their work tasks were not monotonous compared with 64% of those in high involvement organisations. Similarly, whereas only 32% of those in low involvement organisations always felt that their job gave them the feeling of work well done, the proportion rose to 53% in high involvement organisations. The same pattern is evident for organisational commitment. Those very satisfied with working conditions rose from 15% in low involvement to 35% in high involvement organisations, the feeling of being at home in the organisation from 56% to 81%, and the view that the organisation motivated them to give best performance from 47% to 76%.

It is possible that the relationship between forms of involvement and work motivation reflected differences in the characteristics of employees in these types of organisation, for instance, in the type of work they did. However, statistical analysis of the separate task commitment questions and of a scale of organisational commitment (combining satisfaction with working conditions, feeling at home in the organisation and being in an organisation that motivates best performance) showed that more participatory forms of organisation had employees with higher work motivation even when differences in individual and other work characteristics had been controlled for. In all cases, the strongest effects were for high involvement organisations, followed by consultative organisations. The pattern was the same in separate analyses for men and women.

The different forms of employee involvement were not only statistically significant for work motivation for the EU27 as a whole, but in almost all cases in the separate analyses within country groups. This was the case even controlling for individual and other work characteristics. In all country groups as well as in the Mediterranean islands, high involvement organisations were those that had the strongest effects. These were followed by consultative organisations and then by discretionary organisations.

Figure 27: Task commitment and organisational commitment by type of employee involvement (%)



¹⁴ The three items had a Cronbach’s alpha of 0.73.

Working and employment conditions

One of the ways in which work organisation may improve employee well-being is through its implications for working and employment conditions. Three aspects are likely to be particularly relevant:

- ▾ the level of risk in the physical work environment;
- ▾ the degree of work intensity;
- ▾ the availability of time flexibility arrangements that make it easier for employees to manage the joint demands of work and family.

The fifth EWCS covered a range of potential physical risks in the working environment. A factor analysis indicated that these consisted of three distinct dimensions – a general physical risk dimension and two more specific dimensions relating to chemical risks and risks from handling people at work.¹⁵ The general risk questions involved a set in which people were asked whether they were exposed at work to vibrations from tools and machinery, loud noise, high or low temperatures, smoke and fumes, together with two questions asking whether their job involved ‘tiring or painful positions’ or ‘carrying or moving heavy loads’. The chemical risk dimension consisted of two questions about whether people were exposed to ‘breathing in vapours such as solvents or thinners’ or ‘handling or being in skin contact with chemical products or substances’. People-related risks involved two questions – whether people were exposed to direct contact with materials that can be ‘infectious such as waste, bodily fluids, laboratory materials’ and whether their job involved ‘lifting or moving people’. Indices were created for each risk dimension across the relevant questions.

It is increasingly recognised that risks to health in the work environment can derive from high and sustained levels of work pressure as well as from poor physical working conditions. Work intensity was measured in the fifth EWCS through three questions. People were asked how frequently their work involved working at a very high speed or to tight deadlines. They were also asked how often it was the case they had enough time to get the job done, with responses of ‘rarely’ or ‘never’ indicating high work intensity. A summary measure of work intensity

was constructed by averaging the three responses to the three questions.¹⁶

Work pressures may be partly offset if people have a measure of control over their work times. The fifth EWCS had three questions that addressed different aspect of time control. The first asked how working time arrangements were set in the organisation, with responses ranging from at one extreme ‘they are set by the company/organisation with no possibility for changes’ to, at the other extreme, ‘your working hours are entirely determined by yourself’. The second question asked how difficult it would be ‘to take an hour or two off during working hours to take care of personal or family matters’, while the third asked how frequently it was the case that ‘you can take a break when you wish’.

In addition, the fifth EWCS contained two more general indicators of interest with respect to risks in the work environment. The first question asked people whether they thought their health and safety was at risk because of their work and the second how well informed they were about health and safety risks relating to the performance of their jobs. People’s personal assessment of whether their health and safety was at risk was associated with each of the more specific risk factors. Perception of risk increased the poorer the quality of the working environment with respect to general, chemical and people-related risks. It also increased the higher the level of work intensity. However, greater flexibility in working hours was associated with a lower perception of health risks.¹⁷

Types of employee involvement and working and employment conditions

Was the level of risk in the working environment affected by the pattern of employee involvement? The differences in the various risk factors by type of involvement are shown in Table 4. The two types that are most clearly associated with reduced general physical risks are high involvement organisation and discretionary organisation, with the effect of the high involvement organisation the strongest. Although this might reflect differences in economic sector and the type of work people are doing, the pattern remains unchanged and statistically significant even with the full set of controls for individual and work characteristics. This is the case for both men and women. Employees in high involvement and discretionary types of organisation also have the lowest scores with respect to chemical risks but, once other factors are controlled for, the

¹⁵ The items for general physical risks had a Cronbach’s alpha of 0.82. The value for chemical risks was 0.74 and the value for people work was 0.56.

¹⁶ The three work intensity indicators had a Cronbach’s alpha of 0.66.

¹⁷ The correlations with perceived health risks were 0.40 for general physical risks, 0.24 for chemical risks, 0.31 for people related risks, 0.21 for work intensity and -0.15 for work time flexibility.

effect is only evident for male employees and it is equally strong for those in high involvement and discretionary organisations. For people-related risks, although those in high involvement and discretionary organisations also have lower scores, the type of employee involvement is no longer statistically significant once differences in individual characteristics and work situation are taken into account.

The pattern for work intensity is distinctive. Overall, employees in discretionary organisations, where they had significant decision-making over the task but not over wider organisational decisions, had the lowest work intensity, followed by those in high involvement organisations. This was still the case when individual and other work characteristics were controlled for. However, the pattern varies for men and women. A discretionary organisation was most strongly related to lower work intensity for men, whereas a high involvement work organisation was most strongly related for women.

All three types of participatory organisation are associated with better provision in terms of work time flexibility, but the effect is stronger (with and without controls for other factors) in high involvement organisations than in either discretionary or consultative organisations. The same is true for the overall perception by employees of health and safety risks, the strongest effect in reducing risks is that of being in a high involvement organisation. In both cases, this was confirmed in separate analyses for men and women.

Overall, greater participation would seem to improve outcomes for employees with respect to most working and employment conditions. Being in a high involvement

organisation had particularly strong effects with respect to general physical risks, the provision of flexible work times, and employees' overall perception of health and safety risks.

The pattern proved to be consistent for most aspects of working conditions within most of the country groups. The exceptions were with respect to chemical risks where types of involvement no longer had a significant effect in any of the country groups, and for the East-South countries where employee involvement was only associated with flexibility in working times and health and safety information. In all other country groups, being in a high involvement work organisation had the strongest effect among the three types of participatory organisation for each aspect of working and employment conditions. Separate analysis for Cyprus and Malta showed consistent effects of high involvement organisations on work pressure, health and safety, working time flexibility and working conditions satisfaction in Cyprus. In Malta significant effects were found for working time flexibility, working conditions satisfaction and health and safety information.

Employee well-being

Theories of participation have stressed the beneficial effects on employees' psychological well-being of involvement in decision-making. It is seen as inherently satisfying as well as an important source of recognition and status in societies with egalitarian norms embodied in the principles of citizenship. However, there is an alternative view that involvement in decisions at work could be detrimental

Table 4: Working conditions by type of employee involvement

	Low involvement organisation	Discretionary organisation	Consultative organisation	High involvement organisation
Physical risks				
General physical risks score	1.31	1.05*	1.18	0.82*
Chemical risks score	0.63	0.50*	0.62	0.41*
People-related risks score	1.00	0.85	1.02	0.70
Work intensity				
Work intensity score	1.63	1.33*	1.58*	1.39*
Work time flexibility				
Work time flexibility index	2.07	2.56*	2.47*	2.93*
General				
% health & safety at risk	28.5	22.0*	25.3*	17.9*
% very well informed about health & safety	38.4	38.5	52.5	56.0

Note : * Indicates that the association of type of employee involvement with reduced work environment risks compared with those in low involvement organisations was statistically significant in regression analyses controlling for age, gender, tenure, occupational class, job complexity, type of employment contract, industry and size of establishment.

for psychological health. Increased influence may lead to higher levels of anxiety in work as individuals come to feel personally more responsible for performance and errors.

An influential argument in the literature has focused on the potential importance of employees' decision-making involvement for their psychological and physical vulnerability to work pressure. While working and employment conditions are a vital objective source of employee well-being, affecting the nature and the pressure of work demands, the impact of such factors on psychological well-being (and by extension physical health) may be moderated by the nature of work organisation. It has been suggested that, where employees have scope for decision-making over their tasks, a given level of work pressure will have less negative consequences for well-being.

Research to date has largely looked at the consequences for psychological well-being of individual task discretion. However, the logic of the argument raises the issue of whether the involvement of employees in wider organisational decisions might also have an influence. Some employees with low levels of decision scope over their immediate jobs are in a position to influence wider decisions about work organisation. Others are able to reinforce their capacity to take decisions over the task with the ability to influence wider work organisation. It was therefore of interest to examine whether the broader form of integration of employees into decision-making affects levels of psychological well-being and vulnerability to work pressure.

Psychological well-being

The principal direct measure of psychological well-being in the fifth EWCS survey is a five-item version of the World Health Organization questionnaire (WHO-5). This presents people with five statements relating to their mood over the previous two weeks, giving choices on a six-point scale running from 'all of the time' at one extreme to 'at no time' at the other. The average score across the five statements is taken as the measure of psychological well-being, with scales reversed so that higher scores reflect greater well-being. The statements in the fifth EWCS were:

- ✎ I have felt cheerful and in good spirits.
- ✎ I have felt calm and relaxed.
- ✎ I have felt active and vigorous.
- ✎ I woke up feeling fresh and rested.
- ✎ My daily life has been filled with things that interest me.

Figure 28 shows the relationship between task discretion, organisational participation and the overall type of employee involvement and employees' psychological well-being. All three measures of employees' involvement in decision-making are clearly associated with the level of well-being, with higher well-being among those with more scope for decision-making. Notably, participation in wider organisational decisions made a considerably greater difference than the capacity to influence decisions about the work task. This finding is reflected in the pattern with respect to the overall form of employee involvement. The greatest difference in well-being is between those in discretionary organisations and those in consultative organisations where employees have a say in wider workplace decisions. The combination of involvement in task and workplace decisions (high involvement organisation) is linked to a further increase in well-being, although the difference is relatively modest.

Although women generally have lower well-being scores than men, the pattern with respect to decision-making involvement is very similar between the sexes (Figure 29). It still emerged clearly, with a high level of statistical significance for both sexes, even when individual and other work situation characteristics were taken into account.

Is there support for the view that involvement in decision-making reduces the negative psychological effects of high work pressure? Those above the median on the measure of work intensity described in the previous section can be taken as experiencing relatively high work pressure. Similarly, those above the median score on the task discretion and organisational participation indicators are taken as having relatively high decision involvement.

Figure 30 compares the psychological well-being of those who experience high work intensity while at the same time having significant decision-making influence with those who experience high work intensity but have little decision-making influence. Those who have higher task discretion have better well-being scores than those who have lower levels of task discretion, although the effect is stronger for men than for women. Participation in wider organisational decisions is also associated with higher well-being scores, but in this case the effect is stronger for women than for men. Finally, there is a further increase in the well-being scores for those in a high involvement organisation (which combines opportunities for employee involvement with respect to both the task and the wider work organisation). However, this is largely accounted for by the higher psychological well-being of male employees, with the level for women very similar to that for organisational participation taken on its own.

