

Flexible Employment Policies and Working Conditions

The Netherlands

J. Klein Hesselink, E. Miedema, A. Goudswaard, K. Kraan, TNO Work and Employment,
Hoofddorp, The Netherlands

[Executive summary](#)

[Introduction](#)

[National context](#)

[Case 1: Manufacturing industry](#)

[Case 2: Public bus company](#)

[Answers to the research questions](#)

[Literature](#)

[Annexes](#)

The European Foundation for the Improvement of Living and Working Conditions is an autonomous body of the European Union, created to assist the formulation of future policy on social and work-related matters. Further information can be found at the Foundation's website at <http://www.eurofound.ie/>

This report is available in electronic format only and has not been submitted to the standard Foundation editorial procedures.



EUROPEAN FOUNDATION

for the Improvement of Living and Working Conditions

Executive summary

The European Foundation for the Improvement of Living and Working Conditions has commissioned a research project to analyse the impact of flexible employment policies and human resources management on working conditions at the corporate level. Research institutes of seven countries participate in this project. For each country two or three cases are studied of organisations applying different flexible employment solutions. The seven countries are: Finland, France, Germany, Italy, Spain, The Netherlands and The United Kingdom.

In this report the results of the Dutch case study are described. Two cases were studied: a company producing and selling sweets and a regional bus company. The main method of investigation was interviewing the personnel managers responsible for the flexible personnel situation in the organisation. Because of the current flexibility situation in the Netherlands, in which a new Law on flexibility and job security is enforced, two temporary employment agencies that supply these organisations with temporary personnel were also asked to participate in the study. The regional manager and the contract manager of the local agency office that delivers agency workers to the manufacturing industry and the general manager of the agency delivering personnel to the bus company agreed to participate. In addition, agency workers that work for these employment agencies in the two companies were interviewed by telephone.

The interviews and the description of the cases in this report were organised by means of four types of research questions, concerning: (1) the strategies of flexibility and company policy, (2) flexibility in relation to working and employment conditions, (3) the impact of working conditions and flexibility, and (4) the labour relations system. A brief summary of the answers given to these research questions is given below.

(1) The main flexibility strategy applied in both organisations is external or contract flexibility. The reason for this is that both companies expected a gradual but certain reduction in personnel need in the course of years, and reduced their number of employees in advance by means of natural turnover. Understaffing was filled up by hiring agency workers. To improve product and service quality, both companies felt the need for training and exercising this personnel. In relationship with this, the need was felt to employ them on a more permanent basis. In the case of the manufacturing industry, plans were made to employ the agency workers by means of a fixed-term labour contract with the agency. However, the international market situation declined and these plans could not be accomplished. All temporary personnel had to be dismissed. In the case of the bus company most of the agency workers received a fixed-term labour contract with the agency, in part because this is one of the aims of the new Dutch Law on Flexibility and Security. Internal types of flexibility are heavily relied on by both organisations, but have only few relationships with the external solution. Both organisations use shift work systems: the manufacturing company to increase the use of the expensive capital investment and the bus company for public transportation reasons. Both companies also apply various types of functional flexibility. Agency workers work the same hours and shifts and perform the same tasks and functions as the personnel with a permanent labour contract.

(2) In both cases the relationship between external flexibility and working conditions is minimal, because agency workers in both companies are treated in the same way as the

company workers. Agency workers were not employed in specific (dangerous or unhealthy) situations. Functional flexibility was described as a favourable solution for both temporary and permanent workers, because of the multi-skilling and training of the workers. In both cases the flexible working times were accepted as a normal phenomenon, although there are employees that have problems with working at inconvenient working hours. Yet there is a relationship between flexibility and conditions of employment. Considering this relationship, it appears that the agency workers, also the agency workers with a fixed-term labour contract with the agency, often are less satisfied with their fixed-term employment status. This is because of the job insecurity related to temporary work. Most agency workers prefer a permanent job at the company. The solution of having a permanent job at the temporary employment agency was judged as less favourable. Participation of agency workers in the works council was not regulated well at the moment of the interviews, because of the recent introduction of new legislation. Membership of a trade union was not considered an option by most agency workers, because they fear this will affect their relationship with the employers (agency and company). Sometimes, in cases of work problems, the agency workers could not find a solution, because the agency and the company pointed at each other for finding this solution.

(3) The impact of labour flexibility on conditions of work, on access to training and other company facilities, and on total company effectiveness was seen as minimal. Although there are problems with shift and night work reported in the research literature, these problems were not reported in the case study. Functional flexibility was related to better working conditions for both company and agency employees, due to training programmes and task rotation. Quantitative external flexibility appeared to be more expensive than qualitative external flexibility, because of the high turnover level and the lack of experience of these agency workers. Once of the qualitative type, most problems related to unequal position of agency workers compared to those of company workers disappear. Only job insecurity remains in the case of fixed-term labour contracts, but also disappears when agency workers are offered a permanent labour contract at the agency. Training improves the labour market situation of agency workers as well as company workers. Training of agency workers improves their position in relationship to non-qualified agency workers, because it makes their individual productivity level comparable to that of company workers.

(4) The Dutch labour relations system was described as supportive to the flexibility wishes of the companies on the one hand and protective to the interests of the flexworkers on the other hand. Collective bargaining and legislation are seen as fundamental in the dynamic relationships between the different social partners in the Netherlands. In the bargaining process improved working conditions are frequently agreed upon in exchange for lower annual wage increases. In the case of flexible employment the interests of flexworkers are protected by the extensive Dutch labour legislation. This labour legislation was seen as too restrictive for a long time. The new Law on Flexibility and Security permits a more flexible job relationship in the first years of the job and demands more job security once the relationship between employer and employee becomes a more prolonged one. This makes it easier for employers to attract flexworkers, such as employees with fixed term labour contracts, demand or call contracts or temporary agency workers. At the collective bargaining level, the sector of the temporary employment agencies made appointments on a phase system in which agency workers are employed by means of temporary employment contracts first and finally end up with a permanent labour contract with the employment agency. Mostly this means that these agency employees have to be trained for specialised tasks in a group of different organisations in economic sectors that are in need for temporary employment. Also

the wage level of temporary employment workers is protected and kept on at least the same level as workers in the economic sector in which the agency workers are employed, unless other collectively agreed rules apply. Collective bargaining and agreement at the macro, meso and micro level was described as the most important factor in reaching this relatively favourable situation. However collective bargaining can only be successful only if all parties gain in the final solution. In the case of labour flexibility, the gain for employers is more flexible possibilities and the gain for employees and trade unions is more protection.

1. Introduction

The European Foundation for the Improvement of Living and Working Conditions has initiated a research project to analyse the impact of employment policies and human resources management on working conditions at the corporate level. A direct precursor of this research project was the 1996 European Survey on Working Conditions. The quantitative dataset of this survey includes the data of about 17,000 workers from a random sample of the working population of all 15 member states of the European Union. This dataset gives much information on the link between employment policies and working conditions at the macro level, in the fifteen European member states as well as in the European Community as a whole. Three important trends emerged from this study: (1) health problems are connected with poor working conditions, (2) an increasing number of workers is confronted with work situations under great strain, and (3) jobs involving difficult working conditions are occupied more often by workers on precarious contracts of employment.

To increase insight into the precise nature of these trends in the European Survey, a case study investigation was designed, in which seven countries of the European Community participate. The seven countries are: Finland, France, Germany, Italy, Spain, The Netherlands and The United Kingdom. The researchers of these countries each studied two or three national cases. As flexible working methods appeared to be important in understanding the results of the 1996 Survey, and the current literature on working conditions indicates the role of flexible working methods as a crucial factor in the management of work, it was decided to concentrate the case study on labour flexibility. The main target question of the project is (Goudswaard *et al.*, 1999):

To what extent (under what conditions) is it possible, within a flexible environment, to develop corporate policies that do not lead to precarious employment but, on the contrary, that could preserve employment security and improve working conditions, and what is the right balance (degree and level) of interventions to achieve these goals?

The seven countries participating in this study all have their own specific applications of labour flexibility. For that reason, a general model should describe all possible forms of labour flexibility together. Of course no such model was available, but an extension of the model of Atkinson (1984, 1988; De Haan et al, 1994) was considered sufficiently comprehensive for an initial classification of the different applications. The model describes four basic types of flexibility, resulting from a combination of two flexibility dimensions: external versus internal, and qualitative versus quantitative. It can be elaborated or refined if other applications are encountered in the country studies.

Internal flexibility points at flexible solutions *inside* the company. The two basic processes of making the internal working situation flexible described in this study are working time flexibility and functional flexibility. In the case of working time flexibility, employees are employed at non-regular working times (other than from 08.00 to 18.00 hours on working days). In the case of functional flexibility, employees are employed on different tasks or in different functions. In both cases the employability of the workers is enhanced because they work when and where their labour is most efficient. External flexibility refers to the flexible solutions that come from *outside* the company. External solutions always are related to employment of extra personnel from outside the organisation. As this requires different types of contracts, this type of flexibility is also indicated by the term 'contract flexibility'. Two

basic applications of contract flexibility will be distinguished. In the case of non-specialised flexwork, flexworkers are engaged to fill temporary gaps, mostly due to high absenteeism, holidays or increased production. In the Netherlands several types of this external *quantitative* flexibility are distinguished, such as fixed term, on call/demand and temporary agency employment. In the case of specialised flexwork, flexworkers are trained to fulfil specialised tasks in the organisation on a non-permanent basis. If this training is organised by a temporary employment agency, the agency workers are offered a fixed-term or even permanent labour contract nowadays. From 1 January 1999 the Law on Flexibility and Security supports development of external *qualitative* flexibility.

This report describes the results of the Dutch case study. Two cases were studied, one in manufacturing and one in the service sector. In the manufacturing industry, a company producing and selling sweets participated in this study and in the service sector a regional bus company. Detailed interviews were held with personnel managers of these organisations, responsible for the flexible situation of the personnel. The cases for this study are selected because both companies apply the four types of flexible solutions described before.

As the labour flexibility situation in the Netherlands is regulated by the Law on Flexibility and Security, the two cases described were selected because they illustrate developments stimulated by this recent legislation. The temporary employment agencies that provide personnel on a temporary or fixed-term basis to these two organisations agreed to participate in the study as well. The agencies are (local units of) the two largest Dutch temporary employment agencies. In addition, employees working for these agencies and the two companies were interviewed about their experiences.

The research framework for this study is worked out in Goudswaard *et al.* (1999). Four specific categories of research questions are studied:

1. the combination (or balance) of different types of flexibility at corporate level, and company policy on flexibility, human resources and the management of occupational safety and health;
2. the relationship between conditions of work and conditions of employment and between flexibility and working conditions;
3. the general impact of flexibility and working conditions on occupational safety and health, on company costs and benefits, on employment and job creation, on labour market organisation, on career development and employability, and on social integration and exclusion;
4. the role of collective bargaining and social regulation in the evolution of working conditions.

The next chapter of this report starts with a description of the national context of the case study. This description is based also on the findings of the bibliographical review reported in Annex One. In the same chapter the two cases are introduced and a description of the research method is given. Chapters three and four describe the cases in terms of the four categories of research questions. In the last chapter the four groups of questions are answered in relation to the central target question of the study. In Annex Two the results of both case studies are summarised and in Annex Three an overview of relevant national definitions and concepts is given.

2. National context

This chapter describes the national context of the cases. The first paragraph offers a description of the external factors and national debates that are relevant for understanding the two cases. This description includes the material from the national bibliographical review. In the second paragraph the cases will be introduced by means of their main characteristics, the general market context, the problems in the specific sector of industry and the main characteristics of the personnel. Finally, a description of the applied research method is given in the third paragraph.

2.1 External factors and national debates

The purpose of this description of external factors and national debates is to describe the national context of the cases. First, different laws and regulations are briefly summarised to describe the policy context and the national debates of the different developments. Next, some facts and figures will be given that indicate the role of flexibility in the Dutch labour and work situation.

Laws and regulation of flexwork

In the Netherlands, labour flexibility has been a topic of ongoing debate over at least three decades (De Haan *et al.*, 1994). The outcomes come to expression in at least five national laws that regulate the Dutch work environment. Regulation in all five laws always has two objectives: to stimulate the economy and to protect working men and women.

All these laws emerged in the typical Dutch negotiation structure called the 'polder model'. This negotiation structure affects the whole work situation from the macro and meso to the micro level. Government, national employers' organisations and trade unions continually discuss with each other the necessity for new laws, mostly even before they are treated in parliament. These laws are worked out on the sector level, by means of negotiation between the sector level employers' organisations and trade unions. On the micro level, ie. the organisation, works councils and employers negotiate on the specific problems in the organisation.

The Dutch Working Time Law (*Arbeidstijdenwet*) stimulates working time flexibility by relaxing the former restrictions on working in the evening and on Saturdays. This stimulates organisations to organise new activities in these periods. Work on Sundays and night work is still restricted by this law, for protective reasons. Night work is restricted because it has proven negative health effects on workers. Work at Sundays is restricted for religious and leisure reasons. The law also regulates the balance between working and resting time. The Shopping Time Law (*Winkeltijdenwet*) stimulates working in the evening, also by relaxing former restrictions. These laws came into force in 1995 and 1996 respectively.

Functional flexibility is stimulated by the Dutch Working Environment Law (*Arbeidsomstandighedenwet*). Several articles in this law regulate the integration of work in organisations via prescribed application of ergonomic and qualification principles and by prescribing sufficient opportunities for workers to determine their own work pace, to keep contact with colleagues, and to know the purpose and results of the labour (Bayens & Prins, 1990). When the well-being paragraphs of this Law came into force in 1988, three Dutch research institutes were asked to work out the concept of well-being (Pot *et al.*, 1988). A

method based on socio-technical principles was worked out, in which simple production work was declared a risk factor and seven principles were advocated: completeness of the work task, reduction of fast repetitive tasks, learning opportunities in the work task, participation in work and organisation, social contacts and support, performing additional organising tasks and information on the work task and the organisation. The law and the method had direct and indirect stimulating effects on the development of functional flexibility in the Netherlands and on the introduction of autonomous task groups and self-regulating teams in Dutch organisations. At this moment, a revision of this law is in the making whereby most of the rules stimulating the well-being of workers are left out. The reason for this is the deregulation of government influence. It is expected that this new version of the law comes into force in November 1999.

The Law on Flexibility and Security (*Wet flexibiliteit en zekerheid*) and the Law on the Allocation of Labour by Intermediary Organisations (*Wet allocatie arbeidskrachten door intermediairs*), act as a couple to stimulate flexibility of labour on the one hand and on the other hand to give flexworkers more job security. The first-mentioned law stimulates organisations to attract more flexworkers by relaxing contract obligations in the first years of the labour relationship. In the course of some years, when the labour relationship between the flexworker and the organisation becomes more stable, job security increases and after about three years this relationship becomes a permanent one. In fact, this law stimulates the development of external flexibility, because contract obligations for short-term flexwork are not overly strict and security is stimulated if flexworkers are offered a more secure job in the case of long-term relationships. In the case of long-term relationships, old-age pension build-up and an inventory of training needs are obligations too. The second law stimulates the allocation of labour by abandoning the permission system, formerly necessary to perform this kind of personnel hiring. The resulting uncertainty for organisations, for instance in case of bankruptcy of the agency (organisations have to pay the outstanding debts of taxes and social security premiums of the agency workers then) was regulated by the temporary agency sector by means of a membership system. This law also forbids agencies to ask money or other compensations from agency workers for their services, and forbids agencies to hire out workers to organisations in case of strikes. Another prescription of this law is that temporary agencies have to inform their agency workers, in writing and prior to starting on the job, of the working circumstances in their place of employment. One of the rules of this law is further that agency workers have to be paid the same salary by the agency as the workers of the sector in which they work, unless other collectively agreed rules apply.

Of course labour flexibility is not the only problem in the Netherlands. Many laws were passed in the course of the past fifty years; creating a complex legal tangle in the work and employment situation. In fact no one knows all the rules. Accordingly, organisations deal with the different problems one at the time and are assisted by a growing number of commercial consultancy organisations. Trade unions and employers' organisations too provide consultancy services since a number of years on a commercial basis. Some of these labour laws are briefly described below.

Social security for employees is guaranteed in the Netherlands on a very secure basis. As a rule, the protection is guaranteed for workers with a permanent labour contract as well as for flexworkers. Flexworkers sometimes have a somewhat less favourable position, particularly when they have a history of much unemployment (Klein Hesselink *et al.*, 1998). Social security laws also permit temporary periods of unemployment. Although the sick leave responsibility is predominantly privatised in the Netherlands (employers have to pay the

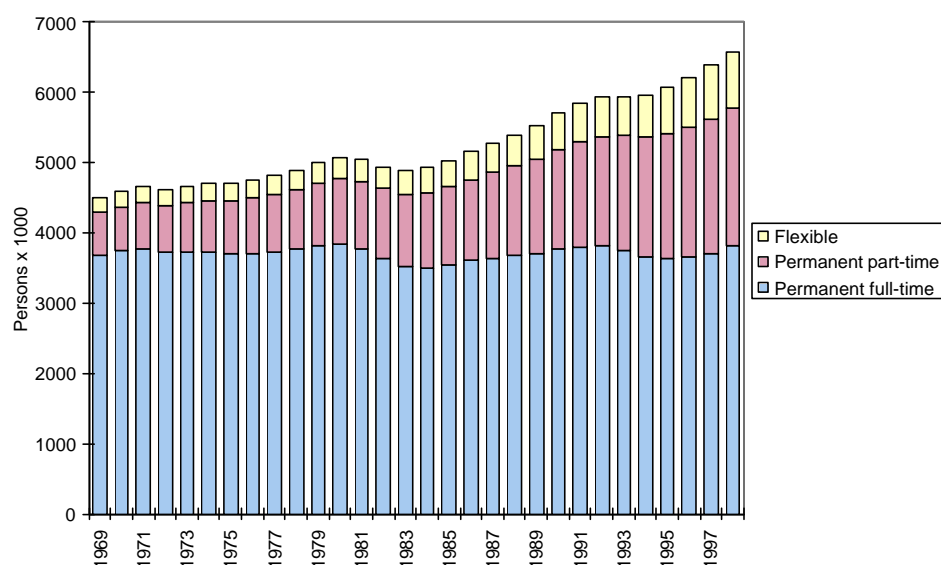
wages of their employees also in case of sick leave, but they can insure themselves against costs so incurred), agency workers with an agency contract are still one of the groups that are insured by means of the Law on Health (*Ziektewet*). This is done to avoid problems with already ended relationships. The income of flexworkers is also insured for medical costs if they receive unemployment benefits. The right to receive an unemployment benefit (*WerkloosheidsWet*), is built up during working periods. If workers work at least one day in 26 weeks in a period of 39 weeks preceding the first unemployment day, they receive an income of 70% of the minimum income level during a maximum of six months. If, over a period of five years preceding the year of unemployment, an employee has worked 52 days or more per year in four years, he/she receives an income-related unemployment benefit of 70% of the last received income. The duration of the benefit period depends on the employment history of the worker, but lasts at least one half year. After this, the worker is entitled to a follow-up benefit of 70% of the minimum income, up to a maximum period of two years. Eligibility for unemployment benefit depends on the income situation of the other persons in the household.

