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The Changing Workplace : A Survey of Employees' Views and Experiences. Volume 2

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The Changing Workplace: A Survey of Employees' Views and Experiences

The Changing Workplace: A Survey of Employees' Views and Experiences

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Preface

This survey of employees is one of two reports on the National Workplace Surveys 2009. While the focus on this report is on the perspectives and experiences of employees in their workplaces in the private and public sectors, a complementary report captures the views and experiences of employers. The 2009 surveys are the second major national workplace surveys to be conducted in Ireland in the past decade: the first surveys were conducted in 2003. It is therefore possible to analyse the responses from a longitudinal perspective and to track the changes in the attitudes and experiences of employees over a period of six years of intense change.

This survey was conducted in the midst of the most severe economic recession the country has experienced since the foundation of the State. It therefore provides profound and telling evidence of the actual experiences and stories of Irish workers in this unique and difficult time in our history. It will no doubt be an important reference point for future research as well as a rich archival record for future generations. For now however, it will be invaluable for policy and decision-makers in charting appropriate, targeted and evidence-based responses to the current crisis.

Understanding the effects of the economic downturn on employees is critical in framing appropriate responses and in countering any negative effects on productivity and performance. The commitment, motivation, ideas and creativity of all our employees are key elements in rebuilding a vibrant and competitive economy and a high-performing public service.

While the impact of the recession is being felt in all sectors of the economy, and the public sector is not immune from the harshest of these effects, there is much to provide hope for the future in the findings from this survey. There is considerable evidence of workplace development and a steady but marked increase in the diffusion of progressive work practices. Our workers are more committed than ever; they are more willing to accept change and to take on more responsibility; they are registering higher levels of job satisfaction and commitment and are more involved in decision-making. Significantly also, levels of direct involvement and participation of employees has increased markedly since this survey was carried out in 2003.

For the first time, this survey captures levels of innovation in Irish workplaces. It assesses levels of product and service innovation, levels of organisational/workplace innovation and support and openness to innovation in workplaces in both the private and public sectors. Importantly, it also examines the workplace practices and strategies that support innovation outputs in the form of new products and services. It provides some new and insightful evidence on the association between particular workplace strategies and increased levels of innovation in both private and public sector settings. It also identifies the links between practices and business performance, employee commitment and well-being. This evidence will be invaluable in meeting the innovation challenges set out in the Smart Economy and in building a robust and inclusive national system of innovation in the decade ahead.

Innovation and change are no less critical for the public service and the findings will be important in informing the next steps of the Transforming Public Services agenda. The policy implications of the survey findings are set out in the concluding section of this report.

While noting the serious impact of the recession, this survey confirms that our workplaces are resilient, increasingly progressive and well-positioned to undertake the major challenges that lie ahead. They offer a strong platform on which to build a broad-based national recovery strategy for increased competitiveness, improved productivity and innovation.

I would like to acknowledge the contribution of each of the 5,110 employees who kindly gave of their time to participate in this survey. Without their participation, this National Workplace Survey would not have been possible as their responses form the basis of our analysis and understanding of Irish workplaces.

The project has been a collaborative effort between the ESRI, Amárach Research and the NCPP. I would like to thank all the staff involved. In particular, I would like to thank the authors: Philip O'Connell, Helen Russell, Dorothy Watson and Delma Byrne of the ESRI. Our thanks also to Wendy Kehoe, Corona Naessens, David Dunleavy and the field staff of Amárach Research for their work in administering the survey.

Particular thanks are due to the NCPP staff who managed the project and provided guidance and expertise throughout: to Damian Thomas as project leader, and to Edna Jordan, Cathal O' Regan and Gaye Malone who bore much of the responsibility as the core project team. Thanks also to Larry O'Connell of NESc who gave willingly of his expertise.

Throughout the project, the NCPP Council chaired by Mr. Peter Cassells, provided direction and support as well as valuable insights at each stage of the process. I would like to particularly thank Mr. Philip Kelly, Department of the Taoiseach, who provided oversight and support throughout and without whose unwavering commitment this survey would not have been possible.

Finally, I would like to acknowledge the support of the Department of the Taoiseach for funding the National Workplace Surveys 2009.

Lucy Fallon-Byrne

Director

National Centre for Partnership and Performance

Authors' acknowledgements

The authors would like to thank the survey respondents who gave willingly of their time: their participation was essential to the study and they have contributed greatly to our understanding of the Irish workplace.

We would like to express our gratitude to Lucy Fallon-Byrne (Director), Damian Thomas, Cathal O'Regan, Edna Jordan and Gaye Malone of the NCPP and Larry O'Connell of NESCC for their many contributions throughout the project from the questionnaire development to the preparation of the final report.

We would like to thank Wendy Kehoe, Corona Naessens, David Dunleavy and the field staff of Amárach Research for their work in carrying out the survey and in preparing the data file.

Our colleagues Martina Clarke very ably coded the large amount of occupational data and Seamus McGuinness also of the ESRI provided us with helpful comments on the report

The authors remain solely responsible for the contents of the report.

Executive Summary

This report is one of two volumes based on the *National Workplace Surveys 2009*. A commitment to undertaking this research was included in the social partnership agreement, *Towards 2016*. The focus in this report is on the experience and attitudes of employees and is based on a survey of 5110 employees who were interviewed by telephone between March and June 2009.¹ The 2009 survey is the second National Workplace Survey of Employees; the first was carried out in 2003. Therefore, it is now possible to track changes in the experience of employees in Irish workplaces over a period of intense change.

Employees in the Recession

The most dramatic change during the period in question has been the shift from a time of rapid economic growth to one of recession. Following two decades of unprecedented growth in the economy and in employment and living standards, the onset of recession in late 2008 has led to a steep rise in unemployment and a deep retrenchment in public spending, including cuts in the take-home pay of all public sector employees. The effect of economic recession on employees is of critical policy interest. The motivation, productivity, efficiency and creativity of workers are essential for the survival of enterprises in the private sector and the delivery of high-quality services in the public sector. Therefore,

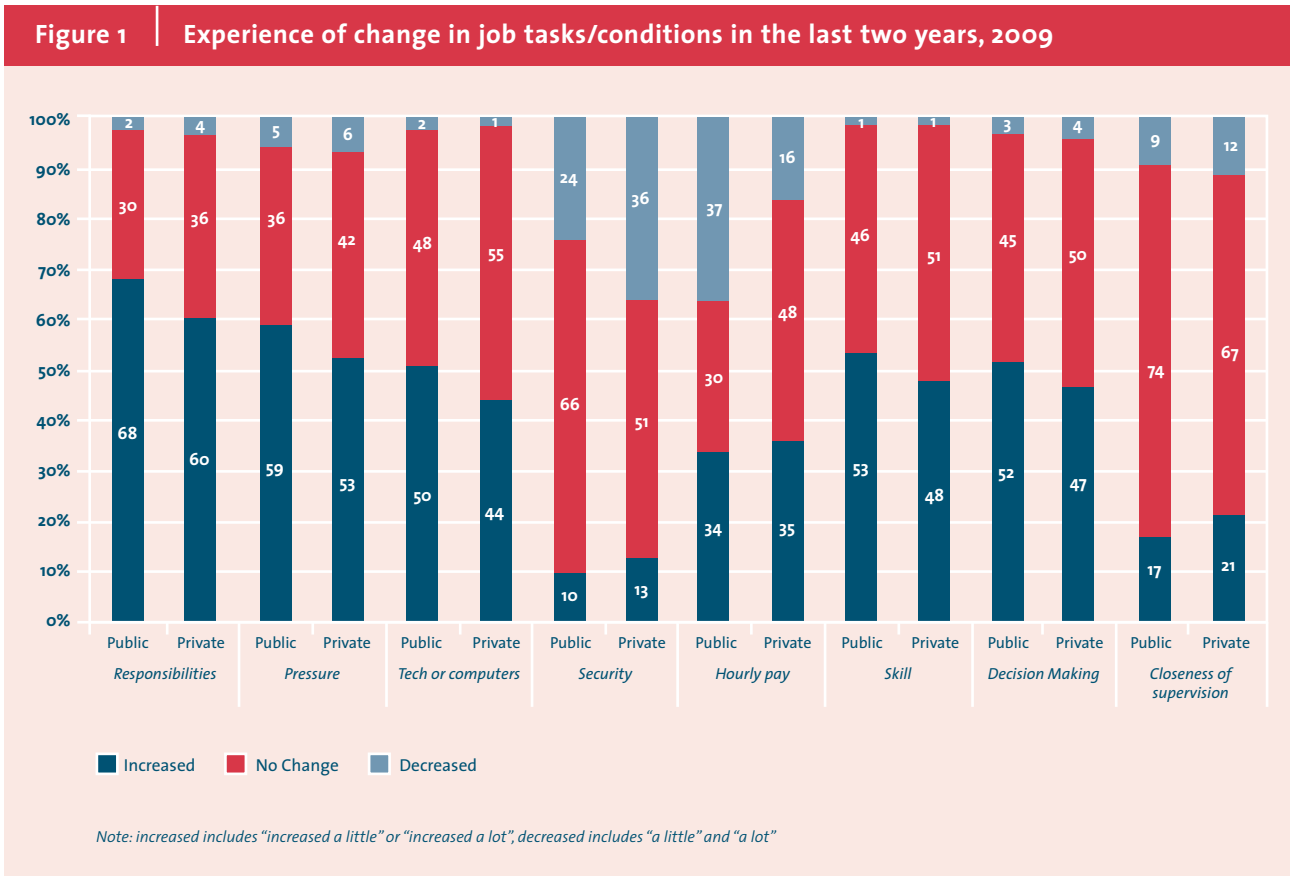
it is important to establish the effects of the economic downturn on the working conditions of those who are employed and on employee attitudes and well-being. The data collected in the survey allow us to address both these and other important issues.

Change in the Irish Workplace

The effects of the economic downturn are evident in employees' reports of their experiences over the preceding two years:

- Over half of employees reported a reduction in staff numbers within their organisations in the preceding two years.
- One-third of employees said that their own job security had decreased compared to 4 per cent in the 2003 survey.
- 21 per cent of employees reported a decline in hourly pay in the previous two years, a finding that was extremely uncommon in the 2003 survey. Some 37 per cent of public sector workers reported a decline in pay, compared to only 16 per cent of those in the private sector.
- 54 per cent of employees reported increased pressure compared to 34 per cent in 2003. This could be linked to the economic downturn, for example as a knock-on effect from staff cuts or increased competition for markets/contracts.
- Increased pressure could also arise from changing work practices, for example increased devolution of responsibility to employees (61 per cent report an increase in responsibility) and up-skilling (45 per cent report an increase in the use of technology in their jobs).

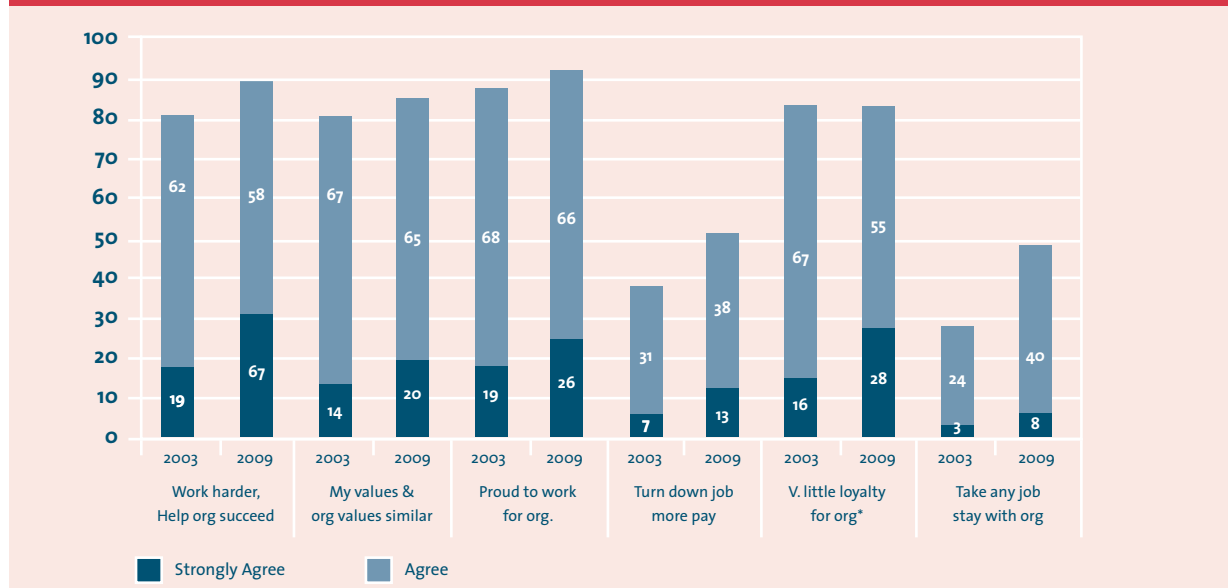
1. The fieldwork for the survey was conducted by Amárach Research.



Changes in Employee Attitudes and Outcomes, 2003–2009

Despite the very difficult economic context, the findings regarding employee attitudes are encouraging. Average satisfaction scores increased among private sector employees, although it decreased among public sector workers. The level of organisational commitment increased substantially as indicated by the fact that:

- The proportion of employees who would work harder to help the organisation to succeed increased from 81 per cent to 89 per cent.
- The proportion who would turn down another job with higher pay to stay with the current organisation increased from 38 per cent to 51 per cent.
- The proportion who would take any job to stay with the organisation increased from 27 per cent to 48 per cent.

Figure 2 Organisational commitment 2003 and 2009

Conversely, average work pressure scores increased between the surveys, suggesting at a very broad level that the period of economic contraction was associated with greater job pressure. The increase in pressure was more marked in the private sector and in lower-skilled occupations, for example in service jobs and elementary occupations. There was no change in the recorded level of work–family conflict between 2003 and 2009.

Interestingly, the economic downturn has not led to any general deterioration in staff–management relationships, as employee evaluations of these relationships was the same as in 2003. It is important to note, however, that the experience of staff reductions and the reorganisation of the company/organisation had a significantly negative effect

on a range of employee well-being measures – reducing job satisfaction, increasing work pressure, increasing work–life conflict and reducing organisational commitment.

Employee Willingness to Accept Change

There was a marked increase in the willingness of employees to accept change since 2003. Some changes, such as willingness to take on greater responsibility, to innovate and to up-skill can be interpreted in a positive light; these results indicate a level of agreement between employee attitudes and high-level policy objectives. However, the increase in employees’ willingness to accept poorer conditions, for example: increased pressure, increased supervision, and having to work unsocial hours, is likely to reflect the reduced bargaining power of employees.

Table 1 Willing to accept change in aspects of employment, next two years, 2009 and 2003

	2003	2009
Increase in the responsibilities you have	73.8	84.7
Increase in the pressure you work under	44.3	56.9
Increase in the level of technology or computers involved in your work	75.3	89.0
Being more closely supervised or managed at work	40.8	59.9
Increase in the level of skills necessary to carry out your job	78.8	92.1
Having to work unsocial hours	30.9	45.9
Increased responsibility for improving how your work is done	--	90.5

Flexible Working

Noticeable increases were recorded in three forms of flexible working between 2003 and 2009: part-time working, working from home and flexible hours/flexi-time. Little change was observed, however, in the proportion of employees involved in job-sharing.

Employee Experiences of Workplace Innovation and Change

A second theme of the report concerns the experience of workplace innovation and change among employees. National policy discussions have emphasised the importance of value-added products, high skills and quality services as key elements of Ireland's future economic success. At the workplace level, progressive work practices to promote greater employee involvement in the organisation of work, training, incentivised reward systems and workplace innovation have all been invoked as potential levers for pursuing this policy goal. A key question is how far this message of workplace innovation has taken root and actually impacted on the day-to-day working lives of employees.

Employee Engagement

To address these questions this survey assesses the extent to which a range of forms of employee engagement are implemented in Irish workplaces, including direct participation of employees in deciding the manner in which work is carried out, the strength of consultation about work, communication of key business information and representation of employees through formal partnership committees. We then go on to explore how these key dimensions of employee engagement are associated with the strength of support for innovation within the workplace, as well as other important work practices such as training and rewards systems. In the final chapter we assess the impact of different work strategies

including employee engagement, training, rewards systems and the innovation climate, on employee well-being and business outcomes. This can shed light on whether workplace innovation and progressive work practices enhance organisational effectiveness and generate more interesting, satisfying and rewarding work for employees.

Direct involvement of employees through participation in the manner in which work is carried out represents a significant and growing practice. Examples of **direct participation** arrangements include work teams; problem-solving groups; project groups; quality circles; and continuous improvement programmes or groups. Overall, 45 per cent of employees indicate that such participation practices are present in their workplaces, and 36 per cent say that they are personally involved in such practices. Both of these figures suggest that the incidence of participation in Irish workplaces has increased markedly since the same question was asked in 2003, when the rates were 35 per cent in respect of presence of direct participation, and 27 per cent in respect of personal involvement in such work arrangements.

The extent of **consultation** regarding work is another key element of employee involvement in innovative work practices. We asked a series of questions about how often workers are consulted before decisions are taken affecting their work, as well as whether workers are free to express differing opinions to those of their managers or supervisors and whether those views are listened to. Almost half of all respondents indicate that they are consulted before decisions are taken that affect their work, and over half are given the reasons if changes occur in their work. Over half also believe that if they are consulted, attention will be paid to their views. Almost 80 per cent believe that if they have an opinion that differs from those of their supervisor or manager, they can say so. This pattern of responses has changed little since 2003.

Levels of **communication** between management and employees on issues potentially affecting the employee vary depending on the topic. We find that substantial majorities of employees are not regularly provided with key business or work-related information. For example, in the private sector about 22 per cent of employees “hardly ever” receive information on planned changes in the workplace, such as plans to introduce new products or services, change work practices, reduce staff or re-organise the company, while 43 per cent hardly ever receive information on sales, profits or market share. Similarly, 46 per cent of public sector employees “hardly ever” receive information on the financial status of the organisation. Public sector workers were asked about the budget of the organisation rather than information on sales, profits or market share. About 24 per cent of public sector employees hardly ever receive information about plans to improve services or plans to change work practices. Employees with the lowest qualification levels, in lower occupational positions, and employees, in small firms (1–5 employees) are significantly less likely to receive information across the range of issues.

Since 1997, successive national-level social partnership agreements have supported the development of workplace partnership. In some workplaces this commitment was expressed through the establishment of formal committees in which unions worked with management to promote partnership and co-operation, and to improve the organisation’s performance. We found that just over 21 per cent of all employees indicated that **partnership institutions** were in place at their workplaces. Partnership committees are much more common in the public sector, where over 40 per cent of employees reported their presence, than in the private sector, where only 16 per cent report their presence.

Workplace Innovation

We adopt a basic distinction between workplace innovation and output innovation. The former relates to new ideas, processes or behaviours designed to promote improvements in the way the work is carried out within an organisation and can be considered a business input. Output innovation takes the form of new products and services. Employee involvement is positively related to the **innovation climate** – the strength of support for innovation and new ways of doing things in an organisation. Organisations that promote greater employee engagement and involvement in the organisation of work appear to also adopt more innovative work practices. Those who work in organisations characterised by the presence of participatory practices show higher scores on the innovation climate scale, and those who participate personally in such arrangements score higher still. The strength of consultation and the frequency of communication of business information are both also positively associated with innovation climate.

Skills and Learning

Increasing the skill levels of the workforce is a key dimension of Irish employment policy, and has featured strongly in agreements between the social partners, the *National Workplace Strategy* (2005), the recent Government paper, *Building Ireland’s Smart Economy* and the national skills strategy, *Tomorrow’s Skills: Towards a National Skills Strategy* (2007). Despite the strong policy focus on skills, the proportion of employees who had participated in employer-provided training over the previous two years remained virtually unchanged between 2003 and 2009, standing at just under 50 per cent. It places Ireland in the mid-range in international comparisons of the incidence of workplace training, well behind best-practice countries in this regard.

Training is widely regarded as an essential prerequisite for the implementation of innovative working practices. The analysis shows that the presence of participatory work practices, personal involvement in such work practices and the extent of consultation about work are associated with higher rates of training participation. Those who report higher levels of consultation and greater regularity of communication of business information are also more likely to have received training in the past two years. Moreover, the extent of encouragement of and support for new ideas and ways of doing things at work, as well as the use of incentivised reward systems, are positively associated with training. This pattern of results suggests that training is an essential component of innovative workplaces implementing high performance work systems.

Reward Systems and Earnings

Performance-related pay systems are widely regarded as a key dimension of progressive work practices. Incentivised pay systems such as bonuses, profit-sharing and gain-sharing, are much more common in the private sector than the public sector: almost half of all employees in the private sector participate in an incentivised

rewards system, compared to 11 per cent of public sector workers who are rewarded in this way. In contrast, 69 per cent of public sector workers receive a regular increment to their pay, compared to only 41 per cent of private sector workers. The receipt of incentivised pay is associated with progressive work practices designed to increase employee engagement, including direct participation, active consultation and regular communication, as well as with the strength of support for innovative working, but only in the private sector.² Those in receipt of incentivised rewards earn more on average than those on flat rate pay systems, all else being equal.

Three forms of employee engagement are associated with higher earnings: personal involvement in direct participation, the level of consultation regarding work, and the regularity of communication of business information. These effects are consistent with previous research and suggest that workers are rewarded for increased responsibility and flexibility associated with more direct participation, greater levels of consultation and devolved decision-making.

Table 2 | Summary of impact of workplace strategies on employee well-being

	Earnings	Job Satisfaction	Work-family Conflict	Pressure	Autonomy
Participation in organisation				-	
Involvement in participation	+			+	
Consultation scale	+	+	-	-	+
Information scale	+		+	+	-
Partnership committee					
Incentivised rewards	+			-	
Training					
Innovation climate scale		+		+	-

2. The employer survey results also show that human resource practices such as performance-monitoring are often combined with employee involvement practices within organisations.

The Impact of Workplace Innovation and Practices on Employee Well-being

The survey examines the impact of the various forms of employee engagement and workplace innovation on two sets of outcomes: employee well-being and business-related organisational outcomes. In relation to employee well-being, a number of dimensions were examined: job satisfaction, job pressure, job autonomy, work–family conflict, and earnings. Similarly, the potential implications for organisational outcomes were measured by analysing: organisational commitment and output innovation in the form of new products and services.