Figure 28: Employee involvement and psychological well-being (WHO-5) scores

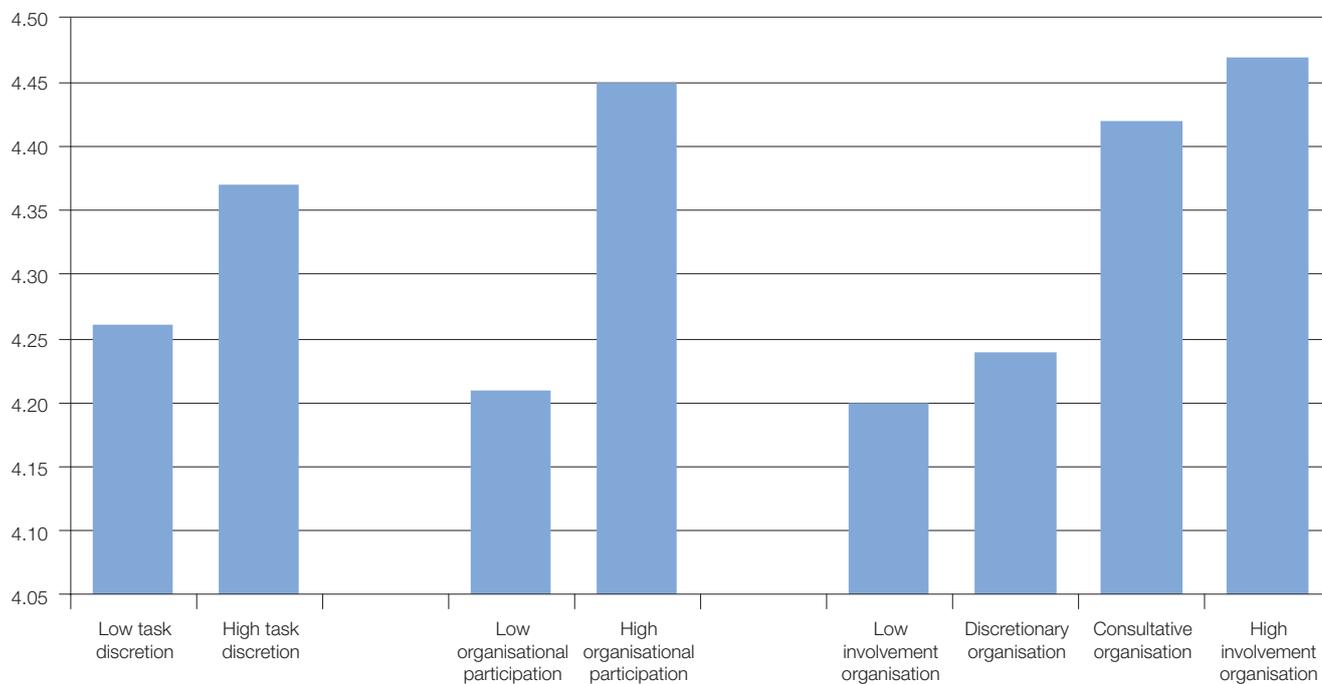


Figure 29: Employee involvement and psychological well-being (WHO-5) scores by gender

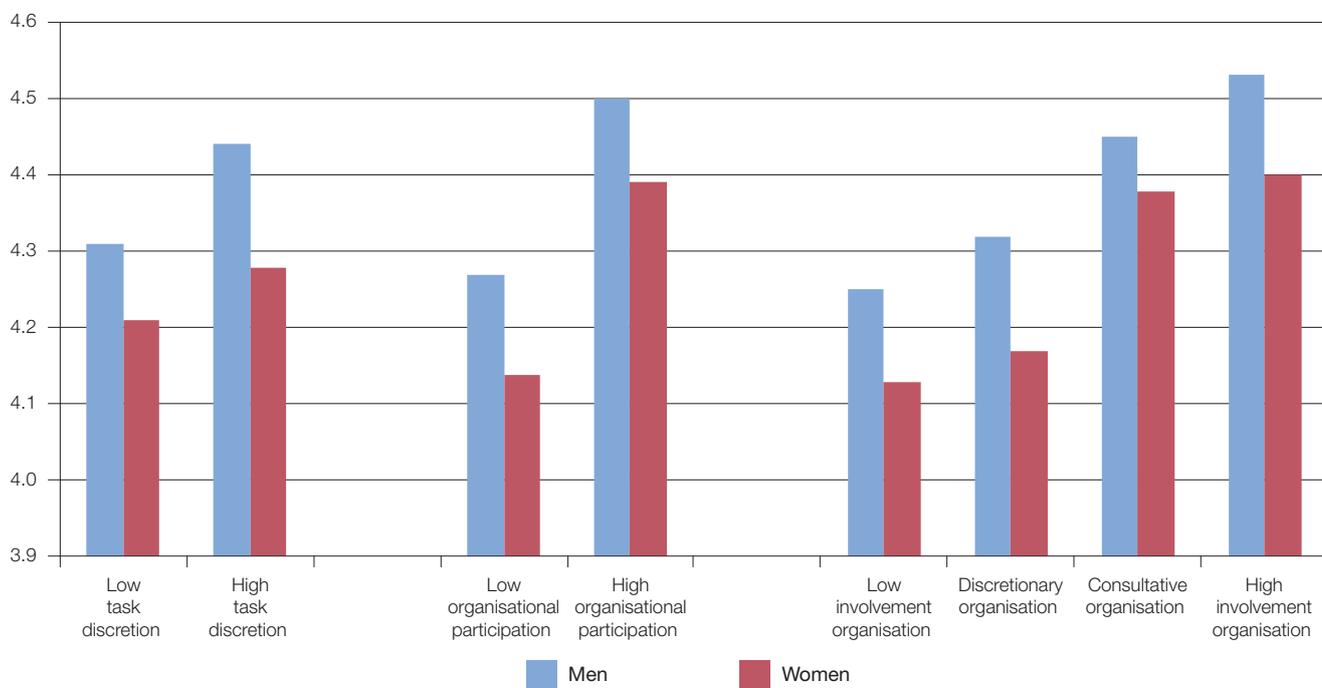
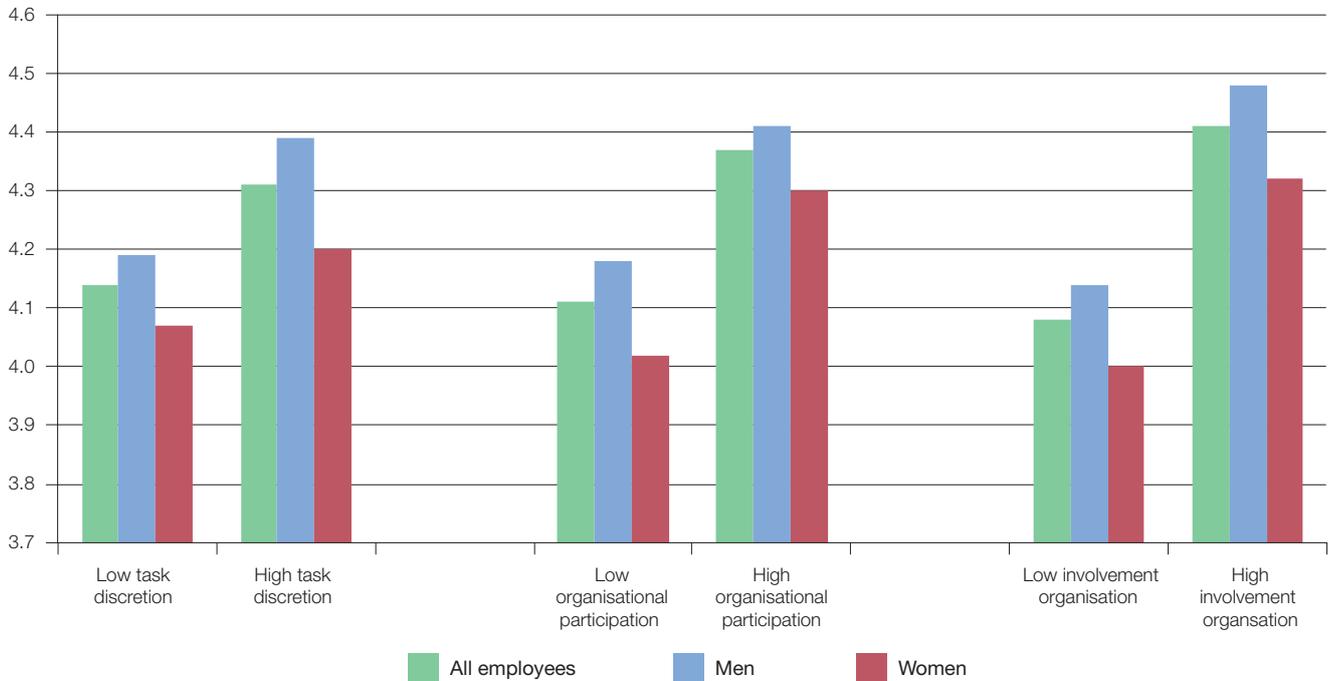


Figure 30: Employee involvement and psychological well-being (WHO-5) scores in conditions of high work intensity

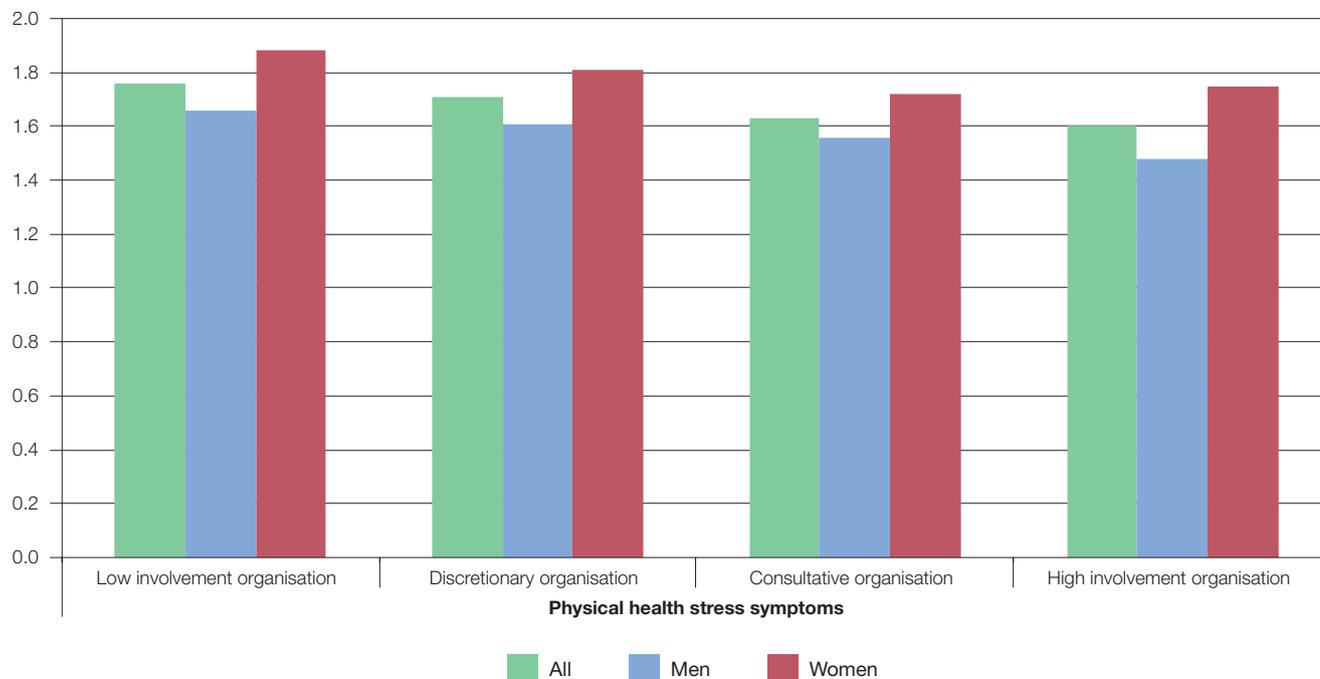


Note: All categories are combined with high work intensity.