Participation of employees and agency workers is regulated by the Dutch Works Councils Law (*Wet op de Ondernemingsraden*). This law regulates the works council obligations of the temporary employment agencies and the organisations in which the agency workers work. Concerning participation in the temporary employment agencies, until now only the rights of the office workers were looked after. By recent revision the law now also regulates the rights of the agency workers. This is a new situation and the employment agencies have only just started to think about how to create these councils. Only the large agencies develop such initiatives, because they have the personnel capacity to do this. An important problem is the novelty of the rules. Another problem is the fact that the new rules completely change the participation ratio of the agencies. If for instance, the number of office workers of an agency is 4,000 and the daily number of agency workers is 60,000, the agency workers will completely dominate the works council. Organisations that hire agency workers have the obligation to give rights to these agency workers too, if they work longer than 24 months in that organisation. Of course most agency workers are not employed that length of time but it is expected that the rules of the new Law on Flexibility and Security will change this.

Fact and figures

Labour flexibility started to become a topic in the Netherlands about three decades ago, when globalisation and internationalisation began to become a serious threat to the national economy and labour market situation (De Haan *et al.*, 1994). The 1973 oil crisis made it clear that Western domination of the world markets was declining and that economies in East Asia became serious competitors. At the same time, boarding out labour to low-income countries became an increasing threat to the Western labour markets. In the Netherlands, important marking points in labour market development are the beginning of the 1980s and 1990s, when economic downswings caused huge unemployment. Figure 2.1 illustrates the development of the Dutch labour situation calculated in numbers of employees from 1969 to 1998.

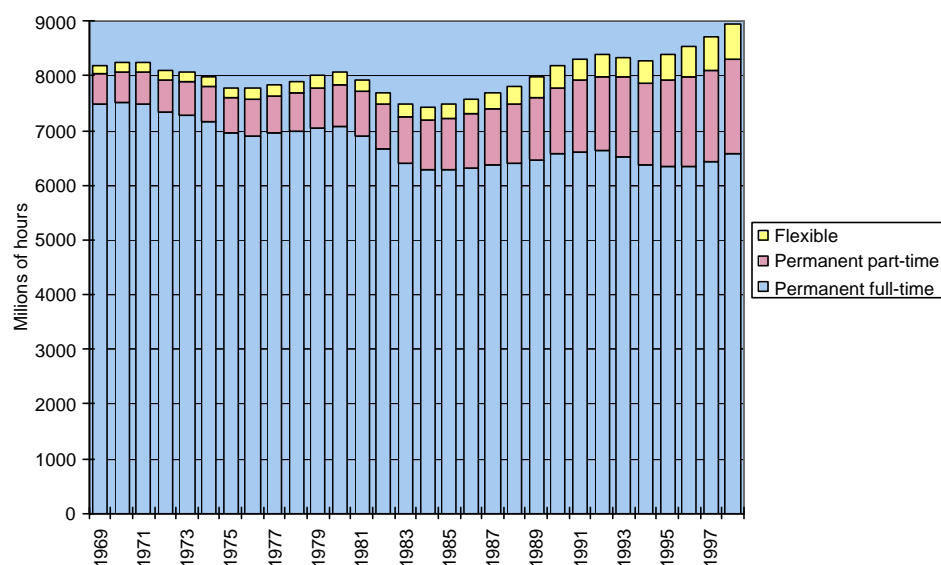
Figure 2.1: *Growth of the labour force in the Netherlands from 1969 to 1998 (persons x 1000), according to type of contract (CBS, 1996, 1999)*



This figure indicates that the number of permanent full-time contracts diminished slowly from the year 1969. In fact it diminished more than is visible in this figure, because the population grew from 12,798,000 to 15,654,200 in the same years. In these years the number of permanent part-time contracts grew steadily from 14% to 30% of the total number of employees. This growth is predominantly due to women (re)entering the labour market (in the Netherlands, labour market participation used to be very low among women before 1970). At the same period the number of flexible labour contracts rose too from 5% to 12% of all employees, offering not only women but also the unemployed and other non-working groups an opportunity to (re)enter the labour market. Often, flexible working contracts are described as a starter for a permanent job (see for instance: Kleinknecht et al, 1997; Grijpstra et al, 1999).

A different picture emerges when the total number of working hours produced by all Dutch workers for the same years is shown (figure 2.2).

Figure 2.2: Growth of the total number of working hours in the Netherlands from 1969 to 1998, according to type of contract (CBS, 1996, 1999)



The growth of the total number of working hours is far less steep than the growth of the labour force as indicated by figure 2.1. In fact, the increase of permanent part-time work and flexwork almost compensates the decline in working hours of the permanent full-time workers. This decline was not caused by a reduction of the number of workers, as can be seen in figure 2.1, but by the fact that the average full-time working week went back from about 42 working hours in 1969 to about 36 working hours in 1998.

Next, we look at how labour contacts are distributed over the different sectors. Table 2.1 gives an overview of the situation in 1998 (Goudswaard *et al.*, in press).

Table 2.1: Average percentage of employees per type of labour contract in different profit sectors in 1998 1)

| Sector | Permanent labour contracts | Fixed-term labour contracts 2) | Temporary Agency contracts | Demand/call contracts 3) | Other contracts |
|---------------------------|----------------------------|--------------------------------|----------------------------|--------------------------|-----------------|
| Wholesale trade | 85.5 | 9.1 | 2.7 | 2.5 | 0.1 |
| Construction | 85.4 | 8.9 | 3.3 | 1.3 | 1.2 |
| Metal industry | 85.0 | 8.3 | 3.4 | 2.5 | 0.2 |
| Health care | 83.9 | 8.7 | 1.4 | 5.8 | 0.2 |
| Transport | 82.6 | 8.3 | 2.8 | 6.1 | 0.2 |
| Remaining industry | 82.2 | 8.1 | 2.2 | 5.6 | 1.8 |
| Process industry | 80.9 | 9.7 | 7.4 | 1.5 | 0.4 |
| Financial trade | 78.8 | 13.9 | 3.2 | 3.4 | 0.6 |
| Food industry | 77.3 | 11.2 | 4.2 | 6.9 | 0.4 |
| Retail trade | 77.1 | 9.2 | 1.5 | 11.6 | 0.7 |
| Agriculture | 69.5 | 14.2 | 6.7 | 6.2 | 1.5 |
| Non-financial services | 67.2 | 20.1 | 0.4 | 12.3 | 0.1 |
| Hotels, restaurants, pubs | 54.5 | 11.1 | 4.5 | 26.9 | 3.0 |
| Total | 77.1 | 10.9 | 2.7 | 8.4 | 0.8 |

1) source: Goudswaard *et al.*, (in press)

2) including fixed-term contracts with perspective on permanent labour contracts and fixed-term contracts longer than a year

3) both permanent and fixed-term contracts

The percentages in table 2.1 deviate from figure 2 because of differences in definitions. The fixed-term labour contracts include fixed-term labour contracts over a period longer than one year, and fixed-term labour contracts with a perspective on a permanent job. The demand/call contracts include both permanent and fixed-term demand/call contracts. The figures of Goudswaard *et al.* (in press) were taken instead of the official national figures, because of the more comprehensive operationalisation of the types of flexibility.

According to table 2.1, most permanent labour contracts are found in the sectors of wholesale trade, construction and metal industry. The least permanent labour contracts are found in the hotel, restaurant and pub sector, the non-financial services sector and agriculture. Fixed-term labour contracts are most often found in the sectors non-financial services, agriculture and financial trade. Temporary labour contracts are often found in process industry and agriculture. Demand and call contracts are most often found in the hotel, restaurant, and pub sector, non-financial services and the retail trade.

Next a closer look is taken at the dynamics of flexwork. In October 1997 a flexwork study was conducted by Klein Hesselink *et al.* (1998). The same group was questioned again in February 1999 (Grijpstra *et al.*, 1999). In both studies the definition of flexwork was carefully operationalised. The changes in flexwork status during the research period (17 months) are displayed in table 2.2.

Table 2.2: *Changes in flexwork status between the 1997 (rows) and the 1999 (columns) in percentages of employees (lc=labour contract) 1)*

| Flexwork status October 1997 | Flexwork status February 1999 | | | | | | | Not emplo- yed | Other catego- ries | Total number 1997 |
|---------------------------------|---------------------------------|--|--|--|---|----------------------------------|-----|----------------------|--------------------------|-------------------------|
| | Permanent labour contract | Fixed- term labour contract > 1 year | Fixed- term labour contract < 1 year | Demand/ call labour with contract | Demand/ call labour without contract | Tempo- rary agency work | | | | |
| Fixed-term lc < 1 year | 35% | 17% | 3% | 14% | 8% | 3% | 20% | 0% | 95 | |
| Temporary agency work | 22% | 14% | 8% | 7% | 8% | 16% | 24% | 1% | 127 | |
| Demand/call work without lc | 29% | 7% | 4% | 23% | 17% | 3% | 11% | 5% | 181 | |
| Demand/call work with lc | 39% | 3% | 10% | 18% | 10% | 3% | 13% | 5% | 39 | |
| Other categories | 43% | 7% | 0% | 7% | 7% | 7% | 14% | 14% | 14 | |
| All flexworkers in 1999 | 30% | 11% | 6% | 16% | 12% | 7% | 17% | 3% | 100% | |
| Total number 1999 | 135 | 49 | 25 | 72 | 54 | 30 | 77 | 14 | 456 | |

1) Source: Grijpstra *et al.*, 1999

The results of table 2.2 probably show the impact of the favourable economic situation in the research period. Thirty percent of all 1997 flexworkers had a permanent labour contract in 1999. Another 17% of the 1997 flexworkers was not employed in 1999, showing the loose relationship with the labour market of this type of employees. Mostly employees with a fixed-term labour contract of less than one year and agency workers did not have a job in 1999. Also a relatively large part of the flexworkers kept their flexwork status during the research period.

Finally a closer look is taken at the arrangement of time and functional flexibility in Dutch organisations. Again the study of Goudswaard *et al.* (in press) is used in view of its comprehensive operationalisation of the different types of flexibility. Table 2.3 gives an

overview of the number of organisations, using the different types of time and functional flexibility.

Table 2.3: *Time and functional flexibility applied in Dutch profit organisations in 1998 1)*

| Type of time and functional flexibility | Percentage |
|---|------------|
| Use of part-time labour contracts | 71.9 |
| Use of small part-time labour contracts < 12 hours a week | 39.6 |
| Use of overtime | 17.9 |
| Use of compressed working week | 10.8 |
| Use of shift work and irregular work schedules | 25.3 |
| Organisations with normal working week exclusively | 52.4 |
| - evening work | 3.1 |
| - evening and night work | 1.2 |
| - weekend work | 14.5 |
| - evening and weekend work | 18.8 |
| - evening, night and weekend work | 9.6 |
| - night work | 0.4 |
| Function and department circulation | 48.7 |
| Task enrichment, task circulation | 56.8 |
| Both | 65.2 |
| Total number of organisations | 3618 |

1) Source: Goudswaard *et al.*, in press

The table shows that Dutch organisations make extensive use of all kinds of internal flexibilisation. More than two-thirds of the organisations make use of part-time labour contracts, about two-fifths even arrange small part-time contracts of less than 12 working hours per week. Overtime, the compressed working week and the use of shifts and other kinds of irregular work occurs less often in Dutch organisations. There is a strong relationship however with the number of employees in the company. Large companies make use of these flexible applications more often than small companies.

Working non-regular working times is applied in about half of the Dutch companies. Most companies work with evening and weekend schedules. Here too, large companies use these kinds of schedules more often than small companies.

Functional flexibility is used in almost two-thirds of Dutch companies, mostly in industry and health care organisations. Again, large companies use the applications more often than small companies.

2.2 Description of the cases

A case study involving only two cases cannot possibly give a complete picture of the Dutch labour and job flexibility situation. Their selection rests on their illustrative qualities of the Dutch situation in relation to contract flexibility, as recently regulated by the Law on Flexibility and Security. Beside this, in both companies internal forms of flexibility (time and functional flexibility) are applied and can be related to contract flexibility.

In this paragraph we introduce the two cases of this case study by means of illustrating their context, their sector of industry and the main characteristics of their personnel. Each case

consists of a pair of organisations, the organisation that is in need of flexible labour and the temporary employment agency that supplies employment capacity on a temporary basis. Employees of each pair of organisations were interviewed as well.

The first case

The company of the first case is a sweets manufacturing company and headquarters of an enterprise that produces and sells sweets over the whole world. The organisation has companies in the Netherlands, Poland, North and South America and East Asia. The company, founded in 1900, emerged from a local bakery, that concentrated on producing sweets on an industrial basis. To survive and to improve its competitive edge the company started to take over similar factories in the Netherlands and other parts of the world. So globalisation has been a central topic in company policy for several decades. Products are delivered in about 100 countries all over the world. About 45% of the production is delivered outside Europe. The company managed to realise a favourable financial-economic development for many years, despite strong competition on the world market. Ironically, competition at this moment is mainly caused by the company itself; its factories in low-income countries produce less efficiently but against less labour costs than the companies in the Netherlands. All companies are independent locations, however producing in the first place for the regional market.

The interviewed company location is a capital-intensive organisation with about € 100 million of capital goods and € 20 million of labour costs. Production methods strongly progressed in the last ten years. Automation was introduced, and production changed from simple craftwork to a high-tech process industry of sweets. This development was accompanied by a number of reorganisations that also had personnel consequences. Non-qualified craftsmen were trained or replaced by qualified and specialised employees. In the last few years reorganisation progressed rapidly. During the interview in 1997 on average 611 employees worked in the company; in 1999 only 550 were left. At this moment, the process of renewal is nearly finished. World-wide, nearly 3,000 employees work in the whole concern.

Despite its strong position on the market, the company experienced a serious setback during the economic crisis in Russia and East Asia in the second half of 1998. These regions are major production and selling areas of the company, and the company was forced to take measures to counteract the economic disaster and consequent trade reduction. All activities of the personnel employed via the temporary employment agency were stopped. Another factory of the company in the Netherlands was hit still more seriously and 50% of the personnel was dismissed, including a large part of the employees with a permanent labour contract. At present the former markets are recovering and the company found new markets too. Personnel from the temporary employment agency is taken on again: 15 in May 1999 and 22 some weeks later - far less, to be sure, than the average of 100 agency workers employed by the company in the good days (about 15% of the personnel). The case shows the way in which a company can handle cycles in personnel need in bad times. Agency work was clearly used as buffer to counteract market problems in relation to labour contract obligations.

The local office of the agency had to replace the many agency workers from the company to other companies, in the second half of 1998. Happily most of them could be placed quickly elsewhere in the region. Some found a new job themselves. Most of the agency workers however relied on the local agency office that had some busy weeks in finding a new job for everyone. In the other factory employees with a permanent labour contract were let go as well. This was done by the local office of the agency in that region, that took over this

personnel by means of an outplacement contract, and helped them to find another job in one of the companies in this region. This too was done efficiently and most of the personnel was re-employed in a short time. Yet this did not relieve all the pain, because most personnel lost the job and the work location they were familiar with.

The average age of the company personnel is 41 years. The ratio between men and women is about equal. Men mainly work in manufacturing, and women in packaging. People of 16 nationalities work in the company, mainly in the production settings. At this moment only qualified personnel with medium or high technical education is engaged and given permanent labour contracts, because of the need for this type of personnel in the new high-tech production lines.

The second case

The bus company is a privatised enterprise in the rapidly changing sector of collective passenger transport. The company is owned by share holders: 48% of the shares are held by the combined organisation of bus companies in the Netherlands, 52% of the shares are held by the province in which the company's operations are concentrated. The goal of the enterprise is to provide modern collective passenger transport in the region and elsewhere in the Netherlands on a commercial basis. The company goes back some 65 years, but considers itself young despite its ancient name which refers to former local steam railway activities. The reason for this optimism is the current process of privatisation of bus and railway concession areas in the Netherlands. It may become possible in the (near) future to submit tender not only for bus routes but also for local railway lines.

The whole enterprise consists of a bus company and six other companies in the same geographical region: a call centre for taxis and the transport of disabled, two taxi companies, a garage and maintenance company, a company that manages all moveable goods and real estate, and a touringcar company. The bus company consists of a commercial team and the transport part. Transport is split up into thirteen regions, covering each an urban or local concession area. In the bus company about 1,250 employees are employed, including 1,100 bus drivers. An additional 200 drivers work in the taxi companies and 200 employees work in the other companies. The total number of employees for the whole enterprise is 1,650.

Most bus drivers are men, only ten percent of them are women. For years the company actively tried to hire more women bus drivers, but did not succeed. The preference of the company however is to employ more women, because it is expected that they have better service capacities. The mean age of the bus drivers with a permanent labour contract with the company is 48 years. Specific problems related to this relatively high mean age are expected in the future. Every bus driver reaching age 50 gets an additional 13 days off per year. This lowers the productivity level of these bus drivers, which is already low, and causes a need for more personnel. Besides this, there is a problem with early retirement which takes place at the collectively agreed age of 58. Many are expected to retire in the next few years and bus drivers from the employment agencies will replace them. The standard educational level of bus drivers is low technical or administrative.

The very unstable economic environment in which the bus company has to survive is dominated by central government policy on the one hand and local government policy on the other hand. The Dutch government prescribes market development in this area, and so the former public bus companies have to compete with each other. The first-found solution, to work all together, was forbidden because it would corner the market. Therefore companies try

to merge or else compete with each other in the bidding on concession areas. The company is a profit-seeking enterprise and distinguishes itself from other companies that are often not completely private and often make less profit. Mergers, take-overs and competitive tendering will soon become core activities of the central management. Although very unstable, this unpredictable situation is seen as a challenge by the company at this moment. In part, the uncertainty is caused by conflicting interests of the political parties in the municipalities. Besides this, the number of concession areas is rather large, because they cover the many different urban and local regions in the whole area. Relatively small towns have a concession area of their own. Another complicating factor is the complex distribution system of the income by bus tickets. This is regulated on the national level and includes complicated collective regulations for students and senior citizens. Therefore it is not easy to calculate the exact returns of an area. Finally, taking over an area often means that the personnel of that area has to be put on the payroll as well. This is not always the case; the leaving company may acquire other areas or retains this personnel because of existing vacancies.

The temporary employment agency interviewed for this case is a specialised division of one of the largest temporary employment agencies in the Netherlands. This specialised division (henceforth on called 'the agency') has 30 local agency offices and employs agency personnel in transport companies all over the country. The legal forerunner of the agency started its activities in 1989 as a co-operation of two agencies. Last year this co-operation was prohibited and the two organisations carried on separately. Together with its former partner, the agency covers about 95% of the agency personnel market in the sector, so no other competition can be expected in the near future.