Of all the workplace strategies examined, consultation with employees was most strongly associated with employee well-being and the effects were uniformly positive. Where consultation was high, employees were more satisfied, exhibited lower levels of work–family conflict and pressure, and greater autonomy. Support for innovation was also associated with greater job satisfaction. A highly innovative workplace is also associated with increased work pressure and reduced autonomy. This evidence supports the view that workplace innovation may, with increased devolution of responsibilities and up-skilling, bring with it new pressures for employees. This interpretation is further supported by the effects of employee participation, which is also associated with greater pressure.

Innovation

Almost two-thirds of respondents reported that the organisation in which they work had introduced new products or services. Employees in private sector firms were more likely to report innovation of this type than those in public sector organisations, but this is partly due to the fact that a greater proportion of private sector firms have products to innovate. Public sector organisations were more likely than the private sector to have introduced new services.

Certain work practices influenced organisational-level outcomes. The innovation climate was associated both with increased employee commitment to the organisation and with a greater likelihood of product or service innovation. Consultation with employees was associated with increased organisational commitment, while regularity of communication of business information was more influential in predicting output innovation. Participation i.e. direct employee involvement in the organisation, was positively associated with output innovation, as was personal involvement in such practices. The presence of formal partnership institutions was also associated with output innovation and organisational commitment, though only in the private sector, and therefore with a limited proportion of employees.

Two “human resource” practices influenced output innovation. Incentivised reward systems, in private sector firms, and employer-sponsored training in both public and private sectors, are both positively linked to output innovation in new products or services, although there is no effect on organisational commitment.

This survey finds that private sector employees are more likely than their public sector counterparts to respond that their organisation had introduced workplace innovations in how work is carried out, and also more likely to report output innovation, in new products and services. In respect of both process and output innovation, this pattern of results differs from the corresponding National Workplace Survey of Employers, which found public sector employers to have greater levels of commitment, both to the implementation of innovative workplace practices and to the development of new products or services. This gap in perception between the employees and employers may, in part, reflect the large size of public sector organisations, which may make communication of the employers’ strategic orientation more

Table 3 | Summary of impact of workplace strategies on organisational outcomes

	Organisational commitment	Output Innovation: New Products and Services
Participation in organisation		+
Involvement in participation		+
Consultation scale	+	
Information scale		+
Partnership committee	+	+
Incentivised rewards		+
Training		+
Innovation climate scale	+	+

challenging, and slow the diffusion of new work practices. The commitment to innovation and organisational change in the public sector may indicate awareness among senior managers of the *Transforming Public Services* agenda. However, the lower level of such awareness among public employees suggests that much remains to be done, a task that is likely to be particularly challenging in the context of cutbacks and rising opposition to wage cuts in the public sector.

Policy Implications

Progressive Workplace Practices

The findings of this study suggest that more progressive work practices cluster together: employees in organisations with greater employee involvement, particularly in the form of direct consultation and participation are more likely to have access to training at work, to have incentivised reward systems and to earn higher wages. Such employee involvement systems are also related to output innovation in the form of the introduction of new products and services.

The strength of the innovation climate in an organisation is also associated with higher communication levels, incentivised payment systems (in the private sector), with the prevalence of training, and with innovation in new products and services. The causality in these relationships cannot be established with cross-sectional survey data and may run either way. For example, innovation may create a need for better communication, more highly trained workers and incentivised rewards to motivate and retain key employees. Alternatively, more highly trained staff may generate more ideas and be more willing to communicate them, while better communication, consultation and employee involvement may promote innovation because ideas filter more readily through the organisation.

Our findings also show the effects that different forms of employee involvement have for job quality. The extent of direct consultation and the strength of the innovation climate in an organisation appear to be of central importance in improving employee well-being. Direct consultation is associated with greater satisfaction, organisational commitment, less job pressure, and greater autonomy. The strength of the innovation climate is associated with greater job satisfaction and organisational commitment, but also greater job pressure and less autonomy.

Taken together, these findings suggest that policies to promote enhanced employee involvement, particularly incorporating greater direct consultation at work, greater emphasis on the development of a climate of innovation within organisations, and more regular communication of key business information, could contribute positively to mutual gains: enhancing organisational productivity and performance while improving job quality.

Innovation

The employee survey demonstrates the positive relationship between an organisation's innovation climate and product and service innovation. Employees who recorded a higher score on the Innovation Climate scale in their organisation were more likely to report product or service innovation. Similarly participatory work practices, regularity of communication and incentivised rewards systems were also all associated with output innovation in the form of new products and services, an outcome that is key to future economic progress.

The association between an organisation's innovation climate and product and service innovation suggests that the initiatives and policies to support the development of a climate and culture of innovation are critical in achieving higher levels of innovative activity at the firm level.

The association between progressive workplace practices and levels of product and service innovation suggest that initiatives to support higher levels of innovative activity should take into account the contribution that progressive workplace practices can make to achieving this objective.

Training and Upskilling

Despite the strong policy emphasis on upskilling and reskilling the employees' survey reports virtually no change in the proportion of employees who participated in employer provided training (49%) in the previous two years. Similarly the pattern of participation in employer provided training has also remained unchanged as it continues to favour better educated employees and those higher up the occupational hierarchy. These findings suggest that Ireland continues to lag well behind those countries with higher levels of employer sponsored training.

There is clearly a need to actively promote training, upskilling and learning in Irish workplaces. In particular, employers, government and unions need to fully explore innovative ways of tackling the barriers that are preventing Ireland from achieving a substantial improvement in the level and patterns of participation in workplace training and learning.

Managing Change in the Public Sector

Despite the challenges facing the public sector in the current economic environment the employees' survey reveals a high level of willingness to accept change, a strong foundation in relation to employee engagement and an increased level of organisational commitment since 2003. Public sector employees report a strong presence of workplace practices and behaviours that support innovation and 60 per cent of them also report that their organisation has introduced a new or improved product or service. While satisfaction levels have dropped slightly since 2003 they remain high despite the recession.

The survey also indicates that innovation climate and the frequency of communication of key information are associated with output innovation in both the public and private sectors. This suggests that practices that both support openness to innovation and also facilitate regular communication of business and budgetary information need to be an integral part of strategies to enhance the level of innovative activity in the public service. In relation to innovation climate this would involve encouraging organisations to experiment with new ideas, to be prepared to take risks in order to innovate, to network with other organisations and departments, to promote teamworking, to engage with customers and to be continuously searching for new ways of looking at problems and opportunities.

The survey also reveals the negative impact that staff reduction and organisational change initiatives can have on employee well-being particularly in terms of organisational commitment and job satisfaction. Given the likelihood of further retrenchment and restructuring within the public service the strong influence of employer-level work practices on employee outcomes should be noted. In particular, consultation with employees was found to have the strongest impact and one that was uniformly positive in terms of employee well-being.

The strong support for innovation in the public service and employees' willingness to accept change needs to be harnessed in a manner that supports the achievement of organisational reform in the public sector. Continued support for the range of practices and approaches that promote an openness to innovation across the organisation have the potential to lead to significant improvements in the way the work is carried out across the public service.

PART I

Change at Work

Chapter 1

Introduction: The Changing Economic and Social Context

1.1 Background to the Report

This report is one of two volumes based on the *National Workplace Surveys 2009* which Government and the Social Partners called for in *Towards 2016* (Department of the Taoiseach, 2006). This is the second time this decade that the Irish Government has commissioned research of this nature, which provides an in-depth empirical examination of the nature of change and innovation within workplaces across the public and private sectors. The research explores the experience of, and attitudes towards, change and innovation from two important perspectives – that of the employer and that of the employee. It contextualises its analysis of workplace change in terms of important themes facing the public and private sectors: themes such as managing through an economic downturn, improving competitiveness, increasing levels of innovation, the transition towards the *Smart Economy*, and transforming the organisation and delivery of Public Services.

Outline of Report

This chapter begins by outlining the research methodology which was used for this survey of employees. This is followed by an overview of the economic, employment and innovation context in which the *National Workplace Surveys* were

carried out during 2009 and summarises the impact of the recession in Ireland in terms of the economy, competitiveness and public finances. It also outlines the impact of the recession on workplaces in Ireland specifically in relation to developments in the labour market, occupations, issues relating to educational attainment in the workplace and migration.

In Chapter 2 the level of change in Irish workplaces is presented. It includes an examination of the experience of organisational change among employees over the previous two years. This is followed by consideration of employee perceptions of change in their job tasks and working conditions within their current employment over the preceding two years. Working arrangements, the presence of trade unions and the quality of workplace relations are also discussed. The chapter ends with an exploration of the views of employees with regard to their willingness to change.

In Chapter 3 workplace strategies designed to increase the extent of employee engagement or involvement are examined. These strategies include direct participation in the organisation of work, active consultation about how work is carried out, communication of business-related information and formal representation through partnership institutions.

Chapter 4 begins by defining workplace innovation. This is followed by an examination of innovation in Irish workplaces, focusing in particular on changes in approaches to the way workplaces are organised and the manner in which work is carried out.

In Chapter 5 the levels of skills and learning in the workplace and participation in training are examined. The personal and organisational correlates of training are identified and then examined to discover whether there is a relationship between work practices and innovation.

Chapter 6 begins by providing an overview of the rewards systems that are available to Irish employees. This is followed by an examination of rewards systems and their relationship with employee involvement and innovation practices. In turn the relationship between earnings and employee involvement and workplace innovation and reward systems is also examined.

Chapter 7 focuses on a range of measures identified as the key measures of how employees evaluate their job and working life and how these have changed during the period 2003 and 2009. These measures include job satisfaction, organisation commitment, job pressure/intensity, job stress, work-family conflict and autonomy.

Chapter 8 examines the impact of workplace strategies on both employee well-being and employer-level outcomes.

Finally, Chapter 9 draws together the main findings of the report and comments on the impact of the recession on employees and highlights future possibilities for change.

Methodology

The data was gathered by means of a national telephone survey of employees', *The National Workplace Survey 2009: Employee Survey*. The survey targeted employees in the public and private sectors (excluding agriculture) age fifteen and over. Following a pilot in February 2009, the survey was fielded by telephone from March to June 2009 by Amárach Research. A complementary postal survey of employers was carried out at the same time but the two samples are not linked. This report analyses the results of the employee survey. However, where appropriate, the results of the employer survey will also be mentioned. The survey methodology is described in detail in Appendix B.

The survey of employees provides us with a nationally representative survey of Irish employees specifically devoted to exploring workers' experiences and attitudes. The findings provide us with a unique insight into how Irish workers experience the workplace and the changes occurring within it, including both the immediate effects of the economic crisis that was unfolding as the survey was being carried out, as well as the longer-term structural changes brought about by the intensification of competition in the international market place, and rapid changes in the organisation and technology of production and service delivery. The 2009 survey also allows us to track changes over time by comparing its findings with those from the first workplace survey conducted on behalf of the NCPP in 2003. These findings carry important policy implications, which this report explores with a view to informing the future development and refinement of policy and supports to private enterprises and to public sector organisations.

Innovation

A particular focus of this report is on innovation from the perspective of employees.

Innovation is seen as key to restoring international competitiveness to Ireland's economy and to improving living standards more generally (DETE, 2008). The National Competitiveness Council (NCC, 2009) report shows that Irish firms are marginally less likely to be engaged in innovation (i.e. the creation of new products, services or processes). Innovation has traditionally been associated with the private sector, where there is a powerful incentive for private enterprises to innovate in order to cut costs, improve market share, and create better-value or quality products and services (IDEA, 2005). There has, however, been a growing emphasis in recent times on the capacity of the public sector to engage in innovative activity given the increasingly complex, dynamic and demanding environment in which public

organisations operate (see for example Borins, 2001; Hartley, 2005; 2008; IDEA, 2005; Lekhi, 2007; Mulgan and Albury, 2005). These studies have identified a number of factors that have driven this increased focus on public sector innovation, including: the need to provide better and more customised services; increased expectations of citizens and other stakeholders; the need to improve how services are delivered; pressures to contain costs, improve efficiencies and provide value for money; the pace of technological developments; and ongoing social and economic change.

The period between the two surveys has been one of intense policy discussion around the workplace. There has been a significant policy emphasis on a shift towards a “Smart Economy” or “Knowledge Economy”, which involves an up-skilling of workers, greater employee involvement and greater innovation not only in products and processes but also in the organisation of work. *The National Skills Strategy*, published in 2005, recommended that an additional 500,000 individuals within the workforce needed to be up-skilled through training. The *National Workplace Strategy* (2005) set out an ambitious agenda for improving Irish workplaces and made recommendations around five key policy areas – workplace innovation, capacity for change (including recommendations for increasing employee engagement and employee involvement), developing future skills (lifelong learning), encouraging greater access to employment for under-represented groups (equality and diversity), and improving the quality of working life. The core message of the *National Workplace Strategy* is that the quality of Irish workplaces is critical to Ireland’s transition into a more dynamic, highly skilled, innovative and knowledge-based economy. In particular, the Strategy identifies the need for more organisational innovation and related improvements in workplace cultures to complement and support ongoing

innovation in products and processes. Some of this impetus has come from EU level, including the enactment of the *Employees (Provision of Information and Consultation) Act 2006*, which gives employees the right to be informed and consulted on matters likely to impact on their jobs and future work practices. It is therefore of considerable interest whether this widespread policy discussion of changes in the workplace has been accompanied by changes in employee experiences.

The commitment, productivity and creativity of employees is essential for ensuring restoration of competitiveness and the survival of enterprises in the downturn. Moreover, the policy agenda of increasing efficiency, productivity and innovation in the public sector is also crucially dependent on the input of employees. The impact of economic recession on employees is also of critical policy interest. How has the recession impacted on those remaining in employment? Have conditions deteriorated or have they been insulated from the effects? Previous research suggests that the effects of insecurity spread much wider than the individuals who lose their jobs. Possible impacts include increased pressure and stress, and deteriorating pay and employment conditions. Alternatively, those in employment may feel relatively advantaged and therefore job satisfaction and organisational commitment might increase.

In the rest of this chapter we place the *National Workplace Surveys 2009* in context by outlining some of the major developments in the economic and employment context in recent years.

1.2 The Economy in Recession

The *National Workplace Surveys 2009* was conducted in the midst of the most severe economic and labour market crisis that Ireland has experienced since the foundation of the State. After a period of exceptional and sustained

growth from 1994 through the early years of this decade, the Irish economy went into crisis in 2008. The crisis was precipitated by the global financial crisis, but this led rapidly to a bursting of the property bubble, which in turn caused a major crisis in our banking system and generated a fiscal crisis of the State, whose revenues had become overly dependent upon taxes on property transactions.

Gross National Product contracted by 2.8 per cent in 2008 and by 10 per cent in 2009 and is expected to fall by 1.7 per cent in 2010 (Barrett, et al., *Quarterly Economic Commentary*, Winter 2009). As a consequence of this severe contraction, total employment fell by almost 4 per cent in 2008 and by over 8 per cent in 2009 (CSO, 2010, *Quarterly National Household Survey*, Quarter 4, 2009.) Employment losses have been concentrated in construction and related sectors, but are nevertheless widespread across the private sector. Unemployment increased from less than 5 per cent at the beginning of 2008 to 12 per cent in the second quarter of 2009, around the time that the employee survey was conducted.

Competitiveness

From a healthy competitive position at the start of EMU with high productivity, relatively strong cost competitiveness and a weak exchange rate, the Irish economy has more recently suffered a significant loss of competitiveness. This was reflected in the increasing deficit on the current account of the balance of payments in recent years. The NCC report for 2008 highlighted the competitiveness challenge facing the Irish economy and found that Ireland's trade weighted exchange rate has appreciated by 18 per cent since 2000, making Irish goods and services more expensive on international markets.

This deterioration in competitiveness in recent years is primarily a result of the labour market pressures exerted by the growing bubble in the property market and the building sector of the

economy. However, other inefficiencies, including a lack of competition in key areas of the economy, also contributed to the problem.

The exceptionally tight labour market in the period to 2007 saw wage rates and other prices rise very rapidly, although there are significant differences across sectors with the loss of competitiveness proving more severe in low-productivity, non-manufacturing sectors of the economy (NCC, 2009). Restoring competitiveness is now one of the essential prerequisites for renewed economic growth, requiring both wage moderation and increased productivity of the workforce. Clearly, innovations in the organisation of work have a large role to play in achieving this objective. This study has a particular focus on innovation: firstly on the input side, in terms of support for innovation within the workplace and new work practices; and secondly on output innovation in the form of new products and services.

The Public Finances

The recession and financial crisis have not only taken a very heavy toll on the Irish economy, they have also led to a rapid deterioration in the public finances. Lower economic activity and employment, combined with over reliance on property-related taxes, which were used to fund rapid increases in expenditure, have led to a dramatic shortfall in Government revenue over expenditure. The General Government Balance fell to -7.2 per cent of Gross Domestic Product (GDP) in 2008, and, even following a series of emergency budgets, is expected to be close to -12 per cent of GDP in 2009 and 2010. The long-term implications for the economy and the public finances of Government actions to resolve the banking crisis through the National Asset Management Agency (NAMA) remain uncertain. In response to the severe fiscal crisis, Government has introduced a series of expenditure cuts as well as tax increases and a levy on public sector incomes. Further extensive austerity measures, including cuts in public sector pay, were implemented in the budget for 2010.

1.3 The Workplace in the Recession

As previously stated the field work for this survey was conducted in the midst of the most severe economic and labour market crisis that Ireland has experienced since the foundation of the State. This meant that employers were confronted by a chronic deterioration in business conditions in the private sector, and by swingeing expenditure cut-backs in the public sector. Employees in the private sector faced job losses and wage cuts, although the evidence for this latter trend is, as yet uncertain. In the public sector, employees suffered an effective wage cut, in the form of the public sector pension levy imposed from March 2009, and many were also likely to experience increased work intensity as a result of the embargo on public sector recruitment, as well as financial constraints. All employees were affected by the introduction of the pension levy and increased taxes.

The Changing Labour Market

In reviewing the evolution of employment in recent years it is necessary to distinguish the expansionary period, up to the end of 2007 and the subsequent contraction. Table 1.1 shows the main developments in the labour force for selected years between 1993 and 2009. The 1993 data allow us to consider recent changes in the light of longer-term trends. The first *National Workplace Survey* was conducted in 2003. In terms of employment, the boom peaked around the autumn of 2007, the current recession began in 2008, and the current *National Workplace Survey* was conducted in the first half of 2009.

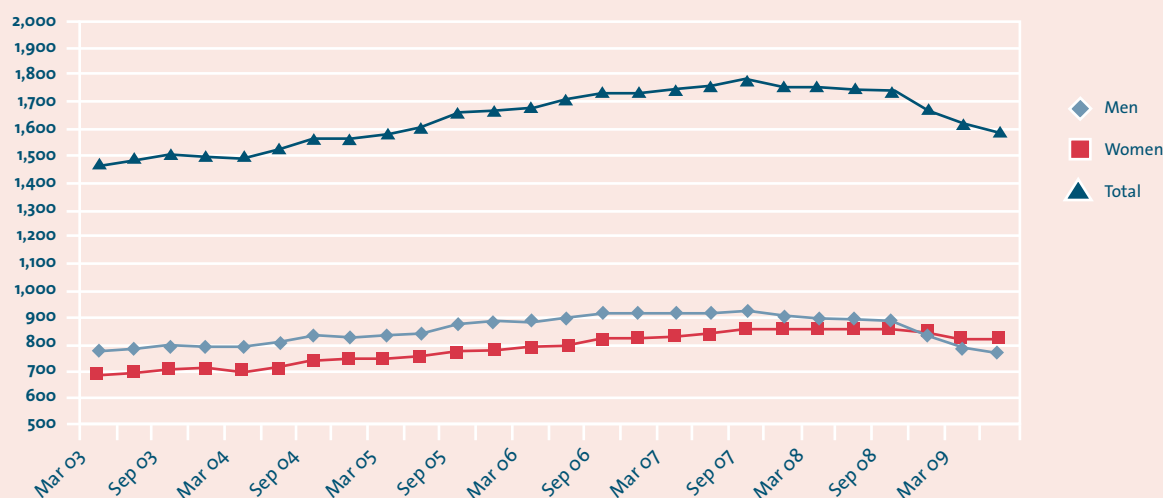
Employment grew at unprecedented rates between 1993 and 2003, from less than 1.2m to over 1.8m, an average of over 5 per cent per annum. Employment growth continued at an average rate of over 3 per cent per annum from 2003 to 2007. Total employment peaked at 2.15m in the third quarter 2008, and has been in decline since, falling by 10 per cent between the 3rd quarter of 2007 and the 2nd quarter of 2009.

Table 1.1 | Principal developments in the labour market, 1993–2009

	1993, Q2	2003, Q2	2007, Q3	2009, Q2
Total employment (000)	1180.0	1800.0	2149.8	1938.5
Employment rate (% pop 15–64)	52.6	65.2	69.9	62.5
Male employment (000)	746.0	1044.2	1225.9	1052.0
Male employment rate (%)	66.0	74.9	78.3	67.3
Female employment (000)	432.0	755.8	923.9	886.5
Female employment rate (%)	38.7	55.5	61.3	57.8
Female share of total employment	36.6	42.0	43.0	45.7
Part-time employment (% of total)	10.8	16.8	17.9	21.0
Male part-time employment (%)	4.8	6.6	7.3	10.3
Female part-time employment (%)	21.0	30.9	32.0	33.6
Unemployment (000)	220.0	86.7	103.3	264.6
Unemployment rate (% labour force)	15.7	4.6	4.6	12.0
Long-term unemployment (000)	125.0	26.2	28.8	57.3
Long-term unemployment rate (%)	8.9	1.4	1.3	2.6

Source: QNHS, various years

Figure 1.1 | Total number of employees, by gender, 2003-2009



Source: QNHS

The employment rate, measuring the proportion of the population aged 15–64 years in employment, peaked at the end of 2007 before falling to 62.5 per cent in 2009. Underlying the growth in employment was a dramatic surge in female employment. Total female employment increased from 432,000 in 1993 to 924,000 in 2007, representing an annual average rate of growth of 7.5 per cent between 1993 and 2003 and 3.7 per cent between 2003 and 2007. Women's employment rate increased accordingly from less than 39 per cent in 1993 to over 55 per cent in 2003 and over 61 per cent in 2007, before falling back to 58 per cent in 2009. Women's share of total employment increased steadily, from 36 per cent in 1993 to almost 46 per cent in 2009 – the latter being the only positive employment indicator after the onset of the recession. In fact if we focus only on employees (i.e. excluding the self-employed and the very small category of relatives assisting) we find that the number of female employees exceeded the number of male employees for the first time in the 4th quarter of 2008, and thereafter (see Figure 1.1). This was largely due to the fact that the decline in the number of employees from its peak in 2007 was greater among men than women.