Physical health stress symptoms

Psychological stress can also translate into physical symptoms such as muscular pain and headaches (Westergaard and Winkel, 2011). The fifth EWCS asked whether or not people had experienced a range of such problems over the previous 12 months. These problems included backache, muscular pains in the shoulders, neck and/or upper limbs, muscular pains in the lower limbs, headaches or eyestrain and stomach ache. The number of such problems reported is taken here as a second indicator of well-being.

Taking all employees, physical health stress symptoms were highest among those in low involvement organisations. They then declined across the successive employee involvement types, with the lowest level found among those in high involvement organisations (Figure 31). However, it was only male employees in high involvement organisations who had fewer symptoms than those in consultative organisations, while the lowest frequency for women was in consultative forms of organisation where they had influence over wider decisions but relatively little task control. Once account was taken of differences in individual characteristics and other features of the work setting, consultative organisations had the lowest number of physical stress symptoms for both sexes, although employees in high involvement organisations were still significantly more protected than those in low involvement organisations.

Figure 31: Number of physical health stress symptoms by employee involvement

Sickness absence

A third indicator of well-being is the extent to which employees are absent from work for reasons of health. The fifth EWCS included an initial question that asked 'Over the past 12 months how many days in total were you absent from work for reasons of health problems?' and followed this with a more specific question about 'How many of these days were attributable to an accident or accidents at work?'

Taking first overall absence on grounds of health, there is no strong evidence that employees in either discretionary or consultative organisations were less likely to be away from work than those in low involvement organisations (Figure 32). Men in discretionary organisations had fewer days' absence, but the level for women was very similar. Absence for health was higher in consultative than in low involvement organisations. This was largely attributable to the higher rates among women. It is only in high involvement organisations that there was a notable improvement in health-related absence rates and this was the case for both men and women.

Absence because of injuries at work was much less frequent than general health absence, but the general pattern

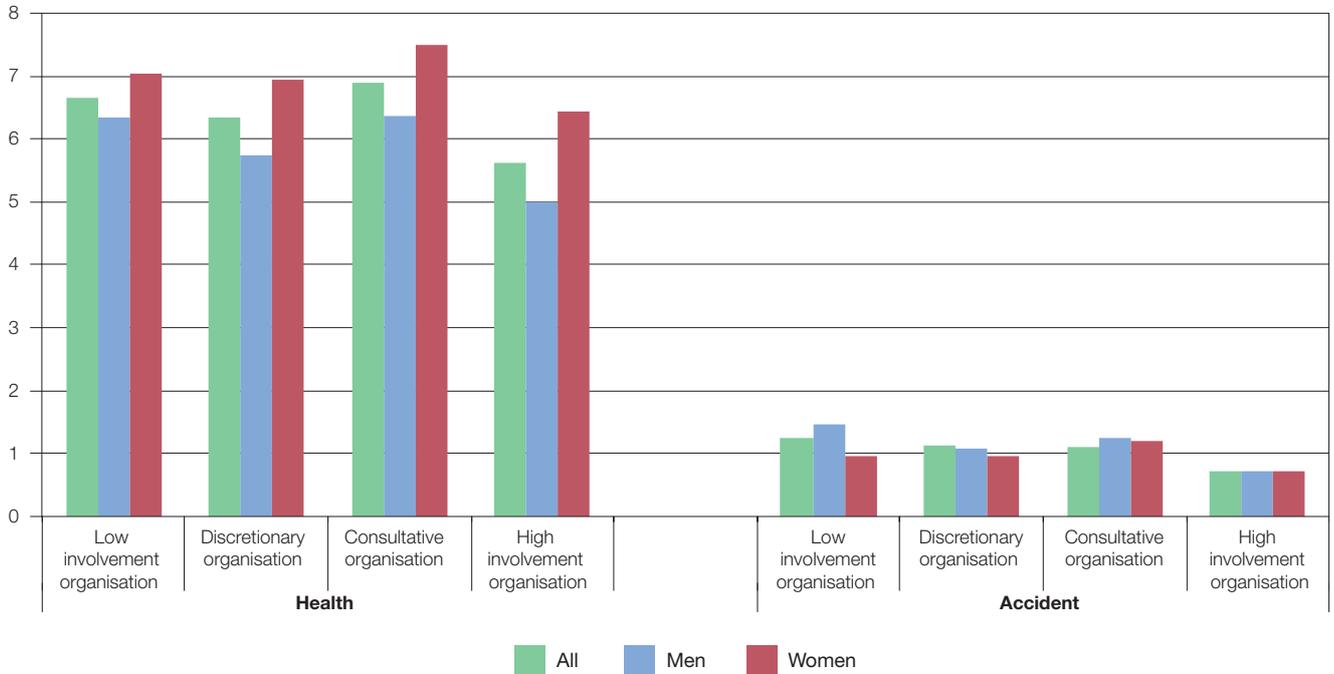
was very similar (Figure 32). In discretionary organisations, only male employees had fewer days' absence from injuries than those in low involvement organisations, while in consultative organisations women had higher absence rates than women in low involvement organisations. But being in a high involvement organisation was associated with lower absence rates for both men and women. The effect remained statistical significant for both sexes when other potential influences were taken into account.¹⁸

Taking the pattern overall within the EU27, there was a highly significant relationship between all the more participative forms of organisation and the three measures of employee well-being. However, the pattern within country groups, when individual and other work characteristics were controlled for, was less consistent.

Employees in high involvement organisations had significantly higher levels of psychological well-being than those in low involvement organisations in six of the seven country groups; in all but one case, the type of involvement had the strongest effect. The pattern for Cyprus was consistent with that of other country groups but no such effect could be identified for Malta. Consultative involvement was also positive in six of the groups and in one case had the strongest effect. But discretionary

¹⁸ This is consistent with the view of the European Agency for Safety and Health at Work (EU-OSHA) that employee involvement reduces absenteeism and accident rates.

Figure 32: Days absent for reasons of health or accident at work by employee involvement



types of organisation were only significantly associated with well-being in the Continental group and, at a marginal level of significance ($p \leq 0.10$) in the East-South countries.

The effects of involvement on the other two well-being indicators (physical stress symptoms and days' absence) were in almost all cases in the expected direction but they were only statistically significant within some of the country groups. High involvement organisation was associated with fewer physical stress symptoms in five of the seven groups (although in two of these at a marginal level of significance) and in all but one case it had the strongest effect of the different types of involvement. Consultative involvement was significant in only four of the country groups (two of which were at a marginal level of significance). There was no evidence from the within country group analyses that discretionary type of organisation was related to either indicator.

Overall, the evidence with respect to the importance of employee involvement for psychological well-being is well-supported across the different types of analysis, but it should be viewed as more tentative with respect to physical health symptoms and absence on health grounds.

Changes in employee involvement 2005–2010

Changes in employee involvement 2005–2010

Were there significant changes in the extent of employee involvement between the closing years of the long period of economic growth and the aftermath of the severe economic recession of 2008–2009? The evidence for change over time relates to the task discretion indicators, for which the questions were fully consistent across recent EWCS surveys.

This chapter first examines the evidence for change or stability in patterns across the EU27 and its constituent countries to assess whether there were any general trends towards either an increase or a decline in task discretion. It then considers whether there may have been a process of polarisation, whereby certain types of employees experienced an improvement in their control over their work tasks whereas others experienced a loss of control, focusing on differences in occupational class and employment contract status. Finally, it examines whether the economic crisis between 2008 and 2010 may have had an impact on the pattern of change.

Patterns of change and stability

Taking the EU27 overall, there was a small rise in the level of task discretion between 2005 and 2010 (Figure 33). This was the case for both men and women. This primarily

reflected a change in the control that employees could exercise over task order, which had been the aspect of the work task over which they had previously the least scope for decision-making. However, employee influence still remained most frequent with respect to control over work pace.

The overall pattern for the EU27 concealed substantial differences in the extent and direction of change at country level (Figure 34). Taking only changes that were statistically significant, nine countries saw an increase in task discretion over the period, while three experienced a decrease. Those that saw an increase were primarily in southern Europe (Italy, Portugal and Spain) and in eastern Europe (the Czech Republic, Estonia, Latvia and Slovenia). Employees in Finland and Malta also had a significant increase in task discretion over the period. The statistically significant decreases were in very different country groups – Sweden in the Nordic group, France in the Continental group and Ireland in the North-West group.

The country differences led to variations in pattern by country group (Figure 35). There was no significant change in either the North-West or the Nordic groups. The Continental group showed a small decline in task discretion over the period, primarily driven by developments in France. It is notably that the significant increases in task discretion mainly reflected change in the Southern group and in the East-Central and East-North groups.