The agency daily employs about 1,200 bus and lorry drivers in transport organisations. About 250 of them have a permanent labour contract with the agency. Another 150 are employed by means of fixed-term labour contracts with the agency and about 800 have a temporary agency contract. In the Netherlands the current collective labour agreement (CAO) stipulates a phased system obliging temporary employment agencies to offer their personnel a fixed-term labour contract within eighteen months. Within a period of three years agencies must offer eligible employees a permanent labour contract. The situation prior to the date that this system came into force is taken into account as well. One of the goals of the agency is to turn the current ratios between the different labour contracts around. The agency was already offering their personnel permanent labour contracts before the new system became into force. In fact, the agency (and its legal predecessor) was one of the organisations that provided the experiential basis for the new Law on Flexibility and Security and the collective labour agreement.

Most drivers employed by the agency are lorry drivers and working in transport firms. About 80% of them are employed in nationally operating organisations with an action radius of about 100 kilometres. About 20% of the lorry drivers earn their money in the international road transport sector. Only a small part of the drivers are employed in bus companies. The service of the agency covers only drivers licences to drive lorries and busses. No drivers are hired out to taxi companies for example. Most of the drivers are men (98%). The age of the drivers varies from 25 years to 40 years. The minimum educational level is low technical, and most drivers have the Dutch nationality. Most of them are responsible for the household income.

2.3 Description of the research method

The research method applied in this study is a version of the case study approach. Two cases, each involving three parties are described and compared. The three parties are: a company, a temporary employment agency and some agency workers. The main goal of the study was to characterise a significant part of the current and future Dutch flexibility situation, in which agency work is expected to add an important new job security dimension. The companies were selected by six criteria:

1. characteristic for the current Dutch contract flexibility situation in relation to job security;
2. a manufacturing industry as well as a service-providing company;
3. the presence of most types of flexibility described in chapter one;
4. experience with these kinds of flexibility for at least some years;
5. the presence of a company vision on flexibility, working conditions and possible impacts;
6. the possibility of studying a temporary employment agency supplying the company with personnel.

The personnel manager of each company was interviewed. The sweets company was interviewed twice, once in 1997 and once in 1999. The general manager of the agency and the regional and contract managers of the local agency office were interviewed as well. Both temporary employment agencies, belonging to the largest Dutch temporary employment organisations, were major providers of temporary agency personnel to the companies, but were not the only agencies under contract. Employees were interviewed over the telephone, but additional telephone interviews took place with employees from another case study of TNO Work and Employment. The experiences of these employees cover the same situation as the two cases under study.

Prior to the interviews a letter was sent to the interviewed to explain the purpose of the study and the contents of the interview. A copy of the checklist was added to this letter for illustrative purposes, and also to give the interviewed the opportunity to prepare themselves for the interview. Most of the interviewed did not do so however.

All interviews followed the order of the check list subjects in Goudswaard *et al.* (1999). The interviews lasted one and a half to three hours. Most interviews were conducted by two researchers. During the interviews notes were made, which resulted in extensive minutes. These minutes were sent back to the interviewed, of whom only two proposed some minor additions. All confirmed that the minutes were accurate. Additional written material of the companies was asked for during the interviews to complete the picture.

Subsequent to the interviewing the final report was prepared, following the outline laid down in the research framework report of the study. The final report was sent to the interviewed managers of the two companies and the two agencies and their comments were added.

We describe the two cases according to the schedule asked for in the research framework report and the minutes of the three meetings held to discuss this framework. Description is in terms of the four hypotheses of this study. Chapters three and four describe the manufacturing company and the bus company respectively, in the following order of presentation:

1. Strategies of flexibility and company policy, including a description of the flexibility within the companies: concepts of flexibility, combinations, motives and relation with company policy;
2. Flexibility and working conditions, including the link between conditions of work and conditions of employment and link with flexibility;
3. Impact of working conditions and flexibility on: occupational safety and health, organisational costs and benefits, employment and job creation, labour market organisation, career development and employability, social integration and exclusion;
4. Labour relations system: the role of collective bargaining and social regulations in the evolution of working conditions and flexibilisation process (negotiation process, social regulations system).

3. Case 1: manufacturing industry

The first case gives insight in the development of companies towards the relatively new method of hiring personnel from a temporary employment agency by means of fixed-term or permanent contracts of this personnel with the agency. However this development was seriously hampered by unfavourable economic developments in East Asia, Russia and South America in the second half of 1998, which forced the company to stop all activities of the agency personnel at the location under study. This in fact made it possible to study two developments, relevant for the insight in the current Dutch flexibility situation: (1) the development of hiring personnel from a temporary employment agency on a more secure basis, and (2) the way organisations and temporary employment agencies handle problematic economic developments with unfavourable consequences for external personnel.

3.1 Strategies of flexibility and company policy

This paragraph describes the flexible strategies and company policy towards labour flexibility. The different types of flexibility are presented separately first and then in relationship to each other. After this, the company policy on flexibility is described in relation to the labour market situation. Finally, company policy regarding human resources management and health and safety management is illustrated.

3.1.1 Description of the flexibility concepts applied in the company

All four types of flexibility described in chapter one are applied at the company. They will be described one by one.

External quantitative flexibility

Since the beginning of the 1980s, a gradual process of personnel reduction took place at the company because of the transition of the production method from manual to automation. Concurrent with the introduction of new production methods, another type of personnel was needed: qualified technicians. As a consequence the number of non-qualified workers was reduced seriously. This was accomplished by means of natural turnover and outplacement for this personnel. In fact more personnel disappeared than the company could afford. Empty places were filled up by personnel hired from temporary employment agencies. Male agency workers were mainly employed in production, female agency workers were employed in packaging. One of the motives for hiring external personnel was the company's wish to avoid dismissals. Temporary agency workers however were also hired to fill up temporary gaps in the need for labour. Sometimes the simultaneous reduction in personnel with permanent labour contracts and the temporary periods of personnel shortage caused more than 30% of the personnel need to be filled up with agency workers. This happened for instance during the summer holidays. This percentage proved to be too high and it was decided to limit the volume of external personnel in the company to an annual average of 15%. The company's strategy of employing external personnel to avoid having too much personnel in periods of low production proved to be successful at the end of 1998, when the employment of all agency personnel was stopped immediately as soon as the impact of the economic problems in Russia, East Asia and South America became clear.

External qualitative flexibility

Agency workers in the production locations started to work in the complex production system and the autonomous task groups of the production departments. To avoid continuous training

of short-term hired personnel, workers were employed on a more permanent basis. The advantages of the shift from untrained agency workers to well-trained and qualified agency workers became clear when the agency workers were hired for extended periods, and in fact worked in the company in the same way as the employees with a permanent labour contract. To keep these agency workers employed in these jobs, the agency started to negotiate with the company about offering them a fixed-term labour contract with the agency. In periods of low personnel need the agency could transfer them to other companies. This hiring of qualified personnel by means of a fixed term labour contract instead of an temporary agency contract marks the difference between quantitative and qualitative external flexibility. To facilitate all these developments and because many agency workers were employed at the company, the agency opened a local office at the company grounds. This office arranged the selection of new personnel and trained the new personnel as well as the personnel with permanent contracts with the company for working in the different functions in the autonomous task groups. It also co-ordinated the efforts of other temporary employment agencies that employed personnel at the company, but the development of offering the agency workers a temporary labour contract was suddenly stopped by the economic crisis.

Internal quantitative flexibility

The collectively agreed working week at the company is 36 hours. Day workers in the production sectors work four days of nine hours per week or nine days of eight hours per two weeks. In the offices the day workers are off at Friday afternoon. The production sites work with a three shift system. The packaging sites work with a non rotating full-time day shift and a non rotating part-time evening shift.

Internal qualitative flexibility

The packaging division, in which about 200 workers are employed, worked with an autonomous task group system. This means that every employee or agency worker in these groups is trained to work in all functions. This training is regularly done by superiors, but specialised courses are also hired from outside the company. The qualification system is made sufficiently broad so that qualified workers from one production line can take over the tasks of other production lines. Completely qualified workers, then, can be employed everywhere in the division. Employees decide by themselves who works on preparation, production or guiding tasks.

Working in the autonomous task groups requires that worker have the mental capacities and the will to be put to work at different tasks and to be trained for these tasks. In the case of the company, many of the non-qualified employees who had been employed in the manual production work settings became redundant. According to the management they lacked the mental capacities for training or did not want to be trained, because they felt too old or did not want to go to school again. This group was reduced in the course of some years by means of natural turnover and outplacement.

In the last year however variation in tasks has become much less, because the automation of the production process is now complete. Although the work in the automated processes has become more complex, it is also more one-dimensional, because it requires mainly attending tasks and only sometimes small corrective tasks when something goes wrong. Contact with colleagues has become less frequent as well.

Other forms of flexibility

The company is not only the central headquarters of the whole enterprise, but also the main technical and innovation centre. For reasons of spreading knowledge and technology to the company's organisations world-wide, several companies are marked as 'centres of expertise'. Experts have to circulate over companies and countries to spread the knowledge of and experience with the technical systems.

Combinations of concepts of flexibility

Within the flexible work environment of the company, types of flexibility necessarily interact. Working time flexibility, working at different times of the day, and functional flexibility interact. Workers from the temporary employment agency have to adapt to the working times and functional regime of the department where they are put to work. In fact, every production worker at the company has to work in a multi-flexible work environment.

3.1.2 Motives and company policy

In this section the motives of the company and the temporary employment agency for applying flexible solutions are described. First a short overview of the labour market for industrial workers is given.

The labour market for industrial workers

Labour market needs of the company changed dramatically over the years. Until the beginning of the 1980s, there was a predominant need for non-qualified workers. Nowadays there is mainly a need for qualified personnel. It is very difficult to find this qualified personnel, because many organisations in the Netherlands want them too. Process operators in particular are difficult to find. For that reason this personnel is lured with permanent labour contracts and good secondary working conditions.

The regional labour market is favourable for non-qualified workers too. For that reason it was not difficult for the agencies office to find work for the company's agency personnel at the end of 1998. In fact, management had more trouble with the psychological burden of moving personnel to a comparable job than with the transfer activities as such. Part of the agency workers of the company could even find easily a job themselves and did not need the help of the office. The reasons for this positive labour situation in the region are the presence of many industrial companies and the booming economy in the Western world, which causes a high demand for production personnel.

The company's general policy

In the beginning of the 1990s, the company decided to redesign its production process completely. The old production processes had to be replaced by a completely automated one. Sweets production requires special techniques with problems not encountered until the new techniques were implemented. A complete change could not be introduced at once, but needed a long implementation period. In fact, towards the end of the 1990s production was more or less automated at last, although some manual work remains.

The company understood that a fundamental change in production methods would also imply a radical change in the need for personnel. From a company with many non-qualified employees, it started grow to a high-tech process industry with a need for qualified process operators and technical maintenance personnel. For that reason a personnel stop was announced in the early 1990s and the number of non-qualified technical employees was

reduced as much as possible. In case of personnel shortage in this area, the assumption was that new personnel could easily be hired from temporary employment agencies.

No-one could foresee the sometimes high need for temporary personnel. For that reason, and also to secure a more lasting relationship with the agency personnel, the agency was permitted to establish an office on the company grounds. Plans were made to contract agency personnel on a more permanent basis by means of a labour pool. In that pool, agency workers could be engaged by means of fixed-term labour contracts with the agency and possibly even with permanent labour contracts. A first period of at least six months was considered necessary to give both agency and company the opportunity to assess the capabilities of the worker and to select the worker for the labour pool. In times of low personnel need at the company the agency could send these workers to other companies in the region. The company would take on guaranteed percentage of employment of this personnel. Because of the continually changing profile of the personnel need it was difficult to determine the exact composition of the pool. When things became clearer and the agency was already preparing the organisation of the pool, the crisis in Russia, East Asia and South America stopped everything. The agency even had invested already in the selection of possible candidates for such a pool.

Flexible strategies of the company

Reducing the number of employees was felt as a necessity when the company decided to change the production system from manual to automated in the early 1990s. Mainly the old group of non-qualified employees was reduced, because they were not able to take over the new jobs that needed a medium to high educational level. Reduction of the non-qualified personnel was accomplished by means of natural turnover and outplacement. Empty places were filled by personnel from temporary employment agencies.

When the hiring of agency personnel became a more or less permanent factor for the company, the company tried to reduce the amount of extra money invested in this personnel. This could be done by extending the duration of the relationship. Agencies charge more at the beginning of the relationship, when their selection and training efforts are most intensive. After this, the charge percentages can be lower, because they are related to only few remaining services to be performed, such as administration and the pay of salary. To combine the advantages of no contract obligations and a low charge percentage for the services, temporary employment agencies offer services on a long-term basis. When workers are hired for long time from an agency, and this is negotiated before, the price of the labour can be much lower. In that case the company and the agency make a contract for a guaranteed number of personnel to be supplied by the agency in a certain period, say half of the workers at their disposal. The agency is then able to make arrangements with other organisations about the remaining 50%. In the company's case negotiations also included training of the agency personnel together with the employees of the company. In this case the advantage for the company would lie in organising training for agency workers and company workers together. This would reduce costs, also because these could perhaps be shared with other companies.

Of course a fixed-term labour contract is preferred by most agency workers above an agency contract, but this still does not do away with job insecurity entirely, because there is a termination date in the contract. Even a permanent labour contract with an employment agency is not preferred above a permanent labour contract with a company, because of the uncertainty of keeping the work at the company one prefers. The employee can be transferred to another company, with possible risks of changes in the level of work, changes in working circumstances, and even changes in income level when the new work is done in an

organisation in another economic sector with a less favourable collective agreement. At this moment this preference for a permanent job in one organisation is changing however and agency workers increasingly appear to be prepared to work for an agency if job security and a sufficient salary level are guaranteed.

The concept of autonomous task groups became popular in the Netherlands when it was discovered that a high degree of divided labour was negatively related to the production and absenteeism level of the organisation. It was argued that production and well-being would increase if employees were not assigned simple tasks only, but could participate in preparation, production and organising, thus making a complete product within a unit. This model was adapted at the company too. A training programme was worked out for employees to perform all tasks in the units. When the autonomous task groups were fully functioning, the workers from the temporary employment agencies had to adapt to the rules of the task groups too. The training programme for the agency workers made it economically attractive too to hire agency workers on a more permanent basis.

3.1.3 Prevention of negative consequences

Monitoring and preventing negative consequences of work solutions is a task done by specific management sections in an organisation. Preventive actions are described from the position of human resources management and from the position of occupational safety and health management.

Human resources management

The department of personnel and organisation (P&O), is a central subdivision in the management of the company, with a well-recognised consultancy function regarding the labour situation in the organisation. In fact the department played a crucial role in adopting the concept of the autonomous task groups and organising them, and in managing the personnel consequences of the company's upgrade to a high-tech process industry. The department assists in personnel recruitment and helps to arrange the many courses and training programmes in the company. Keeping an eye on the career perspectives of the personnel is also a function of P&O. The same is true for the horizontal transfers of personnel to other companies in the Netherlands and all over the world. The department also arranged the negotiations with the temporary employment agency for an office on the company grounds and the negotiations with the agency on the construction of a labour pool. A constant source of concern of P&O is the position of older and non-qualified workers, because these may not want or are not mentally able to follow the necessary training programmes for the upgrade of the company. P&O already actively participated in the outplacement of some of this personnel.

Occupational safety and health management

The company invests much effort and money in occupational safety and health management. In the period from 1990 to 1995 reduction of absenteeism was a major objective, and preventive as well as curative methods were introduced. Short-term absenteeism was reduced by programmes in which the work sites were made responsible for the guiding of their sick employees. In the case of frequent absence monitoring activities were organised. Social-medical teams were formed in order to discuss the reintegration of employees on extended sick leave. The causes of absenteeism and disability problems were investigated.

The change to a high-tech process industry had two important consequences. In the first place old causes of absenteeism and disability disappeared. The new working activities for example

are less dangerous and less damaging for the employees. At the same time new risks appeared, such as a high work pressure, the near impossibility to influence the pace of work, and the one-dimensional work situations with mainly controlling tasks. In fact the autonomous task groups are disappearing and machines take over.

The other consequence was that the development of the process techniques was accompanied by increasing attention to environmental aspects of the product as well as the production. For several years techniques have been developed to produce sweets with first class ingredients and with minimal environmental effects. The company strives for a leading position in defining environmental norms. What it wants is a strong and leading position in the market as an environment-friendly company. The simultaneous criteria for environmentally sound production, high-quality management, good working circumstances and a superior hygiene level made it logical to combine all efforts in these areas into a well-defined, total-quality management. Managers and technicians followed training sequences for qualification in this area.

3.2 Flexibility and working conditions

The aim of this paragraph is to provide greater insight in the conditions of work and employment and between the relationship between flexibility and working conditions. Therefore the work and employment conditions and the company were studied in more closely.

Conditions of work

As indicated above, the nature of the working conditions in the company's production locations changed from manual labour to controlling activities in a highly automated processing environment. This change had serious consequences for the working conditions. Physically strenuous labour largely disappeared from the production sites. In the packaging sites the work stayed the same. Here factors as bad posture, carrying loads and repetitive movements continue to exist. To avoid negative consequences, workers are instructed to change their working positions regularly and to carry loads only by means of machines. This policy greatly reduced physical complaints. One other important factor in reducing the workload is working part-time or on a temporary basis. For these part-time working employees the work effort is not as intense as for full-time working employees. For part-time working employees the double workload from combining work and care obligations however is strenuous and in fact does lead to a high absenteeism, as will be seen in the next paragraph.

In the production sites some new phenomena appeared, related to the automation of the production. The first one is the fact that the diversity of tasks, introduced when the work was largely manual and carried out by autonomous task groups, disappeared and was replaced by more monotonous tasks. The complex tasks are now performed by machines, producing a much better production quality, but reducing the complexity of work to monitoring and intervening when necessary. Yet there is still much to do for these employees and the work still requires many skills to prevent problems. The second phenomenon is that the pace of work is largely dictated by the machine. In the third place operators have more responsibility for keeping production going. Interrupted production means financial loss for the company. This places a heavy burden on these workers. Fourth, the number of checkpoints is diminished by the automation process. Formerly a lot of workers implicitly controlled production quality. Nowadays quality almost completely depends on how alert the operator is.

This means that when something does go wrong, it may well take some time before someone notices it, causing losses to become much bigger.

From the interviews there appeared no link between the working conditions and external flexibility, because the agency workers do exactly the same work as the companies employees. In fact, the agency workers even have the advantage of experiencing less negative consequences related to this work, because they only work for relatively short temporary periods at the company. This means that work-related problems may predominantly appear only in the groups of employees with a long full-time work history. Further, the fact that in case of problems the agency can easily arrange new work in different factories makes the same work for agency workers less hazardous than for permanently employed workers. At the company no cases were reported of agency workers being employed in situations that are more hazardous than the situations of the organisation workers.

The agency has adopted a preventive approach to avoid problems with the agency workers in relation to working circumstances and work strain. This is a general approach, not only applied at this company, but also in all the other organisations under contract. At the company all agency workers receive an oral and written explanation of the different safety rules and working time schedules. The agency also provides the agency workers with company wear. At the in-house office of the agency on the company grounds agency workers are invited to drop by in case of difficulties and for questions and advice. The local office manager also initiates evaluation interviews with the agency workers, to keep a close eye on the situation.