About one-third of female employment is part-time, and the incidence of part-time employment has increased somewhat – from 31 per cent in 2003 to 33.6 per cent in 2009. Part-time work among males has also increased over time, particularly during the recession: the proportion of men working part-time increased from 7 per cent in 2007 to over 10 per cent in 2009. In spite of the recession, only about 3 per cent of part-time workers were underemployed in 2009, in the sense that they indicate that they are working part-time but would take a full-time job if available.

Unemployment increased from 87,000 in 2003 to 103,000 in 2007, although given underlying growth in employment, the unemployment rate was just 4.6 per cent in both years. However, unemployment grew dramatically, to 264,600 in the 2nd quarter of 2009, at which point unemployment represented 12 per cent of the labour force. Long-term unemployment, referring to those unemployed for twelve months or more, having fallen to 1.4 per cent of the labour force, has increased during the recession.

Table 1.2 | Employment by sector, 2004-2009

	2004, Q2		2007, Q3		2009, Q2	
	1000s	%	1000s	%	1000s	%
Agriculture, forestry and fishing	113.8	6.1	111.7	5.2	97.2	5.0
Industry	294.3	15.9	305.6	14.2	258.3	13.3
Construction	197.7	10.7	268.2	12.5	155.4	8.0
Wholesale and retail trade; repair of motor vehicles and motorcycles	259.5	14.0	306.9	14.3	277.7	14.3
Transportation and storage	89.2	4.8	92.2	4.3	94.6	4.9
Accommodation and food service activities	107.2	5.8	137.8	6.4	119.8	6.2
Information and communication	62.9	3.4	66.5	3.1	73.5	3.8
Financial, insurance and real estate activities	89.3	4.8	105.1	4.9	108.7	5.6
Professional, scientific and technical activities	92.7	5.0	113.9	5.3	102.6	5.3
Administrative and support service activities	58.7	3.2	82.7	3.8	65.9	3.4
Public administration and defence; compulsory social security	90.1	4.9	107.4	5.0	107.7	5.6
Education	121.4	6.6	132.7	6.2	150.4	7.8
Human health and social work activities	177.4	9.6	217.6	10.1	227.8	11.8
Other NACE activities	98.0	5.3	101.6	4.7	98.7	5.1
Total	1852.2	100.0	2149.8	100.0	1938.5	100.0

Source: QNHS

Table 1.2 shows employment by sector for 2004, 2007 and 2009.³ There is substantial continuity over time in the distribution of employment by sector. The most notable change is the expansion in construction employment, from less than 200,000 in 2004 to almost 270,000 in 2007, and its rapid decline, to 155,000 in 2009. This reflects the boom and bust cycle in construction. Throughout 2007 more than 250,000 men, more than 1 in 5 of all men at work, were employed in construction. By the 2nd quarter of 2009, that proportion had fallen to 14 per cent of all men. The other notable shifts in employment between 2004 and 2009 are: the decline in employment in industry and the expansion of service activities, particularly public administration and defence, education and health and social work activities.

Occupations

O'Connell and Russell (2007) argue that between the late 1990s and 2004 there was a general upgrading of occupations, with particularly strong growth in managerial, professional and associate professional and technical jobs. This growth at the top of the occupational structure was counterbalanced by growth in Personal and protective service and in Sales occupation.

3. Following a reclassification of NACE categories, 2004 appears to be the latest year for which comparable sectoral employment data are published on www.cso.ie.

Table 1.3 | Total employment by occupation, 2003-2009

	2004, Q2		2007, Q3		2009, Q2	
	1000s	%	1000s	%	1000s	%
Managers and administrators	315.9	17.6	317.5	14.8	323.2	16.7
Professional	200.7	11.2	235.7	11.0	246.0	12.7
Associate professional and technical	166.5	9.3	189.9	8.8	192.3	9.9
Clerical and secretarial	216.3	12.0	267.7	12.5	246.8	12.7
Craft and related	242.8	13.5	310.8	14.5	210.6	10.9
Personal and protective service	185.1	10.3	244.5	11.4	242.0	12.5
Sales	147.0	8.2	186.5	8.7	171.1	8.8
Plant and machine operatives	172.6	9.6	182.8	8.5	140.2	7.2
Other	153.1	8.5	214.3	10.0	166.2	8.6
Total	1800.0	100.0	2149.8	100.0	1938.5	100.0

Source: QNHS

Between 2003 and 2007 strong growth continued in Personal and protective and Sales occupations, and also in both Craft and related and Other categories, (Table 1.3). The growth of these latter two occupations may be related to the growth in the construction sector noted above. Growth was a good deal more sluggish in professional and technical occupations, and employment in managerial and administrative occupations was virtually static. Notwithstanding the strong growth in overall employment between 2003 and 2007, there is little evidence of a continuation in the trend of occupational upgrading during the latter part of the boom.

Between the 3rd quarter of 2007 and the 2nd quarter of 2009 the decline in employment was concentrated among craft and related occupations, operatives and in the “other” category. These declines were primarily driven by the contraction in the construction sector. Other occupations, particularly professional and managerial jobs, proved more resilient, at least in the early phase of the recession.

Education and the Workplace

In education, we can see a continuation of a long-term trend towards increasing educational attainment of those at work in recent years. There was sustained growth in both the numbers and proportions at work with third-level awards, both degree and non-degree, between 2003 and 2007. Indeed that growth continued since 2007 in respect of those with third-level non-degrees, although the number of those with degrees has declined in the recession.

At the other end of the educational spectrum, there has been a steady decline in the number of those at work with lower-level qualifications, including both those with primary level or below, and lower secondary education. Since 2007, the numbers of those at work with these lower-level qualifications fell by about one-quarter. This low-skilled group has been hit hardest by the recession and is likely to find it most difficult to regain employment, even with an upturn in the labour market. Those with higher secondary education have also experienced substantial job losses and their share of total employment has declined since 2007.

Table 1.4 Persons, aged 15–64 years, in employment, by highest level of educational attainment, 2003–2009

	2003, Q2		2007, Q3		2009, Q2	
	1000s	%	1000s	%	1000s	%
Primary or below	187.1	10.6	175.4	8.3	125.5	6.6
Lower secondary	308.3	17.5	322.9	15.3	242.4	12.8
Higher secondary	481.0	27.3	584.1	27.7	492.3	26.0
Post leaving certificate	218.0	12.4	226.0	10.7	237.0	12.5
Third-level non-degree	199.0	11.3	234.6	11.1	318.3	16.8
Third-level degree or above	329.0	18.6	480.9	22.8	426.7	22.5
Other	42.6	2.4	82.0	3.9	51.8	2.7
Total	1765.1	100.0	2105.9	100.0	1894.0	100.0

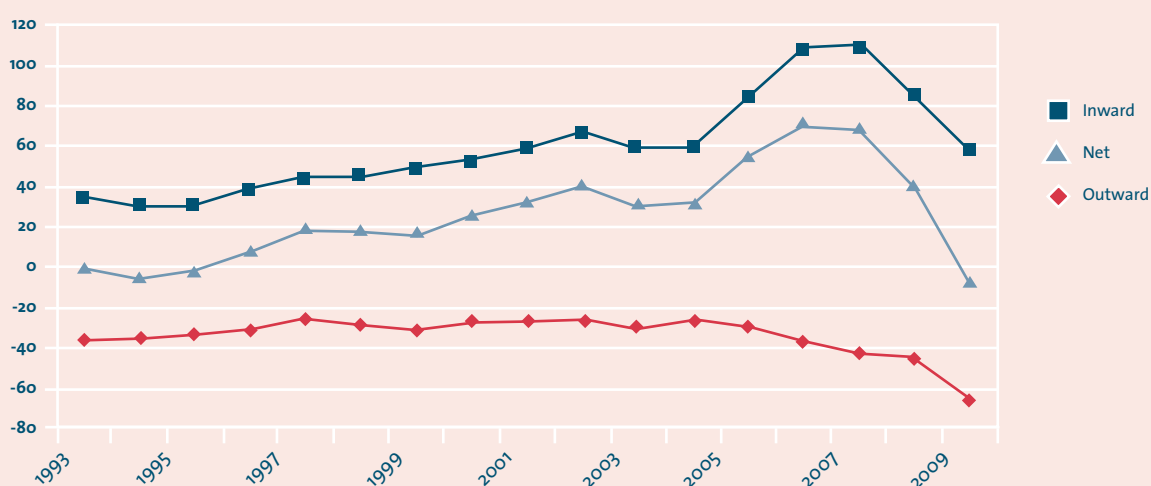
Source: QNHS

Migration

Inward migration grew steadily since the mid-1990s in the context of the economic boom and growth in employment. Immigration increased to well over 100,000 per annum in 2006 and 2007. However, in the context of the recession, immigration declined to 57,300 in the twelve months to April 2009. In 2009 this inward flow was counterbalanced by an outward flow of 65,100, with the result that net migration turned negative for the first time since 1995.

The number of foreign residents in Ireland increased dramatically as a consequence of economic growth. Census data indicate that the number of non-Irish nationals almost doubled to 420,000 between 2002 and 2006. The 2006 Census suggests that non-Irish nationals accounted for about 10 per cent of the total population, up from 6 per cent in 2002. Of these, over 276,000 were nationals of other EU countries and over 140,000 came from outside the EU25. Much of the growth was due to the arrival of nationals of the new EU member states after EU enlargement in 2004.

Figure 1.2 Emigration, immigration and net migration (1000s) 1993–2009



Source: QNHS

Table 1.5 | Employment by nationality, 2004-2009

	2003, Q2		2007, Q3		2009, Q2	
	1000s	%	1000s	%	1000s	%
Irish nationals	1750.1	92.0	1817.1	84.5	1663.9	85.8
Non-Irish nationals	152.2	8.0	332.7	15.5	274.6	14.2
<i>of which:</i>						
<i>United Kingdom</i>	44.6	2.3	50.2	2.3	49.6	2.6
<i>EU15 excl. Ireland & UK</i>	25.5	1.3	30.3	1.4	34.1	1.8
<i>Accession states EU15 to EU25</i>	32.9	1.7	169.9	7.9	123.7	6.4
<i>Other</i>	49.3	2.6	82.3	3.8	67.2	3.5
Total persons	1902.3	100.0	2149.8	100.0	1938.5	100.0

Source: QNHS

Table 1.5 shows employment by nationality in 2004, 2007 and 2009. The number and proportion of non-Irish nationals at work increased very dramatically after EU enlargement, from 152,000 in 2004 to 333,000 in 2007, or from 8 per cent of total employment to 15.5 per cent. The main source of the growth came from the new EU member states, whose share increased from less than 2 per cent in 2004 to almost 8 per cent of total employment in 2007.

Non-Irish nationals have experienced greater job losses than Irish nationals, and nationals of the new EU members states have been hit particularly hard by the recession, with the number in employment falling by more than a quarter since the 3rd quarter of 2007.

Table 1.6 | Employment by nationality and economic sector, 2009, Q2

	Irish nationals 1000's	Non-Irish nationals 1000's	Total 1000's	Non-Irish national share %
Agriculture, forestry and fishing	93.2	4.0	97.2	4.1
Industry	213.8	44.6	258.3	17.3
Construction	136.4	19.1	155.4	12.3
Wholesale and retail trade; repair of motor vehicles and motorcycles	235.5	42.3	277.7	15.2
Transportation and storage	83.1	11.5	94.6	12.2
Accommodation and food service activities	78.3	41.5	119.8	34.6
Information and communication	59.6	13.9	73.5	18.9
Financial, insurance and real estate activities	97.8	11.0	108.7	10.1
Professional, scientific and technical activities	88.9	13.7	102.6	13.4
Administrative and support service activities	51.8	14.1	65.9	21.4
Public administration and defence; compulsory social security	104.9	2.8	107.7	2.6
Education	140.9	9.5	150.4	6.3
Human health and social work activities	195.3	32.5	227.8	14.3
Other NACE activities	84.5	14.2	98.7	14.4
Total	1663.9	274.6	1938.5	14.2

Source: QNHS

Table 1.6 shows the distribution of employment by nationality across economic sectors. Non-Irish nationals are distributed broadly across sectors. They were particularly concentrated in accommodation and food service activities, but have little presence in public administration.

Summary

This chapter opened with a brief description of the research methodology which was used for this survey of employees. An overview of the economic, employment and innovation context in which the *National Workplace Surveys* were carried out during 2009 was also outlined. This was then followed by a summary of the impact of the recession in Ireland in terms of the economy, competitiveness and public finances. It also outlined the impact of the recession on workplaces in Ireland specifically in relation to developments in the labour market, occupations, issues relating to educational attainment in the workplace and migration.

Chapter 2

How Much Change in the Irish Workplace?

2.1 Introduction

In the context of a severe and deep recession, following a period of rapid growth we might expect to find that employees have experienced substantial change in the organisations and jobs in which they work, as well as in the manner in which they work. The chapter opens with an examination of employees' experience of organisational change over the preceding two-year period. We then consider employees perceptions of change in their job tasks and working conditions within their current employment over the preceding two years.

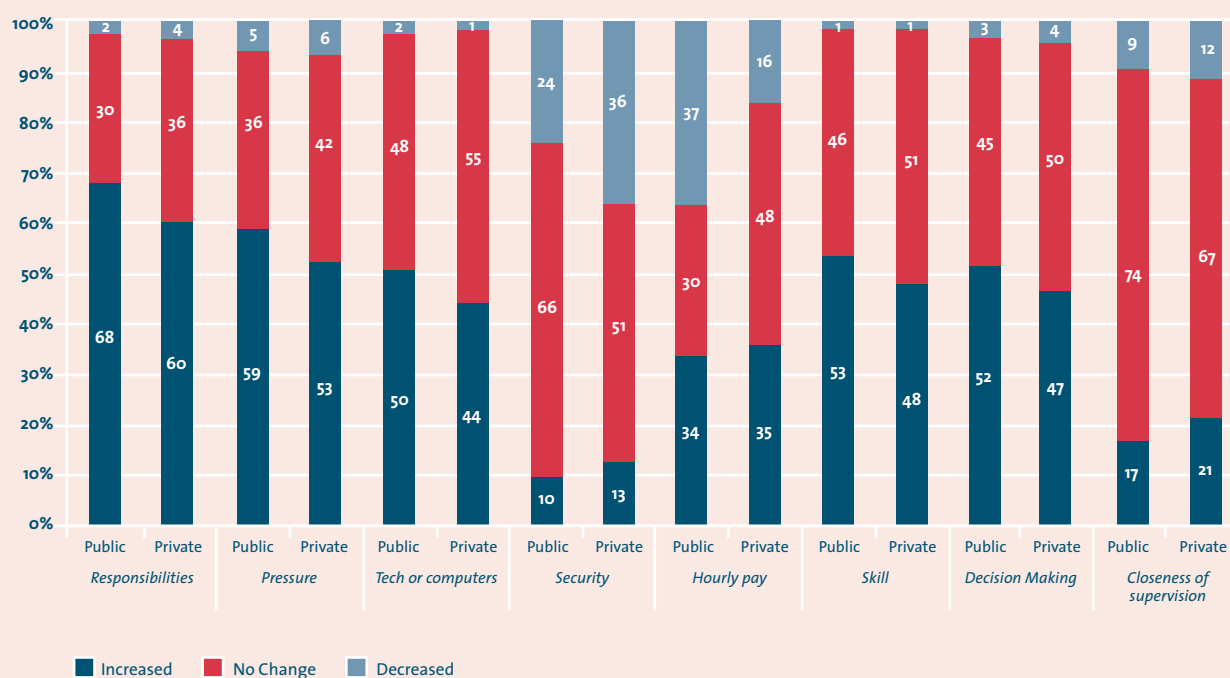
We then discuss working arrangements, flexible working, and working hours. We later examine the decline in trade union presence and membership as well the quality of workplace relations.

This is followed by a discussion of employees' willingness to embrace change. Finally we preview some of the changes in work practices that are discussed in greater detail in later chapters of the report.

The questions on subjective experience of organisational change are adapted to apply to the sector in which respondents are employed. Public sector workers report more change in organisation and management. For example 39 per cent of public sector employers report a change in the CEO or equivalent, compared to 29 per cent of those in the private sector. Employees in both sectors were equally likely to report a reduction in staff numbers, however it is not possible to tell from this information whether the scale of job losses were equivalent. A flattening of the management structure was more likely to be reported by private sector employees. Comparing the 2009 results to those from the *National Workplace Surveys 2003*, there is evidence of an increase in organisational change over the period, with substantial increases in responsibility, work pressure, use of technology, skill demands of the job and the extent of decision making on the job. We also see clear evidence of a decline in job security and an increase in wage cuts.

Table 2.1 | Experience of change in public and private sector organisations in preceding two years (percentage)

	2003	2009
Private sector		
Change in ownership of organisation	13.2	14.4
Re-organisation of company/organisation or management	33.7	43.5
New chief executive	23.5	28.6
Reduction in the number of levels of management	--	26.6
Reduction in overall staff numbers:	--	56.2
Public sector		
Re-organisation of the organisation or management	44.0	48.6
New chief executive	34.3	39.3
Reduction in the number of levels of management	--	21.6
Reduction in overall staff numbers	--	56.3

Figure 2.1 Experience of change in job tasks/conditions in the last two years, 2009

Note: increased includes "increased a little" or "increased a lot", decreased includes "a little" and "a lot"

2.2 Perceived change in job security and pay

Respondents perceive a high level of change within their current jobs over the last two years. The dramatic decline in labour market conditions is reflected in the fact that in 2009 just over one-third of respondents (34 per cent) said that security in their current job had

decreased in the last two years. This is likely to be a conservative estimate of job insecurity as those who have become unemployed are not included in the survey. In comparison, only 4 per cent of employees surveyed in 2003 felt that their security had deteriorated in the preceding two years, but the questions were not identical and

Table 2.2 Change in preceding two years, 2003 and 2009

	2003 Major change			2009 Change		
	Increased %	No change %	Decreased %	Increased %	No change %	Decreased %
Responsibilities	38.5	59.8	1.8	61.3	34.8	3.7
Pressure	33.6	63.9	2.5	53.9	40.3	5.8
Technology/computers	32.9	66.2	0.9	45.4	53.1	1.5
Job security	13.2	82.5	4.3	12.3	54.0	33.7
Hourly pay	53.1	46.2	0.7	35.1	44.2	20.6
Level of skill	33.0	66.3	0.8	49.0	49.7	1.3
Level of decision making	34.2	64.5	1.4	47.7	48.9	3.4

therefore are not directly comparable.⁴ Turning back to the 2009 figures, the perceived decline in security is more common among private sector workers (36 per cent) but even in the public sector almost one-quarter of employees feel their job security has declined. Nevertheless the majority of public sector workers feel their security has not changed (66 per cent) and 10 per cent feel their security has increased. Similarly, just over half of private sector employees report no change and 13 per cent record increased security.

A second piece of evidence relating to job security comes from one item in a battery of questions on work attitudes. Respondents were asked whether or not they agreed with the statement “my job is secure”. Overall 30 per cent of respondents disagreed or strongly disagreed that their job was not secure. Responses to this question were closely linked to those on perceptions of how security had changed. Of those who strongly disagreed that their job was secure, 63 per cent also responded their security had “decreased a lot” over the last two years. Feelings of insecurity were more common among private sector employees (32 per cent) than public sector (21 per cent). Across the detailed industrial sectors, insecurity is lowest in “public administration and defence” and highest in construction, where half feel insecure, followed by employees in the transport and communication industries.

Subjective job security is strongly linked to more objective measures such as contract status and tenure but there is not a perfect match: 55 per cent of those on fixed term or temporary contracts disagree that their job is secure; the remaining 45 per cent define job security within the confines of having a non-permanent contract. Insecurity drops from 42 per cent of those who have job tenure of less than one year to 25 per cent among those who have been in their job

for more than five years. Part-time workers experience greater insecurity than full-time employees and male employees are marginally more insecure than female employees. Those in craft occupations express the greatest insecurity, which reflects their greater concentration in the rapidly declining construction sector. However it is interesting that those in the higher occupational groups (professional, associate professional, managerial) also express relatively high levels of insecurity.

Rising job insecurity could emerge in the form of a greater incidence of fixed term or temporary contracts. Ireland (along with the UK) has traditionally had lower rates of temporary contracts than other European countries. The relatively low level of employment protection for permanent employees means that there is less incentive for employers to use temporary contracts.

Overall we find that there was a decline in the proportion of employees on fixed term or temporary contracts from 13.2 per cent in 2003 to 11.1 per cent in 2009. In both years a higher proportion of public sector employees were on non-permanent contracts – this is likely to arise precisely because permanent employees in the public sector have a higher level of protection and entitlements, which public sector employers are seeking to avoid. The decline in the proportion of temporary workers in both sectors may reflect a shedding of those non-permanent contracts as a cost-cutting measure.

4. In 2003, respondents were asked whether or not they had experienced a major change in the last two years, those who answered “yes” were then asked “and what was the nature of this change? – increased, decreased”. This time around the aspects of employment considered stayed the same but a five-point response scale was introduced: increased a lot, increased a little, no change, decreased a little, decreased a lot.

Table 2.3 | Percentage of respondents who disagree/strongly disagree that their job is secure

	%		%
Male	32.2	Public	20.9
Female	27.6	Private	32.4
Full-time	29.1	Production	30.7
Part-time (<30 hrs)	32.3	Construction	50.5
Tenure (< 12 months)	41.7	Wholesale and retail	27.2
1–5 years	34.9	Hotels and restaurants	30.8
Over 5 years	24.6	Transport and communication	37.1
Permanent	25.5	Financial and business activities	33.0
Temporary casual	55.0	Public administration and defence	9.7
Managers and administrators	29.8	Education	29.4
Professionals	31.0	Health	23.5
Associate profess. & technical	30.5	Other services	28.9
Clerical	27.4	All	29.9
Craft and related	40.6		
Personal services	28.2		
Sales	27.0		
Plant and machine operatives	31.9		
Other	21.2		

Note: in all cases the differences between categories are significant at the .05 level.

Table 2.4 | Work contracts, 2003–2009

	2003			2009		
	All	Public	Private	All	Public	Private
Permanent	83.7	81.7	84.1	85.2	82.5	86.0
Temporary/Contract	13.2	17.4	12.2	11.1	15.5	9.8
Casual	3.2	0.9	3.7	3.7	2.1	4.2
	100.0	100.0	100.0	100.0	100.0	100.0

In 2009, only 2 per cent of employees described themselves as agency workers with the remaining 98 per cent being direct employees. No such information was available in the 2003 survey.