Figure 33: Change in task discretion in the EU27, 2005–2010

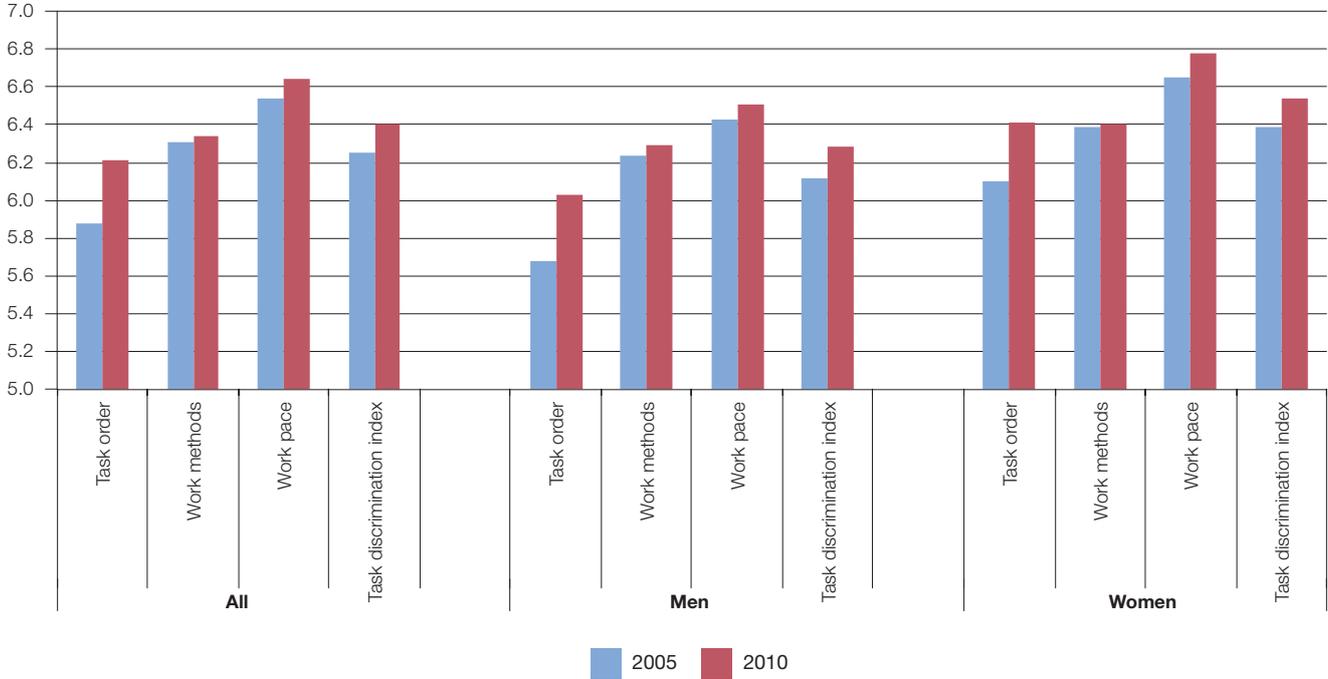
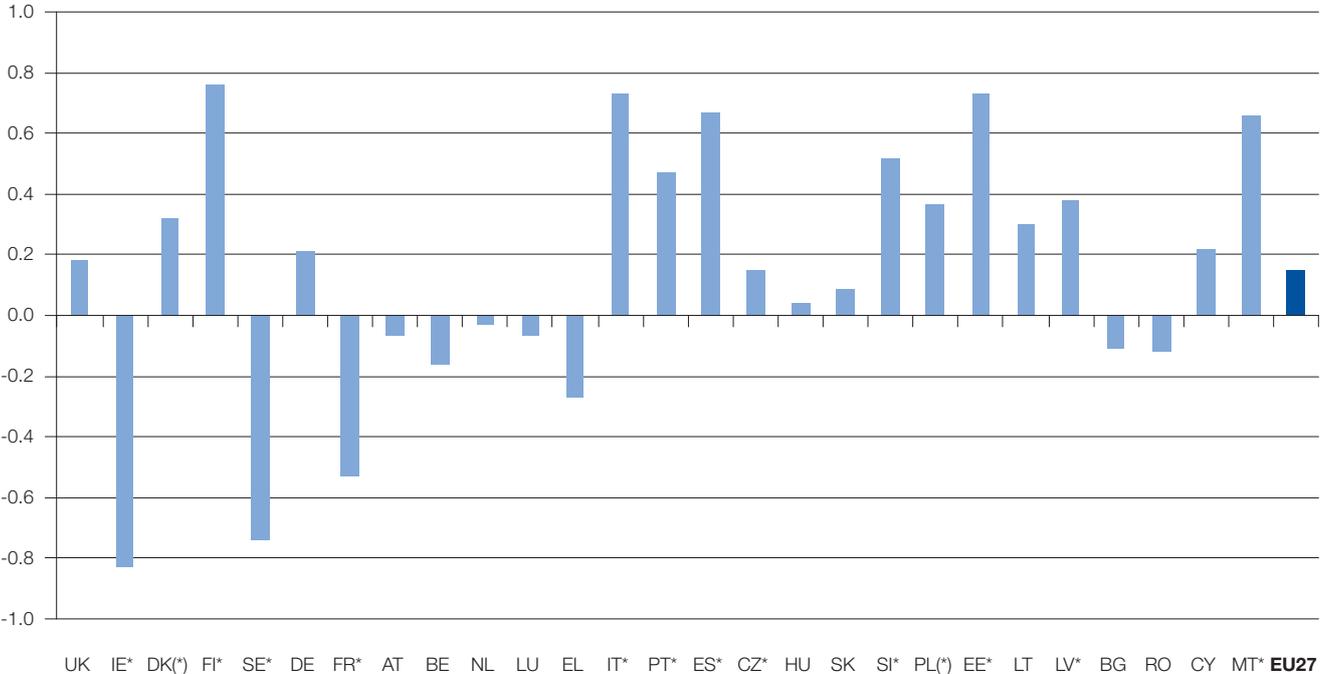
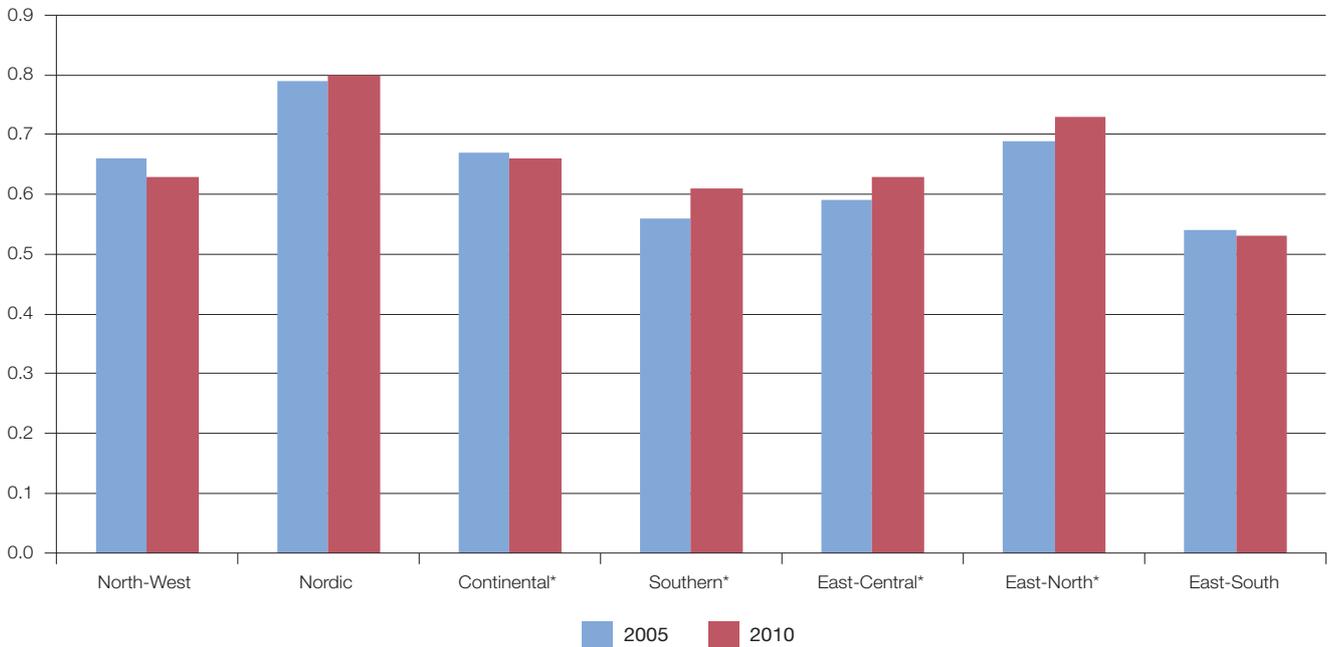


Figure 34: Change in task discretion by country, 2005–2010



Notes: * Indicates a statistically significant difference and (*) a marginal significant difference. The change in task discretion between the five years was not statistically significant in all other countries. Countries are ordered by country group (see p. 4).

Figure 35: Country group changes in task discretion, 2005–2010



Note: * Indicates a statistically significant difference and (*) a marginal significant difference. The change in task discretion between the five years was not statistically significant in all other country groups.

Polarisation by occupational class and employment contract status

Did changes over the period between 2005 and 2010 lead to a greater social polarisation in working conditions between occupational classes? Figure 36 shows the difference between 2005 and 2010 in levels of task discretion by occupational class. In both years there was a sharp occupational class gradient and little change in the relative position of the different occupational classes. However, the increase in task discretion was confined to relatively few occupational classes and these were found in very different sectors of the occupational class structure. There was a rise in the task discretion of managers and (to a lesser extent) professionals, but also of craft workers, operatives and elementary workers.

The rather surprising increase in the task discretion of the less skilled was, on further analysis, not found across all the country groups (Figure 37). The non-skilled (operatives and elementary workers) had lower task discretion in 2010 than in 2005 in the North-West and Nordic groups, and there was little change in the Continental group. The southern and eastern European countries were again the principal contributors to the pattern.

The different patterns of change for the non-skilled are reflected in differences with respect to overall occupational class relativities. The ratio of the task discretion scores of managers and professionals to those of the non-skilled can be taken as an indicator of the occupational class differential. The occupational class differential grew wider over the period in the North-West and Nordic groups and remained at a similar level in the Continental group (Figure 38). However, there was a reduction of occupational class differentials in the Southern, East-North and East-South groups. Therefore there was no overall tendency to occupational class polarisation, although it may have occurred in two of the country groups.

A second potential line of polarisation is with respect to the type of employment contract. Is there evidence that those who hold non-standard contracts, whether temporary workers or part-time workers, experienced a deterioration of task discretion over the period relative to their permanent, full-time equivalents? Figure 39 shows that the task discretion index of temporary workers increased between 2005 and 2010 over the five years, whereas that of permanent workers remained unchanged. Part-time workers reported slightly higher levels of task discretion than full-time workers in both years and the differential remained very stable.