Conditions of employment

The biggest problem of working for a temporary employment agency is job insecurity. This was underlined dramatically when the agency workers were dismissed as the company got into trouble in the second half of 1998. Although the local agency office did its utmost to help the dismissed agency workers to find a new job in another organisation quickly, the feeling of job insecurity stayed. Yet this lack of job security may affect people in two ways. In the first place there is a group of agency workers that does not want a secure job. Their income is not essential to the household because someone else earns the living. For this group job insecurity and temporary periods of unemployment are not so much a problem. In the second place there is also a number of agency workers that want to have a secure income. They are responsible for the household income, for buying food and clothes and for paying the rent or mortgage instalments. One of the interviewed agency workers complained that although the discipline of the financial banks is relaxed, he still hesitated to buy a house, because of the fact that he was not sure that he could meet monthly payments without interruptions.

3.3 The impact of working conditions and flexibility

Working conditions as well as flexibility do have an impact on the situation of the workers and the organisation in which they work. For this case study six impact fields are formulated: (1) occupational safety and health, (2) organisational costs and benefits, (3) employment and job creation, (4) labour market organisation, (5) career development and employability, and (6) social integration and exclusion. The impact of both factors (working conditions and flexibility) on these six impact fields for the first case will be described one by one.

The impact on occupational safety, health and well-being

At the company health problems are not related to working as agency worker. Also the number of accidents and mistakes do not differ between agency and company workers.

Working in task groups is related to fewer health complaints in general, and thus holds for both agency and company workers. This positive impact is accomplished because of the received training, which makes circulation over the different tasks possible. This circulation decreases the exposition to potential strains related to each task. Doing a single task exclusively would increase health risks related to this task. In the new high-tech working situation this effect nowadays returns in the operators' work, which implies mainly highly responsible controlling tasks.

The absenteeism level dropped from almost 12% in 1991 to 6,5% in 1995. During that period the spell frequency stayed on the average of 1,5 per year. For the packaging site the absenteeism rose again with about 5% to 12 - 13% in the years 1995-1998. Disability of workers also dropped in the years 1991-1995, which is partly related to the sick leave level during those years. Recently the disability figures also rose. The personnel manager of the company thinks that this increase is related to psychological problems in the private situation. At the moment of the interview a well-being survey was conducted to get insight into possible causes. Combining work and care obligations in the private situation is difficult, mainly for the women. 40% of the absenteeism in this group is caused by psycho-social problems. Agency workers mention very low absenteeism percentages. They seldom stay home because of illness, mostly because they are afraid of losing their job.

The high absenteeism percentages and disability figures are also related to old age. At this moment, alternative work is most often sought and found for this group. Yet the members of this group increasingly can no longer keep up with the demands of the current high-tech work environment. Transfer of partly disabled employees also had negative effects on the task circulation in the autonomous task groups, because these partly disabled persons can only be employed on a limited number of tasks. These tasks are mostly the light ones and therefore the other employees faced an increase in their work effort and reduced task circulation.

Well-being of the workers improved in recent years, as was assessed by means of interviews with the employees. The well-being of the agency workers is high too, except for one problem: their job insecurity. Process automation however is a threat to the working in autonomous task groups because the working task becomes very boring. Solutions are being sought at this moment to improve the work quality of this task.

The impact on costs and benefits to the organisation

The effect of hiring qualified agency workers was that agency workers as well as company workers were more satisfied with their work. Productivity increased by about 40% in the course of years, as a combined result of the quality of training (4 - 5% of the total labour costs) and the application of new process techniques. The trained agency workers in the task groups had a much better cost-effectiveness score than the unqualified ones: they are experienced, they do not need time to learn the task and can be employed on many tasks.

Productivity also increased due to better planning of the personnel need of both agency personnel and personnel with permanent labour contracts. Employability of the agency personnel was optimised as understanding of the dynamics of production fluctuation in relation to the personnel need gradually improved. Hiring trained personnel from the agency also brought tranquillity and efficiency in the organisation. In the past, the hiring of unqualified agency workers sometimes brought chaotic situations, because all attention of the permanent personnel went to the managing and the training of the agency workers. Neither

group could do its work well. The situation was at its worst in summer, when many of the permanent personnel were on holiday and many agency workers were filling in.

The managers of the temporary employment agency do not think that there are differences in the work efforts and the productivity levels between agency and company workers. It is believed that the efforts of the qualified agency workers are comparable to the efforts of the personnel with permanent contracts. The efforts of non-qualified agency workers lie somewhat lower than those of the personnel with permanent labour contracts. The cost-effectiveness of hiring agency workers mainly lies in the temporary nature of the personnel need. Temporary agency workers often mention that they have a high productivity level, because they are afraid of losing their job and because of the idea that they have to keep proving their effectiveness.

The impact on employment

The possibility of hiring personnel from a temporary employment agency creates extra employment. Agency personnel is more easily hired than company personnel, because of the less rigid labour contract obligations towards agency personnel. At the company it was discovered that, at least in the past, agency workers were even engaged too easily. There were no rules. If production targets were not met, agency workers were hired without hesitation. Although this situation is changed in recent years, it is known from other companies that a certain number of them still do not lay many restriction on the hiring of agency personnel.

The impact on labour market organisation

Labour market flexibility was created by the company by means of training agency workers. It is this training that makes employees flexible inside the company as well as on the external labour market. Well-trained employees can easily get jobs elsewhere. This was proven when the labour situation for agency workers at the company became worse and when all agency workers suddenly had to find jobs elsewhere. A number of them could easily find these jobs by themselves. Others could be employed easily elsewhere in work found for them by the agency.

Labour market segmentation in the Netherlands can be observed in the first case study too, because high-level qualification, especially in technical jobs, is increasingly asked for by Dutch companies. Globalisation stimulates companies to export their simple production work to low-income countries and to concentrate on research, development and the production of complex products in an advanced technical environment. Low-qualified production jobs disappear and are replaced by high-qualified tasks, which can only be done by qualified technicians. The non-qualified and older workers who cannot keep up with these developments therefore have difficulties in finding jobs elsewhere.

Gender segregation is also illustrated in the manufacturing company. Gender segregation is seen in the production sectors where women predominantly work in the simple packaging environments and men in the more advanced production work jobs. It was also shown that women work in part-time jobs more often than men.

The impact on career development and employability

At the company several types of career development can be studied in the jobs required highly qualified jobs and the autonomous task groups, not in the non-qualified production jobs. In the first place, part of the new employees and agency workers are trained on the job to work in a complex working environment. Secondly, employees in technical and specialised jobs get

many chances to train themselves further. Thirdly, there is a system for experts to circulate over companies and countries all over the world, not only to spread the knowledge of and experience with the technical systems world-wide, but also to train themselves in the different techniques and methods of sweets production.

The impact on social integration and exclusion

In the former situation when both groups worked closely together, the gap between employees with a permanent labour contract and agency workers was closing at the company. Nowadays when the social structure between both groups as a whole is broken. The tendency can be observed that the workers with a permanent contract prefer to work with the same colleagues and do not like to see a permanently changing group of colleagues.

The experience of temporary employment agencies with some organisations is that the managers of these organisations treat the agency personnel differently than their own personnel. Also the permanent personnel of an organisation can adopt such an attitude. When this happens, the agency mostly tries to discuss this with these organisations and tries to convince them of the disadvantages of it. The contract manager tries to prevent this, explaining in advance that this is not a good start for a long-term policy on flexible employment in an organisation.

3.4 The labour relations system

The nature of the labour relations and the different laws is crucial to understanding how companies regulate the internal work situation. In this first case, the labour relations are guarded very well and the laws are applied systematically. The company is well known in the region for being a social organisation with good labour conditions.

System of labour relations

The labour relations of the company's employees are regulated by the collective agreement of the sector. The 36-hour working week for instance applies to all the company employees. For agency workers on the other hand, the collective agreement for the temporary employment agency sector applies. Only the salary is paid according to the salary system of the company collective agreement. This is regulated in the agency collective agreement to prevent income unfairness.

Participation in the company is regulated by means of the works council. In the company a highly motivated member group of a trade union is very active as well. In the past, the works council had an active role in policy concerning the agency workers and also in the design of the labour pool that was planned by the company and the agency. At the agency headquarters, plans are made to introduce a works council for the agency workers. Much pressed to initiate other regulations related to the Law of Flexibility and Security first however, the agency had to postpone implementation.

Reactions to Laws and Regulation

At this moment the company has no policy related to external flexibility of production workers. Only because of a short-term temporary need for extra personnel, about 20 agency workers are hired from the agency's office still active on the company grounds. Nowadays the opening times of this office are reduced to some hours per day. Having been a leader in seeking greater job security for agency workers in former times, the current lack of company policy related to flexible job solutions is remarkable. The company concentrates again on

employing people on permanent labour contracts. This situation is currently often found in the Netherlands, because of a serious shortness of qualified technical personnel on the labour market. At the personnel department the new legal regulations to offer agency personnel fixed-term and permanent contracts are known. One of the hesitations of the company to employ agency personnel on a fixed-term or permanent basis is the anticipated increased price for temporary agency workers employed on a fixed-term labour contract. This hesitation is found in many Dutch organisations at this moment (Goudswaard et al, in press).

The agency is one of the two largest temporary employment agencies in the Netherlands and already organised labour pools in the past with personnel contracted by means of a fixed-term or permanent labour contracts. The Law on Flexibility and Security, which was in part designed against the background of this agency's experience in this area, facilitates and stimulates the introduction of labour pools. The agency expects that its activities increasingly will be concentrated on the development of similar labour pools in many types of organisations. In view of this central headquarters of the agency recently created the new job of contract manager. About twenty contract managers are active in the different districts of the agency in the Netherlands. These contract managers have the task to help organisations in designing contracts in which the new rules of the Law on Flexibility and Security are optimally applied. In fact these contract managers are consultants who contact organisations themselves, but who can also be called for by the local offices for extra help or ideas for using fixed-term or permanent labour contracts with the agency. At the time of the interviews the contract managers explored the datasets of the agency offices on possibilities for new types of agency contracts.

4. Case 2: public bus company

The combination of the public bus company and the agency is chosen as a case, because it gives insight in the way Dutch organisations can handle uncertain and fluctuating demands for personnel in the context of the new Law on Flexibility and Security. The description concentrates on the situation of the bus company but for comparative purposes experiences of the agency concerning personnel supply to other transport firms are included as well.

4.1 Strategies of flexibility and company policy

An introductory description of the company's strategies and policy on labour flexibility is important for an initial understanding of the company's motives. This will be done in this paragraph. Next an overview of the policy and motives of the company is given. Finally the preventive strategies related to the human resources management and the occupational safety and health management are reported.

4.1.1 Description of the flexibility concepts applied in the company

One of the notable facts in the interviews with the bus company's personnel manager and the general manager of the agency was that not only companies are becoming more flexible, but so are employees. For example: ten years ago it was almost impossible to employ a bus driver temporarily in a neighbouring region, or in a taxi company of the bus company. Today this can be organised easily, although it still is done on a voluntary basis.

External quantitative flexibility

Depending on the need for short-term or long-term temporary personnel, the company chooses for employing agency workers by means of a temporary labour contract or a fixed-term labour contract of these workers with their agency. In both cases the workers are employed in the company, but are paid by the agency. Although the level of salary payment between the bus drivers employed by the company and the agency bus drivers is exactly at the same level, there are differences in the way the salary is paid. The bus drivers of the company receive the extra allowance for inconvenient working hours by means of a general percentage. The bus drivers employed by the agency receive the extra allowance based on the calculation of the actual number of inconvenient hours worked, according to the rate system of the collective agreement of the bus drivers sector. The calculation of this extra allowance has to be very precise. The company cannot afford mistakes in this calculation, for this would lead to problems with the bus drivers. The agency does this calculation very accurately. Last year however there was an agency that computed these hourly allowances on a less secure basis. This caused many problems with the personnel of that agency. The problems were straightened out, but correct calculation of the extra allowance remains a point of attention for temporary employment agencies that employ bus drivers in this sector.

External qualitative flexibility

If the company expects a personnel shortage on a more continuous basis, agency personnel is hired via fixed-term labour contracts with the agency. The company guarantees that it will take on such personnel. At this moment not only bus drivers with a fixed-term labour contract work for the agency, but also bus drivers with a permanent labour contract. The phase system of the collective agreement of the temporary agency sector stipulates that these workers are entitled to such a contract because of the length of the period they worked for the agency. The company prefers agency employment based on a fixed-term or permanent labour contract

with the agency, because of four reasons: (1) better labour conditions and the improved job security, (2) higher quality of work, because the company selects and trains these bus drivers as their own personnel, (3) the risk that bus drivers leave, necessitating costly selection and training programmes for new bus drivers, and (4) bus drivers are in demand, which makes it easy for them to find another job.

For the employment of agency personnel on a more permanent basis, functional flexibility is essential. Bus drivers who learn to handle more complex and demanding situations can be employed more easily at other organisations. This training aspect is crucial for the decision of the agency to employ agency workers on the basis of a fixed-term or a permanent labour contract. The agency does not employ only bus and lorry drivers. In fact it distinguishes 53 types of drivers. To enlarge the employability of these drivers, functional flexibility is important.

Internal quantitative flexibility

Working as a bus driver means working in the early morning, the evening, and in the weekends. Besides this, there is a winter and a summer schedule, because in summer there are fewer passengers. Further, during peak hours more personnel is needed. Three tours of duty are distinguished by the bus company: regular duty (early / day / late), interrupted duty, and variable duty (Saturdays, Sundays and public holidays). This is why the collective agreement contains rules to regulate the number of times bus drivers can work at inconvenient hours. The number of times per period, working in the morning, the evening, on Saturdays, on Sundays, on public holidays, during daytime and on interrupted duty is limited in the collective agreement. Besides this, there are also part-time schedules and special part-time duties for employees not completely recovered from illness or disability.

Every day and week bus drivers have a different tour of duty. The standard roster covers a 48-week period. The exact duty times are announced one week in advance. Agency bus drivers employed temporarily differ in this respect from agency workers with a fixed-term labour contract. The latter know the general roster, the temporary workers do not.

It is allowed to exchange duties, but only between bus drivers employed by the company and between bus drivers employed by the agency. This restriction is made because of the differences in the way the bonuses are paid out. If a bus driver employed by the company were to exchange a weekend or an evening duty with a day duty of an agency-employed bus driver, the bonus would be paid out twice: to the company bus driver by means of the average allowance, and to the agency bus driver for every inconvenient hour of work. Besides the extra allowance for inconvenient hours, a bonus is paid out also upon successful completion of the bus drivers course (pursuant to the sectoral collective agreement) and the first aid training. These bonuses are paid out regardless of whether one works for the company or for the agency. The amount for all bonuses is specified in the collective agreement.

Internal qualitative flexibility

Functional flexibility is stimulated by the company by creating combined functions for the bus drivers. There are four different combined functions: (1) bus driver + bus driver instructor, (2) bus driver + first aid instructor, (3) bus driver + maintenance technician (simple maintenance tasks), and (4) bus driver + administrative work in the regional office (making rosters etc.). Bus drivers from the company and the agency participate in the first three functions equally. The fourth is restricted to company bus drivers only. Because of the many

candidates for these functions, a circulation system is set up, so that all bus drivers have an equal chance to participate.

To adapt bus drivers to a flexible attitude they are not always, and in the beginning preferably not, employed in the region where they live. This prepares them for working in different regions from the beginning. Starting in the own region makes shifts to other regions much more difficult. This also is an aspect of functional flexibility, because the bus drivers can be employed on more routes in other regions. These routes have to be learned, and so a learning aspect is included in this form of functional flexibility. The tolerance for working in other regions is not endless however, although it differs per bus driver. Some drivers like to work in other regions because of the change of scene; others prefer to stay in their own region. Travelling time to the other region also is an important factor. Some drivers want to travel up to 70 kilometres a day, others only ten minutes. This is an important factor in employing bus drivers in other regions temporarily.

Combinations of concepts of flexibility

The four types of flexibility described in the preceding section combine. Agency workers have to work in exact the same working time regime and can adopt extra functions, just as the bus drivers from the company. When an agency bus driver is temporarily employed to another organisation, also the working time and function regime changes. Next, also both kinds of external flexibility merge because progression from a temporary agency contract to a fixed-term or permanent contract with an agency is in fact a career path. If one is a good driver the chance of getting a fixed-term or permanent labour contract increases. Bus drivers can influence this career path by being extra flexible, and by means of following courses.

4.1.2 Motives and company policy

In this section the motives and company policies for applying flexible solutions are described. First the labour market for bus drivers is sketched because this condition may influence the application of flexible solutions. Next the company's general policy towards flexibility and its specific flexible strategies are explained.

The labour market for bus drivers

The labour market for bus drivers is both favourable for the company and a matter of concern. If at present the company asks for new personnel in the local newspapers many candidates respond. This is because the labour conditions and working circumstances in the bus driving sector are regulated very well compared to the low salary level and the long driving times of lorry and coach drivers. The labour conditions of bus drivers are favourable and legal obligations are taken seriously and complied with very carefully. An announcement in the local newspapers might well cause a veritable exodus from local hauliers and coach companies. On the other hand there are many employment opportunities for bus drivers elsewhere in the region. Agency bus drivers leaving the company seldom come back because they immediately get new work elsewhere. Moreover the expectation is that there will be a shortage of bus drivers in the near future. The company hopes that the favourable labour and working conditions, the predictable working hours, and correct discipline of the company in the implementation of the driving schedules and so on will be an advantage for the sector to acquire new bus drivers.

The company's general policy

In the last seven years, the company consciously initiated a policy of creating a precise fit between the need for and the actual number of bus drivers, filling up vacancies by means of

agency workers with fixed-term jobs. This was necessary because of the many economy measures in the bus driving sector and the policy of running an efficient organisation. In this period no new bus drivers were employed by means of a permanent labour contract with the company. Only bus drivers from temporary employment agencies were engaged. The reason for this is the uncertain labour situation in the company. Bus area concessions change hands and local communities try to cut back expenses on public transport, terminating bus routes or reducing the frequency of runs. The resulting uncertainty of the labour situation in the bus organisation forces the company to adopt two policy modes. The short-term policy is to adapt to temporary cycles in the need for personnel. The long-term policy is to adapt to a slow but continuous decrease in the need for personnel. This long-term policy is mirrored in the situation of hiring no new personnel with a permanent labour contract in the last seven years. In the near future however the need for personnel will grow; many of the drivers are nearing retirement age.

Flexible strategies of the company

The shortage of personnel that was consciously created during the last seven years was filled up by hiring personnel from temporary employment agencies. Policy is to engage about 10% of the personnel need by means of agency personnel, and this percentage is also the upper limit. It is learned from other sectors that the working situation grows unstable and difficult to manage if too much agency personnel is hired. Half of the current agency personnel has temporary agency contracts; the other half has fixed-term labour contracts with the agency. At this moment the company has contracted four agency offices, including the interviewed agency.