Pay

There is also a contrast between the period of sustained wage growth during the Celtic Tiger years and perceived changes in pay rates measured in 2009. In 2003, less than 1 per cent of employees said that their pay *in their current job* had declined in the previous two years, while in 2009 just over one in five employees (21 per cent)

reported a decline in their wage rate, (Table 2.2). This rate is significantly higher among public sector employees (37 per cent) than among private sector employees (16 per cent), which is likely to reflect the introduction of the public sector pension levy in the spring of 2009. It should be noted that the figures do not include pay cuts that may have been experienced by those who have had to change jobs to remain in employment.

Perceived Change: Intrinsic Job Conditions

High levels of change are also reported on the other items. In 2009, 61 per cent of respondents reported an increase in responsibility, 54 per cent reported an increase in job pressure, 45 per cent said that the technology involved in their work had increased, just under half reported that the level of skill necessary to carry out their work had increased and 48 per cent report increased autonomy in decision-making, but in contrast 20 per cent said that they have become more closely supervised. With the exception of the supervision, these figures are higher in 2009 than in 2003, (Table 2.2). However, because in 2003 respondents were asked to record “Major change” in these characteristics, it is possible that the difference between the two years is an artefact of the wording change.

In all of these items with the exception of level of supervision, public sector employees were more likely to report an increase than private sector workers (Figure 2.1). The level of change reported in these questions is considerably higher than the changes in aggregate levels of measures of skill, autonomy and technology usage, measured over time with the *National Workplace Surveys* or other surveys. It is likely that some of the changes recorded involve the changes that come with increased job experience or tenure, which would not necessarily show up as a change in occupational level.

2.3 Changes in Working Arrangements and Working Hours

The increasing diversity of the Irish labour market outlined in Chapter 1, including the very strong increase in employment among women, has led to increasing pressure for more flexible working arrangements or family-friendly policies. Our survey results suggest that there has been a considerable increase in the incidence of flexible working practices over the past six years. Expansion of the service sector and public sector employment is also likely to contribute to the greater spread of flexible working arrangements as they are more widely used in these sectors of the labour market. The adoption of flexible work practices may also form part of a “high commitment” or “high performance” work strategy on the part of employers. Family-friendly policies may be adopted to promote the development of trust relationships and organisational commitment (Evans, 2001) and to support the retention of key staff upon which such organisational initiatives are based (Drew et al., 2003). While no statutory entitlement to reduced hours has been introduced in Ireland, enhancements to the Parental Leave provision may have provided an opportunity for a greater number of parents to work part-time. In 2006, duration of parental leave was increased to sixteen weeks and with the consent of the employer this leave can be taken in the form of a reduced work week.

The impact of the recession on working arrangements is still uncertain. Employers may respond to a decline in demand by introducing voluntary or compulsory reductions in working hours. Alternatively, increased pressures on business to survive may result in employees being asked to work longer or unsocial hours. Increasing job insecurity could also mean that employers are in a weaker position to resist such pressures.

Table 2.5 **Extent of flexible working arrangements 2003 and 2009**
percentage of employees

Used in workplace	2003	2009
Home working (2009-in normal working hours)	13.6	21.3
Flexible hours/flexitime	42.9	47.4
Job-sharing	29.5	31.5
Part-time work	53.4	61.3
Personally involved		
Home working	8.0	12.8
Flexible hours/flexitime	22.8	29.2
Job-sharing	6.1	9.5
Part-time work	20.0	25.8
N (unweighted)	5161	5110

Note: "don't knows" at organisational level excluded "don't knows" on individual involvement are included with the "no" category.

Part-time working and flexitime/flexible working time remain the most common forms of flexibility in the Irish labour market. The proportion of workplaces using part-time hours increased from 53 to 62 per cent between 2003 and 2009 and personal involvement in part-time work increased from 20 to 26 per cent. This recent increase in part-time employment is also recorded in the *Quarterly National Household Survey* figures reported in chapter 1. Availability of flexible hours/flexitime within workplaces also increased between 2003 and 2009 from 43 to 48 per cent, and the number of employees personally involved increased from 23 to 29 per cent.

The *National Workplace Survey 2009* applied a more restrictive definition of homework than that used in the 2003 survey, confining the question of who worked from home *during normal office hours* in order to exclude cases of employees bringing home additional work with them in the evenings and weekends.

This change was introduced to avoid biasing the estimate of the relationship between home-working and job pressure (see O'Connell & Russell, 2005 and Chapter 7 below). Even with that adjustment we find an increase in this form of flexibility in the workplace (22 per cent versus 14 per cent in 2003) and in terms of personal involvement, which increased from 9 per cent in 2003 to 13 per cent in 2009. Table 2.4 shows that the increase was mainly within the private sector although we cannot assume there was no increase in the public sector due to the change in definition.

Job sharing appears to be the workplace practice that has increased least. Its use has remained stable within the public sector and in the private sector a small increase was recorded. The proportion of the workforce directly involved remained below 10 per cent in 2009: 9 per cent of women and 3 per cent of men.

Average weekly work hours⁵ declined between 2003 and 2009. This decrease follows a long-term trend in declining work hours over the last 15 years (O'Connell and Russell, (2007), and there is no evidence as yet of recession pressures increasing working hours for those still in employment. The decrease in work hours was evident for both men and women and is consistent with the increase in part-time hours noted above. Average weekly work hours declined to a greater extent in the private sector, and as a result the gap in working hours between public and private sector employees narrowed over the period, from 3.8 hours to 2 hours.

5. The question in the survey asks how many hours do you normally work each week in your main job, including regular overtime?

Table 2.6 | The extent of flexible working arrangements as a percentage of all employees 2003

Used in workplace	Men	Women	Public	Private	Total
Home working	16.0	10.9	15.0	13.3	13.6
Flexible hours/flexitime	38.5	48.0	47.7	41.8	42.9
Job sharing	21.7	38.4	58.0	22.7	29.5
Part-time work	39.0	69.6	61.3	51.5	53.4
Personally involved					
Home working	10.3	5.3	9.0	7.8	8.0
Flexible hours/flexitime	20.2	25.9	26.8	22.2	22.8
Job sharing	3.3	9.2	12.8	4.6	6.1
Part-time work	8.8	32.8	22.6	19.6	20.0
N (unweighted)	2396	2760	1629	3532	5161

Source: Russell et al., (2009)

Table 2.7 | The extent of flexible working arrangements as a percentage of all employees 2009

Used in workplace	Men	Women	Public	Private	Total
Home working	24.0	18.7	15.8	22.8	21.3
Flexible hours/flexitime	44.3	50.5	48.3	47.2	47.4
Job sharing	26.0	36.9	55.4	24.8	31.5
Part-time work	45.5	76.6	66.8	59.8	61.3
Personally involved					
Home working	14.2	10.6	9.7	13.1	12.8
Flexible hours/flexitime	26.3	31.8	29.8	29.0	29.2
Job sharing	6.8	11.8	13.4	8.2	9.4
Part-time work	12.2	38.9	23.9	26.4	25.8
N (unweighted)	2431	2679	1664	3446	5110

Information on the incidence of unsocial work hours is only available in the 2009 survey. Unsocial work hours are defined as working at the weekends, in the evenings or at night. We find that for 31 per cent of employees, work involved unsocial work hours every week.

Unsocial hours were more common among men, 35 per cent of men compared with 28 per cent of women, but there was no statistically significant difference across the public and private sector.

Table 2.8 | The extent of flexible working arrangements as a percentage of all employees 2009

	Men	Women	Public	Private	All
Mean hours 2003	42.0	32.5	34.5	38.3	37.6
Mean hours 2009	39.4	30.9	33.5	35.5	35.1
Percentage Working unsocial hours every week 2009	34.6%	28.1%	28.1%	32.2%	31.3%

Note: unsocial work hours include working weekends, evenings or nights.

2.4 Trade Union Presence and Membership

In most industrial societies there has been a decline in union membership in recent years. This trend represents an important element of the context for the development of workplace relations and work practices.

Respondents were asked both whether there is a trade union or staff association in their workplace and whether they are personally members of a union or staff association.

The proportion of workers reporting the presence of trade unions in their workplaces fell from 53 per cent in 2003 to 48 per cent in 2009. There was a corresponding decline in union membership, from 38 per cent to 34 per cent.

Trends in union organisation differed across sectors. The biggest decline in trade union presence in the workplace and union membership took place in the manufacturing and construction sectors. Union presence and membership has remained stable in the public sector and has increased in the education sector, which is predominantly public sector. In the health sector there was a decline in the proportion of

employees reporting the presence of a union or staff association at the workplace level but membership held up. Men's union membership has declined while women's membership remained stable.

There has been a decline in membership among those aged under 40 but an increase in membership in those aged 40 plus. Those with lowest qualifications have increased union membership, and are now no longer below average, this is consistent with the increase for oldest age group. The greatest decline in membership occurred among third level graduates, who represent an increasing share of the workforce.

In both years members of trade unions or staff associations were asked a series of questions about what they considered to be high (versus low) priority issues. Over 90 per cent of members considered that pay and conditions should be a high priority issue, although the proportion believing this was somewhat higher (96 per cent) in 2003. Almost 93 per cent of members considered that working to ensure the future employment prospects of employees should be a high priority and 86 per cent that working to ensure the future success or viability of the organisation should be a high priority.

Table 2.9 | Trade union/staff association presence and membership

	2003		2009	
	TU/SA in workplace	Member of TU/SA	TU/SA in workplace	Member of TU/SA
Yes	52.5	37.7	47.5	34.3
No	47.5	62.3	52.5	65.5
Total	100.0	100.0	100.0	100.0

Table 2.10 | Trade union presence and membership by organisational characteristics

	2003		2009	
	TU/SA in Workplace %	TU/SA member %	TU/SA in workplace %	TU/SA Member %
Public	90.7	68.8	87.2	68.7
Private	43.6	30.4	36.3	24.9
Manufacturing Industry + Primary	59.2	40.0	47.4	33.1
Construction	43.1	33.7	30.8	22.5
Wholesale retail	38.9	28.8	35.0	21.6
Hotel restaurants	23.8	13.0	15.1	8.9
Transport, Communication	63.3	50.3	59.6	46.2
Finance + Other Business Service	41.1	27.6	35.8	19.8
Pub Administration and Defence	90.5	72.1	90.7	69.3
Education	73.8	47.8	77.3	60.0
Health	67.6	52.8	58.7	50.8
Other Services	24.8	16.5	25.5	17.6
Size of local unit				
1-4	17.9	14.0	19.8	13.5
5-19	35.8	26.3	30.8	23.2
20-99	58.4	40.9	50.0	37.1
100+	75.0	54.7	68.8	48.9
All	52.5	37.7	47.3	34.3

Table 2.11 | Trade union membership by worker characteristics

	2003 %	2009 %
Men	38.0	33.2
Women	37.4	35.7
Under 25 years	27.8	15.9
25-39 years	41.9	31.7
40-54 years	39.5	41.4
55 years and over	35.5	42.7
No qualifications	27.2	34.7
Junior/Intermediate Certificate level	40.4	37.5
Leaving Certificate	37.1	32.7
Third Level or Equivalent	42.5	35.7
Permanent	40.8	36.4
Temporary/casual	22.1	21.9
All	37.7	34.3

Table 2.12 Members views on what should be priority issues for the union or staff association

...I would like you to tell me whether each one should be a high priority or low priority issue for the Union or Staff Association...	High Priority %	
	2003	2009
Pay and conditions in your job	96.3	90.4
Changes concerning your job	89.1	87.6
Decisions concerning the future of the company you work for	85.1	84.0
'Family Friendly' or flexible working conditions	80.2	76.1
Negotiating individual employment contracts	76.7	62.2
Negotiating in-work training	89.6	69.0
Working to ensure the future success/viability of the organisation...	n.a.	86.2
Working to ensure the future employment prospects of employees	n.a.	92.8

Other issues that trade union and staff association members considered should be of high priority included changes concerning the job and decisions concerning the future of the company. Two issues would appear to have substantially receded in importance: negotiating individual employment contracts and negotiating in-work training. The priority accorded family friendly or flexible working arrangements has also fallen somewhat.

2.5 Quality of Workplace Relationships

The great majority of employees give a positive evaluation of relationships between staff and

management and between co-workers at their place of work: only 7.9 per cent of employees' judge staff/management relationships as bad/very bad, and only 2 per cent express a negative view of co-worker relationships. There has been little change in these evaluations between 2003 and 2009.

Responses to the two questions about relationships between staff and management and those between staff members were combined to give a mean score on the quality of work relations.⁶ The scale ranges from 1 to 5 with higher scores indicating a more positive evaluation of work relations. Women and those in the youngest age categories give more positive assessments of work relations, and these results remain significant when organisational

Table 2.13 Quality of workplace relationships' 2003 and 2009

	Relationships between staff and management		Relationships between different staff members	
	2003	2009	2003	2009
Very good	32.1	32.7	36.3	40.1
Good	44.5	43.7	52.3	50.2
Neither good nor bad	16.3	15.7	9.6	7.5
Bad	4.9	5.0	1.6	1.8
Very bad	2.2	2.9	0.3	0.5
Total	100.0	100.0	100.0	100.0

6. There is a high correlation between the two questions (.52) and the alpha for the two-item scale is .66.

characteristics are taken into account. Those with higher levels of education are less positive about work relations than those with low qualifications, even when age and organisational characteristics are held constant. The occupational results show that those in Clerical, Personal services and Sales occupations record the highest work relations scores.

Those working in smaller local units have significantly higher scores than those in larger organisations. Private sector employees are more positive about work relations than public sector employees; however this effect disappears when other characteristics such as the size of the organisation are held constant. The detailed industrial sector categories show that the predominantly public sector categories of Health and Public administration and defence have

below average scores, while those employed in the education category (over 80 per cent public sector) have average scores. This variation between sectors may reflect differences in the composition of the workforces.

2.6 Willingness to Accept Change in the Future

Given the scale of the economic recession that organisations are currently dealing with, the nature of the cuts in public sector expenditure in the 2009 December budget and the predictions for ongoing problems in the Irish economy in 2010 (Barrett et al., 2009), it is likely that Irish workplaces will continue to undergo significant change in future, much of which is likely to involve a deterioration of conditions for employees.

Table 2.14 | Mean work relations score 2009 (1–5, higher scores indicate better work relations)

Male	4.10	Public	4.02
Female	4.16	Private	4.16
Under 25 years	4.32	1-4 employees*	4.39
25–39 years	4.06	5-19 employees	4.24
40–54 years	4.12	20-99 employees	4.13
55 years plus	4.23	100 plus employees	3.96
Primary	4.22	Trade union member	3.94
Junior\Intermediate	4.15	Non-member	4.22
Leaving Certificate	4.13	Production (including agriculture)	4.08
PLC, Diploma, Certificate	4.14	Construction	4.17
Third level degree or above	4.09	Wholesale and retail	4.18
Managers and administrators	4.13	Hotels and restaurants	4.20
Professionals	4.09	Transport & communication.	4.06
Associate profess. & technical	4.05	Financial & other business activities	4.15
Clerical	4.18	Public administration and defence	4.06
Craft and related	4.13	Education	4.13
Personal services	4.20	Health	4.08
Sales	4.20	Other services	4.25
Plant and machine operatives	4.06		
Other	4.06	All	4.13

* local unit size

Table 2.15 | Willing to accept change in aspects of employment, next two years, 2009 and 2003

	2003	2009
Increase in the responsibilities you have	73.8	84.7
Increase in the pressure you work under	44.3	56.9
Increase in the level of technology or computers involved in your work	75.3	89.0
Being more closely supervised or managed at work	40.8	59.9
Increase in the level of skills necessary to carry out your job	78.8	92.1
Having to work unsocial hours	30.9	45.9
Increased responsibility for improving how your work is done	--	90.5

Table 2.16 | Willingness to accept change in aspects of employment, next two years, 2009

	Public	Private
Increase in the responsibilities you have	78.7	86.6
Increase in the pressure you work under	48.0	59.6
Increase in the level of technology or computers involved in your work	88.6	89.5
Being more closely supervised or managed at work	59.4	60.3
Increase in the level of skills necessary to carry out your job	92.1	92.2
Having to work unsocial hours	44.6	46.3
Increased responsibility for improving how your work is done	88.3	91.1

Therefore it is of interest to see how willing employees are to accept further change in the next two years and how this compares to the position in 2003.

Overall, employees express a high willingness to accept change across a range of dimensions. Employees are most willing to accept up-skilling and an increase in responsibility for innovation (improving how work is done) with over 90 per cent willing to accept such change. Employees are least willing to work unsocial hours or to accept a further increase in job pressure, however even in these cases, a relatively high proportion of employees were willing to accept this erosion of work conditions (46 per cent and 57 per cent respectively). There has been a marked increase in the proportion of employees willing to accept change across all dimensions since 2003, which is likely to reflect the poorer bargaining position

of employees since the onset of recession. Private sector employees are more willing to accept change than public sector workers on two dimensions — increased responsibilities and increased work pressure. Responses do not differ significantly between the sectors in relation to the other five dimensions of change considered.

2.7 Conclusion

Given the very dramatic changes in the Irish economy and labour market witnessed in the last year it is not surprising that we observe a high level of change in the workplace since 2003. Respondents in both the public and private sector have experienced a higher level of organisational change than was reported in 2003. Moreover, more than half of employees have experienced a reduction in staff numbers within their own organisations. This scale of change

will inevitably have repercussions for employees' work experiences, working conditions and their level of well-being. How this change is managed will be crucially important for the experiences of workers. At a personal level, around one in five workers had experienced a decline in their pay rates and one-third of employees felt that their job security had deteriorated in the last two years. On a more positive note, over half of employees felt that their responsibility, their involvement in decision-making and their skill levels had increased in the last two years and this perception receives some support from the increased levels of autonomy recorded between the 2003 and 2009 survey. However, a potential downside of increased responsibility is an increase in work pressure and intensity, and indeed over 60 per cent of employees feel the pressure they have been working under has increased (see Chapter 7 for further discussion). Increases in pressure may also be caused by the economic crisis and the declining staff numbers noted above.

Over the period there was an increase in the use of flexible work practices and a decline in the average length of the working week. It is likely that these changes should have a positive impact on employee satisfaction and on the work-life balance of employees. This issue is investigated in Chapter 7.

In the face of the current economic crisis, employees express a strong willingness to accept change and there has been a marked increase in acceptance of change compared to the already high levels in 2003. Even where the change involves a clear deterioration in working conditions, such as working more unsocial hours, an increase in work pressure, or being more closely supervised, between 45 per cent and 60 per cent of employees said they would be willing to accept such change. The increase in willingness to accept change is likely to reflect the declining bargaining power of workers. Employees are least willing to accept change in relation to working unsocial hours, which is likely to reflect the non-work commitments of employees, including family commitments, which remain constant despite the deteriorating economic circumstances.

PART II

Workplace
Strategies

Chapter 3

Employee Engagement

3.1 Introduction

In recent years there has been growing interest in innovative work practices designed to promote enhanced organisational effectiveness and performance. These new strategies may include a range of workplace practices, such as greater employee involvement in decision-making, more flexibility in the organisation of work, more teamwork, increased investment in training at work and incentivised reward systems (Appelbaum et al.; Ichniowski et al., 1996). In this chapter we look at the use of various workplace strategies to increase the extent of employee engagement or involvement in the manner in which their work is organised and carried out. These workplace practices include direct participation in the organisation of work, active consultation about the way in which work is carried out, communication of business-related information, and formal representation through partnership institutions. Chapter 4 examines aspects of innovation in the organisation of work and Chapters 5 and 6 consider training and reward systems respectively.

Appelbaum et al., (2000) define the key components of what they term high performance work systems as adaptive teams, incentive pay schemes and employer-provided training. Teams are regarded as adaptive where individual employees participate in the planning of their work and undertake additional responsibilities. Incentive pay is defined as a fixed salary plus some performance-related payment to employees. Employer-provided training is regarded as a key dimension of such new work practices to provide rank-and-file employees with the necessary skills to engage in devolved decision-making and problem-solving. Black and Lynch (2005) regard workplace innovation as the combination of workforce training, decentralised decision-making, employee discretion in determining work and shared rewards. Murphy (2002) defines organisational innovation as encompassing flexible working arrangements, new management systems such as Total Quality Management (TQM) and changes in external relations such as outsourcing.

3.2 The Impact of New Work Practices

A number of empirical studies have analysed the impact of new work practices on business performance and employee welfare. There are a number of broad themes emerging from a diverse body of research, which focuses on different levels of analysis ranging from single firms to the broader economy. Ichniowski, et al.,(1997) found that steel plants that reported the introduction of innovative employment practices reported higher productivity levels from production workers by 6.7 per cent. MacDuffie and Pil (1996) also found that higher levels of performance and product quality were found in automotive plants that had introduced forms of organisational innovation. Black and Lynch (2001) find that increasing employee involvement in the decision processes of firms leads to higher levels of productivity. Caroli and Van Reenen (2001) also find a positive relationship between the introduction of new workplace practices and productivity, based on a sample of French firms.

A related strand in the literature on new work practices points to the importance of complementary groups of employment practices. MacDuffie (1995) pointed to the importance of considering “bundles” of employment practices and showed that auto assembly plants with teamwork, job rotation and employee involvement, had higher levels of labour productivity and lower levels of product defects. Other studies have shown that firms benefit little from implementing single practices at a time but realise the greatest benefits when clusters of coherent systems of innovative workplace practices are introduced (Ichniowski, et al., 1997).

A number of reasons have been put forward for the positive association between the introduction of new workplace practices and the economic performance of firms. The *Oslo Manual* (OECD, 2005) suggests that organisational innovations can help improve firm performance by reducing transaction costs, improving workplace satisfaction, gaining access to non-tradable assets such as non-codified knowledge, or reducing the cost of supplies. Another explanation found in the literature is that the introduction of flexible workplace practices can improve the usage of new technology (Bresnahan et al., 2002). Organisational innovation has also been shown to enhance the effectiveness of skilled labour (Caroli and Van Reenen, 2001). Finally, employee participation initiatives may help increase the motivation of employees as they become stakeholders in the firm (Godard and Delaney, 2000).