Figure 36: Change in task discretion index by occupational class, 2005–2010

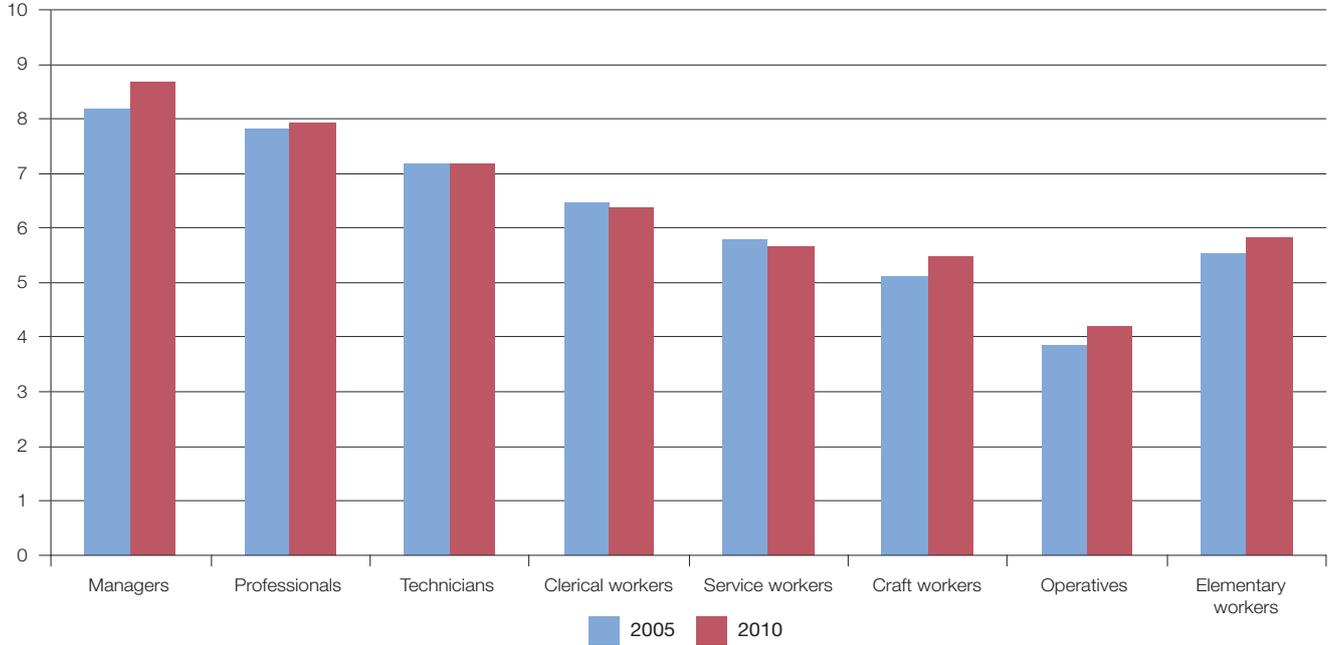
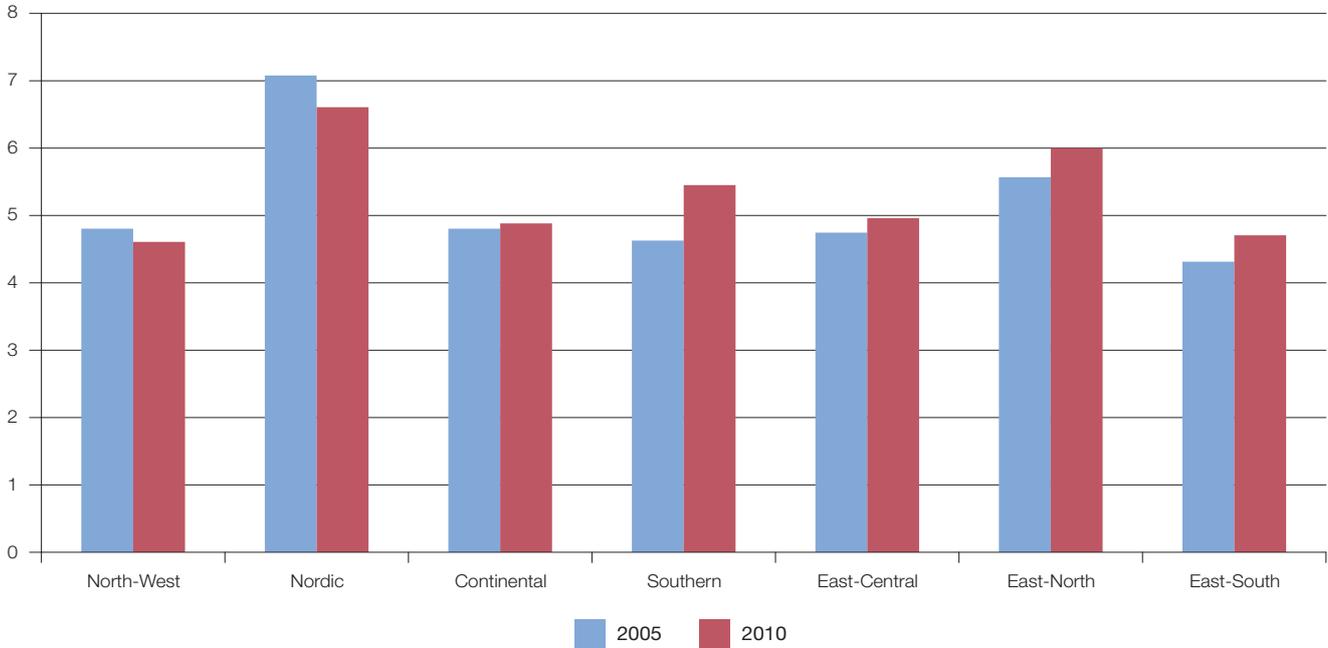
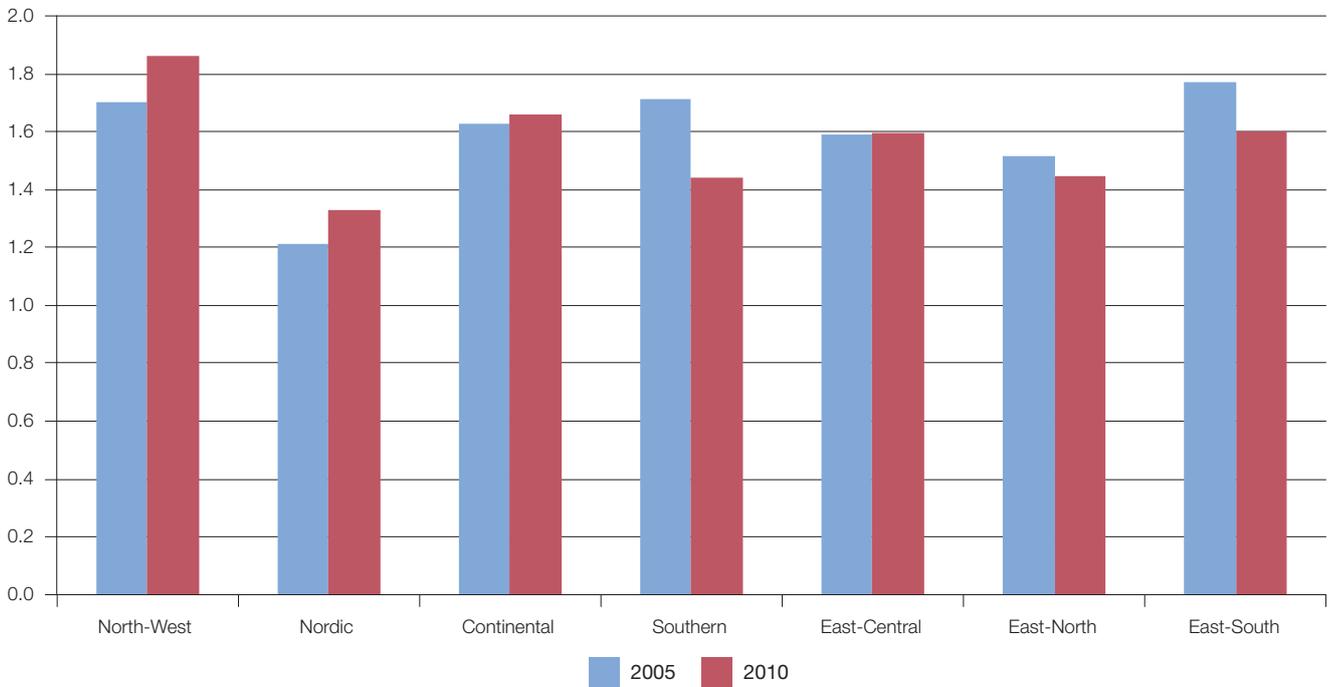


Figure 37: Change in task discretion index among non-skilled workers by country group, 2005–2010



Note: Non-skilled workers are operatives and elementary workers.

Figure 38: Ratios of task discretion scores of managers/professionals to non-skilled workers by country group, 2005–2010



Note: Non-skilled workers are operatives and elementary workers.

Figure 39: Change in task discretion index by type of employment contract, 2005–2010



Examining the pattern by country group (Figure 40), it can be seen that the overall increase in temporary workers' task discretion was again driven mainly by the patterns in the Southern group and eastern European countries. The increase was particularly marked in East-South countries. In contrast, temporary workers' task discretion declined

in the Nordic countries and remained largely stable in the North-West and Continental countries. Turning to part-time workers, only part-timers in Southern, East-Central and East-North countries experienced a rise in task discretion, while the pattern remained unchanged in the other country groups (Figure 41).

Figure 40: Change in task discretion index among temporary workers by country group, 2005–2010

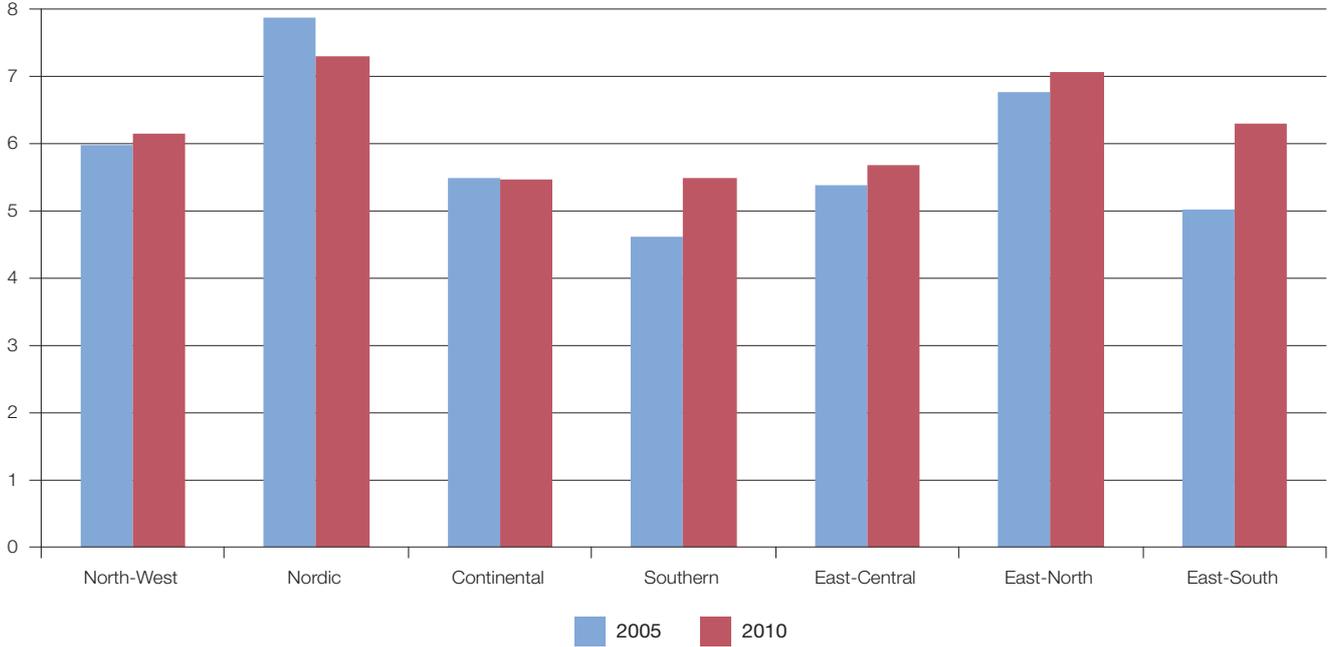


Figure 41: Change in task discretion index among part-time workers by country group, 2005–2010

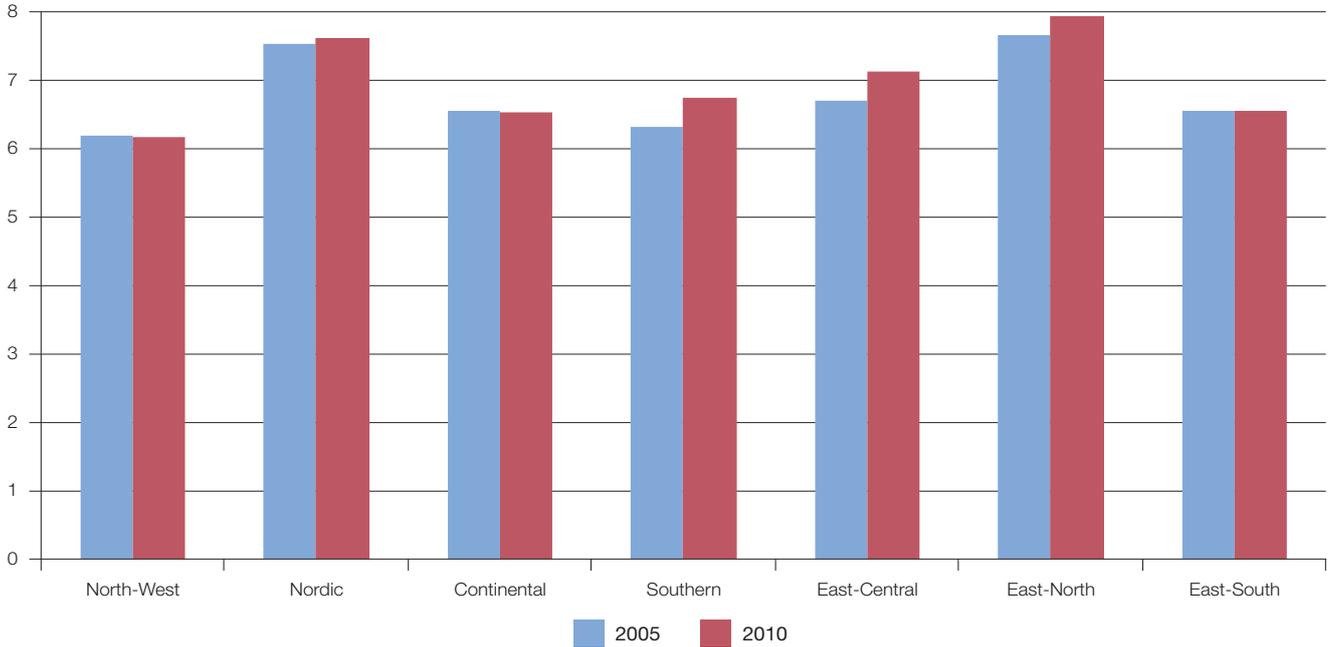


Figure 42 shows the change in the position between 2005 and 2010 of temporary workers in each country group relative to permanent workers. As with the analysis for occupational class, the ratio of permanent workers' task discretion score to that of temporary workers is taken as an indication of potential polarisation. It can be seen that three country groups (North-West, Southern and East-South) saw a reduction in the differential in task discretion index

between permanent and temporary workers over the period. However, the differential remained unchanged in the Continental, East-Central and East-North groups and increased in the Nordic group. Similarly, there was no consistent pattern of polarisation between full-time and part-time employees (Figure 43); there was some increase in the differential in the North-West, Southern and East-North groups, but it either remained stable or declined a little in all the other groups.