Agency workers like to work for the company, because their temporary employment situation hardly differs from a permanent employment situation and the working and employment conditions are very favourable. Selection and training is done by the company itself. The company tries to keep the agency workers it has trained because of the investment involved. In brief periods of a personnel surplus, this personnel is not dismissed, because they can quite easily find work elsewhere and the company would have to invest in new recruits again. Besides this, good bus drivers are scarce, and in the selection and training period many of the new candidates are rejected, making the investment still more expensive. Moreover, less and less candidate bus drivers appear on the labour market at the present time.

Another reason for adopting a flexible personnel strategy is the fluctuating need for personnel during the year. On the whole the following annual personnel need can be defined:

- January to May: an average personnel need, slightly under the number of bus drivers employed;
- May to July: a very high personnel need, because many bus drivers are on holiday;
- July to September; a low personnel need, because of the summer season with few passengers;
- September to October: a high personnel need because a number of bus drivers are still on holiday;
- October to January: an average personnel need, slightly above the number of bus drivers employed.

Of course the company stimulates the bus drivers to take their holidays in the summer season, when there are few passengers and the driving schedule is reduced. Yet the yearly fluctuation in personnel need is not completely regulated and peaks and dips in the need for personnel

continue to exist. The average number of bus drivers working for the company therefore is matched as much as possible with the average personnel need. In fact however the company creates a slight personnel shortage, and supplies this with agency personnel.

As the company operates a bus organisation as well as other organisations, a flexible personnel strategy was elaborated for the selection and training of new personnel, using the labour situation in these other organisations. These plans are still in a conceptual phase at this moment. New drivers can for example be engaged via the taxi companies, where they can learn the job of transporting people and follow the basic courses needed for the bus driver job. When necessary they can be employed in the bus company. Older and partly disabled bus drivers can be employed in the taxi companies or in the company transporting disabled persons. The temporary employment agencies are arranged around all these activities like a shell; they provide their services upon contract.

4.1.3 Prevention of negative consequences

In this last section of the paragraph, the relationship between flexibility and working conditions is described by means of illustrating the human resources and occupational safety and health management policy of the company.

Human resources management

The department effectuating the human resources management function, is called Personnel & Organisation (P&O). This department consists of a general manager, three personnel managers, two of whom manage a geographical area, two specialists/teachers (a policy developer and a course co-ordinator), a social worker for personnel, a social worker for passengers (for instance when they are involved in an accident), and the administration section. Each region is staffed with a regional manager, an assistant regional manager, a secretary, one or more ticket sales controllers and the bus drivers.

The company itself organises the selection and training of new agency personnel. This is a special arrangement. In many cases, when a temporary employment agency supplies personnel to a company, these functions are carried out by the agency itself. Selection and training by an agency is more cost-effective, because costs can be shared by different companies. The company organises these function itself because of two important reasons. In the first place, the company has the required expertise at its disposal. There are two teachers and three personnel managers to execute these tasks. In the second place, it was discovered that training bus drivers involves more than just teaching basics such as a course for acquiring a driving licence.

The company has adopted high quality standards here. To be a bus driver means to be of service to bus passengers and to be tolerant of fellow traffic participants. Taking appropriate action during conflicts and in extreme cases -- for example in the aftermath of a bus accident - - needs to be very well regulated, because the bus company and the bus driver are likely to held responsible and to get negative publicity in local newspapers and the media generally. Therefore the new bus drivers have to learn to be customer- friendly, to handle conflicts properly, and to manage the stress related to aggressive and negative situations. For that reason the company prefers to select older bus drivers, because the experience is that young employees have greater difficulty in curbing their primary reactions. The agencies also agree that these properties are relevant for becoming a bus driver.

Participation in the general introduction course (organised at sector level as per collective agreement, but led by the two qualified teachers of P&O), the company course (which includes handling stress personally, social activities training and handling frustration and aggression) and the driving licence training are mandatory for all new bus drivers.

The temporary employment agency has its own vision on the employment of bus and lorry drivers. The organisation organises an intensive career trajectory, not only for the benefit of the drivers but also for the agencies own benefit. By training the drivers, their (re)placement in other work situations can be facilitated. Experience teaches that after about three or four years the productivity level of the drivers decreases, mostly due to less motivation for working in a flexible job. At the same time the average absenteeism level of these drivers increases and the built-up rights start to become expensive to the company. For most drivers this is the moment to be transferred to a transportation company with a permanent labour contract with that company. Most of them do not experience this as a problem, because four years is also the period that most of them start to look for a permanent job elsewhere themselves. A good training history enhances the market value of these drivers considerably.

A special labour market service of the agency is the adoption of employees from companies in other economic sectors, in order to retrain them be a professional lorry or bus driver. If for instance a financial organisation wants to dismiss some of their personnel, contracts are made with temporary employment agencies to take over this personnel and to train them in the profession they want. In the case these employees who want to become a bus or lorry driver are directed to the agency. The agency trains them at the company's expense. Until they have a contract with a transportation company they remain employed by the old organisation, of course for a limited period. This trajectory can also be followed by individuals who want to change jobs. These employees finance the training facilities themselves, but receive after their training a fixed-term labour contract for one year to acquire experience. Of course motivation is essential to succeed in these trajectories.

Occupational Safety and Health management

A lot of preventive actions were undertaken in the course of the years by the bus company, in order to organise a sound working conditions management. From the beginning of the 1990s a thorough preventive and curative absenteeism policy is in force in the organisation, including control measures for those who are often ill, a social medical team for taking the proper reintegration activities after extended illness, and a thorough investigation of possible causes of absenteeism and disability. Also a lot of courses and training sessions were given, related to working conditions that cause stress and physical health complaints. Management of working conditions too long remained a centrally directed policy. One of the omissions noticed more recently was that this kind of management was not the responsibility of the different locations. Regular work discussions, in which bus drivers can participate, are organised in all regions since then. Working conditions will play an important role in these discussions. Furthermore, the regional committees of the works council adopt the management of work-related problems and try find solutions for it. Nowadays the company is on its way to a decentralised, but well-structured working conditions management.

Next to this, special courses are given depending on the current needs in the company. At present, a training programme called 'Active Living' is organised by the Dutch National and Olympic Sports Institute. It concerns the general health condition of the bus drivers. Participants are given advice about fitness training (already organised in the company) and physiotherapy (related to back and shoulder complaints). Every six weeks all participants can

attend individual consultancy sessions. Questions on health and sports can be asked by means of a special information telephone number.

The company is not happy with the working conditions medical service as currently required by law. Although this service manages the absenteeism situation in the company, it has insufficient facilities for reporting the daily cases, for calculation of the absenteeism figures and spotting high or frequent absenteeism locations in the company. This is now done in the organisation itself. The management of the sick leave cases and the social-medical teams are well organised per region, incorporating a company doctor, the region manager, the social worker and the personnel manager of that district. The company is financially fully responsible for its own level of absenteeism.

4.2 Flexibility and working conditions

This paragraph sketches working and labour conditions in the company. Guideline for the description is the way the company manages the possible problems attending the various flexible arrangements.

Conditions of work

Two kinds of working conditions play an important role in the company: physical and psychological strain. Physical strain is caused by back and shoulder problems related to sitting in a driver's chair all day, turning the steering wheel and turning around to inform the passengers. Formerly, drivers were advised to grip the upper rim when turning the wheel. This is no longer considered correct and although drivers are now cautioned against doing so, the resulting strain from applying this technique for many years and the resulting back complaints are still a problem for the organisation. Another problem is that in the course of a working day bus drivers operate different vehicles and do not always adjust the driving position. Psychological strain is related to driving in increasingly busy daily traffic, rush hour runs, negotiating the modern speed ramps (encountered maybe forty times during a single run, the resultant delay not calculated in the time tables), road repair activities unknown to the bus company, the many questions and remarks of passengers (often critical because the bus is late), passengers without a ticket, and the growing aggressiveness of bus passengers and other traffic participants. Finally, bus drivers take pride in meeting the schedule, and this too is a source of strain, even though they know that management is fully aware that it is often impossible to drive exactly according to the time table.

Bus drivers complain about the vehicles. Diesel engines have a long life, and the busses are made of high-quality materials. Some of the busses are very old and still have no technical problems. The ergonomic problem is even worse for lorry drivers employed by temporary employment agencies. Bus drivers change runs and busses during the day, and so all of them, agency and company bus drivers, have an equal chance to get old or new busses. Agency lorry drivers however are always the last ones in the pecking order. Permanent personnel has already appropriated the best and newest vehicles, and so the agency personnel gets the old lorries with bad cabins and poor driving seats. This makes them vulnerable to physical complaints related to bad posture.

Lorry drivers as well as bus driver experience stress related to serious traffic accidents. To counteract the problems related to these traumatic experiences, the agency contracted an external trauma team, specialised in supporting employees with these kinds of experiences. Another problem in driving busses and lorries is the high temperature on hot days.

The bus company however questions whether bus drivers actually experience that much stress. According to the personnel manager more than half of the bus drivers have a *second paid* job. The reason for this is that the working schedule prescribes many early and evening services, which allows the bus drivers to fill up the remainder of the day with other activities. Unknown are the effects of this double workload.

Conditions of employment

The employment situation of bus drivers is relatively favourable. The company insists on close observance of working and driving times, provides access to courses and consultation, and participation in work and organisation is adequately regulated. Agency workers like to work as a bus driver. One of the problems however is that they face the continuous threat of discontinuity of their employment situation. This situation is most problematic for agency workers with a temporary agency contract. It is somewhat less problematic for agency workers with a fixed-term labour contract, because the company invested in them and they know how long they will hold the job. This period was eighteen months at the moment of the interviews, but can be prolonged or even changed to a permanent labour contract with the employment agency in the future. This situation did not occur in the case study period, because none of the drivers reached the end of their temporary contact yet. Job insecurity therefore is an important problem for these drivers.

Another problem with working for an agency is that the workers cannot communicate directly with the company. There are always two parties involved. Sometimes this means that drivers with problems are constantly referred to and fro between organisations and never get an answer. In one group for example the question was raised why the working time schedule consisted of an average 40 hours per week for the agency workers, while bus drivers from the company average 38 hours per week. No answer came from either organisations. Another question concerned the differences in salary. This was not explained either. The very lack of explanation makes the workers suspicious, although they know themselves perfectly well that this suspiciousness is related to their lack of knowledge. For other problems excellent solutions are quickly found. One agency bus driver with serious personal problems was helped very adequately by the local manager of the agency office for instance.

4.3 The impact of working conditions and flexibility

The research question in this paragraph relates to the impact of flexibility and working conditions in six kinds of possible problem areas. These six kinds of impact are described in this paragraph in successive sections.

The impact on occupational safety, health and well-being

From several internal surveys and investigations, the company has learned that absenteeism and disability are predominantly related to: (1) physical complaints, such as caused by poor driving posture, and (2) to psychological complaints, due to the stress of driving in increasingly heavy traffic and dealing with badly behaving societal groups. In 1997 9.4% of the bus drivers was on sick leave. In the same year 5.7% of the bus drivers left the company. Only four drivers became disabled and another four drivers became partly disabled. The motivation of bus drivers generally is high. When new bus drivers are employed via the agencies, their motivation is still higher still. This is possibly also the reason why the absenteeism level of this personnel is very low. There is no disability problem in the group of agency bus drivers, because they are on the average younger and unlike the company bus

drivers they have no long work history of strain exposure. In the past, when they were not trained at the current high level, the agency drivers were involved in more traffic accidents. This was the reason why P&O intensified the training efforts for new bus drivers.

Concerning the inconvenient working times, especially interrupted duty is experienced as very negative by the bus drivers. Agency as well as company bus drivers have to stay on duty for twelve hours a day, but actually work for eight hours a day. The four hours in between they do not work, but this time is too short for doing something else. The extra allowance compensates a lot, although the travel allowance is still based on one service a day, while the driver has to travel twice in case of interrupted duties. Finally bus drivers complain that the irregularity of working times is a problem for two reasons: (1) you never see the same passengers, so you don't get to know them, and you never learn to know who has a season ticket or not, and (2) you cannot participate in sports and other leisure activities on a regular basis.

The agency considers itself a good employer too, especially when comparing itself to Dutch transport companies. In the transport sector work-related problems are also related to stress and physical complaints. Absenteeism and health complaints are high, job satisfaction is low. The opposite is true for the agency's personnel. Agency drivers do not stay with the same organisation long and because of the frequent transfers they are less insistently exposed to bad situations compared to their colleagues with a permanent labour contract in one organisation. In the agency group job satisfaction is high, also because drivers can choose to which organisation they are employed. Absenteeism is comparatively low, and so is the level of disability. Also the number of traffic accidents is low compared to the sector level, because of a better training programme of the agency. Well-being does not differ from the sector level. The problem is that maintaining such a performance is possible for a few years only. After three or four years of being employed at the agency drivers develop a preference for working in an organisation. The reason for this is that they do no longer want to keep changing organisations.

The impact of costs and benefits to the organisation

The company reports that the economic productivity level of the agency bus drivers is high, compared to the level of the company bus drivers. The reason for this is the excellent training programme for these agency workers and the high selection standards. The company bus drivers were selected and trained in the past when these levels were much lower. Besides this selection effect, the ratio between the personnel costs and the number of working days per year is much better for the agency workers. The average number of working days for a company bus driver is 180, and 170 in some regions for those who reach the age of 50. Instead of a 38-hour working week, they work with a 36-hour working week. Agency workers have a productivity rate of 240 working days per year. There are several reasons for this. Agency workers have less sick leave, two unpaid days in every case of absenteeism, no costs for disability in the organisation, a 40-hour working week, no days lost because of participation in the works council, etc. Finally, agency workers are immediately replaced in case of illness and holidays. Part of the agency drivers like to have a 38-hour working week, rather than the extra pay for working a 40-hour working week.

The agency concludes that the individual productivity level of agency workers equals the level of the company workers. The productivity pattern of the agency workers is carefully watched by the agency. In the beginning, productivity of the agency drivers is high. After some years productivity declines because of gained rights and an increase in absenteeism. Bad

experiences of the drivers when working for certain organisations can lower the motivation of these workers still more. They become critical and finally want to work only for a small group of well-organised companies, which lowers their employability level for the agency. Besides this, the drivers develop a preference for a permanent job in one organisation, after working for the agency about four years. Often the lowered motivation and the need for a permanent job coincide. Drivers decide to find a permanent job in a transport company then, by their own initiative. Of course this is no problem for the agency, because this relieves them from efforts of replacing these workers themselves. Costs for training a new driver are no problem for the agency either, because the new drivers are highly motivated and productive again.

The impact on employment

It is unlikely that the bus company creates new jobs at this time. The reason is that, more than in former days, the exact personnel need is watched carefully and the number of bus drivers is carefully matched to this need. Formerly there were always more drivers than necessary. Nowadays, if a driver has nothing to do, he or she is employed quickly in other organisations. Job creation is not needed. However the company carefully watches the quality of training of the new bus drivers. Accordingly, the conclusion is that the quality of the new jobs is much better than before.

A different mechanism works in the agencies case. Participation in job creation and outplacement projects are activities that may help individuals to find a new job. These activities help several sectors to re-employ employees elsewhere. These sectors include even the banking and insurance sector. The transport sector, that constantly faces the problem of having too few qualified personnel, benefits from the good training and qualification of the agency lorry and bus drivers. They receive the motivated lorry and bus drivers they need.

The impact on labour market organisation

Labour market flexibility is observed in the bus drivers' case, because agency bus drivers who are temporarily not employed in the company would quickly find jobs in other companies. Therefore the bus company does not let these bus drivers go when there is no work for them for only a short period.

Gender and age segregation may be a problem for the bus company. The company prefers older and female bus drivers, because of their presumed better social capabilities. A positive fact is that there are many old bus drivers in the organisation. The labour market is such that there are only 10% female bus drivers. For older employees working in organisations in other sectors of economy, the move to a job at the bus company via the agency, may mean a new chance of doing satisfying work.

The impact on career development and employability

The turnover levels for company bus drivers are low. Most bus drivers stay in this job until they reach retirement age. Part of the dissatisfaction of the agency bus drivers is that they do not have the security of a permanent job. The profession of bus driver does not stimulate bus drivers to extend their careers to other sectors, not even the sectors of coach or lorry drivers. Opportunities for training and functional flexibility are used to make the job more varied.

The impact on social integration and exclusion

Not much evidence was found indicating the agency bus drivers are treated differently from the company bus drivers. Also no difference was found between agency bus drivers with of a temporary agency contract and bus driver with a fixed-term labour contract. At first, when the

agency drivers entered the organisation as a group, they did feel a bit different. Now everything is normal, because the working time schedule and the bus line schedule quickly mixes all bus drivers together. Company as well as agency bus drivers all get the same uniforms. Only the agency drivers get fewer uniforms because of their fixed-term or temporary status. It can be concluded therefore that agency employment does not lead to segregation, although the drivers know the difference between each other's status. The only problem the agency bus drivers have is the job insecurity related to having a fixed-term labour contract.

4.4 The Labour relations system

In this last paragraph the role of collective bargaining and social regulation is described as far as this influence is noticed in the organisation.

System of labour relations

The trade unions are very well integrated in the labour relations system of the bus driving sector. About 80% of the organisation workers are member of a trade union, which is very high for Dutch organisations. There is also a well-functioning works council in the company, consisting of 13 members. Many important organisational problems are discussed at the monthly works council meetings with the company's general management. Five kinds of committees, supporting the works council in its functioning, are installed: (1) regional committees for each region, (2) a financial-economic committee, (3) a P&O committee, (4) a working circumstances committee, and (5) a strategic committee. The works council members are chosen by the personnel. This year agency bus drivers had the right to vote as well, because they were employed long enough in the company to gain this right (two and a half years).

The works council looks after the interests of the agency bus drivers in at least three different ways: (1) participation in the general organisation policy regarding the agency bus drivers, (2) checking the organisation policy in its practical applications, and (3) responding to complaints of the agency workers. The works council and P&O closely work together. P&O informs the works council about new developments and contracting negotiations with temporary employment agencies. The works council reports complaints to P&O, so that proper action can be undertaken. The Works Council for example played crucial role when the drivers of one of the temporary employment agencies had problems with the bonus calculation for working at inconvenient working times last year.

At this moment the company is developing plans to set up an extra bus drivers' pool in the organisation itself. Bus drivers will be contracted by means of a temporary employment contract with the company itself in that case. The works council and the trade unions stimulate these plans. It is now already clear that they will support the idea of an internal labour pool and actively bring in the ideas for a further plan.

The agency has no works council. This has to be organised, but is still in the planning phase. At the present time the interests of the workers with a fixed-term or permanent labour contract are guarded by the central works council of the agency.

80% of the company bus drivers are members of a trade Union. This is not the case for the agency bus drivers. Part of them hesitate, because of the fixed-term nature of the labour contract. Yet there is a need for sharing problems and getting help for them, also among the agency bus drivers. When the agency labour contract was changed last year, because of the

enforcement of the Law on Flexibility and Security, all contract changes were effectuated individually. The agency bus drivers discussed this procedure with each other, and in fact none of them liked this way approach. Nobody objected or complained however, because they all experience themselves as individually vulnerable. At that moment they discovered that all of them needed support from a independent party, such as a trade union or a works council. They found more situations in which these representatives can help, such as the investigation and explanation of the differences in salary levels.

