European Foundation for the Improvement of Living and Working Conditions

Attitudes of employers and employees to the changing workplace

Employer survey

Employee survey

Commentary

References

This report is available in electronic format only.

Over 90% of Irish workers are satisfied with their job, although 82% believe that they work very hard and 72% find their job stressful at least some of the time. One in five employees works part time and a similar proportion is involved in pay-related performance schemes. These are among the findings of the employee part of a survey published by the Forum on the Workplace of the Future. Set up in 2003, the Forum commissioned surveys on the views and experiences of Irish employers and employees on the changing workplace in the private and public sectors. Employers in the private sector said that the most intense pressures for change were cost-based, and the most common response to such pressures was product innovation and marketing. Management in the public sector cited new technologies and equality and diversity in the workplace among the greatest internal pressures for change; external factors included budget constraints. Staff training and development were identified as the best response to such pressures. Overall, the study concludes that staff involvement is crucial in gaining the support of employees for change.

In 2003, the Irish government established the Forum on the Workplace of the Future under the auspices of the National Centre for Partnership and Performance (NCPP) . The Forum was assigned the task of assessing the changes needed to meet the challenge of building Ireland's knowledge and innovation driven economy. As part of its remit, the Forum commissioned surveys of the views and experiences of Irish employers and employees on the changing workplace. The results of the surveys, which were carried out by the Economic and Social Research Institute (ESRI) , were published by the NCPP in 2004. The surveys provide policymakers and other interested parties with comprehensive data and evidence on a range of progressive human resource policies, employee involvement and practices such as increased job autonomy, set in the context of broader organisational change issues.

The two surveys were carried out separately and published as two separate reports, The changing workplace: A survey of employers' views and experiences (3.2Mb PDF) and *The changing workplace: A survey of employees' views and experiences* (part 1 (486Kb PDF) and part 2 (367Kb PDF)). However, the reports need to be read together in order to get a complete picture of the changing nature of the Irish workplace.

The reports point to the degree of common ground and difference in the perceptions of employers and employees, and shows how these perceptions could inform and even guide government policy.

Employer survey

Survey objectives

The employers' survey was based on the premise that certain drivers help to advance Ireland's aim to enhance its competitiveness and realise its national social and economic objectives, leading to higher value-added output. The main drivers in this respect are: the structure and organisation of work; systems for implementing and carrying out work; technology and innovation; quality standards; and, in the public sector, the need for reform.

The survey thus sought to gather information about employment practices and expectations of and responses to these practices. According to the report, there is a dearth of information on these subjects in Ireland, with some notable exceptions, such as the studies by McCartney and Teague (1998), and Roche and Geary (1998).

Methodology and design

The employers' survey and subsequent report was divided into two broad sections: the private sector and the public sector.

Questionnaires for both the private and public sector surveys were mailed to survey targets, with an additional telephone follow-up conducted in the public sector survey. The follow-up was described as extensive. The report is based on a completed sample of 1,491 private sector employers, representing a 42% response rate, and 392 public sector employers, corresponding to a 67% response rate. All of the data collected were statistically adjusted or 're-weighted' prior to analysis. This was done to ensure that the completed sample was in line with the overall employer population.

The information recorded was designed to be complementary and was harmonised in both sectors as far as possible. The questionnaires focused on pressure for change.

Findings for private sector

The survey found that three quarters of all private sector companies experienced some form of intense pressure for change, while all of the companies felt a certain degree of pressure for change. The most frequently cited sources of pressure were cost based: insurance costs, competition from other companies, other operating costs and labour costs (Table 1).

Table 1: Aspects of business activity generating pressure for change (%)

Intense pressure	Some pressure	None
Insurance costs	57.9	32.8
Competition from other companies	26.7	59.2
Labour costs and benefits	26.5	47.1
Other operating costs	23.4	59.7
Labour regulation/legislation	16.3	42.0
Product and production legislation*	16.1	38.2
Increasing demands from customers	14.0	54.6

Note: *For example, environmental, safety or sustainability legislation.

Source: Extract from Table 2.2, p.28, The changing workplace: A survey of employers' views and experiences

Top of the list of employers' responses to pressure for change was the overall category of product innovation and marketing, which includes the first three responses listed in Table 2, as well as increased marketing or promotion. At the same time, the report finds that 'relatively large percentages of private sector employers assign a high importance to progressive employment policies in addressing these pressures', and describes this awareness as encouraging. Among the progressive employment policies adopted by employers are staff training and development, staff involvement in decision-making and problem-solving, and greater labour market flexibility.