Figure 42: Ratios of task discretion scores of permanent to temporary workers by country group, 2005–2010

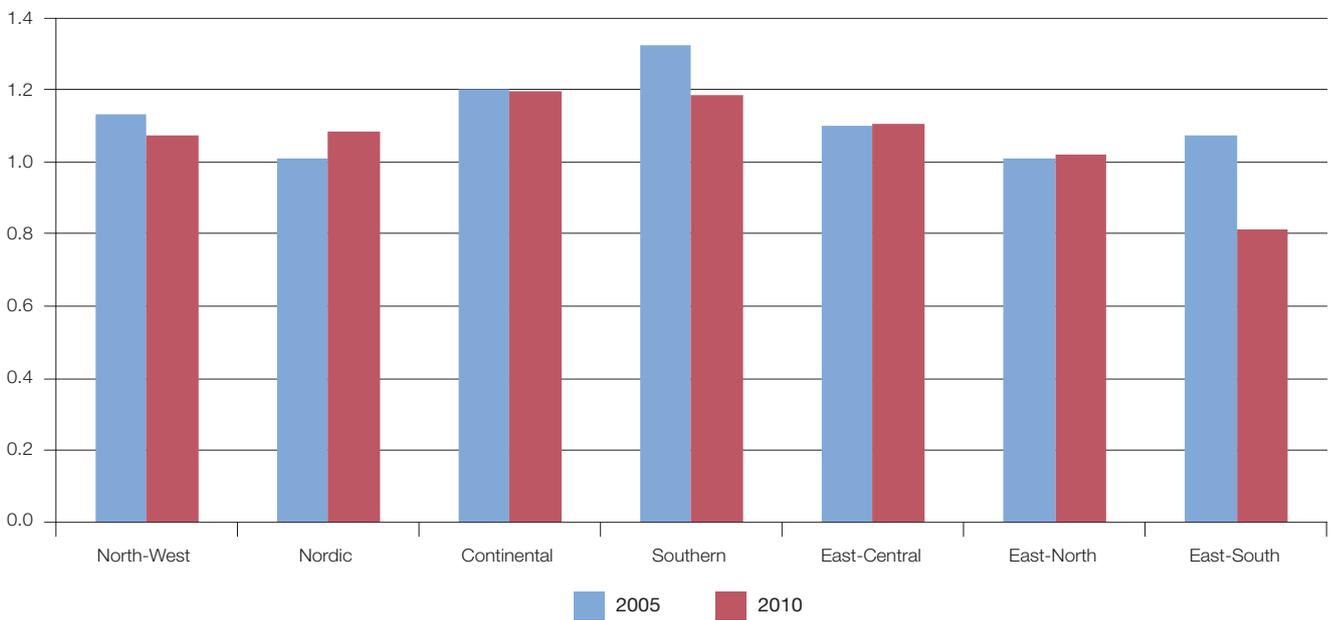
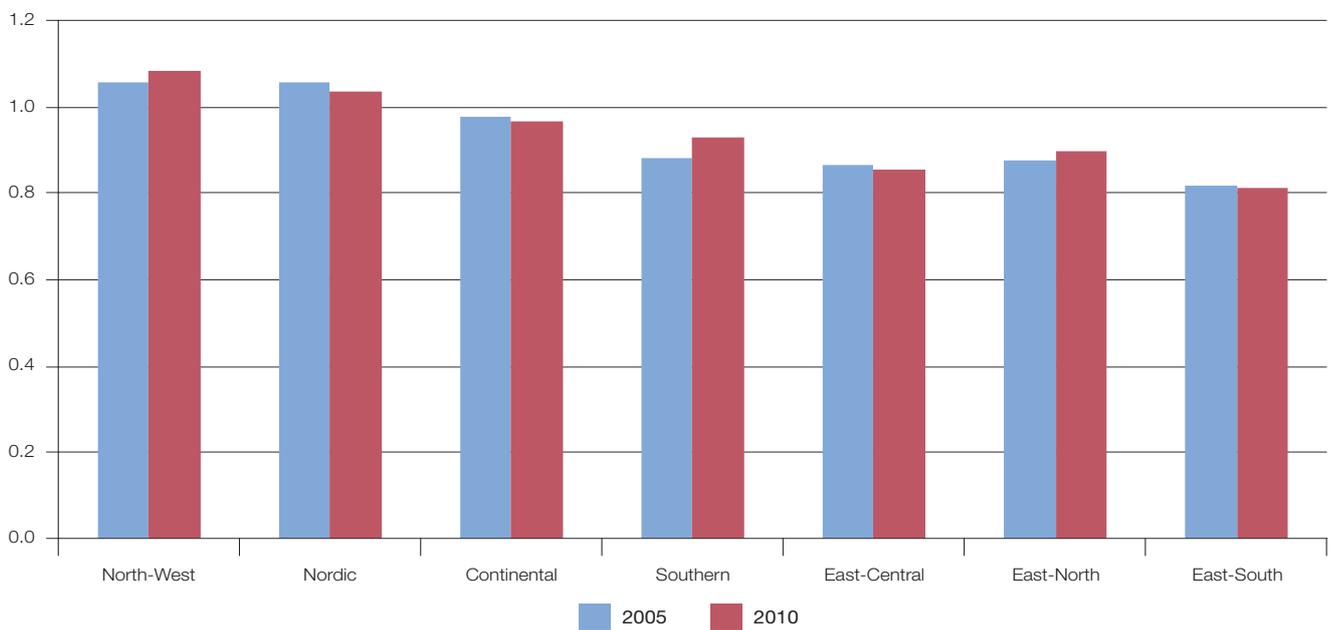


Figure 43: Ratios of task discretion scores of full-time to part-time employees by country group, 2005–2010



In overall terms, there is no evidence of increased polarisation between regular, permanent and full-time workers, and those employed on non-standard employment contracts. On the contrary, the gap between temporary and permanent workers narrowed between 2005 and 2010 in the Southern and East-South country groups.

Economic crisis and task discretion

The period between 2005 and 2010 was marked by a relative improvement in the task discretion of employees in southern and eastern European countries. Was this related to the effects of the economic crisis that most European countries experienced between 2008 and 2010? This is a difficult issue to address rigorously with the data available, as the time points for the comparison of working conditions do not directly correspond to those of the crisis. However, it is possible to examine the plausibility of the connection.

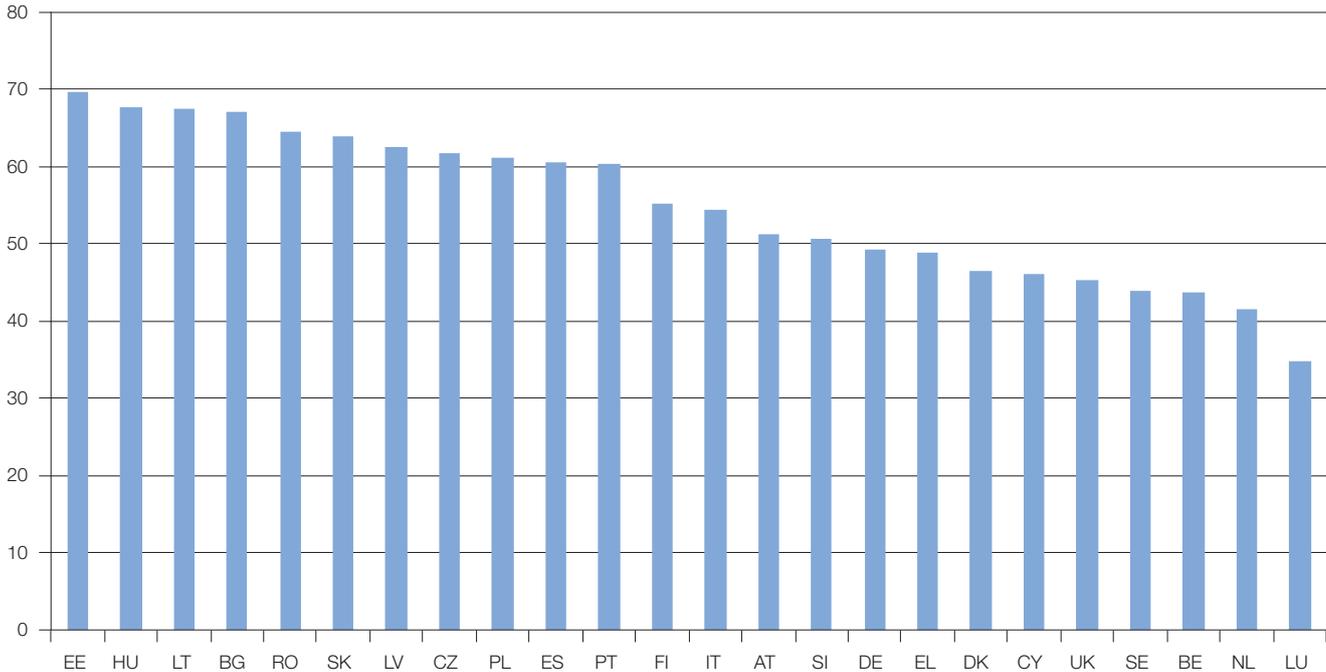
One potential way in which the crisis might have affected patterns of task discretion is through a reduction in the types of jobs in which employees’ job control was particularly low. As seen in Chapter 2, this was particularly the

case for skilled manual and non-skilled workers. If such workers constituted a high proportion of those who were driven into unemployment by the crisis, the average level of task discretion of those who remained in employment would become higher. If specific countries experienced a particularly severe departure of such workers from the workforce, then the position of those of their employees who were still in work could be expected to improve relative to other countries.

The EWCS is focused on those who remained in employment. However, information on those who lost their jobs during the economic crisis can be obtained from the European Labour Force Surveys, which ask the unemployed about their employment status a year earlier. The data are available for all EU countries apart from France, Ireland and Malta. The unemployed who were in work a year earlier can be considered as the ‘new unemployed’ affected specifically by the economic crisis.