Reactions to laws and regulations

The bus company is, just like all other Dutch organisations, required to effectuate a multitude of laws and regulations. All kinds of labour laws and social security laws are in force and need to be applied carefully. The company is very precise in complying with the different rules. The rules of the Working Time Law and The Driving Time Law for instance, are applied very strictly. This is quite unusual for this sector, because in the road haulage and coach travel industry working and driving times are exceeded often and seriously. Concerning the Working Time Law for instance, the regional committees of the works council have to comply with the working time and circulation schedules made at the regions. But occasionally, when the schedules are inconsiderate of the bus drivers, they try to get them discussed again. The collective agreement in the bus drivers sector is completely adapted to support such negotiations at company level. The agency does not monitor working and driving times, because this is regulated by the bus company. If drivers are employed by two or three employers simultaneously the agency does inspect the total amount of working and driving time of these drivers.

The new Law on Flexibility and Security is hardly a problem for the company because they only employ bus drivers on the basis of permanent labour contracts. Temporary employment agencies however do have to conform to the new rules of this law. The phase system of the collective agreement of the temporary employment agency sector prescribes rules that affect the employment status of the agency bus drivers. In the first phase, agency bus drivers are hired on the basis of a temporary agency contract. There are no mutual rights between the agency and the worker concerning the bond of the relationship. Bus drivers can stop working immediately without consequences, but also the opposite is true: they can be dismissed without warning. In the second phase, the agency is obliged to discuss with the workers the need for training and to arrange an old-age pension plan, the premium of which increases the price of agency bus drivers. In the third and fourth phases the agency has to offer a fixed-term or permanent labour contract respectively. Of course these contracts increase the price of the agency workers further. In the current situation these rules only apply for the agency bus drivers with a temporary agency contract. For the drivers with a fixed-term employment contract all costs are already calculated in the price for the agency workers.

For the agency the enforcement of the Law on Flexibility and security was not an insurmountable problem. In fact, it one of the large temporary employment agencies that already worked with a labour relations system closely resembling the rules of this law. The policy makers of these agencies actually influenced the design of this law with its own daily practical experience. The agency and its legal predecessor has been offering agency workers fixed-term and permanent labour contracts and an old-age pension plan for years. The phase system is now legal, forcing the agency to be more alert on registering and guarding the work history of the agency workers. A complicating factor is that this administration is done at the headquarters level rather than by the agency itself.

For some of the agency bus drivers this phase system of the collective agreement is not what they want. Being a flexworker, they want to be flexible in changing jobs. The phase system of the collective agreement, in particular the third and fourth phase, prescribes a more secure labour relationship. This means that not only the agency is obliged to keep its promises, but this also goes for the bus drivers. In the case of temporary agency work, they can stop their work immediately if they want to. In the case of a fixed-term labour contract, they have to give notice at least one month in advance, depending on the length of their work history for the agency. Of course other agency workers are happy with this increased job security.

5. Answers to the research questions

In this final chapter the different research questions of the project are answered. These research questions were formulated in Goudswaard *et al.* (1999) and will be repeated here one by one. The questions are arranged and answered in the same order as the treatment of subjects in the description of the cases in the chapters three and four.

5.1 Strategies of flexibility and company policy

The aim of this set of questions was to get insight into the application of different types of flexibility at the corporate level en their mutual relations, to get insight into company policy on flexibility, and human resources management and occupational safety and health management.

What are the company strategies on flexibility? What are the degrees of freedom for the management?

Both companies planned a strategy of external quantitative flexibility, to prevent problems with redundancy of their personnel. Both organisations expected a personnel reduction in the course of a number of years. The first company designed a completely new production process, that would lead to a total change of the type of personnel needed. Therefore a significant number of the old non-qualified production personnel had to be released. The second company foresaw a continuous decrease in the use of bus services with personnel consequences too. Both organisations planned their labour force on about a maximum of 10% under their expected personnel need. This personnel could be hired from temporary employment agencies.

In the course of some years both organisations started to experience disadvantages in hiring non-qualified personnel. In the first case the temporary fluctuations in the demand for products caused too many agency workers to be employed in times of peak performance. The costs of training these workers raised drastically, and because of the continuous change of agency personnel the company personnel could not do its own work properly. The bus company noticed that the agency bus drivers produced low-quality service to the passengers. For that reason both organisations planned to employ agency personnel on a more permanent basis, and the strategy of qualitative flexibility grew from a quantitative one to a qualitative one.

Concerning the degrees of freedom for the management of the organisation it appears that there is plenty of leeway in adopting an external quantitative flexibility strategy, although both companies felt forced by external market developments. In the case of adopting a qualitative external flexibility, less degrees of freedom are left. High labour costs and the low service quality forced the organisations to hire trained personnel. Therefore it can be concluded that once external flexibility is decided on, subsequent strategy is more or less forced by the circumstances. Besides this, the use of external employees is also very convenient for the organisations, because a lot of work is done by the agencies (selection, training).

At the present time many companies in the Netherlands are confronted with these kind of decisions. What was learned by trial and error in the organisations of both cases has now become common experience and practice. The very content of the new Law on Flexibility and

Security is in part based on their experiences. As this knowledge and experience is not common yet in Dutch organisations however, production and contract managers of temporary employment agencies, nowadays advise organisations to adopt the most significant and economic external personnel solutions.

How do external and internal flexibility combine? What balance or perhaps contradictions can be found between internal and external flexibility?

In both cases internal flexibility was no solution for the problem of the organisation to reduce the number of employees. Working time flexibility at the company of the first case is adopted to make a more efficient use of the costly production investments. Working time flexibility at the company of the second case is related to the travelling patterns of the bus passengers. Both organisations adopted functional flexibility in order to make the work more interesting and efficient. In fact the two types of internal flexibility have little relation to the two external types. From a strategic point of view, of course the two coincide in practice, because the agency workers have to adapt to the internal flexibility situation in the companies. In case of functional flexibility this is accompanied by positive effects to the employees, such as participation in a training programme, multi-skilling etc.

What are the motives for change?

In many organisations in the Netherlands, a choice is made to manage fluctuations in the need for personnel by means of internal or external flexibility. Internal flexibility can help organisations to employ workers at times or at locations with the highest personnel needs. External flexibility can help organisations to hire personnel when needed. The choice between internal or external flexibility appeared not to be relevant for the solution of the problems of the cases described in this report. The motive in fact was personnel reduction and the avoidance of negative consequences because of firing personnel with permanent labour contracts. By means of natural personnel reduction and external flexibility both companies naturally and gradually reduced the number of their personnel.

What is the relationship between strategies of flexibility and human resources management?

The choice for a flexible solution of the external qualitative type was prompted by personnel considerations on the one hand and production or service quality on the other hand. In both organisations the personnel department functioned as consultant and policy maker for the general management of the company.

What preventive measures in the field of occupational safety and health do companies take?

In the Netherlands a great many preventive measures were taken by companies during the 1990s. At the beginning of the decade absenteeism and disability levels rose dramatically and were of great concern for the government. At that time many preventive measures were taken, of which the most incisive one was the privatisation of the Law on Sick Leave (Ziektewet). Companies were forced to be responsible for their own absenteeism. Companies were also required to contract a medical service to investigate the causes of absenteeism and disability and to take preventive action. In 1996 the Working Time Law came into effect, causing many companies and sectors to redesign their working time schedules in view of personnel health considerations. All these preventive policies were adopted at the companies of this case study. In the interviews with the personnel managers the complete preventive working conditions history in the Netherlands from the year 1990 could be traced very precisely at the company level too.

5.2 Flexibility and working conditions

The next set of questions are meant to give insight into the relationship between conditions of work and conditions of employment and between flexibility and working conditions.

Does the development of internal flexibility allow working conditions to improve through training and multi-skilling?

Internal flexibility here refers to the qualitative version. Indeed this type of flexibility is applied to improve working conditions and to make work more interesting and varied. In both organisations functional flexibility was accompanied by extra efforts in training and multi-skilling. In both organisations the extra cost of these activities was evaluated as positive in compensating the inefficiency of a too strict work division. In fact this shift from one-dimensional work to a more integrated work situation, was made again when the quantitative agency solution was assessed as inadequate. In those cases training and multi-skilling were necessary again. Also the internal personnel benefited from this external solution, because they could participate in training situations as well, when necessary.

Can working conditions be improved by integrating employees and offering them career opportunities?

The companies expect that functional flexibility improves working conditions via three mechanisms. In the first place, the higher educational level of the employees is related to the obvious positive consequence of being in better control themselves and making own decisions. In the second place functional flexibility offers the employees the opportunity to circulate over tasks. This circulation simply reduces the duration of exposition to poor working conditions of doing one task the whole day. In the third place, poor working conditions are always found in the occupations with the lowest educational levels. Upgrading the educational level of the employees simply makes them more flexible and hence less vulnerable to these working conditions because they also adopt other tasks which are less risky. Therefore it can be concluded that employees with a permanent labour contract as well as temporary employment agency employees benefit from opportunities to further their careers.

To what extent can poor working conditions be seen as a result of external flexibility and precarious employment status, and to what extent can they be seen as the result of isolated work, poor access to training, low level of participation, unequal treatment, no employment perspective and lack of integration?

In both cases it is clear that agency workers do not perform extra unpleasant, unhealthy or hazardous tasks compared to company workers with a permanent labour contract (see also: Goudswaard et al, in press). Both cases show that agency workers do the same work as company workers, though this picture is not representative of course. Also in the Netherlands external personnel is sometimes hired on purpose, to prevent company personnel from doing unhealthy or dangerous work. The cases show however that external flexibility is not necessarily related to bad working conditions. Nevertheless, agency workers with a fixed-term or temporary labour contract still experience job insecurity (see also: Goudswaard et al, 1999; Kleinknecht et al, 1997; Klein Hesselink et al, 1997), unequal access to participation and in case of work problems the finding of a solution may become diffuse because two organisations are involved. Also reported in the literature is the lower pay level of flexworkers compared to employees with a permanent job (Kleinknecht et al, 1997). In our study this lower pay level was related to the short work history of the flexworkers however.

5.3 The impact of working conditions and flexibility

Next the questions are answered on the general impacts of flexibility and working conditions on occupational safety and health, on organisational costs and benefits, on employment, job creation, career development, labour market organisation, social integration and exclusion.

What is the impact of flexibility and working conditions on occupational safety and health and on organisational costs and benefits?

From both cases it can be argued that the impact of flexibility is not necessarily negative. External personnel can be employed on almost the same basis as company workers with a permanent labour contract. This was also found in a recent study on the Dutch labour situation (Goudswaard *et al.* (in press). Working time flexibility may have negative health and safety consequences, particularly in cases of long daily working hours and nightwork (Klein Hesselink *et al.*, 1997), but the Dutch Working Time Law is very restrictive to these determinants. In both cases no particular negative effects were found. Functional flexibility mostly is related to positive effects on working conditions and occupational safety and health (Klein Hesselink *et al.*, 1997). If functional flexibility is applied according to the rules of socio-technical redesign it often had positive effects on organisational costs and benefits (Van Eijbergen, 1999; Kleinknecht *et al.*, 1997). Also the experience of the interviewed personnel managers is that optimal working conditions may have a positive influence on occupational safety and health and on organisational costs and benefits, but this influence is not related to flexibility and agency work.

To what extent do temporary labour markets and outsourcing and subcontracting lead to transitional labour markets?

Not observed in the cases, but reported by the temporary employment agencies, was the possibility for companies and individual workers to be employed elsewhere by means of the services of the agencies. Outsourcing and subcontracting can be arranged by the company with the agency, and even individual employees can be helped to acquire a new job.

What is the impact of flexibility on gender and age segregation?

Both cases showed that gender and age segregation are very real in the Netherlands. At the first case, women are employed in the packaging sites, where they perform simple tasks. Men are doing the more qualified tasks in the production sections. The group of older workers increasingly became a problem for the first company, because of their lack of qualification and their resistance to participation in training programmes. At the bus company a mere 10% of the employees are women, but there are many older workers in this company. Interesting in this case is that the company values women and older workers highly because of their social capabilities. In both cases however no relationship with flexibility was found.

In what way can new temporary or vulnerable positions lead to social integration and cohesion at work?

In both companies, only few differences were observed between agency workers and company workers. The reason for this is the strict company policy of not allowing differences between these two groups. The experience of one of the agencies however is that not all companies have such an attitude and policy. This was also found in a recent Dutch study on work and job flexibility (Goudswaard *et al.*, in press), although not on a large scale and mostly in the non-qualified employment agency jobs. It can be argued that the change in

agency work from the quantitative to the qualitative type will integrate agency and company workers.

What are the factors that make flexibility work for both companies as well as the workforce?

It is clear that in both companies the change from quantitative to qualitative external flexibility was a major factor in the integration of external flexibility in the company. Yet also the internal types of flexibility require a special policy to make them successful. Working time flexibility requires thorough application of the rules of the Dutch Working Time Law, including correct use of the negotiation possibilities. Functional flexibility needs precise application of the rules for training and insight into the dynamics of socio-technical theory and autonomous task groups. Beyond that there is still another factor that makes flexibility work, indicated by the managers of the company and the agency. They mentioned the flexible attitude of the employees as crucial.

5.4 The labour relations system

In this last paragraph the questions concern the role of collective bargaining and social regulation in the evaluation of working conditions.

How does the collective bargaining process influence working conditions?

In the Dutch collective bargaining processes, measures to improve working circumstances and the educational level of the workers have long been an important negotiation item in the package of trade union desiderata. The trade unions accepted lower annual percentages in pay raises on behalf of better working conditions. In fact the trade unions buy these factors from the employers. This trade and exchange policy has given the Netherlands many fine working conditions programmes at the sector level.

How can working conditions become part of the collective bargaining process?

Poor working conditions are frequently a sector-wide problem. In education (schoolteachers), for example, there is a high level of work pressure throughout the sector. Preventive measures related to this problem were introduced in exchange for a lowering of the yearly percentage of salary raise some years ago, because the whole sector agreed that work pressure was too high. The measures had no evident effect however. Nowadays work pressure is still high and the education sector seeks higher wages, but not in exchange for pressure-mitigating programmes.

What is the role of collective bargaining in the flexibilisation process at the corporate level?

In the second chapter it was described that in the Netherlands collective bargaining process occurs at three levels: the macro, the meso and the micro level. At the macro level legislation is approved only if collectively agreed upon by the three negotiating parties: the government, the trade unions and the employers' organisations. Part of the negotiation process is that these laws should have both a protective and a stimulating effect. Once enforced, these laws are applied on the sector level to create a general framework for application or to initiate general sectoral measures by means of collective bargaining too. At company level the trade unions work together with the works councils in applying the many rules made at the macro level.

In what way does the negotiation process influence the described impacts?

All laws that are collectively agreed upon at the macro level have an important protection component. The Working Time Law for instance regulates the spread of working hours

(duration, shifts, etc.). These restrictions protect the workers against exhaustion due to long working hours or the effects of permanent night work. The Law on Flexibility and Security is meant to protect flexworkers against job insecurity.

What can be learned from this research in order to find a right balance of interventions (collective bargaining and/or legislation: corporate, sectorate, national or European Level)?

The Dutch case study shows that all levels mentioned above have to be in balance and need each other to find that balance, though at the company level the macro level negotiations often are not directly visible. Yet the effects of negotiation at all levels (macro, meso and micro) was present in both cases of this case study. Negotiation at the macro level mainly came from legislation. Successful negotiation at this level is achieved when employers and trade unions both have the feeling to gain in an agreement. In the case of flexibility it was found that employers gain by more labour flexibility, while trade unions and employees gain by more protection. Both contradictory factors are in balance and once agreed can be applied correctly at the sectoral and organisational level. This does not mean that the application of the stimulation and protection philosophy is achieved at the same way for the different kinds of flexibility. Time flexibility does not lead to serious problems, because of a relatively strict legislation. Functional flexibility is achieved because organisations understood its positive effects once the Dutch Working Circumstances Law became into force and started to apply this concept by their own initiative. Contract flexibility has grown in the Netherlands, but the new Law on Flexibility and Security made it clear that something had to be and can be done on the high level of job insecurity of flexworkers. In all cases the gain of more flexibility is balanced by the gain of more protection.

5.5 The general research question

Finally an answer to the main target question of the project needs to be given. This question was formulated in the first chapter as:

To what extent (under what conditions) is it possible, within a flexible environment, to develop corporate policies that do not lead to precarious employment but, on the contrary, that could preserve employment security and improve working conditions, and what is the right balance (degree and level) of interventions to achieve these goals?

One can wonder whether this main target question can be answered satisfactorily by means of case studies alone. Besides the methodological restrictions to this type of study, the question raised is too general. In fact, the question describes a process that needs to be followed continuously in Europe. What can be learned from the Dutch case study is that labour flexibility is not necessarily a factor related to many problems. Both companies found solutions that, although not ideal, may well be promising starting points for further action. Working time flexibility did not lead to many problems because of a strict legislation system in the Netherlands. Functional flexibility is often related to better working circumstances and organisational profit if correctly applied. Contract flexibility may be less cost effective in the case of the quantitative type, but had positive organisational effects once it is replaced by a more qualitative approach. Even the problem of job insecurity can be solved if agency workers are offered a permanent labour contract. It remains that working conditions and employment security are factors that have continuously to be spotted. A policy is successful if it provides the tools for early detection and speedy solution of problematic situations on all levels: organisational, sectoral, country and European level, once all parties have the feeling to gain by the negotiated solution.

6. Literature

Atkinson, J Flexibility, Uncertainty and Manpower Management. Brighton, Institute of Manpower Studies, IMS report 89, 1984

Atkinson, J. Flexibilisering van de arbeid in de Engelse industrie en dienstverlening. In: *Te Elfder Ure* 41: het ontwerpen van arbeidsprocessen. 1988:29,3,180-200

Bayens G, Prins R. Labour Inspectorate and the Quality of Working Life in The Netherlands. Den Haag, Ministerie van Sociale Zaken en Werkgelegenheid, 1990

Goudswaard A, Klein Hesselink DJ, Kraan, KO. Flexible Employment Policies and Working Conditions: Research Framework. Hoofddorp, TNO Work and Employment, 1999.