While there is a good deal of evidence to suggest that new work practices can enhance business outcomes, we are also interested in the effects that innovative ways of organising work, and various forms of employee involvement, may have on employee wellbeing. One viewpoint claims that workplace innovation can become a “virtuous cycle”, where increased responsibility and involvement in decision-making as well as

increased training can deliver increased levels of performance for firms, alongside increased wages and rewards and higher levels of job satisfaction for employees (Osterman, 2000). However, another stream of the literature has reported less positive implications for employees with higher levels of job intensity and stress. Studies have shown how workers involved in new workplace practices often report higher levels of job satisfaction relative to workers in the same firm who do not work under the same arrangements (Bauer, 2004; Mohr and Zoghi, 2006; Godard, 2001). Freeman and Kleiner (2000) find that employees in innovative firms report higher levels of trust towards management and higher satisfaction towards work. It has been argued that these positive effects on job satisfaction appear to be driven by increasing the involvement of workers in the organisation of their work (Bauer, 2004). In contrast, Askenazy and Caroli (2006) find that new work practices may be associated with increased mental strain and a risky environment for employees. Crisitini (2007) finds that while giving autonomy to employees through the introduction of teamworking can raise well-being, the allocation of responsibility for specific products or services is related to high levels of stress among participants. This increased stress can be attributed to increased peer pressure, which may increase the potential for conflict amongst workers.

If innovative workplace practices are related to firm productivity, it may be reasonable to assume that employees could be rewarded through higher wage levels. However, the results from empirical studies on wage pay-offs arising from new work practices have been inconclusive. Cappelli and Neumark (2001) find higher earnings associated with innovative work practices in a survey of US manufacturing establishments, while Black and Lynch (2004) find that certain types of employees such as supervisors and managers benefit from higher wages while production-level employees’ wages are not

Table 3.1 Incidence of direct participation arrangements and whether respondent is directly involved, 2003 and 2009 (percentage)

	Participation present in workplace	Personally involved as % of those reporting presence of participation in workplace	Personally Involved as % of all employees
2009	44.5	79.4	35.3
2003	37.5	71.2	26.7

affected by workplace practices. Osterman (2000) uses a sample of US establishments in 1992 and 1997 to study the effects of the introduction of new work practices in 1992 on subsequent wage growth in 1996. He finds no significant relationship between the introduction of certain workplace practices and wages. Similarly, Handel and Gittleman (2004) find that innovative work practices have no impact on wages. Overall, it would appear that the effects of organisational innovation on wages are mixed.

3.3 Direct Involvement in the Organisation of Work

Direct Involvement of employees through participation in the manner in which work is carried out represents a significant and growing practice intended to enhance productivity and organisational effectiveness. Respondents were posed the following question:

In some workplaces employees are given a direct say in deciding on the way in which the work is actually carried out. This is done through what might be known as work teams; problem-solving groups; project groups; quality circles; continuous improvement programmes or groups. Are there any such arrangements in your workplace to involve staff directly in the way in which work is carried out on a day-to-day basis?

Those who responded that such participation was present in their workplace were asked whether they personally participated in any of these groups.

Public sector workers are much more likely to report the presence of direct participation in their workplaces (53 per cent) than are private sector workers (42 per cent) and public sector workers are also much more likely to report that they are personally involved in such participation. Workers in the manufacturing sector are most likely to report the presence of such arrangements (59 per cent) and of personal involvement (47 per cent) followed by workers in the education sector. Construction sector workers are least likely to report such participation.

The incidence of direct participation arrangements increases with firm size, as does personal involvement. Table 3.3 shows professionals are most likely to report both the presence of direct participation in their workplaces, and their personal involvement in such working arrangements. This reflects the organisation of work shared by many professionals. Craft workers, on the other hand, are least likely to report such working practices. Permanent workers and those working full-time are more likely than temporary or part-time workers to report the presence of, or personal involvement in, direct participation.

Table 3.2 Incidence of direct participation arrangements and whether respondent is directly involved, by organisational characteristics

Industry	Organisation has participation %	Personal participation %
Public	52.9	42.5
Private	42.1	33.3
Other production	59.4	47.1
Construction	25.8	21.3
Wholesale and retail	32.4	22.3
Hotels and restaurants	28.9	26.6
Transport, storage, communication	39.7	27.8
Financial and other business activities	50.9	41.3
Public administration and defence	49.0	37.5
Education	54.5	45.9
Health	48.0	38.2
Other services	30.6	27.3
1-4 employees	25.9	21.7
5-19 employees	37.6	31.9
20-99 employees	43.7	35.6
100+ employees	58.8	44.0
Total	44.5	35.3

Table 3.3 Incidence of direct participation arrangements and whether respondent is directly involved, by job characteristics

Industry	Organisation has participation %	Personal participation %
Managers and administrators	57.1	49.5
Professionals	58.5	50.5
Associate professional and technical	49.8	38.4
Clerical and secretarial	46.5	32.3
Craft and related	28.2	23.1
Personal and protective services	30.6	25.0
Sales	29.9	20.5
Plant and machine operatives	51.8	39.8
Other	43.7	34.9
Contract		
Permanent	46.1	36.7
Temporary/casual	35.4	27.6
Full-time	46.8	38.2
Part-time	38.0	27.3
Total	44.5	35.4

Table 3.4 | Active consultation

	Almost Always/Often	
	2003 %	2009 %
How often are you and your colleagues consulted before decisions are taken that affect your work?	47.9	47.8
If changes in your work occur, how often are you given the reason why?	56.5	57.4
If you have an opinion different from your supervisor/ manager, can you say so?	71.8	78.5
If you are consulted before decisions are made, is any attention paid to your views?	49.7	52.5

Almost half of all respondents indicate that they are consulted before decisions are taken that affect their work and over half are given the reasons if changes occur in their work. Over half also believe that if they are consulted, attention will be paid to their views. Almost 80 per cent believe that if they have an opinion that differs from their supervisor or manager, they can say so. This pattern of responses has changed little since 2003.

The consultation scale was constructed using the responses to each of these questions. The scale ranges from 0 to 4, the higher scores indicating greater levels of consultation. The scale has a

mean of 2.75 and with an acceptable reliability score (Cronbach's alpha = .78). For descriptive purposes we can group the scale into low (with 33 per cent of cases less than 2.3); medium (with 33 per cent of cases lying between 2.3 and 3.3) and high (with 34 per cent of cases with score in excess of 3.3).

Full-time workers are more likely to report greater frequency of consultation than part-timers, although there are no significant differences between those on permanent versus those on temporary contracts. Not surprisingly, those in managerial and professional occupations exhibit higher consultation scores than those in less skilled occupations. There are no gender differences in reported strength of consultation. Older workers are more likely to report greater levels of active consultation than younger workers, and those with higher levels of education are also more likely to report more active consultation.

Full-time workers are more likely to report greater frequency of consultation than part-timers, although there are no significant differences between those on permanent versus those on temporary contracts. Not surprisingly, those in managerial and professional occupations exhibit higher consultation scores than those in less skilled occupations.

Table 3.5 | Strength of active consultation by personal characteristics

	Consultation Scale
Men	2.77
Women	2.74
Age	
Under 25 years	2.65
25–39 years	2.71
40–54 years	2.82
55 years plus	2.84
Education	
Primary	2.55
Junior/Intermediate	2.73
Leaving Certificate	2.70
PLC, Diploma, Certificate	2.83
Third-level degree or above	2.80
All	2.75

Table 3.6 Strength of active consultation by job characteristics

Contract	Consultation Scale
Full-time	2.77
Part-time	2.69
Permanent	2.76
Temporary	2.74
Occupation	
Managers and administrators	3.03
Professionals	2.90
Associate professional and technical	2.73
Clerical and secretarial	2.77
Craft and related	2.79
Personal and protective services	2.61
Sales	2.58
Plant and machine operatives	2.68

Table 3.8 Who provides the most useful source of information concerning your workplace

	2003	2009
Management/supervisors	69.1	69.7
Union or staff association	5.7	6.3
Grapevine	20.4	16.3
Other	4.7	7.8
Total	100.0	100.0

The frequency of reported consultation is greater in the private than the public sector. Employees in construction manufacturing, education and financial and other business all report relatively frequent consultation, whereas those in public administration and wholesale and retail trade exhibit lower scores on the consultation scale. Employees in smaller firms report greater consultation and the scale falls as organisations increase in size.

Table 3.7 Strength of active consultation by organisational characteristics

Sector	Consultation Scale
Public	2.67
Private	2.78
Other production	2.91
Construction	2.85
Wholesale and retail	2.64
Hotels and restaurants	2.75
Transport, storage, communication	2.68
Financial and other business activities	2.81
Public administration and defence	2.59
Education	2.82
Health	2.68
Other services	2.71
Size	
1–4 employees	2.91
5–19 employees	2.78
20–99 employees	2.73
100+ employees	2.71
All	2.76

3.5 Communication of Business Information

The level of communication between management and employees is an important element of workplace relations. The 2003 study found that high levels of communication were associated with higher levels of job satisfaction (O'Connell et al., 2004). Good communication is likely to be particularly important in the current period when both public and private sector organisations are facing very difficult financial circumstances and are experiencing acute pressure to cut costs. Providing employees with information about the nature of the challenges facing the organisation and planned changes may reduce uncertainty and foster greater willingness to accept changes.

Table 3.9 | Frequency of communication – private sector

	The level of competition	Plans to develop new products/services	Plans to introduce new technology	Plans to re-organise the company	Plans to change work practices	Information on sales, profits, market share	Plans to reduce staff
Regular basis	46.4	44.3	37.2	29.9	35.6	35.8	24.7
Occasionally	23.9	26.9	27.7	28.9	28.9	21.3	26.3
Hardly ever	29.6	21.9	26.1	31.0	27.2	42.9	34.5
Has not arisen	--	6.9	8.9	10.2	8.3	--	14.5
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Table 3.10 | Frequency of communication – public sector

	The Budget of your organisation	Plans to improve services	Plans to introduce new technology	Plans to re-organise delivery of public services	Plans to change work practices	Plans to reduce staff
Regular basis	32.7	41.3	33.6	33.5	35.7	28.8
Occasionally	21.8	33.5	32.5	32.4	34.5	25.1
Hardly ever	45.5	22.9	27.7	27.5	23.9	35.7
Has not arisen	-	2.4	6.3	6.5	5.8	10.4
Total	100.0	100.0	100.0	100.0	100.0	100.0

The main sources of workplace information remained virtually unchanged between 2003 and 2009. In 69 per cent of cases, management/supervisors were the most useful source of information, followed by informal sources (20.4 per cent), while the trade union or staff association was cited as the most useful source by 6 per cent of employees.

In general, our findings suggest that substantial majorities of employees are not regularly provided with key business or work-related information, (Tables 3.9 and 3.10). For example, less than half of private sector employees are informed on a regular basis about the level of competition facing their firm and plans

to introduce new products and services.

Similarly in the public sector less than one-third of employees receive regular information about the organisations budget and only 41 per cent receive information relating to plans to improve services. Just over one-third of employees in both the public and private sector receive regular information on plans to change work practices, although substantially less than 10 per cent of employees report that such changes have not arisen.

To construct a summary measure of how regularly management informed its employees we assigned a score of “2” to each item if the respondent said he/she was informed on a “regular basis”; a score of “1” if he/she was informed “occasionally” and a score of “0” if he/she recorded that management “hardly ever” provided the information in question; answers of “has not arisen” were coded as missing. The average score was then calculated for each

respondent across the seven relevant items of information for private sector respondents and across the six items of information for public sector employees.⁷ The score ranges from 2 in a situation where information on all relevant items was provided by management on a “regular basis” to 0 in situations where information on all items was “hardly ever” provided. While the list of items is not exhaustive of the full range of information that could be provided to employees by management, they do cover a number of key areas of organisational information and the main areas of potential change. Communication on this set of items is likely to be indicative of the general level of communication from management within the organisation. Compared to 2003, the 2009 scales included one additional item for both public and private sector employees, namely information on plans for staff reductions. In addition, the response “has not arisen” was not given to respondents in 2003.

The average scores for the public and private sector are almost identical, suggesting that the extent of communication is equivalent in the two sectors (although the underlying indicators differ for public and private employees). The level of communication is much greater for those higher up the occupational hierarchy. Managerial and professional employees in both the public and private sector have high scores on the communication scales. Clerical workers in the public sector are also in regular receipt of information concerning their organisation. Levels of communication are also greater for employees with third-level degrees or above, while those with no qualifications receive least information in both the public and private

sector. In the private sector, communication is strongly linked to the size of the local unit, and those in very small firms are least likely to receive information while those in large firms of over 100 employees score highest on the communication scale. In the public sector, size of local unit has less effect, and when other characteristics are held constant size has no significant effect.

Table 3.11 | Level of communication/
information: mean scores

	Private	Public
Managers and administrators	1.27	1.18
Professionals	1.17	1.09
Associate professional & technical	1.05	1.07
Clerical	1.04	1.15
Craft and related	0.87	(1.06)
Personal services	0.83	0.89
Sales	0.98	1.05
Plant and machine operatives	1.08	(1.00)
Other	1.04	0.82
Primary	0.82	0.89
Junior\Intermediate	0.97	1.03
Leaving Certificate	1.04	0.99
PLC, Diploma, Certificate	1.02	0.99
Third level degree or above	1.14	1.10
1–4 employees	0.84	0.87
5–19 employees	0.95	1.03
20–99 employees	1.04	1.04
100 plus employees	1.20	1.06
Total	1.04	1.03

Scale ranges from zero where respondents receive no information on the six items (in public) seven items (in private sector) to two when information is regularly communicated on all items

7. In cases where a response was missing on one or more items, the average score was calculated over the remaining items.

Table 3.12 Satisfaction with amount of information on issues affecting your work and organisation

	All	Public	Private
Very satisfied	25.1	18.9	26.9
Fairly satisfied	48.1	50.0	47.6
Neither satisfied/dissatisfied	12.7	13.6	12.4
Dissatisfied	10.3	12.1	9.8
Very dissatisfied	3.8	5.4	3.4
Total	100.0	100.0	100.0

3.6 Satisfaction with level of information received

In addition to exploring the amount and types of information received by employees, the survey also investigates respondents' satisfaction with the level of information they received on issues affecting their work and their organisation.

Overall, 73 per cent of employees are satisfied and 14 per cent are dissatisfied. Although levels of communication were similar in the public and private sector, private sector employees are more satisfied with the amount of information they receive, (Table 3.12).

3.7 Formal Partnership Committees

In addition to union presence and membership, respondents were also asked about formal collective organisation in which employee representatives work with management. The question was as follows:

Some workplaces establish committees on which unions work with management to promote partnership and co-operation, or to improve the organisation's performance. Do union officers or shop stewards represent members on any such committees in your workplace?

Just over 21 per cent of all employees indicated that formal partnership institutions were in place at their workplaces. The figure was higher for employment in the public sector (41 per cent) than in the private sector (16 per cent). It is informative to examine these findings in relation to the data reported in the 2009 Employer Survey. There is a precise correspondence between the employer and employee data for employment in the private sector, with both surveys reporting 16 per cent of employment in organisations that have formal partnership arrangements. In contrast, there is a clear discrepancy between the data reported in the employee and employer surveys in relation to levels of formal partnership arrangements in the public service.

Table 3.13 Incidence of partnership institutions in the workplace and whether respondent is directly involved, 2003 and 2009 (percentage)

	Partnership at work	Personally involved as % of those reporting presence of participation in workplace	Personally Involved as % of all employees
2009	21.1	18.8	4.0
2003	23.0	26.4	6.1

While the employee data suggests that formal partnership arrangements exist in only 41 per cent of public sector employment, the employer survey reveals that almost all (96 per cent) of employment in the public sector is in organisations that have formal partnership arrangements. Given that representative models of formal partnership, particularly in larger organisations, tend to preclude the possibility of widespread participation by employees, it is not surprising to find such low levels of personal involvement in partnership arrangements. What seems to represent a greater challenge, however, is the lack of awareness that employees in the public service demonstrate in relation to partnership arrangements in their workplaces.

Public sector workers, with higher levels of union presence and membership, are much more likely to report the presence of partnership institutions in their workplace: 41 per cent, compared to less than 16 per cent in the private sector. Nevertheless, even in the public sector, only a small minority of employees – less than 8 per cent – are personally involved in such institutions. As might therefore be expected, the presence of partnership institutions is most frequently reported by employees in public administration and defence. The presence of partnership institutions is also clearly related to organisational size: only 5 per cent of workers in organisations with one to four employees report the presence of such institutions, compared to almost 37 per cent of those with 100 or more employees, reflecting the public sector effect.

Table 3.14 Incidence of partnership institutions in the workplace, by organisational characteristics

	Partnership in work %	Involved in partnership %
Public	40.9	7.8
Private	15.6	2.9
C–E. Other production	24.5	4.4
F. Construction	7.6	2.8
G. Wholesale and retail	13.9	3.0
H. Hotels and restaurants	5.0	1.7
I. Transport, storage, communication	33.9	5.1
J–K. Financial and other business activities	13.9	1.4
L. Public administration and defence	48.8	9.8
M. Education	26.4	5.0
N. Health	27.6	5.0
O–Q. Other services	12.5	3.4
Size of local unit		
1–4	5.0	1.1
5–19	9.5	1.9
20–99	20.5	4.6
100 plus	36.6	6.4
Total	21.0	4.0

Table 3.15 Incidence of partnership institutions in the workplace, by job characteristics

	Partnership in work %	Involved in partnership %
Managers and administrators	19.2	4.6
Professionals	23.0	4.0
Associate professional and technical	29.7	5.0
Clerical and secretarial	25.0	3.1
Craft and related	14.0	3.1
Personal and protective services	16.0	3.1
Sales	10.8	2.1
Plant and machine operatives	27.1	5.4
Other	26.0	7.6
Permanent	22.6	4.3
Temporary/casual	12.3	2.0
Full-time	23.6	4.3
Part-time	14.1	3.0
Total	21.1	4.0

Associate professional and technical, and Clerical occupations are more likely to report the presence of partnership institutions in their workplaces; sales workers are least likely to. Permanent employees are more likely than temporary employees to report the presence of such institutions, as are full-timers.

3.8 Conclusions

In this chapter we have examined four aspects of employee engagement: direct participation in the manner in which work is carried out; consultation about the organisation of work; communication of key business-related information; and formal representation of employees through partnership institutions.

Overall, 45 per cent of employees indicate that such participation practices are present in their workplaces, and 36 per cent that they

are personally involved in such practices. Both of these figures suggest that the incidence of participation in Irish workplaces has increased markedly since the same question was asked in 2003. Public sector workers are much more likely to report the presence of participatory work practices in their workplaces than private sector workers, and public sector workers are also more likely to be personally involved in such participation.

Almost half of all respondents indicate that they are consulted before decisions are taken that affect their work and over half are given the reasons if changes occur in their work. Over half also believe that if they are consulted, attention will be paid to their views. Almost 80 per cent believe that if they have an opinion that differs from their supervisor or manager, they can say so. This pattern of responses has changed little since 2003.

The extent of communication of key business information is an important aspect of workplace relations, and, we argue later, a significant determinant of business outcomes. However, in general we find that substantial proportions of employees are not regularly provided with key business or work-related information. For example, less than half of private sector employees are informed about the level of competition facing their firm on a regular basis and less than one-third of those in the private sector receive regular information about the organisation's budget. Just over one-third of employees receive information about plans to change work practices.

Just over 21 per cent of all employees reported the presence of formal partnership institutions at their workplaces and about 4 per cent of respondents indicated that they were personally involved in such forms of employee representation. Public sector workers, with higher levels of unionisation, are much more likely to report the presence of partnership institutions in their workplace: (41 per cent), compared to less than 16 per cent in the private sector. Employees in larger organisations are also generally more likely to report the presence of partnership institutions.

Chapter 4

Workplace Innovation: The Organisation of Work

4.1 Introduction: Workplace Innovation

There is little consensus about what constitutes innovation in workplace practices. Terminology differs depending on the researcher, and common labels include terms such as high performance work systems, workplace innovation, organisational innovation and employee involvement schemes. Different studies have used various indicators to capture workplace innovation, with the result that empirical findings are seldom comparable because of the absence of common theoretical foundations and, consequently, cumulative development of knowledge in the field does not take place.

The third edition of the *Oslo Manual* (OECD, 2005) recognised that workplace innovations were not just supporting factors for product and workplace innovation but could also have an important impact on firm performance in their own right. The manual includes guidelines for the measurement of both organisational and marketing innovations. It also provides a definition of organisational innovation:

An organisational innovation is the implementation of a new organisational method in the firm's business practices, workplace organisation or external relations. (OECD, 2005, pp. 51–2)

According to the *Oslo Manual*, organisational innovation encompasses three types of workplace practice: business practices, workplace organisation and external relations. *Business practice* innovation includes the introduction of new practices for employee development, such as training, as well as the implementation of new management systems like total quality management systems or lean production. *Organisational innovation* refers to the implementation of new methods for distributing responsibilities and decision-making among employees and promoting flexibility and employee involvement. This includes any work practices such as Decentralised decision-making, job rotation, self-directed work teams and shared rewards. *External relations* refer to collaborations with other firms or public bodies, closer integration with suppliers, and outsourcing.

This perspective strongly correlates with the work of Ramstad (2009) who defines organisational innovation as “renewals in the structure, processes or boundaries of work organisation that achieve savings in the use of labour or capital resource and/or improved ability to respond to customer needs”. Within Ramstad's work there is a clear focus both on different types of changes in work organisation as the basis of innovation and also in the capacity of such changes to generate tangible improvements for the organisation in question.

Within the literature certain authors have sought to define workplace or organisational innovation in terms of a bundle of specific practices and it is clear that aspects of workplace innovation overlap strongly with high performance work systems and forms of employee involvement.

As we have seen in Chapter 3, Appelbaum et al., (2000) define the key components of new work practices as adaptive teams, incentive pay schemes and employer-provided training. Black and Lynch (2005) regard workplace innovation as the combination of workforce training, decentralised decision-making, employee discretion in determining work and shared rewards. Murphy (2002) defines organisational innovation as encompassing flexible working arrangements, new management systems such as TQM and changes in external relations such as outsourcing.

Drawing on this literature, the NCPP has utilised a broad action-oriented definition of workplace innovation, which covers the adoption of all new workplace practices, structures and relationships. This approach recognises the importance of developing new ideas about how things are done in public and private sector workplaces – and how to involve employees in doing them. Workplace innovation involves reconsidering traditional approaches to the way workplaces are organised and rethinking everything that is done there, from employee relations and human resource management to the organisation of work and work practices.