Table 2: Employer responses to external pressures for change, by perceived level of importance (%)

Very important	Important	Not important
Customising goods/services	37.2	42.9
Improving quality of products/services	34.7	47.4
Introducing new products/services	32.2	40.2
Reducing other production costs*	20.9	37.7
Increased marketing or promotion	18.3	49.8
Staff training and development	18.0	48.3

Greater flexibility among workforce	12.9	42.9
Staff involvement in decision making and problem solving	12.2	43.1

*Note: *As opposed to new technology, for example.*

Source: Extract from Table 3.1, p.41, The changing workplace: A survey of employers' views and experiences

Nevertheless, although the report highlights the importance attached to employment policies, the figures show that private sector employers place a far greater emphasis on product innovation and marketing. The report indicates that 37.2% of companies regarded customising goods or services to meet customers' needs as the most important response. The second most important response was improving the quality of goods or services.

Interestingly, one employment option that was rated as not being very important was downsizing or reducing the number of employees: just 3.5% and 17.3% respectively of respondents rated this measure as being very important or important. This lack of interest in downsizing was strongest in the distribution services and construction sectors. Indeed, since the survey was carried out, both of these sectors have recorded significant increases in employment. The pressures to downsize were greatest in the traditional manufacturing sector and in larger companies.

Employment practices

As part of its efforts to examine employment practices in private sector organisations, the survey questionnaire sought information from employers on partnership/involvement, employee orientated/integrative policies, staff development, and the use of temporary and part-time staff (Table 3).

Table 3: Use of employment-related practices (%)

Practice	% of employers using practice
Partnership/involvement	
- Employee discretion in organising work	70.0
- Direct decision-making involvement	62.4
- Information and consultation on change	61.5
Employee-orientated practices	
- Explicit equality/diversity policies	41.4
- Work–life balance arrangements	40.5
- Annualised hours	30.3
Staff development	
- Training and development for managers	51.7
- Training and development for employees	41.4
- Formal staff performance reviews	30.0
Use of temporary/part-time staff	
- Use of part-time staff	59.6
- Temporary/contract staff	35.4
- Temporary lay-offs/reducing working hours	21.8

The report notes that the significant drivers of formal partnership arrangements are size and trade union recognition. Similarly, size and trade union membership are significant drivers of equality and diversity policies. It is notable that the report only makes passing reference to staff training and development.

The study finds that 64% of companies provide staff training for employees. Apart from the fact that this comment (see report p. 57) is at odds with the figures taken from the report and quoted in Table 3, the report fails to point out that 100% of companies should have provided training, as there is a legal obligation on employers to provide health and safety training. This lack of provision for health and safety training is of some concern, and it is surprising that the authors of the report failed to comment on the deficit.

Findings for public sector

For the purposes of the survey, the public sector was divided into five categories: civil service; education/vocational educational committee (VEC); local government/regional bodies/non-commercial semi-state; police (gardaí)/defence/prison service; and health services.

In relation to internal pressures for change, the respondents were asked to state whether their organisations were under 'intense pressure', 'some pressure' or 'no pressure' with regard to a series of issues. The introduction of new technology represented the most intense pressure for change, followed by equality and diversity requirements (Table 4). However, when the levels of intense pressure and some pressure are combined, more employers cited employee needs and preferences for flexibility, as well as demands for better pay and for greater influence in decision-making.

Table 4: Perceived impact of internal pressures for change in public sector (%)

	Intense	Some
Employee needs for flexibility	17.7	81.0
Demand for greater influence in decision-making	12.6	82.9
Demands for better pay	10.9	86.1
Demands for new rewards system	1.6	36.9
Introduction of new technology	35.7	59.0
Equality and diversity	21.3	72.0

Respondents were also asked to respond to questions about external pressures categorised under four headings: regulatory control; service provision; accountability; and public service. Across the public sector, the top three external pressures identified were: budget constraints (80%); requirement for efficiency in delivery of services (72%); and demands for increased standards of service delivery (71%).

Across the range of public sector organisations, employee and management training and development were seen as the most important response to the pressures facing the sector. Employee training and development was deemed very important by 70.8% of respondents and important by 28% of those surveyed. At the same time, management training and development was regarded as very important by 66.2% of respondents and important by 32.9% of those surveyed (source: Table 7.1, p.102, *The changing workplace: A survey of employers' views and experiences*).