Goudswaard A, Kraan K, Miedema E, Dhondt S. Flexibilisering van de arbeid: determinanten en effecten van flexibilisering voor werknemers en werkgevers. Hoofddorp, TNO Work and Employment, in press

Grijpstra DH, Klein Hesselink DJ, Klaver PM de, Miedema EP. Eerste ervaringen met de Wet Flexibiliteit en Zekerheid: een onderzoek onder vier steekproeven van werkgevers, uitzendwerkgevers, uitzendwerknemers en flexwerkers in februari/maart 1999. Den Haag, Elsevier, 1999

Haan EG de, Vos PJ, Jong PhR de. Flexibiliteit van de arbeid: op zoek naar zekerheid. Amsterdam: Nationaal Vakbonds Museum, Welboom Bladen, Serie Wetenschappelijke Publicaties, 1994

Klein Hesselink DJ, Evers GE, Verboon FC, Vuuren CV van. Flexibiliteit van de arbeid: een literatuurstudie naar de omvang en de effecten. Amsterdam, NIA TNO BV, 1997

Klein Hesselink DJ, Evers GE, Wevers CWJ. De inkomensbescherming van flexwerkers bij ziekte en werkloosheid: onderzoek naar de aard en omvang van het beschermd zijn van flexibele arbeid bij ziekte en werkloosheid. 's Gravenhage, VUGA Uitgeverij BV, 1998

Kleinknecht AH, Oostendorp RH, Pradhan MP. Patronen en economische effecten van flexibiliteit in de Nederlandse arbeidsverhoudingen: Een exploratie op basis van de OSA vraag- en aanbodpanels. Sdu Uitgevers, Den Haag, 1997

Pot FD, Christis JHP, Fruytier BGM, Kommers H, Middendorp J, Peters MHH, Vaas S. Functieverbetering en organisatie van de arbeid; Welzijn bij de arbeid (WEBA) gelet op de stand van de arbeids- en bedrijfskunde, Ministerie van Sociale Zaken en Werkgelegenheid, Directoraat-Generaal van de Arbeid, Den Haag, 1989

Van Eijbergen. De invoering van het effect van zelfsturende teams in organisaties. Proefschrift, Rijksuniversiteit Leiden, 10 februari 1999

Annexes

Annex 1: National bibliography

| | |
|----------------------|--|
| Study | Kleinknecht AH, Oostendorp RH, Pradhan MP. Patronen en economische effecten van flexibiliteit in de Nederlandse arbeidsverhoudingen: Een exploratie op basis van de OSA vraag- en aanbodpanels (Patterns and economic effects of flexibility in Dutch labour relations: an exploitative study on the basis of the OSA labour market panel study). Sdu Uitgevers, Den Haag, 1997 |
| Country | The Netherlands |
| Method | databases from the OSA household databases (n=3415) and the OSA organisations databases (n=1157) in the years 1988 1990 1992 1994 |
| Variables | |
| • flexibility | Yes |
| • working conditions | Yes |
| • impacts | Yes |
| • labour relations | Yes |
| • other variables | Yes |
| Abstract | <p>Much of the labour market growth in the Netherlands is related to flexwork: work for a temporary employment agency, work on the basis of a fixed-term labour contract and work on demand or call. Yet this growth is less spectacular than expected in the years 1992 and 1994, because of the economic recession during those years. As such, the growth of the employability follows the economic growth in the Netherlands.</p> <p>For a large part of the flexworkers, flexwork means just a first step in getting a permanent job. Only 22 to 32 percent of the flexworkers stay in their job. No relationship was found between the growth in technical development of the companies and the growth in the number of flexible jobs. Also for technological innovation no relationship was found with early old-age pensioning. Some companies succeed in increasing profits by increasing the number of external flexible employees. However an increase in profits is not related to a growth in the number of employees in these organisations.</p> <p>No evidence was found for greater willingness for working in flexible jobs on the part of Dutch employees. Also there is no evidence for individuals having a free choice for a permanent or temporary job. Employees going from a temporary to a permanent job strongly improve in work satisfaction. This is not the case for employees staying in a temporary job or for employees changing from a permanent to a temporary job. Besides this, employees with a temporary job are paid an average of 20% less than employees with a permanent job.</p> <p>Effects of flexibility on companies are: (1) an increase in functional flexibility is related to an increase in company turnover and the growth of the number of jobs, (2) an increase in agency workers is related to an increase in profits, however only in knowledge-based companies, (3) companies with many employees with fixed-term contracts have less salary costs, but no higher profits and turnover, and (4) personnel turnover is related to a less higher level of personnel costs and an increased profit level, however only in low-knowledge-based companies.</p> <p>So an obvious relationship between labour market flexibility and positive impacts for companies is not found in this study. On the contrary, much turbulence in the personnel situation appeared to be related to increased costs for selection, training. Also the knowledge transfer between organisations makes knowledge a more collective possession and so training does not specifically advantage the company. This may be the reason that investments in personnel knowledge and experience is not related to the profits level. An important exception is the employability of temporary agency employees who are used successfully in innovative companies to increase work capacity.</p> |
| Comment | Extensive study of flexibility in the years 1988 to 1994. However most of these years cover a period of economic decline and this will probably affect the direction of the results. |

| | |
|-----------|--|
| Study | Klein Hesselink DJ, Evers GE, Verboon FC, Vuuren CV van. Flexibiliteit van de arbeid: een literatuurstudie naar de omvang en de effecten (Labour flexibility: a literature study on extent and effects). Amsterdam, NIA TNO BV, 1997 |
| Country | The Netherlands |
| Method | Literature study |
| Variables | <ul style="list-style-type: none"> • flexibility Yes • working conditions Yes • impacts Yes • labour relations No • other variables No |
| Abstract | <p>Literature study on (1) the quantitative developments of labour flexibility and (2) the impacts of labour flexibility on safety, health, well-being, absenteeism and productivity of employees. Three kinds of flexibility are investigated, time flexibility, functional flexibility, and contract flexibility.</p> <p>Concerning the quantitative developments, it appears that in the Netherlands the internal types of flexibility (time and functional flexibility) are more often applied and develop themselves more profoundly than the external forms of flexibility (contract flexibility).</p> <p>Concerning the impact of flexibility on safety, health, well-being, absenteeism and productivity of employees, the study showed different results for the three investigated types of flexibility: (1) the different types of time flexibility are related to favourable as well as unfavourable effects on employees, (2) functional flexibility is mostly related to positive effects on employees, and (3) the effects of external or contract flexibility are not investigated very extensively but are mostly related to unfavourable effects on the employees.</p> <p>The unfavourable effects of time flexibility are mostly related to arrangements involving long working days. In arrangements such as permanent overtime, the comprehended working week, or seasonally changing schedules, negative effects appear. The literature describes this effect for working days lasting longer than 9½ to 10 hours. The combination of long working days and exposure to unfavourable working conditions such as heavy work or intoxicating substances, has an interactive (cumulative) effect.</p> <p>Favourable effects of time flexibility are related to working time arrangements that fit the private needs and wishes of employees. Early beginning in the morning, weekend work, part-time work, shift work with short daily working times instead of extra shift work bonuses, and choosing own working times, make it possible for employees to fit the working times to their own private needs and to prevent negative effects.</p> <p>Functional flexibility has positive effects on employees if related to factors such as task and function variation, task and function circulation, participation, and responsibility. Yet also negative effects are reported, mainly for non-qualified and older employees who cannot keep up with the new developments. Turnover effects are reported in the intermediate layers of leaders, who see the contents their jobs disappear to employees below them.</p> <p>The effects of contract flexibility are not studied very often yet. The effects are mostly related to the job insecurity these employees experience. Job insecurity is also the main target factor on which policy measures concentrate. The few studies on the effects on safety, health, well-being, absenteeism, and productivity do show negative effects.</p> |
| Comments | This study discovered many blank spots in flexibility research. The results of this study were used to complete the questionnaires of the survey research of TNO Work and Employment in the years 1998 and 1999 with a comprehensive sets of questions on all types of flexibility in the Netherlands. |

| | |
|----------------------|---|
| Study | Klein Hesselink DJ, Evers GE, Wevers CWJ. De inkomensbescherming van flexwerkers bij ziekte en werkloosheid: onderzoek naar de aard en omvang van het beschermd zijn van flexibele arbeid bij ziekte en werkloosheid (Income protection of flexworkers in case of sick leave and unemployment: study on the extent and protection of this problem). 's Gravenhage, VUGA Uitgeverij BV, 1998 |
| Country | The Netherlands |
| Method | Telephone survey among a representative group of 1030 flexworkers |
| Variables | |
| • flexibility | Yes |
| • working conditions | No |
| • impacts | No |
| • labour relations | Yes |
| • other variables | No |
| Abstract | <p>Goal of this study is the estimation of the amount of social security protection of flexworkers, in case of absenteeism and unemployment. Flexworkers in this study are defined by means of four criteria; (1) earning an income in a dependent labour relationship, (2) no permanent labour contract, with the exception of demand/call labour with a small basic permanent contract, (3) no fixed-term labour contracts of more than one year, and (4) not being a student or holiday worker.</p> <p>The study was conducted because of promises of the government to parliament. Because no datasets were available from which estimates could be made by means of secondary analysis, a random number of 30,000 household telephone numbers was called inquiring after the presence of a flexworker in the household. This appeared to be the case in 9% of the households with at least one working employee. This percentage deviates somewhat from the 10.4%, reported by the National Statistics Office. This deviation may be related to the season during which the survey took place (September 1997), and the definition of flexwork.</p> <p>A random sample of 1,030 flexworkers was studied and divided into four subgroups: (1) employees with a fixed-term contract, (2) temporary employment agency workers, (3) demand/call employees with a permanent labour contract, and (4) demand/call employees without a permanent labour contract. The total group was studied as well, including small groups of home workers and flexworkers in labour pools.</p> <p>The most important result of the study was that the income of most flexworkers was adequately protected against income loss in case of unemployment and illness. About two-third of the flexworkers continue to receive an income in case of illness. It was found that of those who became ill in the year before the survey, indeed about two-thirds of them actually continued to receive an income. About 80% of the flexworkers are eligible to receive unemployment benefit.</p> <p>It was found however that large groups of flexworkers do not exercise their right to receive benefit in case of illness or unemployment. Of those who did not receive sick leave only 13.5% were actually not eligible. Most of the others did not even ask for it. About half of them thought that they did not qualify, but the other half reported that they did not need it. Concerning unemployment benefit, about 80% of those without work during the interview did not apply for it officially. The main reason for this was the presence of a second income, mostly earned by others in the household (spouse, parents, etc.).</p> |
| Comment | Careful study on the effects of the rights and the needs of flexworkers. This study ages quickly however, because of the continuous change in social security legislation. The respondents of this study were interviewed again in the first half of 1999 (Grijpstra et al, 1999). |

| | |
|-----------|---|
| Study | Grijpstra DH, Klein Hesselink DJ, Klaver P M de, Miedema EP. Eerste ervaringen met de Wet Flexibiliteit en Zekerheid: een onderzoek onder vier steekproeven van werkgevers, uitzendwerkgevers, uitzendwerknemers en flexwerkers in februari/maart 1999 (First experiences with the Law on Flexibility and security: survey research among four representative samples of employers, agency offices, agency employees and flexworkers). Den Haag, Elsevier, 1999 |
| Country | The Netherlands |
| Method | Four survey studies based on representative samples of employers, offices of temporary employment agencies, flexworkers and temporary employment agency workers. |
| Variables | <ul style="list-style-type: none"> • flexibility Yes • working conditions No • impacts Yes • labour relations Yes • other variables Yes |
| Abstract | <p>On 1 January 1999, the Law on Flexibility and Job Security became into force in the Netherlands. The law is intended to effect a new balance in the interests of employers and employees concerning labour relationships. The new law stimulates flexibility on the one hand, and security of labour and income on the other hand. The law regulates the interests of three kinds of flexwork: (1) work for a temporary employment agency, (2) demand/call work and (3) work with a fixed-term labour contract.</p> <p>The goal of the study was the exploration of the first effects of the enforcement of the law. Dutch parliament queried the government because, in anticipation of the law some employers dismissed their flexworkers or gave them other types of contracts. The reason for this was their fear of salary and employment obligations related to the employment history of their flexworkers. The study showed however that this fear was not widespread among employers. It was calculated that a group of about 5% of the flexworkers experienced negative effects. By collective agreement it was decided that most of the negative measures taken, will be repaired in the course of 1999.</p> <p>The study included four investigations, using a representative sample of 1,090 employers, 213 temporary agency offices, 456 flexworkers and 1,030 temporary agency employees.</p> <p>The study shows that about half of the investigated employers has a negative attitude towards the law, about one-third has a positive attitude. Most employers consider the law too complex for an easy application in their organisation. Besides this, most employers consider it a problem that they have to pay for the extra costs related to the obligations in the law. Also the uncertainty because of the lack of rules in the collective agreements is a problem for most employers (in most collective agreements no additional rules are made yet). However the possibility of the law to influence the collective agreements was evaluated positively. Temporary employment agencies know the new law well and are the most important source of information on the new law for the agency workers.</p> <p>About three-quarters of the flexworkers and two-thirds of the agency workers are aware of the existence of the new law, although they are not very familiar with it. The agency workers were investigated in more detail concerning their wishes and expectations related to their agency work. It appears that about half of them are satisfied with their current agency job, their agency office, the organisation in which they work, and agency work in general. About 30% of the agency workers expect to continue this agency work for the next five years or more. For the other flexworkers this percentage is sixty. Most agency workers prefer a permanent job. Of all agency workers, about 40% considers the agency work as a first step towards a permanent job, about 30% considers this work as a means to acquire an additional income and 22% could not find a job with a permanent labour contract. One-third of the agency workers is prepared to do this kind of work on a permanent basis, if this work offers them a guaranteed and sufficiently high income. About 30% of the agency workers report that they want to be trained and qualified further.</p> |
| Comment | The study gives an extensive time picture of the attitudes, opinions and experiences of employers, agency employers, flexworkers, and agency workers, in relation to the enforcement of the new Law on Flexibility and Security. The expectation is that the law will stimulate the development of external (contract) flexibility in the Netherlands, so that in a relatively short period, the results of this study will be aged, and a new study will be necessary. |

| | |
|-----------|---|
| Study | Goudswaard A, Kraan K, Miedema E, Dhondt S. Flexibilisering van de arbeid: determinanten en effecten van flexibilisering voor werknemers en werkgevers (Labour flexibility: determinants and effects for employers and employees). Hoofddorp, TNO Work and Employment, in press |
| Country | The Netherlands |
| Method | Survey research based on a representative sample of 3,618 Dutch organisations and 11,000 employees working in 1,256 of these organisations |
| Variables | <ul style="list-style-type: none"> • flexibility Yes • working conditions Yes • impacts Yes • labour relations Yes • other variables Yes |
| Abstract | <p>At the end of 1998 a random sample of 3,618 Dutch organisations was investigated by means of an oral questionnaire on the role of all kinds of flexibility applied in the organisation and their impact on the organisation and the employees. During this interview, the organisations were asked to set out a written questionnaire among a random sample of employees in the organisation. From 1,256 organisations, a total number of 11,000 questionnaires was received back by post. By means of statistical weighting techniques, both samples were made representative for the Dutch situation.</p> <p>Results of the organisations sample show that different types of flexibility are used extensively in Dutch organisations. About 23% of the employees in the organisations are employed by means of flexible labour contracts: 10.9% is employed by means of fixed-term contracts, 2.7% by means of temporary agency contracts, 8.4% by means of demand/call contracts, and 0.8% by means of other contracts (home work or seasonal work). Time and functional flexibility are even more widely used. 71.9% of the Dutch companies make use of part-time labour contracts, 39.5% make use of small part-time contracts with less than 12 working hours per week. In 47.6% of the Dutch companies work is done in the evening, at night or in the weekends. Functional flexibility is used in 65.2% of the Dutch companies: 48.7% use functional or department rotation and 56.8% use task enrichment or task broadening.</p> <p>Results of the employees sample show that employees with a permanent labour contract or employees with a fixed-term labour contract with a promise to get a permanent one, often work full-time. Employees with demand or call contracts often work part-time and during non-regular working times. Temporary agency workers, employees with a fixed-term labour contract for more than one year and employees with a demand/call contract, are not employed very often on different tasks in the organisation.</p> <p>When asked for, 84% of the companies appeared to be satisfied with their flexible applications and only 4% was dissatisfied. Of all companies, 17% report the intention to diminish the external flexible solutions and 10% report to plan an increase. Instead of this, 40% report to plan an increase in functional flexibility in the nearby future, less than one percent reports a decrease in it. An increase in working time flexibility is planned by 23% of the organisations, only 2% plan a decrease. Most employees are satisfied with their labour contract: however those with a permanent labour contract far more often (91%) than those with a fixed-term contract (34% and 37%). Of the employees working with shift work or other irregular working time arrangements, 26% report a preference for working at regular working times. Most of the employees report satisfaction with their employment on different tasks. However 31% of the employees who are employed very often on different tasks, functions or in different departments, are dissatisfied with this functional flexibility and like to be less often employed in this way.</p> |
| Comments | Extensive study which is not reported completely yet. The study gives a very comprehensive overview of the application of all kinds of flexibility and its effects on health and well-being. |