This working definition draws on the emphasis within the literature on changes in work organisation and work practices linked to improvement, while also recognising that there is a cultural and relationship dimension to workplace innovation. Importantly, there is no attempt to strictly define a model of workplace innovation in terms of a set number of specific working practices or a particular approach to the organisation of work or job design. The NCPP's approach to workplace innovation also incorporates both the multi-dimensional nature of innovation – through its focus on practices, structures and relationships – and also the collaborative aspect of innovation as there is a strong emphasis on employee involvement in driving innovation. It is important to note that for

the purpose of the survey this broader definition of workplace innovation was adapted further to provide respondents with a clearer focus of what workplace innovation would mean for them in practical terms.

4.2 Innovation in Irish Workplaces

Respondents were asked whether their organisation had introduced any innovations in the way the work is carried out in the last two years.

By workplace innovation we mean new ideas, processes or behaviours designed to promote improvements in the way the work is carried out, rather than improvements to the product or service provided? (*National Workplace Survey of Employees 2009*)

Overall, 57 per cent of employees reported that they worked in an organisation that had introduced such workplace innovation. Workplace innovation was more common in the private than the public sector and was most common in manufacturing and financial services. Those working in larger organisations were more likely to report workplace innovation. Plant and machine operatives were more likely than any other occupational group to report that their organisation had introduced workplace innovation in the past two years. This reflects the fact that such innovation is particularly strong in the manufacturing sector. Craft and related occupations were least likely to report workplace innovation, reflecting the importance of craft-based skills and practices.

Permanent workers were more likely than temporary workers to report workplace innovation, again reflecting the likelihood that permanent employees have longer reference periods than their temporary counterparts. Full-time workers were more likely than part-timers to report such workplace innovation.

Innovation Climate: Openness and Support for Innovation

We also asked a series of questions relating to employees' experiences of practices and approaches in their places of work that support innovation. These items are adapted from a scale created by Patterson et al., (2005). There is evidence of strong support for innovation in public

and private workplaces, although it is generally more common in the private sector.

The principal exception to this is that public sector workers are more likely to report that their employer encourages them to collaborate with other organisations, reflecting greater openness to networking of public sector organisations.

Table 4.1 | Workplace Innovation by organisational characteristics

Sector	Yes %	No %	Don't know %
Public	52.9	44.6	2.5
Private	57.6	40.5	1.9
Production	68.4	30.8	0.8
Construction	44.5	55.0	0.5
Wholesale and retail	55.7	41.9	2.4
Hotels and restaurants	58.8	39.8	1.4
Transport, storage, communication	58.1	40.3	1.6
Financial and other business activities	60.0	37.5	2.6
Public administration and defence	48.2	49.1	2.6
Education	52.8	44.1	3.0
Health	55.5	42.3	2.1
Other services	47.2	50.0	2.8
Size of local unit			
1–4 employees	44.6	54.3	1.1
5–19 employees	51.6	46.4	2.0
20–99 employees	59.8	38.2	1.9
100+ employees	62.7	35.0	2.3

Table 4.2 | Workplace innovation by job characteristics

	Yes %	No %	Don't know %
Managers and administrators	63.5	35.6	0.8
Professionals	61.7	36.6	1.7
Associate professional and technical	57.0	39.9	3.1
Clerical and secretarial	60.9	37.5	1.6
Craft and related	45.7	54.3	0.0
Personal and protective services	50.8	45.9	3.3
Sales	53.4	43.8	2.8
Plant and machine operatives	65.8	33.4	0.7
Other	44.8	51.2	3.9
Contract			
Permanent	57.9	40.8	1.3
Temporary/casual	49.1	44.8	6.1
Full-time	58.7	40.0	1.4
Part-time	50.9	45.4	3.7
All	56.7	41.4	2.0

These separate innovation practices, together with the extent of introduction of significant new ideas or process in the way work is carried out can be combined into a scale that we term **Innovation Climate** with an overall mean of 2.97 (Cronbach's alpha .81). The innovation climate is somewhat higher in the private than the public

sector. It is also higher in manufacturing and financial services. Larger organisations are more likely to exhibit higher values on the innovative work practices scale.

Table 4.3 | Openness and support for innovation

	Agree/Strongly Agree %		
	All	Public	Private
New ideas are readily accepted in my workplace	78.3	71.6	80.4
People in my organisation are always searching for new ways of looking at problems	78.1	75.1	79.1
Customer needs are considered top priority	91.7	85.4	93.4
Organisation is prepared to take risks in order to be innovative	66.2	49.8	71.1
Organisation is quick to respond when changes need to be made	75.1	60.9	79.4
Employer encourages employees to collaborate with other organisations	61.8	69.8	59.7
Organisation is continually looking for new opportunities	83.8	72.0	87.2
Employer encourages people to work in teams	86.7	87.4	86.6

Table 4.4 | Innovation climate scale by organisational characteristics

Sector	Mean	Std. deviation
Public	2.87	0.49
Private	3.00	0.45
Industry		
Construction	3.01	0.41
Wholesale and retail	2.97	0.44
Hotels and restaurants	2.97	0.46
Transport, storage, communication	2.92	0.45
Financial and other business activities	3.01	0.47
Other production	3.05	0.42
Public administration and defence	2.84	0.47
Education	2.92	0.52
Health	2.93	0.49
Other services	2.94	0.45
Size		
1–4 employees	2.95	0.42
5–19 employees	2.93	0.48
20–99 employees	2.98	0.46
100+ employees	2.99	0.46
All	2.97	0.49

Table 4.5 | Innovative climate scale by job characteristics

	Mean	Std. deviation
Managers and administrators	3.05	0.46
Professionals	3.02	0.47
Associate professional and technical	2.95	0.47
Clerical and secretarial	2.98	0.47
Craft and related	2.96	0.42
Personal and protective services	2.93	0.46
Sales	2.94	0.45
Plant and machine operatives	3.00	0.42
Other	2.83	0.46
Contract		
Permanent contract	2.97	0.46
Temporary/casual	2.95	0.46
Full-time	2.98	0.46
Part-time	2.93	0.46
All	2.97	0.46

4.3 Is innovation related to employee involvement?

We now examine, in a preliminary fashion, whether workplace innovation is related to forms of employee involvement. Both the presence of, and personal involvement in, direct participation arrangements in the workplace are positively related to the *Innovative climate scale*. There is a similar relationship between the degree of consultation and workplace innovation. These relationships will need to be examined in greater depth in a multivariate framework. There is no evidence of any relationship between partnership institutions and innovative work practices.

Much of the research on high performance work systems emphasis the idea that separate dimensions of new work practices may be combined within workplaces in pursuit of greater organisational effectiveness. Certainly our analysis of the relationships between workplace innovation, the various forms of employee engagement, and other dimensions of new work practices, suggest substantial affinity between such practices and workplace innovation. It is useful, then, to consider the extent to which employees experience multiple dimensions of new working practices in their workplaces.

Table 4.6 Openness and support for innovation	
Participation present in the workplace	Innovation climate
No	2.86
Yes	3.10
Personal participation	
No	2.88
Yes	3.12
Total	2.96

Table 4.8 The relationship between innovation climate scale and communication/information scale	
Consultation scale	Innovative Climate
Low	2.75
Medium	3.00
High	3.17
Total	2.97

Table 4.7 The relationship between innovation climate scale and consultation	
Consultation scale	Innovative Climate
Low	2.71
Medium	3.02
High	3.17
Total	2.97

Table 4.9 The relationship between innovation climate scale and partnership	
Partnership institutions present in the workplace	Innovative Climate
No	2.97
Yes	2.95
Personal involvement in partnership institution	
No	2.97
Yes	2.98
Total	2.96

Over 20 per cent of employees reported that there were none of the components of new work practices considered in this study in their workplace: neither direct participation, nor strong consultation or communication, nor training or incentivised reward systems. The complete absence of any innovative work practices was more common in the private than the public sector. Over half of all employees reported two new work practices, and over two-thirds reported the presence of three such work practices. Less than 12 per cent reported the presence of four or more new work practices and this was much more common in the private sector.

Table 4.10 | Distribution of number of high performance work practices

	Public	Private	Total
0	17.2	21.0	20.2
1	33.4	27.3	28.6
2	28.2	23.2	24.3
3	14.8	16.0	15.7
4 or more	6.3	12.6	11.2
	100.0	100.0	100.0

4.4 Conclusions

This chapter examined innovation in the Irish workplace, focusing in particular on changes in approaches to the way workplaces are organised and the manner in which work is carried out.

We found that, 57 per cent of employees overall reported that they worked in an organisation that had introduced new ideas, processes or behaviours designed to promote improvements in the way the work is carried out. Such workplace innovation was more common in the private than the public sector and was most common in manufacturing and financial services. Those working in larger organisations were more likely to report workplace innovation.

We also examined the responses to a series of questions relating to employees' experiences of innovative practices and approaches in their places of work. In general, there is evidence of substantial innovative practices in Irish workplaces, and these practices are generally more common in the private sector. Combining our indicator of workplace innovation with the series of questions relating to innovation, we constructed a scale of the strength of the innovation climate in Irish workplaces.

Organisations that promote greater employee engagement and involvement in the organisation of work appear to also adopt more innovative work practices. We found that several dimensions of employee involvement are positively associated with the innovation climate:

- Those who work in organisations characterised by the presence of participatory practices show higher scores on the innovation climate score, and those who participate personally in such arrangements score higher still.
- The strength of consultation and the frequency of communication of business information are both also positively associated with innovation climate.

It should be noted that this is not to suggest a causal relationship: it does, however, provide a strong indication that innovative workplaces are associated with certain forms of employee engagement – participation, consultation, communication and training. Neither the presence of formal partnership institutions nor incentivised reward systems, the latter considered to be important complements of new work practices were associated with the strength of the innovation climate.

Chapter 5

Skills and Learning

5.1 Introduction

Skills are widely regarded as key to the economic well-being of individuals, organisations and societies. As noted in the report of the NCPP/FÁS Learning Network Project (2006), *“Within the context of a global economy Irish organisations face the continued challenges of maintaining and increasing competitiveness while employees must ensure that they have the knowledge and skills to maintain their future employability.”* The National Workplace Strategy highlights the need to enhance and develop the skills of our current and future workforce through increased investment in education, up-skilling, reskilling, training and lifelong learning. Continual upgrading of skills is essential to meet the challenges of competing in the global economy and to respond to ongoing changes in the organisation and technology of production and service delivery.

To meet the challenges of increased competition and changing customer expectations, individuals and organisations must become more innovative about how they do their business, increase productivity, and achieve higher-quality outputs. Broader socio-economic factors such as the changing profile of the labour market, the growing emphasis on lifelong learning, and the need to cater for increasing diversity and social inclusion, are also driving the need for learning in the workplace.

The extent of training at work in Ireland appears to be close to the European average, although it lags behind best-practice levels, particularly in northern European countries (O’Connell, 2007). This chapter examines participation in training. It identifies the personal and organisational correlates of training and examines the relationship between training, work practices and innovation.

Table 5.1 Participation in employer sponsored training in past two years by individual characteristics

	Trained %
Male	50.6
Female	47.8
Age group	
under 25 years	44.9
25–39 years	51.6
40–54 years	49.3
55 years plus	43.9
Education	
No qualification	34.3
Junior/Intermediate	41.5
Leaving Cert	42.7
PLC, Diploma, Cert	49.8
Third level Degree or above	60.9
Total	49.2

Table 5.2 Participation in employer sponsored training in past two years by job characteristics

Occupation	Trained %
Managers and administrators	57.8
Professionals	60.7
Associate professional and technical	56.7
Clerical and secretarial	45.3
Craft and related	43.0
Personal and protective services	46.3
Sales	33.9
Plant and machine operatives	43.5
Other	49.0
Contract	
Permanent	50.4
Temporary/ casual	41.9
Full-time	53.1
Part-time	38.3
Union member	
Union member	57.2
Non-union	44.9
Total	49.2

Overall, just under half (49 per cent) of employees reported that they had participated in training, provided by their present employer, over the past two years. This is virtually the same proportion as reported training in the 2003 survey (48 per cent) and must be regarded as disappointing, given the importance accorded to the need for investment in lifelong learning in Irish public policy in recent years. It should be noted that while the proportion of employees has remained virtually static between the two years, the absolute number of workers trained has increased in line with the substantial increase in the numbers at work, as discussed in Chapter 1.

Table 5.1 shows the incidence of training by personal characteristics. Men are somewhat more likely than women to participate in employer-sponsored training. Employees in the prime working-age groups 25–54 years are more likely to train. Training incidence declines among those aged over 55 years, although the proportion receiving training in this age group (44 per cent) is higher than that recorded for this age group in 2003 (38 per cent). Training participation is

strongly linked to educational attainment: only 34 per cent of those with no formal qualifications received training, compared to over 60 per cent of those with a third-level degree.

Training incidence is also strongly linked to occupation. Over 57 per cent of managers administrators and professionals participated in training, compared to only 33 per cent of sales workers, and 43 per cent of craft and related workers. The terms of employment are also important: permanent employees receive more training than temporary workers, and full-time employees more than part-timers. Union members are substantially more likely to receive training than non-members. The patterns of training participation revealed in Tables 5.1 and 5.2 are well established in Irish and international research, and there is little evidence of any change in these patterns since 2003. In very broad terms, these patterns suggest that those who are already well educated and in higher-level occupations are more likely to receive training, while those with less skill, those lower down the occupational structure, and those in temporary jobs, are less likely to receive training at work.

Table 5.3 shows the variation of training by organisational characteristics. Training is much more common in the public sector: 60 per cent of public sector workers, compared to 46 per cent of those in the private sector, participated in employer-sponsored training in the previous 2 years. These training rates also show great consistency with the pattern found in 2003. Accordingly, training incidence is highest in Public administration and defence. Workers in education (56 per cent) and health (55 per cent), and financial and other business services also report high levels of training, while those in construction (42 per cent) and hotels and restaurants (34 per cent) report low training rates. Training is also influenced by organisation size: 58 per cent of those working in organisations with 100 or more employees, participated in training, compared with 33 per cent of those in

smaller organisations. This latter effect is likely to be related to economies of scale in the design and delivery of training in large organisations, where the costs can be distributed over a larger number of employees, but may also be due to the development of more advanced human resource management systems in larger organisations.

Table 5.3 Participation in employer sponsored training in past two years by organisational characteristics

	Trained
Public	59.6
Private	46.3
Industry	
C–E. Other production	50.8
F. Construction	42.1
G. Wholesale and retail	39.7
H. Hotels and restaurants	34.0
I. Transport, storage, communication	48.2
J–K. Financial and other business activities	54.1
L. Public administration and defence	60.7
M. Education	56.4
N. Health	54.9
O–Q. Other services	41.3
Size	
1–4	33.2
5–19	44.3
20–99	49.6
100 plus	58.4
Total	49.2

5.2 What Kind of Training?

One of the key distinctions in the economics of training is that between “general” versus “specific” training. General training is defined in terms of its transferability: general training may be of use to both current and subsequent employers, whereas specific training is of use only to the current employer.

In our survey, respondents who indicated that they had participated in education or training provided by their employer over the past two years was asked:

Do you feel that the skills or knowledge which you have acquired in this education or training would be of any use to you in getting a job with another employer, or was the education or training specific to your current job only?

Over 75 per cent of all education and training undertaken by employees with employer sponsorship was general in nature, considered by respondents to be “of use in getting a job with another employer”.

Only about 25 per cent of training was considered to be specific, “of use only in current job”. This pattern, whereby most training is general in nature is similar to that found in the 2003 workplace survey and is consistent with the pattern to that found in other countries (see, for example, Booth and Bryan, 2002 in the UK; Pischke 1996 in Germany; and Loewenstein and Spletzer 1999 in the US).

Men are somewhat more likely than women to report that they participated in general training. Older workers are less likely than their younger colleagues to participate in training, and to participate in general training; only 30 per cent of those aged 55 participated in general training, compared to 41 per cent of those aged 25–39 years.

Table 5.4 Proportion of employees receiving no training, general and specific training by personal characteristics

	No training %	General %	Specific %
Male	49.4	38.6	12.0
Female	52.2	35.8	12.0
Age group			
Under 25 years	55.1	32.7	12.1
25–39 years	48.4	41.3	10.4
40–54 years	50.7	35.8	13.5
55 years plus	56.1	30.1	13.9
Education			
No Formal Qualification	65.8	24.1	10.0
Junior\Intermediate	58.5	28.6	12.9
Leaving Certificate	57.3	31.6	11.1
Post Leaving Certificate, third-level non-degree	50.2	38.9	10.9
Third-level degree or above	39.1	47.1	13.8
All	50.8	37.2	12.0

Table 5.5 Proportion of employees receiving general versus specific training by job characteristics

	No training %	General %	Specific %
Occupation			
Managers and administrators	42.2	46.3	11.5
Professionals	39.3	46.8	13.9
Associate professional and technical	43.4	42.6	14.0
Clerical and secretarial	54.7	34.7	10.6
Craft and related	56.9	34.1	9.0
Personal and protective services	53.7	33.1	13.2
Sales	66.2	22.6	11.2
Plant and machine operatives	56.4	33.7	9.9
Other	51.1	34.7	14.2
Contract			
Permanent	49.6	38.1	12.4
Temporary/casual	58.0	32.1	9.9
Full-time	46.8	40.9	12.3
Part-time	61.7	26.8	11.5
Union member	42.8	40.1	17.1
Non-member	55.1	35.6	9.3
All	50.8	37.2	12.0

Those with higher levels of education are more likely to train and appear to be much more likely to receive general training: 47 per cent of those with third-level degrees received general training, compared to 24 per cent or less of those with Junior/Intermediate or no qualifications, (Table 5.4). Those with third-level degrees were also more likely to receive firm-specific training.

Of additional interest in Table 5.4 is that when we consider training participation by type across differing personal characteristics we see that there is very limited variation in specific training: from 10-14 per cent. Participation in general training, by contrast, varies much more – between 24 per cent in the case of those with no formal qualifications, and 47 per cent in respect of those with third-level degrees. This suggests that variation in overall training participation primarily reflects participation in general training, which, as we have argued above, because of its transferability, may be more valuable to employees because it may enhance their employability.

Those in the higher occupational categories, managers and professionals, are more likely to train, and more likely to receive general training. In addition, professionals are also likely to receive firm-specific training. Sales workers showed the lowest rates of training overall and were least likely to receive general training.

Permanent employees report higher levels of training, both general and specific training than temporary workers. This pattern is consistent with the expectations of human capital theories of training that emphasise the importance of the employer being able to realise the returns of training. A broadly similar logic applies to full-time workers who are more likely to train than part-timers and substantially more likely to participate in general training. Union members are more likely to train, and to receive general training than non-members. They are also substantially more likely to receive firm-specific training. This is likely to be due both to the sectors in which unions are strong (the public sector and traditional indigenous manufacturing) and to union management agreements on provision of training in those sectors.

Table 5.6 Proportion of employees receiving general versus specific training by organisational characteristics

Sector	No training %	General %	Specific %
Public	40.4	41.6	18.0
Private	53.7	35.9	10.3
Production	49.2	41.6	9.1
Construction	57.9	32.5	9.6
Wholesale and retail	60.3	29.6	10.1
Hotels and restaurants	65.9	23.7	10.4
Transport, storage, communication	51.8	31.2	17.0
Financial and other business activities	45.8	44.1	10.1
Public administration and defence	39.3	39.6	21.1
Education	43.7	36.3	20.0
Health	45.1	42.8	12.2
Other services	58.7	35.8	5.6
Size of local unit			
1-4	66.8	24.7	8.5
5-19	55.7	33.0	11.3
20-99	50.4	36.1	13.6
100 plus	41.7	46.1	12.2
All	50.8	37.2	12.0

Not only do public sector workers receive more training, they are also more likely than their private sector counterparts to receive more general training, and much more likely to receive specific training. Given job security and low turnover in the public sector, it is perhaps not surprising that many public sector workers regard their training as specific rather than transferable. This pattern, of a relatively high incidence of organisation-specific training, is also found in the training profile of employees in Public administration and defence and in Education. Employees in Financial and other business services, in Health and in Production, are more likely to report that their training is general and transferrable to other employers.

In a context in which training increases with firm size, employees in larger organisations receive much higher levels of general training, as well as higher levels of specific training than those in smaller organisations.

5.3 Is Training Related to Employee Involvement and Innovation?

Much of the literature on organisational innovation suggests that training is an essential prerequisite for the implementation of high performance working systems. Firms adopting such advanced human resource practices are also likely to implement training measures in order to enhance the capacity of employees to implement innovative work practices. Appelbaum et al., (2000) see training as a core component of high performance work practices in addition to providing opportunities to participate in decision-making and incentive systems that encourage skill acquisition, participation and employee retention. Similarly, Black and Lynch (2005) argue that workplace innovation entails training in addition to decentralised decision-making and shared reward systems.

Not only are innovative workplace practices likely to increase the demand for skills and training, their adoption may also have implications for the

Table 5.7 | Percent receiving employer sponsored training by participation

		No training %	General %	Specific %
<i>Participation present in the workplace</i>	No	59.2	30.0	10.8
	Yes	40.3	46.1	13.5
<i>Personal involvement in participation</i>	No	57.8	31.0	11.2
	Yes	38.1	48.4	13.5
All		50.8	37.2	12.0

Table 5.8 | Percentage of employees receiving employer-sponsored training by partnership institutions

		No training %	General %	Specific %
<i>Partnership institutions present in the workplace</i>	No	53.8	35.3	10.9
	Yes	39.6	44.3	16.1
<i>Personal involvement in partnership institution</i>	No	51.5	36.7	11.8
	Yes	34.0	49.8	16.3
All		50.8	37.2	12.0

types of training in which employers will be willing to invest. Successful workplace innovation requires the enhanced capacity of all workers, including those in production and service delivery, to engage in problem solving, data analysis, innovative thinking and effective team-working. Most of these skill requirements appear general in nature. This is not to say that training in the context of an innovative workplace is exclusively general. Handel and Levine (2004) argue that new work practices may also require more firm-specific skills.

Table 5.7 shows the simple bivariate relationship between direct participation in how work is carried out and the incidence of training. Where participation is present in the workforce, the incidence of training is substantially higher (60 per cent) than where it is absent (40 per cent). This relationship is even stronger when employees are themselves personally involved in direct participation. The presence of, and personal involvement in, participation is also strongly related to general training, as well as to specific training.

Table 5.8 shows the relationship between formal institutions and the incidence of training. Where partnership institutions are present in the workforce, the incidence of training is substantially higher (60 per cent) than where it is absent (46 per cent). This relationship is even stronger when employees are themselves personally involved in such institutions. The association between partnership institutions and training is particularly strong with respect to specific training.