There were wide variations between countries in the proportion of the new unemployed who were from the types of jobs that typically have relatively low levels of task discretion (skilled manual and non-skilled) (Figure 44). In almost all the eastern European countries (the only exception was Slovenia) and in two countries of the Southern group (Portugal and Spain), they constituted 60% or more

Figure 44: New unemployed in 2009 who were in low discretion jobs a year earlier (%)



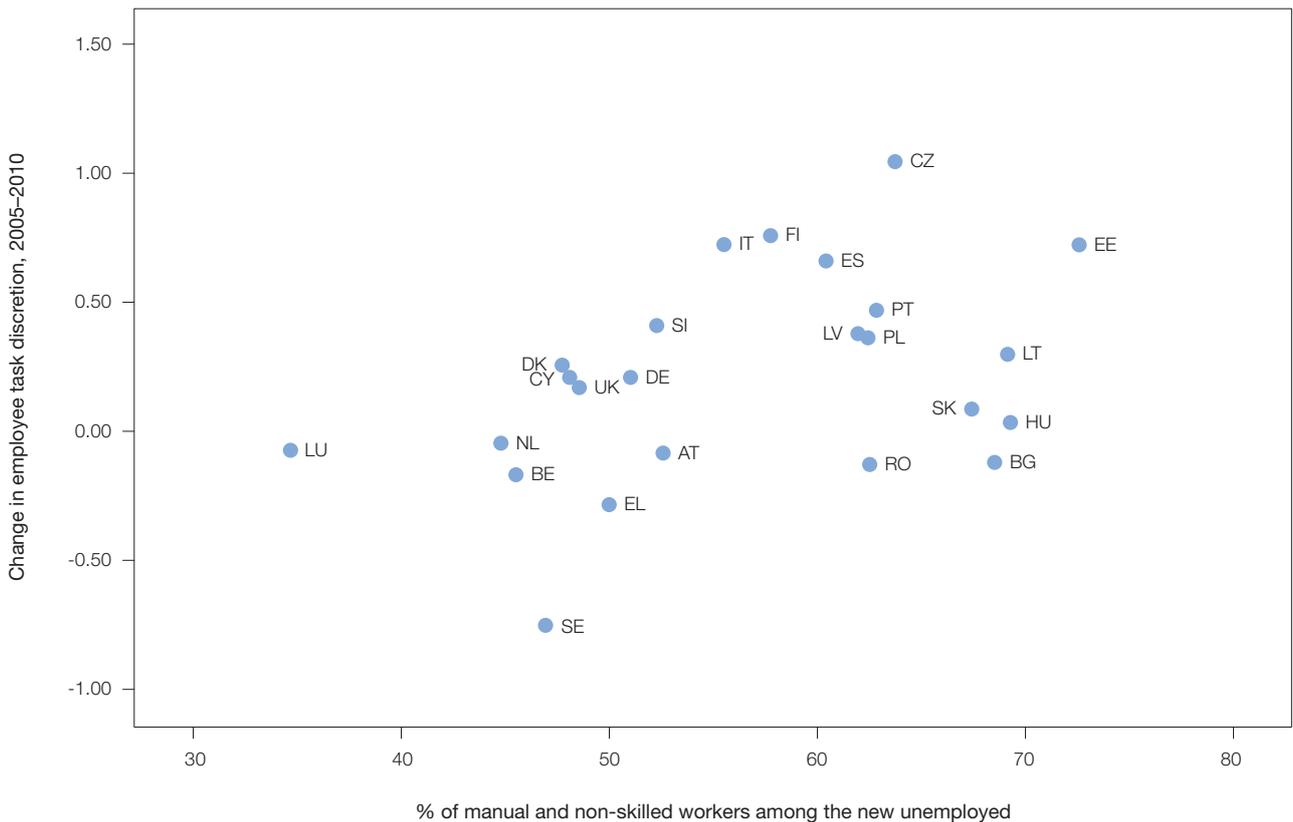
Notes: Low discretion jobs are those classed as skilled manual and non-skilled.
 No data available for France, Ireland and Malta.
 Source: European Labour Force Survey (LFS)

of those who became unemployed with the onset of the economic crisis. In contrast, in the other western European countries (apart from Austria, Finland and Italy), they made up less than 50% of the new unemployed.

The average change in task discretion in EU countries between 2005 and 2010 can therefore be correlated with the proportion of the new unemployed in 2009 who were from typically low discretion jobs. There is a broad association (a correlation of 0.41, significant at the $p \leq 0.05$ level) between the two factors (Figure 45). In general, the greater the outflow into unemployment of those from low discretion type jobs, the greater the increase over the period of the

average task discretion of those who remained in employment. Many of the eastern European countries and Southern group countries (with the notable exception of Greece) are found towards the top right-hand quadrant of Figure 45, combining a high proportion of unemployed exiting from skilled manual and non-skilled jobs with particularly marked increases in average task discretion. The pattern suggests that one factor underlying the relative improvement of task discretion levels in the Southern group and eastern European countries may have been the effect of the economic crisis in removing from the workforce employees who had previously been in jobs offering particularly low opportunities for influence over their work tasks.

Figure 45: Change in employee task discretion 2005–2010 and proportion of new unemployed from low discretion jobs



Source: EWCS 2005/2010 and LFS

Conclusions

Conclusions

The point of departure for this report was the argument that, as economies become increasingly dependent on complex production processes and highly skilled employees, there will be an increasing need to develop forms of work organisation that provide employees with significant opportunities to be involved in decision-making about their jobs. High involvement organisations, it has been suggested, contribute to higher levels of work performance through their encouragement of skill development and stronger motivation. The processes that ensure good work performance are thought at the same time to produce a significant improvement in the quality of work, leading to higher psychological well-being and lower risks of work-related ill health. This gives them the distinctive characteristic of being in the interests of both employers and employees.

While this argument has strong advocates, there has been considerable controversy both about the empirical pattern of organisational development and about the claimed implications of employee involvement. The report seeks to strengthen the available evidence by examining the empirical relationship between specific forms of work organisation and employee experiences of work, using the enhanced data available from the 2010 wave of the European Working Conditions Survey.

The evidence from such cross-sectional data has to be treated tentatively. It cannot establish the direction of causality, but it can explore the consistency of the empirical patterns with specific arguments. It is evidence from one particular source (employees) and conclusions are more strongly grounded if they incorporate information from different perspectives. However, the EWCS does allow for findings to be based on large-scale sample numbers for the EU27 as a whole. It also provides the most comprehensive coverage available of the countries in the European Union and is therefore particularly well suited for examining the consistency or variability of findings across diverse economic, cultural and institutional settings.

Patterns of employee involvement

Employee involvement can take place at rather different organisational levels. Much of the previous research focused on either employees' control over their immediate work task or their capacity to influence wider organisational decisions that affect their work. This report defines a 'high involvement' organisation as one that provides significant scope for involvement in decision-making with respect to both of these factors. Taking the overall pattern for the EU, a first point of note is that only a minority of European employees (27%) are in such organisations, while a notably larger proportion (38%) are in organisations that offer relatively low levels of involvement.

The pattern, however, varies considerably between countries and between regional groups of countries. The most striking feature of this variation is the particularly high level of involvement in decision-making of employees in the Nordic group of countries (Denmark, Finland and Sweden). Indeed, these were the only countries where high involvement organisation was the dominant organisational form. Some commonly held expectations were not supported by the results. The countries making up the Continental group (Austria, Belgium, France, Germany, Luxembourg and the Netherlands) are sometimes regarded as models of employee involvement because of their extensive works councils systems. But in terms of employees' own experiences of the influence they can exercise, this would appear not to be the case – indeed, employee influence was typically lower than in the countries of the North-West group (Ireland and the UK), which are sometimes regarded as examples of relatively unfettered management prerogative.

In general, the countries with lower levels of economic development – those in the Southern group (Greece, Italy, Portugal and Spain) and eastern Europe – had relatively restricted forms of involvement, as might be expected

from the view that involvement will be related to the complexity of production processes and the skill level of the workforce. But there were exceptions. The East-North group of countries (Estonia, Latvia and Lithuania) stood out as having a relatively high level of involvement, closer to the Nordic pattern than that of other eastern European countries. The existence of such significant variation in the prevalence of different organisational forms raises the issue of the types of factors that account for higher or lower levels of employee involvement.

Determinants of employee involvement

If greater employee involvement is particularly advantageous in more advanced economic conditions, it could be expected to be more common where:

- ✎ computerised technologies play a greater role in production processes;
- ✎ service sector work is more extensive;
- ✎ the workforce is more skilled;
- ✎ work processes are adapted to rapid change.

The evidence was consistent with each of these expectations. The level of employee involvement was strongly related to the type of production technology. Employees working in conditions of routine machine production were little involved in decisions, but they were extensively involved where work was computer intensive. Involvement was also common in work settings that placed a strong emphasis on dealing with people. The association between the level of employee involvement and skill level was particularly striking, with more skilled employees having notably greater scope for influencing both their work tasks and wider organisational decisions.

Involvement was also related to the way in which organisations handled the need for flexibility in the light of product market volatility. It was low where they relied principally on numerical flexibility or changes to staff levels to deal with uncertainty, but it was high where they adopted functional flexibility strategies that involved adaptation through changes in work organisation and task allocation.

Our analyses showed that differences between countries in these industrial and economic characteristics went a considerable way to explaining the variations between countries in levels of employee involvement. Indeed, once they had been taken into account, it was only employees in the Nordic countries that stood out as

having a significantly higher level of participation in high involvement organisations.

However, the analyses also indicate that institutional factors matter for both within country and between country variation. First, there was consistent evidence that employee involvement was enhanced by human resources policies that had a strong orientation towards employee development. Second the existence of clear institutional channels for direct dialogue between employers and employees was closely related to employees' reports that they could exercise effective influence over decisions. It should be noted that there was also an association between the existence of such channels and the existence of an employee representative in the workplace. Third the distinctiveness of the Nordic pattern, and the fact that it could not be accounted for by workforce structure, points to the likely importance of the policy environment for the prevalence of higher levels of employee involvement. There are diverse views about the structural factors that might underlie a policy culture that favours greater employee involvement. One view is that a high level of coordination between employers is the most important factor. But this was not supported by the evidence. Instead the results point to the importance of strong trade union membership, possibly reflecting the fact that this tends to translate into higher levels of coordination between the social partners at national level.

Consequences of employee involvement

The most controversial claim of advocates of employee involvement is that it leads to a 'win-win' situation that is advantageous to both employers and employees. In line with the argument that it is advantageous for work performance in a highly skilled economy, employee involvement is thought to benefit the employer by encouraging higher levels of work motivation. But it is also suggested the conditions that are conducive to stronger work motivation benefit employees by providing them with a better quality of working life. With the strong caveat that directions of causality cannot be tested with cross-sectional data, it is nonetheless notable that the results of the analysis were in general consistent with this view.

Higher involvement was strongly associated with opportunities for learning at work, both informal learning in the process of carrying out work tasks and formal learning in the form of employer-provided training. At the same time, it was related to the different measures available of work motivation. Employees in organisations offering greater scope for participation in decision-making were more likely to find their work interesting and to report that

their jobs gave them a feeling of work well done. Both factors are likely to reflect higher commitment to their work tasks and high task commitment is likely to be conducive to good work performance. Higher levels of employee involvement were also related to the way people felt about their organisations. They were more satisfied with their working conditions, they were more likely to feel at home in the organisation and they were more likely to believe that the organisation motivated their best performance. There is substantial evidence that stronger organisational commitment affects organisational performance, at least in part because it is associated with reduced absence and lower levels of staff turnover. Given the dependence of organisations in advanced economies on highly skilled employees, with knowledge that derives not only from general education and training, but also from internal knowledge of the organisation and its environment, such factors are likely to be particularly important.

There can be quite contrasting expectations about the relationship between employee involvement and employee well-being. The ability to have a say in the important decisions about one's work and working environment may respond to quite basic needs for control. To the extent that involvement makes work more interesting and more meaningful, it is likely to contribute to a more favourable sense of personal identity. However, organisational conditions that promote higher work motivation are not necessarily advantageous for employee well-being. A greater sense of personal responsibility for the outcomes of work can lead to higher levels of anxiety. A stronger commitment to work may lead to extended hours and greater work intensity undermining, in the longer term, employees' psychological and physical health.

In general, the results supported the view that employee involvement was associated with higher employee welfare. There were lower levels of work environment risk in organisations that gave employees more say over decisions. This did not reflect the greater prevalence of such organisations in particular types of industry or among particular types of employees. The pattern still emerged clearly when industry, occupational class and a wide range of other factors were controlled for. It seems plausible that, where there are higher levels of dialogue between employers and employees, workplace risks will be recognised and addressed by management more rapidly. There was also no evidence that higher involvement organisations led to more work pressure; work pressure was greatest where involvement was low. Where employees had more influence over the way they did their jobs and over workplace decisions, they also had greater flexibility over their working hours, which was likely to help offset the tensions generated by competing demands between work and family life. Overall, it was in high involvement organisations that employees were least likely to consider that their health and safety was at risk because of their work.

