



# Work organisation and employee involvement in Europe

## Executive summary

### Introduction

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

### Policy context

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

### Key findings

#### Patterns of employee involvement

In the EU27 overall, most of the workforce is in organisations that provide very limited opportunities for employees to participate in decision-making, either in their immediate job or in relation to wider organisational issues affecting their work. While 38% of employees were in low involvement organisations in 2010, just 27% were in high

involvement organisations, with 35% in organisations that offer intermediate levels of involvement.

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

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

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

#### Determinants of employee involvement

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

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

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

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

### **Consequences of employee involvement**

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

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

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

### **Changes over time**

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

## **Policy pointers**

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

### **Further information**

The report *Work organisation and employee involvement in Europe* is available at <http://www.eurofound.europa.eu/publications/htmlfiles/ef1330.htm>

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