With respect to consultation in decisions relating to the organisation of work, there is a clear divide between employees who report low levels of consultation and those reporting either medium or higher levels. Low levels of consultation are associated with a much lower incidence of training. Medium and high levels of consultation are associated with much higher rates of general training. On the other hand, low consultation is associated with higher rates of firm-specific training. This latter effect may relate to the occupations and economic sectors characterised by lower levels of consultation, such as in Public administration and defence.

Table 5.9 | Percent of employees receiving employer sponsored training by consultation scale

Consultation scale	No training %	General %	Specific %
Low	58.1	28.3	13.6
Medium	47.8	40.5	11.7
High	46.6	42.5	10.9
All	50.8	37.2	12.0

Table 5.10 | Percent of employees receiving employer-sponsored training by innovation climate scale

Innovation Climate	No training %	General %	Specific %
Low	59.8	27.9	12.3
Medium	49.2	38.3	12.5
High	42.5	46.4	11.1
All	50.8	37.2	12.0

Table 5.10 shows the relationship between the innovation climate scale and training incidence and suggests that the extent of encouragement and support for new ideas and new ways of doing things are strongly related. Those employees who show low scores on the innovation climate scale are much less likely to report participation in training (40 per cent) than those showing high values on this innovation scale (58 per cent), and the latter are much more likely to have participated in general training.

5.4 Multivariate Analysis of Training

It is possible that some of the associations that we have pointed to between various forms of employee involvement and innovation may be driven by other factors, such as personal, job or organisational characteristics. We therefore conducted a multivariate analysis to examine the impact of the various factors, while controlling for the effects of other relevant covariates.

Table 5.11 shows summary results of the relationship between our measures of employee involvement and innovation and participation in training. These effects are derived from a logistic regression analysis of training and the full model, presented in Table A5.1, (Appendix A), controls for individual, job and organisational characteristics.

Training is closely associated with employee engagement. Personal involvement in direct participation at work, the extent of consultation regarding the individual's job and the frequency of communication of business information are all positively related to training. The effects of the presence of participation arrangements and of partnership institutions in the workplace are both positive, but do not achieve statistical significance. Both the strength of supports for innovation and the implementation of incentivised reward systems are also positively related to training. This pattern of results suggests that training is closely related to employee engagement.

Table 5.12 presents summary results from a multinomial logit analysis of general and specific training, both compared to the base case of no training derived from the full model reported in Table A5.2, (Appendix A). The determinants of general training are very similar to those of training overall in Table 5.11. This includes the impact of three dimensions of employee engagement: personal involvement in participation, the strength of consultation, and the regularity of communication. Incentivised reward systems and support for innovation in the workplace are also associated with general training.

Table 5.11 | Effects of employee involvement and innovation on training

	B	Sig.	Exp(B)
Participation in workplace	.028	.789	1.029
Involved in participation	.441	.000	1.554
Consultation scale	.089	.017	1.093
Information scale	.185	.002	1.203
Partnership committees present at workplace	.071	.370	1.074
Incentivised rewards	.382	.000	1.465
Innovation climate scale	.258	.001	1.294

Personal and characteristics also controlled, (Table A5.1, Appendix A), for full model results.

Table 5.12 Effects of employee involvement and innovation on general and specific training versus no training

	General training			Specific training		
	B	Sig.	Exp(B)	B	Sig.	Exp(B)
Participation in workplace	-.001	.992	.999	.146	.350	1.157
Involvement in participation	.481	.000	1.618	.364	.001	1.438
Consultation scale	.109	.007	1.115	.006	.908	1.006
Information scale	.259	.000	1.296	.053	.548	1.055
Partnership committees present at workplace	.098	.252	1.103	.081	.470	1.084
Incentivised rewards	.465	.000	1.592	.131	.310	1.140
Innovation climate scale	.309	.000	1.363	.102	.359	1.108

Personal and characteristics also controlled, (Table A5.1, Appendix A), for full model results.

The model of specific training is very different. Controlling for other relevant factors, personal involvement in participation is associated with higher incidence of specific training, but other forms of employee involvement, and the innovation climate at the workplace, are not. This suggests that firm-specific training may be introduced, particularly to provide workers with the skills necessary to engage in direct participation arrangements, for example in team-working or quality circles, but is not part of a broader strategy of greater employee involvement in a high performance work system.

Learning Opportunities at Work

Formal training is not the only way in which workers accumulate skills. Indeed, experience is widely regarded as an important element in the mix of skills that a worker can accumulate over time. The impact of experience can be enhanced where jobs offer opportunities to learn. We examined this issue by asking employees the extent to which “my job requires that I keep learning new things”.

Table 5.13 Responses to statement: “my job requires that I keep learning new things”

	%
Strongly agree	20.0
Agree	63.2
Disagree	14.6
Strongly disagree	2.2
Total	100.0

Almost two-thirds of respondents agreed that their job requires that they keep learning new things and a further one in five strongly agreed. However, almost 15 per cent disagreed. Only 2 per cent disagreed strongly with this statement.

There are no significant differences between men and women in the extent to which their jobs require them to keep learning new things. Workers aged over 55 are more likely than younger workers to disagree that their job requires them to learn new things. The higher the level of education, the more likely is a respondent to agree that their job requires them to keep learning.

Table 5.14 Percentage of employees who agree/disagree that their job requires them to keep learning new things by personal characteristics

Contract	Agree	Disagree
Men	83.5	16.5
Women	82.8	17.2
Age		
Under 25 years	81.4	18.6
25–39 years	84.4	15.6
40–54 years	83.6	16.4
55 years plus	79.1	20.9
Education		
Primary	72.0	28.0
Junior\Intermediate	79.7	20.3
Leaving Certificate	79.0	21.0
PLC, Diploma, Certificate	84.9	15.1
Third-level degree or above	89.3	10.7
All	83.2	16.8

Full-time workers are more likely than part-timers to report that their job requires learning, as are permanent employees more likely than those on temporary contracts. Professionals are most likely to respond that their job requires continual learning and much more so than employees in more elementary occupations.

Table 5.15 Percentage of respondents who agree/disagree that their job requires them to keep learning new things by job characteristics

Contract	Agree	Disagree
Full-time	85.6	14.4
Part-time	76.1	23.9
Permanent	84.1	15.9
Temporary	77.9	22.1
Occupation		
Managers and administrators	87.0	13.0
Professionals	93.8	6.2
Associate professional and technical	88.9	11.1
Clerical and secretarial	81.8	18.3
Craft and related	83.8	16.2
Personal and protective services	78.0	22.0
Sales	70.8	29.2
Plant and machine operatives	75.9	24.1
Other	83.4	16.6
All	83.2	16.8

Public sector workers are more likely than private sector workers to agree that their jobs require that they keep learning new things. Public administration and education are the sectors in which employees are most likely to agree with this statement. Hotels and restaurants, wholesale and retail sales, and transport and communication appear to be characterised by low levels of learning on the job, by this measure.

Table 5.16 Percentage of respondents who agree/disagree that their job requires them to keep learning new things by sector

	Agree	Disagree
Public	89.9	10.1
Private	81.3	18.7
Other production	82.9	17.1
Construction	89.2	10.8
Wholesale and retail	73.4	26.6
Hotels and restaurants	68.5	31.5
Transport, storage, communication	76.5	23.5
Financial and other business activities	86.7	13.3
Public administration and defence	90.9	9.1
Education	90.7	9.3
Health	88.1	11.9
Other services	78.8	21.2
All	83.2	16.8

Conclusion

Continual upgrading of skills is essential to meet the challenges of competing in the global economy and to respond to ongoing changes in the organisation and technology of production and service delivery. Broad socio-economic factors such as the changing profile of the labour market, the growing emphasis on lifelong learning, and the need to cater for increasing diversity and social inclusion, are also driving the need for learning in the workplace.

This chapter examined participation in training. It identified the personal and organisational correlates of training and examined whether training is related to workplace practices and innovation.

Overall, just under half (49.2 per cent) of employees reported that they had participated in training, provided by their present employer, over the past two years. It is worthwhile noting that this is virtually the same proportion as reported training in the 2003 survey (48 per cent) and it places Ireland in the mid-range in international comparisons of the incidence of workplace training, but well behind the leaders in training. It should be noted that while the proportion of employees has remained virtually static between the two years, the absolute number of workers trained has increased in line with the substantial increase in the numbers at work.

Training participation is strongly linked to educational attainment. The higher the level of education the greater the likelihood that an individual will participate in training. Older workers are less likely to train than younger workers. Temporary employees are less likely to train than their counterparts with permanent contracts and part-time employees are less likely to train than full-timers. Union members and those working in larger organisations are more likely to participate in training.

Training is widely regarded as an essential prerequisite for the implementation of innovative working practices. The chapter examined whether firms adopting employee involvement or other forms of workplace innovation may also implement training measures in order to enhance the capacity of employees to implement innovative work practices. The multivariate analysis shows that both the presence of participatory practices in the workplace, as well as personal involvement in such work practices, are associated with higher rates of training participation. Those who report higher levels of consultation and more regularity of communication of business information are also more likely to have received training in the past two years. Moreover, the extent of encouragement and support for new ideas and ways of doing things at work, as well as the employment of incentivised reward systems, are also positively associated with training. This pattern of results suggests that training is an essential complement of innovative workplaces implementing high performance work systems.

Such workplace innovation also has implications for the type of training received. Innovative work practices as well as direct employee participation, consultation and communication, are associated with higher rates of participation in general training, which can, in principle, be transferable across workplaces and employers. Support for innovation and incentivised reward systems are also associated with general training. These relationships between general training and employee engagement and innovation in the workplace may be due to the requirement of workplace innovation for enhanced general skills to perform more complex tasks, problem-solving or other skills required by devolved decision-making. Firm-specific training, on the other hand, may be introduced, particularly to provide workers with the skills necessary to engage in direct participation arrangements or to work on new products or services, but is not part of a broader strategy of greater employee involvement in a high performance work system.

Chapter 6

Rewards Systems and Earnings

6.1 Introduction

Incentivised reward systems are widely regarded in the literature as an integral part of innovative work practices (Appelbaum et al., 2000; Black et al., 2004). Such reward systems represent forms of financial participation that relate rewards to output and they may be developed in order to compensate workers for increased flexibility and cooperativeness, and to motivate greater devolution of decision-making and responsibility. This logic could also mean that employee involvement may raise wages of employees. It has also been suggested that employee involvement can reduce earnings inequality, mainly by generating more higher-wage jobs with greater levels of devolved decision-making for less-skilled workers (Appelbaum et al., 2000). However, the alternative argument has also been advanced that employee involvement can lead to increased inequality, by increasing the demand for higher-skilled workers, or by transferring rewards to managerial and supervisory workers and those with technical skills (Caroli and Van Reenan, 2001).

Innovative reward systems can enhance organisational performance and also benefit employees. The NCPP report on *Employee Financial Involvement 2007* argues that certain forms of Employee Financial Involvement (EFI), including gain-sharing, profit-sharing, share-ownership, or work-related savings schemes or various combinations of these schemes, can lead to increased productivity, sales growth, employment and earnings. The report notes that these effects are particularly marked when EFI is combined with other forms of employee involvement (NCPP, 2007, Cahill, 2000).

6.2 Prevalence of Reward Systems

Respondents were asked about reward systems associated with pay and conditions. The question groups together a variety of forms of reward systems, namely regular increments, profit-sharing and share options, merit or performance-related pay, non-monetary performance initiatives and bonus schemes. Respondents were asked whether any of these form part of their pay and conditions at work. In this chapter, personal involvement in these practices are analysed in relation to forms of work organisation and earnings.

The chapter begins by providing an overview of the rewards systems that employees are involved in. Because of the discrepancies between private and public sector financial involvement practices, results are presented for all employees and private sector and public sector employees separately.

Table 6.1 shows an overview of the prevalence of reward systems. In all, the prevalence of having some form of reward system as part of pay and conditions is high across all employees (66 per cent), with a significantly higher proportion of public sector employees having a reward system relative to private sector employees (73 per cent versus 65 per cent).

Table 6.1 | Employee reward systems included in pay and conditions by sector

	Public %	Private %	Total %
Any reward system	72.1	64.8	66.4
Regular increment	69.0	40.7	46.9
Share options, profit or gain sharing	2.8	21.0	17.0
Merit or performance-related pay	6.1	21.5	18.2
Non monetary performance incentives	2.0	13.0	10.6
Bonus schemes	3.3	36.9	29.5
Of which:			
<i>Related to organisation, section or team performance</i>	35.1	48.7	48.4
<i>Related to individual performance</i>	32.4	38.7	38.0
<i>Not related to performance</i>	29.7	8.8	9.4
<i>Don't know</i>	2.7	3.7	3.6

Note: All results are based on weighted data unless otherwise stated. Private sector includes commercial semi-states..

Among all employees, regular increments and bonus schemes are most common. However, the public and private sectors display quite different rewards systems. Among public sector employees, as we might expect, regular increments are most prevalent, and apply to almost 70 per cent of all public sector workers. In the private sector, just over 40 per cent of employees receive regular increments, but private sector workers are also much more likely than public sector workers to benefit from bonus schemes, to earn merit or performance pay, or to receive EFI-based payments such as share options, profit or gain-sharing.

It is evident, then, that substantial differences exist between public and private sector employees with regard to the type of reward system structures open to them. We see from Table 6.1 that 69 per cent of public sector employees receive regular increments to their pay, while this is the case for just 41 per cent of private sector employees. In this sense, reward systems can be broadly conceptualised as being “incentivised” or “conventional”, with “conventional” consisting of regular increments and incentivised structures including profit-sharing, performance-related pay, non-monetary performance incentives and bonus systems.

There is substantial differentiation evident in relation to “incentivised” or “conventional” practices across sectors. We find that private sector employees are much more likely than public sector workers to indicate that their compensation package includes incentivised rewards systems. Common incentives among private sector employees include bonus schemes (37 per cent), merit or performance-related pay (22 per cent), employee share option structures (21 per cent) and finally, non-monetary performance initiatives (13 per cent).

Table 6.2 | Reward systems by sector

	Public %	Private %	Total %
Regular increment only	61.2	15.0	25.1
Regular increment + incentive	7.8	25.7	21.8
Incentive only	3.0	24.1	19.5
Flat basic pay, with no additional reward	28.0	35.2	33.6
All	100.0	100.0	100.0

Table 6.3 | Reward systems by personal characteristics

	Flat basic pay %	Regular increment %	Incentivised rewards %	%
Male	31.8	19.6	48.6	100.0
Female	35.3	30.5	34.2	100.0
under 25 years	41.7	16.0	42.4	100.0
25–39 years	29.4	23.6	47.0	100.0
40–54 years	32.8	28.4	38.8	100.0
55 years plus	43.9	30.1	26.0	100.0
No qualifications	48.1	26.6	25.3	100.0
Junior\Intermediate	42.0	20.9	37.1	100.0
Leaving Certificate	36.8	22.6	40.6	100.0
PLC, Diploma, Certificate	32.8	24.3	42.9	100.0
Third-level degree or above	24.9	29.6	45.6	100.0
All	33.6	25.1	41.3	100.0

Table 6.2 provides summary information on the types of additional rewards, distinguishing between increments and incentives in the following categories:

- Regular increment only.
- Regular increment and incentive (share option, performance-related pay, non monetary performance initiative, bonus scheme).
- Incentive only (share option, performance-related pay, non monetary performance initiative, bonus scheme).
- Flat basic pay, with neither regular increments nor incentives.

Table 6.2 suggests that the public and private sectors are characterised by very different reward systems. Over 35 per cent of private sector employees report that they receive flat basic pay with no additional rewards beyond their regular salary, compared to 28 per cent in the public sector. Over 60 per cent of public sector workers receive regular increments, but no incentivised rewards, compared to only 15 per cent of those in the private sector. One-quarter of the latter received incentive payments as well as regular increments, which was true of less than 8 per cent of public sector employees. Another quarter of private sector employees received incentive payments but no regular increments, compared to only 3 per cent in the public sector.

Table 6.3 shows summary statistics differentiating between three categories: those receiving flat basic pay, without additional rewards; those whose pay entails regular increments, but no additional rewards such as bonuses or other incentives; and those who benefit from any form of incentivised reward system, including those who combine regular increments with incentives, by personal characteristics. Women are more likely than men to report that they receive no rewards additional to their regular salary. Men are much more likely to receive incentivised rewards, while women are more likely to report that they receive regular increments, but no performance-related incentives. Younger and older employees are more likely than those in the 25–54 year age group to receive no rewards in addition to basic salary. Receipt of regular increments increases steadily with age, while receipt of incentivised rewards falls steadily with age. The lower the level of education, the less likely is an employee to receive additional rewards in addition to basic pay. Variation in the receipt of increments is

limited, but third-level graduates are most likely to receive regular increments. Incentivised reward systems increase steadily with education: one-quarter of those with no formal qualifications receive incentivised reward payments, compared to over 45 per cent of those with third-level degrees.

Those in higher-level occupational positions are less likely to report that they receive no additional rewards beyond their regular salary scale than those further down the occupational structure. Craft and related workers are the least likely to benefit from additional reward systems. Regular increments are most common among professionals, associate professional and technical workers, and those in personal and protective services. Incentivised reward systems are most common among managers and administrators, but also among plant and machine operatives and sales workers.

Table 6.4 | Additional reward systems by job characteristics

	Flat basic pay %	Regular increment %	Incentivised rewards %	%
Occupation				100.0
Managers and administrators	20.2	13.6	66.2	
Professionals	24.7	35.6	39.8	100.0
Associate professional and technical	28.4	33.3	38.3	100.0
Clerical and secretarial	33.8	26.1	40.1	100.0
Craft and related	50.7	14.7	34.6	100.0
Personal and protective services	44.1	34.2	21.8	100.0
Sales	36.8	12.9	50.2	100.0
Plant and machine operatives	32.4	16.3	51.2	100.0
Other	33.6	31.5	34.8	100.0
Contract				
Permanent	30.9	25.4	43.7	100.0
Temporary/casual	49.0	23.7	27.3	100.0
Full-time	29.7	24.2	46.1	100.0
Part-time	45.3	27.7	27.0	100.0
Union member				
Union member	25.9	38.5	35.7	100.0
Non-member	37.7	18.1	44.2	100.0
All	33.6	25.1	41.3	100.0

Table 6.5 | Additional reward systems by organisational characteristics

	Flat basic pay %	Regular increment %	Incentivised rewards %	%
Sector				100.0
Public	27.9	61.2	10.9	100.0
Private	35.2	15.0	49.8	100.0
Other production	26.1	8.9	64.9	100.0
Construction	50.5	15.3	34.2	100.0
Wholesale and retail	36.6	13.5	49.9	100.0
Hotels and restaurants	48.0	19.0	33.0	100.0
Transport, storage, communication	27.7	17.1	55.2	100.0
Financial and other business activities	24.6	11.5	63.9	100.0
Public administration and defence	27.8	57.9	14.3	100.0
Education	29.5	59.9	10.6	100.0
Health	38.3	45.1	16.6	100.0
Other services	43.4	22.6	34.0	100.0
Size of local unit				
1–4 employees	49.8	24.4	25.8	100.0
5–19 employees	41.3	24.2	34.5	100.0
20–99 employees	35.0	26.2	38.9	100.0
100 plus employees	20.0	24.7	55.3	100.0
	33.6	25.1	41.3	100.0

Permanent employees and full-time workers are less likely to report that they benefit from no additional rewards systems than their counterparts on non-standard contracts, and they are much more likely to receive incentive-based rewards. Union members are more likely to benefit from an additional reward system, and they are much more likely to receive regular increments, while non-members are more likely to receive incentivised pay.

We have already noted that reward systems differ greatly between the public and private sectors. Public sector workers are more likely to participate in an additional reward system than those in the private sector and they are much more likely to receive regular increments. Almost half of all employees in the private sector benefit from an incentivised reward system, compared to only 11 per cent of those in the public sector.

Construction workers and those employed in hotels and restaurants are least likely to benefit from additional rewards systems. Those employed in public administration and defence and education are most likely to receive regular increments. Those in manufacturing and finance and business services are most likely to receive performance-related pay. Those working in larger organisations are more likely to participate in additional reward systems, and most of this takes the form of incentivised rewards.

6.3 Incentives and Innovation

We now turn to the question of whether reward systems are related to forms of employee involvement and innovation. Table 6.6 shows the relationship between direct participation in how work is carried out and reward systems. Those employed in workplaces characterised by direct participation are much less likely to have no additional reward system and much more likely to benefit from incentivised reward systems than those who do not. Of particular interest here is that the relationship appears to be somewhat stronger in respect of the presence of direct participation arrangements at the workplace than personal involvement in such arrangements.

We can also see a strong relationship between the extent of consultation and reward systems. Those reporting high levels of consultation are also more likely to indicate that they benefit from additional rewards beyond basic regular pay, and these are most likely to be incentivised reward systems. Similarly, there is a strong relationship

between incentivised reward systems and the innovative work practices scale developed in Chapter 3: less than 30 per cent of respondents who show low scores on the innovative work practices scale participate in incentivised reward systems, while over 50 per cent who score high on this scale receive performance-related pay.

Employees who report the presence of formal partnership committees or institutions are also less likely to receive additional rewards beyond basic pay than those who do not, and are more likely to receive regular increments. However, they are only slightly more likely than those who do not report the presence of, or personal involvement in, such partnership institutions to benefit from incentivised reward systems. Partnership institutions thus appear to be more closely associated with regular increments than performance-related reward systems and this may reflect the greater frequency of partnership institutions in the public sector, where incremental scales are prevalent.

Table 6.6 Rewards system by employee

		Reward system			Total %
		Flat basic pay %	Regular increment %	Incentivised rewards %	
<i>Participation present in the workplace</i>	No	42.3	23.2	34.5	100.0
	Yes	22.7	27.6	49.8	100.0
<i>Personal involvement in participation</i>	No	39.8	23.5	36.7	100.0
	Yes	22.3	28.1	49.6	100.0
Total		33.6	25.1	41.3	100.0

Table 6.7 Rewards system by consultation

		Reward system			Total %
		Flat basic pay %	Regular increment %	Incentivised rewards %	
<i>Consultation scale</i>	Low	43.1	23.7	33.2	100.0
	Medium	29.7	26.9	43.4	100.0
	High	28.2	24.8	47.0	100.0
Total		33.6	25.1	41.3	100.0

Table 6.8 | Rewards system by partnership committees or institutions

		Reward system			Total %
		Flat basic pay %	Regular increment %	Incentivised rewards %	
<i>Partnership committees present in the workplace</i>	No	37.0	22.3	40.7	100.0
	Yes	20.9	35.6	43.5	100.0
<i>Personal involvement in partnership committee</i>	No	34.2	24.6	41.2	100.0
	Yes	18.8	37.1	44.1	100.0

Table 6.9 | Rewards system by innovation climate

		Reward system			Total %
		Flat basic pay %	Regular increment %	Incentivised rewards %	
<i>Innovation climate scale</i>	Low	41.7	28.9	29.4	100.0
	Medium	31.9	23.8	44.3	100.0
	High	26.2	22.9	50.9	100.0
Total		33.6	25.1	41.3	100.0

Table 6.10 | Rewards system by product or service innovation

		Reward system			Total %
		Flat basic pay %	Regular increment %	Incentivised rewards %	
<i>Product or Service Innovation</i>	No	45.3	28.3	26.3	100.0
	Yes	27.5	23.2	49.3	100.0
Total		33.6	25.1	41.3	100.0

Reward systems may also be related to innovation in outputs. Almost 50 per cent of employees who reported that they participated in incentivised rewards systems indicated that their organisation had introduced a significant new product or service within the past two years.