Consistent with the positive relationship between employee involvement and the objective features of the work environment, the greater the extent that employees could participate in decision-making the higher their psychological well-being. The positive effect of involvement on well-being was also evident in its overall association with lower levels of physical stress symptoms and lower absence rates (although the evidence here was less consistent at country group level). There was some evidence that a factor that may have contributed to the beneficial effects of decision-making scope is that it helps to offset the effects of work intensity.

There has been a long-standing issue about whether work quality is as important for women as for men. The sceptical position is that women attach less importance to their work experiences because their values are more focused on family life. From this perspective, participation may have fewer positive effects for psychological well-being; indeed it may be detrimental to it by increasing the potential for work-life conflict. The contrary argument is that women have now become integrated into the labour market to a point where there is little difference from men in the importance they attach to work quality. The evidence showed that women's psychological well-being was generally lower than men's, but this was true whatever type of organisation they worked in. The positive effect of being in a high involvement organisation compared with being in a low involvement organisation was just as strong for women as for men.

Trends in employee involvement 2005–2010

The evidence for analysing trends over time was limited to the pattern for task discretion. The main scenarios of the growth of a knowledge-based economy and its organisational commitments were developed at a time of sustained economic growth. They led to the expectation that there would be a steady increase in the skill levels of the workforce and hence an improvement over time in employees' ability to influence decisions in their organisations. There was little in the way of formal prediction of what might happen under conditions of economic crisis. However, the logic of the argument would lead to the expectation that, in a situation of negative or low growth, there would be no improvement and possibly a deterioration in employee influence at work.

The evidence points instead to a small rise overall in task discretion, though this was primarily due to changes in the Southern group of countries and in eastern European countries. A possible explanation of this is that, in the less developed economies, the burden of job loss and

unemployment fell predominantly on the relatively low skilled and those who had the least control over their job tasks. The departure of those with lowest task discretion would have raised the average level of employee involvement of those who remained in work. There was some empirical support for this in the positive association between the proportion of those in lower occupational classes in the flow into unemployment in 2009 and the extent to which task discretion increased in specific countries. To the extent that this was the case, the economic crisis may have accentuated the process of convergence in employee involvement between European countries.

Policy implications

The analyses point to the key importance of employee involvement as a factor that brings significant benefits for employers' objectives in raising levels of work performance and for the quality of employees' lives at work. Furthermore, it can be seen as a critical aspect of work quality both in itself and arguably for other key dimensions of work quality such as physical working conditions and work intensity. Its effects are of similar significance for male and female employees.

The analyses point to the importance of structural factors in affecting patterns of work organisation and to the potential role of policy-related determinants. They generally confirmed the view that higher levels of employee involvement are more likely to be found in conditions of relatively advanced technology and a more skilled workforce. A large amount of the initial differences between countries could be accounted for by such underlying differences in industrial and workforce structure. But at the same time, they indicated that policy could make a difference – at the level of the organisation itself and at national level.

To begin with, it was found that policies that encourage employers to invest in well-developed human resources capacities are likely to be beneficial for employee involvement (as indeed for other important workforce characteristics such as skills). Involvement policies can be complex to establish, require skilled handling of first-line management and need to be maintained over time. Large corporations have tended to adopt such practices out of their own volition as a way of handling the more complex and inter-dependent rule structures associated with larger organisations. Very small organisations may well be able to handle potential problems in a largely informal way. The real difficulty lies with medium and medium–small sized companies for whom the cost and expertise required to implement advanced human resources management practices may be major obstacles. A way forward for such companies may well be through better networking between

companies and sharing of knowledge, skills and facilities. This is likely to be an area in which policy initiatives, incentives and financial support will be particularly important at least in the initial set-up phase.

Second, it has been seen that the existence of institutionalised channels of communication is strongly associated with the prevalence of effective employee involvement. This is facilitated where there is a strong human resources capacity to manage such arrangement. But it is also likely to be affected by formal legal requirements with respect to consultation and dialogue. There would seem to be a strong rationale behind earlier European Commission initiatives to spread procedures encouraging information and consultation. There is likely to be further benefit from ensuring a high level of coverage and deepening the scope of such practices.

Finally, at national level, it has been established that, even once a very wide range of structural factors have been taken into account, the Nordic countries within the EU emerge as particularly effective in their employee involvement practices. It seems likely that this reflects the fact that these countries have had policies that have actively pursued such objectives. In Sweden, particularly from the 1970s, a series of legal changes and well-funded initiatives were undertaken by government culminating in a vast programme for working life reform in the 1990s, the Working Life Fund (AFL), which is estimated to have affected approximately half of all employees across the range of industrial sectors. In Denmark and the Netherlands, improvements in work quality were driven primarily through reforms in health and safety measures. These countries appear to have developed a distinctive institutional framework that emphasised inclusiveness both at work and in the labour market.

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Annex: The European Working Conditions Survey series

The European Working Conditions Survey (EWCS), established in 1990, is one of the few sources of information providing an overview of working conditions in Europe for the purposes of:

- assessing and quantifying working conditions of employees and the self-employed across Europe on a harmonised basis;
- analysing relationships between different aspects of working conditions;
- identifying groups at risk and issues of concern, and progress made;
- monitoring trends by providing homogeneous indicators on these issues;
- contributing to European policy development on quality of work and employment issues.

The EWCS was carried out in 1991, 1995, 2000 (with an extension to the then candidate countries in 2001 and 2002), 2005 and 2010. The growing range of countries covered by each wave reflects the expansion of the European Union. The first wave in 1991 covered only 12

countries, the second wave in 1995 covered 15 countries, and from the third wave in 2000–2002 onwards, all 27 current EU Member States were included. Other countries covered by the survey include Turkey (in 2002, 2005 and 2010), Croatia and Norway (in 2005 and 2010), Switzerland (in 2005), and Albania, Kosovo, Montenegro and the former Yugoslav Republic of Macedonia (in 2010).

Fifth EWCS

The fieldwork for the fifth EWCS was carried out between January and June 2010.¹⁹ In total, 43,816 face-to-face interviews were carried out, with workers in 34 European countries answering questions on a wide range of issues regarding their employment situation and working conditions.

The target population consisted of all residents in the 34 countries aged 15 or older (aged 16 or older in Norway, Spain and the UK) and in employment at the time of the survey. People were considered to be in employment if they had worked for pay or profit for at least one hour in the week preceding the interview – definition by the International Labour Organization (ILO).

¹⁹ Fieldwork continued until 17 July 2010 in Belgium due to the extended sample size, and until 29 August 2010 in Norway due to organisational issues.

The scope of the survey questionnaire has widened substantially since the first wave, aiming to provide a comprehensive picture of the everyday reality of men and women at work. Consequently, the number of questions and issues covered in the survey has expanded in each subsequent wave. By retaining a core of key questions, the survey allows for comparison over time. By using the same questionnaire in all countries, the survey allows for comparison across countries.

The main topics covered in the questionnaire for the fifth EWCS were job context, working time, work intensity, physical factors, cognitive factors, psychosocial factors, violence, harassment and discrimination, work organisation, skills, training and career prospects, social relationships, work–life balance and financial security, job fulfilment, and health and well-being.

New questions were introduced in the fifth wave to enable more in-depth analysis of psychosocial risks, workplace social innovation, precarious employment and job security, place of work, work–life balance, leadership styles, health and the respondent’s household situation. The questionnaire also included new questions addressed specifically to self-employed workers (such as financial security).

Gender mainstreaming has been an important concern when designing the questionnaire. Attention has been paid to the development of gender-sensitive indicators and to ensuring that the questions capture the work of both men and women.

Revisions to the questionnaire are developed in cooperation with the tripartite stakeholders of Eurofound.

Sample

In each country, a multistage, stratified random sampling design was used. In the first stage, primary sampling units (PSUs) were sampled, stratifying according to geographical region – Nomenclature of Territorial Units for Statistics (NUTS) 2 level or below – and level of urbanisation. Subsequently, households in each PSU were sampled. In countries where an updated, high-quality address or population register was available, this was used as the sampling frame. If such a register was not available, a random route procedure was applied. In the fifth EWCS, for the first time, the enumeration of addresses through this random route procedure was separated from the interviewing stage. Finally, a screening procedure was applied to select the eligible respondent within each household.

The target number of interviews was 1,000 in all countries except for Slovenia (1,400), Italy, Poland and the UK (1,500), Germany and Turkey (2,000), France (3,000) and Belgium (4,000). The Belgian, French and Slovenian

governments made use of the possibility offered by Eurofound to fund an addition to the initial sample size.

Fieldwork outcome and response rates

The interviews were carried out face-to-face in the respondents’ homes. The average duration of the interviews was 44 minutes. The overall response rate for the fifth wave was 44%, but with considerable variation in response rates between countries from 31% in Spain to 74% in Latvia.

Weighting

Weighting was applied to ensure that results based on the fifth EWCS data could be considered representative for workers in Europe.

- **Selection probability weights (or design weights):** To correct for the different probabilities of being selected for the survey associated with household size. People in households with fewer workers have a greater chance of being selected into the sample than people in households with more workers.
- **Post-stratification weights:** To correct for the differences in the willingness and availability to participate in the survey between different groups of the population. These weights ensure that the results accurately reflect the population of workers in each country.
- **Supra-national weights:** To correct for the differences between countries in the size of their workforce. These weights ensure that larger countries weigh heavier in the EU-level results.

Quality assurance

Each stage of the fifth EWCS was carefully planned, closely monitored and documented, and specific controls were put in place. For instance, the design phase paid close attention to information gathered in a data user survey on satisfaction with the previous wave and on future needs, and an assessment was made of how the survey could better address the topics that are central to European policymaking.

To ensure the questions were relevant and meaningful for stakeholders and respondents in all European countries, the questionnaire was developed by Eurofound in close cooperation with a questionnaire development expert group. The expert group included members of Eurofound’s Governing Board, representatives of the European social partners, other EU bodies (European Commission,

Eurostat and the European Agency for Safety and Health at Work), international organisations (OECD and ILO), national statistical institutes and leading European experts in the field.

Access to survey datasets

The Eurofound datasets and accompanying materials are stored with the UK Data Archive (UKDA) in Essex, UK, and promoted online via the UK Data Service.

The data are available free of charge to all those who intend to use them for non-commercial purposes. Requests for use for commercial purposes will be forwarded to Eurofound for authorisation.

In order to download the data, you must register with the UK Data Service if you are not from a UK university or college. For more information, please consult the UK Data Service web page on how to access data (<http://ukdataservice.ac.uk/get-data/how-to-access.aspx>).

Once you are registered, the quickest way to find Eurofound data is to open the catalogue search page (<http://discover.ukdataservice.ac.uk/>) and search using the key words “European Foundation for the Improvement of Living and Working Conditions”.

For more information

The fifth EWCS overview report (Eurofound, 2012) and detailed information and analysis from the EWCS series are available on the Eurofound website (www.eurofound.europa.eu). This information is updated regularly.

For further queries, please contact Sophia MacGoris in the Working Conditions and Industrial Relations unit, Eurofound, Wyattville Road, Loughlinstown, Dublin 18, Ireland (email: smg@eurofound.europa.eu).

European Foundation for the Improvement of Living and Working Conditions

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This report explores the opportunities open to employees in workplaces across Europe to participate in decision-making, either in the context of their job or in relation to wider organisational issues affecting their work. Employee involvement is a key component of work organisation, relating to other dimensions such as physical working conditions and work intensity. Two dimensions of employee involvement are covered: task discretion – or the influence that employees can exercise over their immediate work tasks – and organisational participation – or the influence that employees have over work organisation. While in the EU27 as a whole there are limited opportunities for employees to participate in decision-making, the findings point to the clear benefits for employees in working in organisations that give greater scope for their involvement. Crucially, employee involvement has been shown to have a positive effect on employee motivation and psychological well-being, critical elements in fostering enhanced work performance and company productivity.



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