Open recruitment constituted one of a number of issues that the respondents stated would assume increasing

importance in the years to come. Other issues that were expected to take on significantly increased importance in response to change pressures included: the use of public–private partnerships; increased use of contract or temporary staff; staff involvement in decision-making; greater autonomy; performance-related pay; and meeting employees' demands for an improved work–life balance.

Another key finding to emerge from the public sector survey was that senior management agreed on the need for reform of the sector.

Conclusions

The report found that the public sector is generally receptive to the need for change. However, the study offered no similar general conclusion in respect of the private sector.

Employee survey

Survey objectives

The premise on which the employee survey was based was that Ireland, which was described as having an open economy, experienced considerable change in its competitive environment and in the labour market. The survey states that Irish workplaces are changing in response to a range of pressures that include intensification in the international marketplace, rapid changes in work organisation, technology and service delivery, as well as changes in the composition, needs and preferences of the workforce.

Under a series of headings, the survey thus sought to establish employees' views on: work attitudes and experiences; workplace practices; trade union involvement; training; communication; involvement through partnership or participation; and the determinants of work stress and job satisfaction.

Methodology

A fieldwork survey was conducted, in which employees were telephoned and questions were put to them. A total of 11,176 phone calls were made and 5,198 completed questionnaires were used in the report analysis. The questionnaire was divided into eight sections pertaining to: information on the respondent's current employment status; work attitudes and experiences; workplace practices; trade union involvement; training; communication; involvement through partnership or participation; and the determinants of work stress and job satisfaction. The responses were then statistically adjusted or 'weighted' prior to analysis.

Survey findings

The report records strong positive features in Irish workplaces. Employees had a high level of job satisfaction, high levels of commitment to work and high levels of organisational commitment. There was evidence of the positive role of communication and consultation in gaining employees' support for change. The survey also shows that employees attach considerable importance to opportunities for training and learning in the workplace.

Attitudes to work

The survey found that:

- over 90% of respondents were, in general, satisfied with their jobs;
- 80% indicated that they were willing to work harder and that they were proud of the organisation for which they worked;
- 82% agreed that their jobs required them to work very hard;
- 51% stated that they worked under a great deal of pressure;
- 47% noted that they often had to work more than their normal working hours to get through the job, and 38% responded that they never had enough time to get everything done;
- 25% always or often found their job stressful, while a further 47% reported that their work was sometimes

stressful.

On the basis of these figures, the report suggests that there is substantial room for developing policies and employment practices to reduce stress levels among employees and to facilitate greater work–life balance. There is also significant potential to improve employees' control over their daily working lives.

Workplace practices

The survey examined workplace practices and looked at the extent to which non-traditional arrangements are implemented. The study found that:

- over half (53.4%) of workplaces offered part-time hours and 21.5% of all employees worked part time;
- almost half (48.6%) of all workplaces conducted regular performance reviews or appraisals, with 42% of all employees being personally involved in such schemes. However, just 24% of all workplaces used pay-related performance and 19% of all workers were personally involved in such schemes. At the same time, less than 16% of workplaces operated profit- or gain-sharing schemes and less than 12% of employees were participants in such schemes;
- 43% of employees work in workplaces that offer flexitime or flexible hours;
- 30% of employees work in workplaces that use job-sharing, although only 6.5% of all employees were personally involved in job-sharing.

Most workplaces (75%) had an equal opportunities policy and almost 68% had a formal policy with regard to respect and dignity at work.

Trade union involvement

Almost 38% of all employees are members of a trade union. The reported noted a marked difference between the density of trade union membership in the public sector, where over two thirds (68.8%) of workers are union members, compared with the private sector, where less than one third (30.4%) are members.

Another factor affecting trade union density was the size of the workplace. Only 14% of workers in very small enterprises, employing one to four staff, were union members, compared with 54.7% of workers in organisations employing over 100 people.

The report found that trade unions were viewed positively by both members and non-members. Some 62% of members felt that their union was good at representing their interests, although many would like to see unions assign a higher priority to flexible working conditions and training. Workers in unionised workplaces were more likely to be offered profit or gain-sharing schemes and to have participated in employer sponsored education or training.

In relation to change, public sector workers considered trade unions as being more likely to be essential partners during processes of change than did private sector workers, who thought unions may be more marginal in relation to change dynamics.

Training

The survey examined employee participation in employer sponsored training over the previous two years. The report notes that 48% of employees participated in training, with those with higher level qualifications and holding higher managerial or professional positions being offered twice as many opportunities. Almost 80% of employer sponsored training was considered to be general in nature.