Annex 2: Summarising tables

| | Case 1 | Case 2 |
|-------------------------|--|--|
| External factors | | |
| Economical environment | <p>Demands of the market (1) A continuously growing necessity for international and global development. (2) A continuously growing necessity for renewal of the production process</p> <p>Position within sector A strong position in the sector, nationally as well as internationally. The company develops as an innovative and environmentally sound industry producing high quality sweets</p> <p>Position at the international market Strong position at the international market, including East Asia, East Europe and North and South America</p> | <p>Demands of the market (1) A continuous reduction on the investments and the costs of public bus transport. (2) Delivering an increasingly high quality</p> <p>Position within sector (1) Strong position in the geographical area. (2) Serious competition from other national and international bus companies in the acquisition of bus concession areas</p> <p>Position at the international market (1) No position (2) Companies from abroad are competitors in the acquisition of concession areas</p> |
| Labour market | <p>Labour market situation (1) Shortage of qualified technical personnel. (2) Normal situation for non-qualified personnel, demands for work, but vacancies can still be fulfilled. (3) Employment agencies get a strong position in selection and training of new production personnel</p> | <p>Labour market situation (1) Normal situation for bus drivers, shortage for lorry drivers (2) New personnel is employed via employment agencies. (3) Selection and training is performed by the bus organisation</p> |
| Legislation | <p>European and national legislation Many old and new national laws are in force in compliance with the European rules. Examples are: Working Time Law, Shopping time Law, Working Environment Law, Law on Flexibility and Security, and Participation Law</p> <p>Social security system The Dutch laws can be divided in general laws and specific laws. General laws apply to the total population, specific laws to groups from the population, mostly the work-force. Laws from the second group are the Absenteeism Law, Disability Law, Unemployment Law, etc.</p> <p>Employment public policies Unemployment benefit is paid by the local governmental authorities, only when a person is registered at the local employment office. Unemployment decreases steadily in the Netherlands. However, there is a divide between the short and long-term unemployed. Much attention goes to the long-term unemployed nowadays</p> | See other company |

| Industrial labour relations (internal and external factor) | | |
|--|---|---|
| Labour relations system | <p>Corporate and sectoral level (1) Trade unions are represented well, (2) sectoral collective agreement in which employers' organisations and trade unions participate, applies, (3) union and works council policy directed at increasing protection of all workers and social security and integration of agency workers</p> <p>National context (1) Collective bargaining process does not include role of agency workers yet., (2) Collective agreement of temporary employment agencies prescribes the pay system of sector of employment, if this guarantees better payment, (3) Working time flexibility included in collective bargaining and collective agreement, (4) no social pacts yet, (5) role of social regulation and negotiation will be extended to include the position of agency workers in relationship to new Law on Flexibility and Security</p> | <p>Corporate and sectoral level (1) Trade unions are represented up to 80%, which is very high in the Netherlands, (2) sectoral collective agreement in which employers' organisations and trade unions participate, applies, (3) union and works council policy directed at increasing protection of all workers and social security and integration of agency workers</p> <p>National context (1) Collective bargaining process does not include role of agency workers yet., (2) Collective agreement of temporary employment agencies prescribes the pay system of sector of employment, if this guarantees better payment, (3) Working time flexibility included in collective bargaining and collective agreement, (4) no social pacts yet, (5) role of social regulation and negotiation will be extended to include the position of agency workers in relationship to new Law on Flexibility and security</p> |
| Company policy | | |
| Strategies on flexibility | <p>Company strategies (1) Working time flexibility (3-shift system) to extend production times of high capital investment (2) functional flexibility (autonomous task groups) to improve individual and company productivity, (3) external flexibility to reduce labour force with permanent contracts</p> <p>Company motives for external flexibility (1) short-term motive to add external personnel to fill personnel need, (2) long-term motive to prevent problems with forced dismissal of personnel with permanent contracts</p> <p>Degrees of freedom for management (1) freedom of choice between internal and external solutions, (2) forced to extend the external solution from a quantitative to a qualitative one for quality reasons (high quality products)</p> <p>Combinations of applications of flexibility All kinds of combinations between internal and external and qualitative and quantitative flexibility are found</p> | <p>Company strategies (1) Working time flexibility to adapt to passenger travel patterns in evenings and weekends, (2) external flexibility to reduce labour force with permanent contracts</p> <p>Company motives for external flexibility (1) short-term motive to add external personnel to fill personnel need, (2) long-term motive to prevent problems with forced dismissal of personnel with permanent contracts</p> <p>Degrees of freedom for management (1) freedom of choice between internal and external solutions, (2) forced to extend the external solution from a quantitative to a qualitative one for quality reasons (high quality services)</p> <p>Combinations of applications of flexibility All kinds of combinations between internal and external and qualitative and quantitative flexibility are found</p> |

| | | |
|--|---|--|
| <p>Human resources management</p> | <p>Recruitment and allocation New non-qualified personnel is selected and employed in the organisation by means of the services of temporary employment agencies. Qualified personnel is attracted by the company itself</p> <p>Training and qualification Training and qualification of non-qualified personnel is done by the employment agency</p> <p>Career development Planning a career of qualified personnel is done by the organisation and the employee. Planning a career for non-qualified personnel is done by the organisation and realised by the agency</p> <p>Pay system This is realised by means of the collective agreement pay rates, also for the agency workers</p> <p>HRM-policy, gender and age Predominantly women are engaged in the non-qualified jobs in the packaging department, men are engaged in the production departments. Personnel stop for older and non-qualified men in the production sectors</p> | <p>Recruitment and allocation New bus drivers are selected and employed in the organisation by means of the services of P&O, but are employed by temporary employment agencies</p> <p>Training and qualification Training and qualification of new bus drivers is done by the bus company itself</p> <p>Career development Training is done by the organisation itself. The emphasis lies on service quality improvement</p> <p>Pay system This is realised by means of the collective agreement wage scale, also for the agency workers</p> <p>HRM-policy, gender and age Naturally new bus drivers are predominantly younger men (age 25-40). The company prefers women and older men, because of their better service attitudes</p> |
| <p>Occupational safety and health management</p> | <p>Health and safety programme The company has a strict occupational safety and health programme, distributed as a booklet and explained to all workers employed by the company including the agency workers</p> <p>Health and safety infrastructure (1) Special professionals employed for safety management, (2) Health management is the responsibility of P&O in collaboration with an external occupational health service</p> <p>Budget for prevention Budget consists of costs for safety managers, P&O professional participation and costs of occupational health service, first aid training and materials, fire brigade participation, training and materials</p> <p>Use of preventive measures Prevention of occupational accidents and diseases by means of system of rules and training of new personnel, initial medical examination for all employees, prevention of absenteeism and disability by means of absenteeism policy, well-being surveys, working time negotiation between employer and works council</p> | <p>Health and safety programme The company has a strict occupational safety and health programme, that is given as a booklet and explained to all workers employed by the company, including the agency workers</p> <p>Health and safety infrastructure (1) No special professionals employed for safety management, (2) Health and safety management is the responsibility of P&O in collaboration with an external occupational health service</p> <p>Budget for prevention Budget consists of costs for P&O professional participation and costs of occupational health service, first aid training and materials, fire brigade participation, training and materials</p> <p>Use of preventive measures Prevention of occupational and traffic accidents by means of training of new personnel, initial medical examination for all employees, prevention of absenteeism and disability by means of absenteeism policy, well-being surveys, working time negotiation between employer and works council</p> |

| | | |
|-----------------------------------|---|---|
| | <p>Use of corrective measures Registration and investigation of occupational accidents, first aid professionals and fire brigade, and reintegration of long-term ill and disabled workers by means of social medical team per department</p> <p>Risk assessment Periodical occupational health and safety questionnaire and medical investigation, well-being surveys</p> <p>Information and training see above</p> <p>Responsibility for external workers Full responsibility for organisation, Agency performed a risk assessment before contracting the organisation</p> | <p>Use of corrective measures Registration and exploration of occupational and traffic accidents, first aid professionals and fire brigade, and reintegration of long-term ill and disabled workers by means of social medical team per department</p> <p>Risk assessment Periodical occupational health and safety questionnaire and medical investigation, Well being surveys</p> <p>Information and training see above</p> <p>Responsibility for external workers Full responsibility for organisation, Agency performed a risk assessment before contracting the organisation</p> |
| Flexibility | | |
| External qualitative flexibility | <p>Subcontracting Only in case of construction activities</p> <p>Outsourcing Catering, security</p> <p>Self employed No self employment activities</p> <p>Agency workers Trained personnel, contracted by means of a temporary labour contract with the agency</p> | <p>Subcontracting No subcontracting activities</p> <p>Outsourcing Catering, security</p> <p>Self-employed No self-employment activities</p> <p>Agency workers Trained personnel, contracted by means of temporary and fixed-term labour contracts with the agency</p> |
| External quantitative flexibility | <p>Employment status and duration of work Most personnel is contracted by means of permanent labour contracts</p> <p>Permanent contracts Qualified technical personnel and staff personnel is employed on permanent labour contracts</p> <p>Fixed-term contracts Low staff personnel is contracted by means of fixed-term labour contracts first</p> <p>Work through employment agencies Non-qualified personnel is employed by means of temporary contracts with an agency</p> <p>Seasonal work Non-qualified personnel is employed by means of temporary contracts with an employment agency</p> <p>Work on demand / call No such contracts</p> | <p>Employment status and duration of work Most personnel is contracted by means of permanent labour contracts</p> <p>Permanent contracts No personnel is contracted by means of permanent labour contracts now, except staff personnel</p> <p>Fixed-term contracts Low staff personnel is contracted by means of fixed-term contracts first</p> <p>Work through employment agencies Bus drivers are contracted by means of temporary and fixed-term labour contracts with an employment agency</p> <p>Seasonal work Bus drivers are employed by means of temporary contracts with an employment agency</p> <p>Work on demand / call No such contracts</p> |

| | | |
|--|---|--|
| <p>Internal quantitative flexibility</p> | <p>Reduction of working hours Company works with a 36-hour working week</p> <p>Working overtime Not possible in shift work system.</p> <p>Part-time work Women in packaging department work in full-time day or part-time evening arrangements</p> <p>Variable working hours Only in staff functions</p> <p>Irregular working times Yes because of shift work system</p> <p>Compressed work week Only in staff functions</p> <p>Night and shift work Yes</p> <p>Weekend work No</p> | <p>Reduction of working hours Company works with a 36 hour working week</p> <p>Working overtime Not possible in shift work system.</p> <p>Part-time work Part-time bus drivers are scheduled with a special service in the working time schedule of bus drivers</p> <p>Variable working hours Only in staff functions</p> <p>Irregular working times Yes because of shift work system</p> <p>Compressed work week Only in staff functions</p> <p>Night and shift work No nightwork</p> <p>Weekend work Yes</p> |
| <p>Internal qualitative flexibility</p> | <p>Functional flexibility and team work Production department worked until recently with autonomous task groups</p> <p>Multi-tasking, multi-skilling, job enrichment Yes, because of working in autonomous task groups</p> <p>Job combination Yes, because of working in autonomous task groups</p> <p>Teamwork Yes, because of working in autonomous task groups</p> <p>Responsibility of workers in: planning, budget, innovation, technology Yes, planning and budget responsibility for those who work in autonomous task groups</p> | <p>Functional flexibility and team work Combination tasks (bus driver + teacher, bus driver + first aid teacher, bus driver + maintenance technician, bus driver + administrative work)</p> <p>Multi-tasking, multi-skilling, job enrichment Only for above-mentioned combination tasks</p> <p>Job combination Yes, because of combination tasks</p> <p>Teamwork No, bus drivers only see colleagues at the exchange points of bus lines</p> <p>Responsibility of workers over: planning, budget, innovation, technology No</p> |

| Working conditions | | |
|--------------------------|---|---|
| Conditions of work | <p>Job demands High level of job demands because of recent automation process, formerly a lower level</p> <p>Job control Low level of control because of recent automation process, formerly a high level, because of working in autonomous task groups</p> <p>Violence, discrimination, harassment Low level of these factors</p> <p>Position, loads, etc. Carrying loads is a risk factor</p> <p>Vibrations, noise, temperature Working in a noisy environment</p> <p>Chemical and biological exposure No</p> | <p>Job demands High level of job demands because of strict driving schedules</p> <p>Job control Low level of control</p> <p>Violence, discrimination, harassment An important stressor is the increasing violence from passengers and traffic participants</p> <p>Position, loads, etc. Problems with position in bus, constant change of driving seats, sometimes worn-out driving seats</p> <p>Vibrations, noise, temperature Always vibrations and noise, problems with temperature on hot summer days</p> <p>Chemical and biological exposure No</p> |
| Conditions of employment | <p>Job security, employment status High for workers with a permanent labour contract, insecure for workers with a fixed-term or temporary contract with the employment agency</p> <p>Social security protection High for all employees, although not always experienced as such by the agency workers</p> <p>Supervision regarding working time Participation via works council, limited possibility for exchange between employees</p> <p>Flexible payment No</p> <p>Access to training Access for both employees with a permanent contract with the organisation and the agency workers, many opportunities for the qualified technicians</p> <p>Level of workers' participation High level</p> <p>Access to direct, indirect participation Agency workers have the right to choose after 24+6 months, and to be chosen after 24+12 months</p> | <p>Job security, employment status High for workers with a permanent labour contract, insecure for workers with a fixed-term or temporary contract with the employment agency</p> <p>Social security protection High for all employees, although not always experienced as such by the agency workers</p> <p>Control of working time Participation via works council, limited possibility for exchange between employees</p> <p>Flexible payment No</p> <p>Access to training Access for both employees with a permanent contract with the organisation and the agency workers</p> <p>Level of workers' participation High level</p> <p>Access to direct, indirect participation Agency workers have the right to voting after 24+6 months, and to be elected after 24+12 months</p> |

| General impacts | | |
|--|---|---|
| Occupational safety, health and well-being | <p>Health problems (1) Currently many stress-related problems among non-qualified men, because of change from autonomous task groups to control tasks in the automated production lines, (2) In the women groups health problems are related to the combination of work and care obligations</p> <p>Absenteeism High at this moment, because of the increased automation, especially among the non-qualified and older employees</p> <p>Disablement High at this moment, because of the above mentioned absenteeism reasons, mainly among the non-qualified and older employees</p> <p>Occupational diseases No identified diseases</p> <p>Accidents at work Average level of accidents</p> <p>Satisfaction Low at this moment, because of automation of production process. Also low among the non-qualified and older employees</p> | <p>Health problems Related to physical problems (bad posture and steering habits and turning to passengers), and psychological problems (strict driving targets and bad behaving of passengers and traffic participants)</p> <p>Absenteeism Absenteeism of bus drivers is rather high, also because of high average age of bus drivers</p> <p>Disablement Average</p> <p>Occupational diseases No identified diseases</p> <p>Accidents at work Level of traffic accidents was high, but improved after the driving style of the bus drivers was improved by training.</p> <p>Satisfaction Most bus drivers do not like the interrupted duty in which two shifts of in total 8 hours are performed in a period of 12 hours</p> |
| Costs and benefits for the organisation | <p>Productivity (1) Productivity is high and rising in the company because of an increasing automation. (2) No difference between employees and agency workers in individual productivity level</p> <p>Profits Profits are high, except in 1998 due to world-wide economic downswing. Profits are recovering at this moment</p> <p>Innovation in process and products Technical product and process innovation are central in the companies policy. Labour is adapted to this.</p> <p>Competitiveness Because of globalisation process, qualified technical jobs are required, non-qualified work is done in low- income countries</p> | <p>Productivity High level of productivity, because of strict scheduling of work, agency workers are more productive because of more average working hours than company workers, agency workers are also individually more productive, because they have to prove themselves</p> <p>Profits Company makes profits, and outstrips with this result most of the bus companies in the Netherlands</p> <p>Innovation in process and products No innovation, only a strict scheduling of working and driving time schedules</p> <p>Competitiveness The company is a profit-seeking organisation and competes with bus companies elsewhere in the Netherlands</p> |

| | | |
|----------------------------|---|--|
| Employment | <p>Job creation Job creation in the qualified technical job sector, at the same time job diminishing in the non-qualified jobs. Additional job creation, because of temporarily hiring too many agency workers</p> <p>Quality of job creation Until recently, qualified and trained agency workers were employed, giving them better chances on the labour market</p> | <p>Job creation Job diminishing, because of reduction of bus route services in general</p> <p>Quality of job creation New drivers are trained well, giving them better chances on the labour market.</p> |
| Labour market organisation | <p>Labour market flexibility Working in autonomous task groups requires a training scheme, which gives agency workers better chances on the labour market</p> <p>Labour market segmentation The shift to automation divided the production workers in qualified technicians and non-qualified packaging workers</p> <p>Gender and age segregation Women mostly do the simple packaging work, men mostly are found in the qualified technical jobs. Most older workers cannot keep up with the demands for qualification of the company</p> | <p>Labour market flexibility Training helps the workers in getting a better position on the labour market, for the organisation as well as the employment agency</p> <p>Labour market segmentation Both organisations help agency workers by means of training in their career</p> <p>Gender and age segregation In the drivers jobs, although there may be a preference for women and older men, mostly young men are employed</p> |
| Career development | <p>Turnover, job change Turnover is low, because people like to work in this organisation. Yet the older and non-qualified workers have to find jobs elsewhere. Increased turnover is also found in the qualified technicians, because of finding themselves a good career path</p> <p>Development of skills Autonomous task groups in the past and automation at present require much training of skills</p> <p>Career paths The company itself has excellent career opportunities, if people are prepared to be employed in organisations all over the world</p> <p>Job security Job security is high for the new jobs in the automated processes. Job security is low for agency workers with a temporary contract and a fixed-term contract</p> | <p>Turnover, job change Turnover is low for the organisation employees with a permanent contract and for the agency workers with a fixed-term contract. Turnover is high for agency workers with a temporary agency contract</p> <p>Development of skills Bus drivers employed by the agency as well as organisation bus drivers, all have equal access to training. Agency workers are trained in accordance with a strict quality scheme</p> <p>Career paths Mostly new bus drivers have to follow training, making them more fit for the labour market.</p> <p>Job security Job security is high for the employees of the company, low for the agency workers, regardless whether they have a fixed-term or a temporary job</p> |

| | | |
|---|---|---|
| <p>Social Integration and exclusion</p> | <p>Social integration at the work place In the autonomous task groups agency workers integrate with company workers. Nowadays segregation arises between the qualified technical workers and agency workers</p> <p>Access to training In former days the agency workers had good chances for training. Nowadays less so</p> <p>Access to direct or indirect participation Agency workers as well as company workers are allowed to vote and to be elected after some period of employment in the company</p> <p>Isolated work In the new production jobs, work is more isolated than in the former jobs in the autonomous task groups</p> <p>Risk of social exclusion, social cohesion No impact</p> <p>Poverty, access to work, segmentation No impact</p> | <p>Social integration at the work place Company workers and agency workers integrate because the bus driving schedules do not make a difference between these two groups</p> <p>Access to training Very good chances for training</p> <p>Access to direct or indirect participation Agency workers as well as company workers are allowed to vote and to be elected after some period of employment in the company</p> <p>Isolated work Yes, because bus drivers and also lorry drivers mostly work alone in the bus or lorry</p> <p>Risk of social exclusion, social cohesion No impact</p> <p>Poverty, access to work, segmentation No impact</p> |
|---|---|---|

| Descriptive variables | | |
|-----------------------------------|---|--|
| Characteristics of the company | <p>Size 550 employees, 3,000 world-wide</p> <p>Position within the sector Strong in the Netherlands as well as world-wide</p> <p>Technology Growth to a high-tech process industry</p> <p>Production structure (division of labour) Formerly less division of labour tasks because of work in autonomous task groups, nowadays centrally directed</p> <p>Control structure (level of centralisation) Formerly less control division because of work in autonomous task groups, nowadays centralisation</p> | <p>Size 500 employees</p> <p>Position within the sector Strong in the region</p> <p>Technology Regular bus technology, part of the fleet consists of old vehicles</p> <p>Production structure (division of labour) Centralised</p> <p>Control structure (level of centralisation) Centralised</p> |
| Characteristics of the job | <p>Occupational groups and levels (1) Non-qualified women in the packaging departments, (2) trained men in the production departments, (3) qualified men in the automated production lines</p> | <p>Occupational groups and levels Low and medium educated men</p> |
| Characteristics of the work force | <p>Gender Predominantly women in packaging departments and men in production departments</p> <p>Age (1) women of young and medium age, (2) men in production departments are mostly of medium age and (3) young and medium aged men in automated jobs</p> <p>Education (1) No education required in packaging and production jobs, (3) Education required in automated jobs</p> | <p>Gender Mostly men (90%)</p> <p>Age Medium to high age of company workers with a permanent job, young to medium age in agency jobs</p> <p>Education Low to medium education level</p> |

Annex 3: National definitions of used concepts

Flexwork. All paid work regulated by means of a temporary employment agency contract, a fixed-term or a permanent labour contract that has a temporary nature or a partly temporary nature (on call work can be done for instance by means of a small permanent labour contract of for instance five hours per week, but with a weekly changing number of additional working hours).

Flexworker. Employee doing work on the basis of a flexwork contract, mostly on the basis of a fixed term labour contract, a temporary employment agency contract or on call/demand work.

Permanent labour contract. A labour contract between an employer and an employee with no termination date or termination occasion (for instance; when an ill employee starts working again).

Temporary employment agency. An independent and profit making organisation that plays an intermediate role in employing persons in labour organisations.

Temporary employment agency contract. A labour contract of a temporary employment organisation, between this organisation and a person employed in an other labour organisation, that can be stopped at any moment.

Fixed-term labour contract. A labour contract between an employer and an employee, with a termination date or termination occasion (for instance; when an ill employee starts working again).

EF/00/54/EN