Overall, 60% of workers in the public sector had received training during the previous two years, compared with 45.1% of private sector staff. The size of the company was another significant factor in the provision of training, with 60.6% of employees in companies with 100 or more workers receiving training, compared with just 30.1% of workers in companies employing four or fewer people.

Communication

While it is not explicitly stated, and while the survey figures quoted would appear to disprove the contention, the overall impression in reading the report is that communication in Irish workplaces is poor.

According to the report, between 36% and 42% of private sector workers hardly ever receive information on: product or service innovation; the introduction of new technology; levels of competition; and changes in work practices. As employers are required by the health and safety legislation to consult with employees in relation to two of these issues – the introduction of new technology and changes in work practices – this finding is somewhat troubling, raising not only questions of following good practice, but also of legal compliance. Moreover, although the report does not draw attention to the issue, the figures for the public sector are not encouraging either: 29% of employees hardly ever receive information on the introduction of new technology, while 33% of staff are rarely informed of changes to work practices.

Partnership and participation

The report identifies two different modes of employee involvement: partnership and participation. Partnership refers to collective organisation, in which employee representatives work with management, while participation refers to modes of direct involvement and consultation in the way the work is organised and carried out.

Social partnership at national level is widely regarded as a key factor in the success of the Irish economy over the last 20 years (IE0602203F , IE0606019I). The survey found that, at workplace level, 23% of all employees indicate that partnership committees involving management and trade unions exist, while almost 38% responded that there were arrangements for direct participation in their workplaces.

Partnership institutions are much more common in the public sector than in the private sector, at 45.4% compared with 17.7% respectively. Participation arrangements are more widely dispersed, with 46.8% of such arrangements in the public sector and 35.3% in the private sector.

The survey was carried out and the report compiled before the recent enactment of information and consultation legislation, namely the Employees (Provision of Information and Consultation) Act 2006 (372Kb PDF) (IE0604039I). Nevertheless, the finding that 39% of employees report that no formal partnership or participation arrangements exist at their workplace suggests that this legislation will have a major impact on Irish workplaces.

Work-related stress and job satisfaction

Throughout the report, references are made to work-related stress. The chapter on the determinants of stress and job satisfaction examines in greater detail the relationship between stress and work, and the influence according to sex.

The report notes that the EU Employment Guidelines are committed to improving policies to reconcile family and working life. In the context of this policy, the report states that it is important 'that employment opportunities are not increased at the expense of creating a highly stressed workforce'. While the study considers what might be called the common characteristics of work-related stress, it overlooks two factors that are unique to Ireland. One is historical: namely, the country's history of unemployment and emigration; the other is current: that is, the long commuting distance to work, with people often spending three hours a day commuting.

The survey found that women experience higher levels of work-related stress than men do. This may reflect gender differences, although the effect of having a child of pre-school age was found to be the same for male and female employees.

The study found that 'each additional work hour increases work stress levels'. It would have been interesting if the report had gone on to examine the time pressures that modern working practices and family arrangements impose on employees.

Rather curiously, the report notes that trade union membership is found to increase work-related stress. Flexitime reduces stress but working from home was found to increase stress levels.

Changes in the workplace

The survey found that, in the years prior to the study, substantial organisational change had occurred in Irish workplaces. Among the changes most frequently mentioned were new technology, increased responsibilities and intensification of work. Public sector workers reported higher rates of change than private sector workers.

Looking to the future, the report suggests that organisations can do much to manage change in a more positive way. The study considers that employee involvement is crucial in gaining the support of employees for change.

Commentary

Although published as separate surveys, both reports can be regarded as two parts of the one study. The reports provide comprehensive data on the experiences and views of employers and employees on the changing nature of Irish workplaces, and on how they have responded to change and are likely to respond to future change.

The common theme running through both reports is that employers and employees were receptive to change and sufficiently flexible and adaptable to embrace change. The dominant factors driving change were the introduction of new technology and competitiveness. The key response is employee involvement and training.

Within the context of these findings, it could be suggested that the surveys might have probed further, for example in relation to the impact of commuting to work, particularly in the ever expanding greater Dublin region.

Since the reports were published, the NCPP and the Forum on the Workplace of the Future have gone on to launch a National Workplace Strategy (1.4Mb PDF) , which proposes that Ireland will need an additional 420,000 workers by 2010, with 150,000 of these coming from outside the state. Furthermore, there is a need to encourage greater female participation in the workforce. The proposed national strategy comprises five strands: workplace innovation; capacity for change; developing future skills; access to opportunities; and quality of working life.

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