Table 6.11 presents results relating to the association between employee involvement and innovation and reward systems, derived from a multinomial regression analysis of the factors associated with incremental and incentivised rewards systems, both compared to the base case of no additional rewards system, reported in full in Table A6.1 (Appendix A). The multivariate analysis is intended to examine

the associations between the various factors while controlling for the effects of other relevant covariates: it does not allow us to determine causality. Thus, for example, if we discover an association between output innovation and reward systems, we cannot with certainty identify which factor causes which, but we can with some confidence assert that two or more factors tend to be associated.

Table 6.11 | The association between employee involvement and innovation and reward systems

	Regular increments			Incentives		
	B	Sig.	Exp(B)	B	Sig.	Exp(B)
Participation in organisation	.222	.131	1.249	.539	.000	1.714
Involvement in participation	.341	.000	1.406	.465	.000	1.592
Consultation scale	.151	.002	1.164	.191	.000	1.210
Information scale	.110	.163	1.116	.625	.000	1.868
Partnership committee	.214	.038	1.238	.191	.096	1.210
Innovation climate	-.127	.200	.881	.311	.002	1.365

Personal and characteristics also controlled, (Table A6.1, Appendix A), for full model results.

Table 6.12 | The association between employee involvement and innovation and reward systems – public and private sectors analysed separately

Public Sector	Regular increments			Incentives		
	B	Sig.	Exp(B)	B	Sig.	Exp(B)
Participation in organisation	.122	.555	1.130	-.420	.290	.657
Involvement in participation	.133	.339	1.142	.203	.378	1.225
Consultation scale	.038	.606	1.039	.098	.454	1.103
Information scale	.143	.227	1.154	.544	.007	1.723
Partnership committee	.228	.082	1.256	.576	.008	1.780
Innovation climate	-.122	.395	.885	.225	.362	1.252
Private Sector						
Participation in organisation	.166	.461	1.181	.652	.000	1.919
Involvement in participation	.501	.000	1.650	.538	.000	1.713
Consultation scale	.212	.001	1.236	.225	.000	1.253
Information scale	.111	.305	1.117	.644	.000	1.905
Partnership committee	.239	.180	1.270	.084	.555	1.088
Innovation climate	-.077	.595	.926	.323	.005	1.381

Personal and organisational characteristics also controlled, (Tables A6.2 and A6.3, Appendix A) for full model results.

Employee involvement is related to reward systems, even when we control for other factors. Both personal involvement in participatory work practices and the strength of consultation increase the likelihood that employees receive either increments or incentivised rewards. The presence of participatory work practices and the regularity of communication of business information are positively associated with incentivised reward systems, but not with

incremental pay systems. The presence of partnership committees, on the other hand, is associated with incremental pay scales. The strength of the innovation climate in the workplace and innovation in products or services are associated with incentivised reward systems, but not with incremental pay scales.

Given the marked differences between rewards systems in the public and private sectors noted above, it is useful to consider the sectors separately, (Table 6.12). The results confirm that rewards systems are structured very differently in the two sectors. There is very little variation in reward systems in the public sector, which may reflect the predominance of incremental rewards in that sector. The presence of partnership committees in the workplace does increase the likelihood of incentivised rewards. Regular communication of business information is also associated with incentivised rewards in the public sector. However, no other forms of employee involvement or innovation in the workplace influence reward systems in the public sector.

In the private sector, in contrast, the results suggest that rewards systems are much more systematically related to forms of employee involvement. It is only in the private sector that the presence of participation arrangements and personal involvement in such work practices increases the likelihood that employees receive either increments or incentivised rewards. The strength of consultation is positively associated with both incremental and incentivised rewards systems, compared to the base case of no additional reward system. Regular communication of business information is also associated with incentivised rewards systems. Partnership committees are not significantly related to reward systems in the private sector. In the private, but not the public sector, innovative workplaces are more likely to be associated with incentivised reward systems.

6.4 Earnings

We turn now to examine employee earnings focusing in particular on the relationship between earnings, on the one hand, and employee involvement, workplace innovation and reward systems, on the other. In order to ensure comparability across employees as well as reliability of the earnings data, we exclude employees working very short hours, confining the analysis to employees working at least fifteen hours per week.

Average earnings in the period March to June 2009 were €707 per week among those working at least fifteen hours per week. Men earned an average of €808, about 33 per cent higher than the female average. Employees in commercial Semi-State organisations reported the highest average earnings, €809, compared to €792 in the public sector and €678 among private sector employees. It should be noted that this was the period during which the public sector pension levy was introduced, and while the questionnaire was designed to collect gross earnings, before the deduction of tax and other payments, it is likely that at least some respondents reported net earnings, after deductions. While the earnings data are not intended to provide a comparison of average earnings between different population sub-groups, they do allow us to examine the relationships between employee earning, on the one hand, and forms of employee involvement, reward systems and workplace innovation, on the other.

Table 6.13 Average weekly earnings, employees working at least fifteen hours per week

	€
Male	808.01
Female	604.47
Public sector	792.32
Private sector	678.35
Commercial Semi-State	808.83
All	707.01

Table 6.14 The effects of employee involvement, reward systems and innovation on wages

	B	Sig.
Organisation has participation	.008	.728
Personally involved in participation	.054	.000
Consultation scale	.019	.015
Information scale	.025	.043
Organisation has partnership committees	.022	.165
Innovation climate scale	-.014	.372
Regular increments	.059	.000
Incentives	.068	.000
Trained in last two years	.010	.435

Personal and organisational characteristics also controlled, (Table A6.4, Appendix A) for full model results.

Table 6.14 shows summary results from a wage equation, focusing on the relationship between wages and employee involvement, rewards systems and innovation. The earnings variable is expressed as the natural logarithm of earnings, to minimise the impact of outliers at either end of the earnings distribution, and given this, the coefficients can be interpreted in percentage terms. The analysis is confined to employees working fifteen hours per week or more in order to maximise the comparability of earnings.

Three forms of employee engagement are associated with higher earnings: personal involvement in direct participation, the level of consultation regarding work, and the regularity of communication of business information. However, the presence of participation arrangements in the workplace, without the direct involvement of the employee in question, has no impact on earnings. These effects are consistent with findings in other research (see, for example, Handel and Levine, 2004) and suggest that workers are rewarded for increased responsibility and flexibility associated with more direct participation, greater levels of consultation and devolved decision-making. The presence of formal partnership committees or institutions in the workplace has no significant effect on earnings.⁸

Perhaps not surprisingly, employees who respond that they receive regular salary increments are paid more than those who have no additional rewards beyond their basic pay. Of interest, however, is that employees in incentivised reward systems show a stronger positive coefficient. This suggests that incentives have material benefits for employees, and provides counter evidence to the thesis that high performance work systems, and associated reward systems, represent a deterioration in employees' terms and conditions (see, for example, Goddard, 2004). There is no relationship between the strength of the innovation climate in an organisation and earnings.

Table 6.15 compares the relationship between employee involvement, reward systems, innovation and earnings in the public and private sectors. The relationships differ markedly between the two sectors. The only common relationship is that regular increments are associated with a wage premium, although this amounts to 8 per cent in the public sector and 4 per cent in the private sector.

In the public sector, the main drivers of wages are personal, such as age and education characteristics, (Table A6.5, Appendix A). In

8. To test whether personal involvement in such partnership committees might influence wages at the individual level, rather than through the organisation, we tested an alternative model replacing presence of partnership committees at the workplace with a measure of personal involvement in partnership committees. However, the coefficient remained insignificant.

Table 6.15 The effects of employee involvement, reward systems and innovation on wages in the public and private sectors

	Public Sector		Private Sector	
	B	Sig.	B	Sig.
Organisation has participation	-.058	.126	.039	.154
Personally involved in participation	-.003	.898	.082	.000
Consultation scale	-.004	.765	.025	.007
Information scale	.035	.107	.020	.185
Organisation has partnership committees	.040	.077	.021	.344
Innovation climate scale	.000	.996	-.020	.310
Regular increments	.075	.002	.043	.006
Incentives	-.005	.902	.074	.000
Trained in last two years	.012	.591	.008	.617

Note: Personal and organisational characteristics are also controlled, Table A6.5 Appendix A for full model results

the private sector, while such characteristics are influential, so also are dimensions of the organisation of work. In the private sector, employees who are personally involved in participatory work practices earn about 8 per cent more than those who are not. The strength of consultation is also associated with higher earnings in the private sector. Those whose compensation package includes incentivised pay earn about 7 per cent more than those who are on a flat pay scale.

6.5 Conclusions

Incentivised reward systems are widely regarded in the literature as an integral part of an innovative set of work practices. Such reward systems may be developed in order to compensate workers for increased flexibility and co-operativeness, and to motivate greater devolution of decision-making and responsibility. This chapter examined the pattern of reward systems among employees in Ireland and looked at the relationship between rewards systems and forms of employee involvement and innovation in the workplace. It also looked at the relationship between earnings, on the one hand, and forms of employee involvement, rewards systems and innovation, on the other.

About two-thirds of all employees participate in some form of reward system above and beyond their basic pay. Public sector workers are much more likely than those in the private sector to receive regular increments: 61 per cent of public sector workers receive increments, but no other incentives, compared to 15 per cent of those in the private sector. However, almost half of all employees in the private sector benefit from an incentivised reward system, compared to only 11 per cent of those in the public sector.

Women are more likely than men to report that they receive no rewards additional to their regular salary. Men are much more likely to receive incentivised rewards, while women are more likely to report that they receive regular increments, but no performance-related incentives. The lower the level of education, the less likely is an employee to receive additional rewards in addition to basic pay. Third-level graduates are most likely to receive regular increments. Incentivised reward systems increase steadily with education.

The public–private sector differences extend also to the relationship between rewards systems, employee involvement and innovation. In the private sector, rewards systems are systematically related to forms of employee involvement. In private sector firms, the presence of direct participation arrangements increases the likelihood that employees will receive incentivised pay. Personal involvement of an employee in such directly participative work practices and the strength of consultation both increase the likelihood that employees receive either increments or incentivised rewards. So also does the regularity of communication of business information. In the private sector, but not the public sector, the strength of support for innovation is also associated with incentivised reward systems. However, in private firms, partnership institutions have no statistically significant effects on either reward system.

In the public sector, however, there is little evidence of a systematic relationship between reward systems and employee involvement or innovation. This may be due to the predominance of incremental rewards in the public sector. The presence of partnership committees does increase the likelihood of incentivised rewards systems, but the only other form of employee involvement to influence reward systems in the public sector is the regularity of communication.

Three forms of employee engagement are associated with higher earnings: personal involvement in direct participation, the level of consultation regarding work, and the regularity of communication of business information. These effects suggest that workers are rewarded for increased responsibility and flexibility associated with more direct participation, greater levels of consultation and devolved decision-making. Involvement in formal partnership institutions or committees has no significant effect on earnings.

Perhaps not surprisingly, employees who benefit from an incremental rewards system are paid more than those who have no additional rewards beyond their basic pay. Of interest, however, is those employees in incentivised reward systems benefit somewhat more, suggesting that incentivised payment systems have material benefits for employees. The analysis shows no evidence of a relationship between workplace innovation and earnings.

However, this pattern of relationships differs markedly between employees in the public and private sectors. In both sectors those who receive regular increments earn more than those who receive a flat basic wage. However, no other dimensions of employee involvement or innovation appear to influence wages in the public sector. In the private sector, in contrast, employees who are personally involved in direct participation earn a wage premium. The strength of consultation is also associated with higher earnings in the private sector. Those whose compensation package includes incentivised pay earn more than those who are on a flat pay scale.

Chapter 7

Employee Well-being

7.1 Introduction

In this chapter we focus on a range of measures of employee well-being, namely job satisfaction, organisational commitment, job pressure/intensity, job stress, work–family conflict and autonomy. These are key elements of how employees evaluate their job and working life. A central concern of this chapter is to map how levels of employee well-being have changed over the period 2003 and 2009. Six years is a relatively short period in which to expect changes in such factors, however this period spans the shift from a period of rapid economic growth and near full-employment to a period of unemployment, economic retrenchment and severe financial constraints in many workplaces.

Over half of employees reported that they had witnessed staff reductions in their organisations and one-third felt that their jobs had become more insecure. As outlined in the introductory chapters, such a rapid change of fortunes introduces a range of pressures and changes in the workforce, which are likely to impact on employee well-being. Growing job insecurity is likely to increase the stress and psychological strain experienced by workers. Such stress may also spill over into family life, in what is known in the literature as strain related work–life conflict (Steiber, 2009; Netemeyer et al., 1996), and therefore may be reflected in higher levels of work–family conflict.

The impact of recession on work intensity is ambiguous. On the one hand, if there is a reduced demand for services and produce, workers may be under less intense pressure. Similarly, a reduction in working hours as a response to a decline in demand may increase work–life balance by reducing time-based conflict. On the other hand, if the numbers of employees in an organisation are reduced either through redundancies or because those leaving are not replaced, then the remaining workforce may experience increased intensity.

Likewise, the effects of recession on job satisfaction are unpredictable – a deterioration in job conditions (e.g. in pay, bonuses etc.) because of the economic crisis would be expected to result in lower satisfaction. The survey was carried out over the period in which the pension levy was introduced for all public sector workers, resulting in an effective 8 per-cent reduction in net earnings. Alternatively, it is possible that those who retain their jobs will show an increased level of satisfaction and organisational commitment because they are glad to remain in employment. The outcome will partially depend on the comparative reference point that the respondent is using – their prior position, or the position of others who have lost their jobs.

Job Satisfaction

We begin by examining levels of job satisfaction among employees. The questions in the survey address satisfaction with three different job dimensions: physical working conditions, hours of work and earnings, as well as a global satisfaction measure i.e. “Satisfaction with job in general”. In Figure 7.1 we compare the level of satisfaction expressed in 2009 compared to 2003.

Figure 7.1 Job satisfaction 2003 and 2009 (percentages agree/strongly agree they are satisfied)

Over the period, there was an increase in the category strongly agree for each of the four items. This was particularly evident for satisfaction with physical working conditions and less so on earnings. In each item this involved a shift from “agree” to “strongly agree” so that the proportion disagreeing (i.e. expressing dissatisfaction) remained stable over time. A satisfaction scale was constructed based on respondents’ average scores on each of the four questions outlined above, with higher scores indicating greater satisfaction.⁹ The average composite score is .95 and only 6 per cent of respondents score on the negative side of the scale, showing low levels of job dissatisfaction. Compared to 2003, the average scores on the satisfaction scale have increased from .88 to .95. In Table 7.1, trends in satisfaction levels are tracked across a number of key groups. This shows that the overall increase in satisfaction recorded over the period disguises an increase in satisfaction in the private sector, and a small decrease in average satisfaction amongst public sector workers. These contrasting trends mean that in 2009 private sector employees were more satisfied than public sector employees, while in 2003 the reverse was the case. However, it is important to acknowledge that

notwithstanding the recession, the overall levels of satisfaction remain high in both the public and private sector.

In 2003, men and women recorded the same level of job satisfaction, while in 2009 there was a small but statistically significant difference, with women’s satisfaction being higher than men’s. These figures do not control for the objective conditions of men and women’s job, and it has been commented on in the literature that women tend to record higher levels of job satisfaction than men for jobs of the same standard. In the UK it has been found that part-time female employees, in particular, appear to record higher satisfaction for relatively poor employment (Gallie and Russell 2009).

There is also a strong relationship between occupational position and job satisfaction. In 2009, satisfaction scores ranged from .84 among those in elementary occupations to 1.08 among those in senior managerial positions. The pattern of results in 2009 was the same as that prevailing in 2003, with the exception of those in skilled agricultural employment who had the lowest level of satisfaction in 2003, but were placed

9. The responses were scored 2 for strongly agree, 1 for “agree,” -1 for “disagree” and -2 for “strongly disagree,” the scale therefore ranges from minus 2 to plus 2. Those recorded as missing on any item are excluded from the final index. This is how missing values are treated in all of the scales unless otherwise stated.

Table 7.1 | Satisfaction scores 2003–2009

	2003	2009
All	.88	.95
Public sector	.94	.90
Private (and commercial semi-state)	.87	.96
Male	.87	.92
Female	.89	.97
Occupation¹		
Legislators/senior officials/managers	.98	1.08
Professionals	.95	1.01
Technicians/associate profession	.97	1.05
Clerks	.94	1.01
Service work/shop market sales	.81	.85
Skill agriculture/fishery	.62	.89
Craft and related trades	.91	.86
Plant/machine operators	.77	.92
Elementary occupation	.74	.84

Note: 2003 figures have been calculated using the same four satisfaction items. The satisfaction scores reported in O'Connell et al., (2004) include another two items, satisfaction with commuting and job interest, and so differ from those reported. In order to make comparisons with 2003 we use a different occupational coding (ISCO) in Tables 7.1 to 7.4 than that applied elsewhere in the study.

above elementary, service workers and craft workers in 2009. Relationships with additional variables are also as expected from the literature and consistent with the findings in the 2003 survey (O'Connell et al., 2004): job satisfaction rises with age and job tenure, is higher among permanent than non-permanent staff, and part-time employees are more satisfied than full-time employees, reported in Table A8.1 (Appendix A). Those in the smallest firms are most satisfied, followed by those in the largest workplaces. The education effect appears weaker than in 2003, with only those with third-level qualifications reporting significantly higher job satisfaction. Satisfaction is lower among union members than non-union members, a finding which in the UK has been attributed to a selection effect, whereby unions are more likely to be present where there have been grievances in the past (Bryson et al., 2004).

7.2 Organisational Commitment

The second measure of employee well-being measured is organisational commitment. Organisational commitment involves a person's loyalty to a particular organisation and the extent to which he or she shares its goals and values (Lincoln and Kalleberg, 1990). To assess organisational commitment, respondents were asked to agree or disagree with six statements:

- I am willing to work harder than I have to in order to help this organisation succeed.
- I am proud to be working for this organisation.
- I would turn down another job with more pay in order to stay with this organisation
- My values and the organisations values are very similar.
- I feel little loyalty to the organisation that I work for.
- I would take almost any job to keep working for this organisation.

Responses to these six items were combined to form an index of organisational commitment, based on respondents' average across the six items. The scale ranges from -2 to +2 and higher scores indicate higher levels of organisational commitment.

Between 2003 and 2009, the level of organisational commitment increased on a number of these items. Most notably, the proportion agreeing that they would work harder to help the organisation succeed increased from 80 per cent to 89 per cent, while the proportion saying they would turn down another job with more pay to stay with the organisation increased from 38 per cent to 52 per cent, and the proportion who would take any job to stay with the organisation increased from 27 per cent to

Figure 7.2 Organisational commitment 2003 and 2009**Table 7.2** Organisational commitment 2003 and 2009

	2003	2009
All	.41	.67
Public sector	.53	.68
Private (and Commercial, Semi-State)	.37	.67
Male	.39	.62
Female	.42	.71
Occupation		
Legislators /senior officials/managers	.53	.76
Professionals	.48	.65
Technicians/associate profession	.46	.70
Clerks	.45	.71
Service work/shop market sales	.36	.65
Skill agriculture/fishery	.21	.63
Craft and related trades	.38	.58
Plant/machine operators	.28	.63
Elementary occupations	.27	.62

Note: 2003 figures have been calculated using the same four satisfaction items. The satisfaction scores reported in O'Connell et al., (2004) include another two items, satisfaction with commuting and job interest, and so differ from those reported. In order to make comparisons with 2003 we use a different occupational coding (ISCO) in Tables 7.1 to 7.4 than that applied elsewhere in the study.

48 per cent. These strong increases may reflect a recessionary effect whereby employees display more loyalty to their current employer because of the uncertainties in the external labour market, and reflect self-interest in preserving their employment. For example, working hard to help the organisation succeed could be seen as a means of increasing one's own job security.

7.3 Job Pressure

Job pressure refers to the intensity of work demands, both physical and mental, experienced by workers, and the degree of work effort demanded in employment. Job pressure was measured by asking respondents whether they agreed or disagreed with four statements. The first two items address the general level of work pressure, and capture both mental and physical pressures. The second two statements relate to the time pressure experienced by employees.

The four statements are:

- My job requires that I work very hard.
- I work under a great deal of pressure.
- I never seem to have enough time to get everything done in my job.
- I often have to work extra time over and above my formal hours to get through the job or to help out.

These four items are combined to form a work pressure scale with higher scores indicating greater pressure. The scores range from -2 to +2 and the average score for all employees is .32; as this result is positive it indicates that the average worker experiences some work pressure. The Alpha for the scale is .7.

Over the period 2003 to 2009 there is evidence of increased work pressure or intensification. The percentage of respondents agreeing or strongly agreeing that they have to work very hard increased from 82 per cent to 89 per cent. The percentage of employees who feel under a great deal of pressure increased from 51 per cent

to 57 per cent, and the percentage agreeing that they do not have enough time to get everything done rose from 38 per cent to 45 per cent. The percentage who agreed that they 'often have to work extra hours over and above their formal hours to get through the job or help out' stayed the same over the period. The average work pressure score increase from .17 to .32 over the period, suggesting that at a very broad level the period of economic contraction was associated with greater job pressure amongst employees.

Table 7.3 shows that pressure increased in both the public and private sector over the period, with the figures suggesting that the increase was highest in the private sector. As outlined in the introduction, increased pressure in the private sector may be linked to greater insecurity and a decline in staff numbers within workplaces. The greater increase in pressure amongst those in elementary occupations would be consistent with such an explanation as this group is more at risk of unemployment.

Figure 7.3 Changes in work pressure 2003-2009

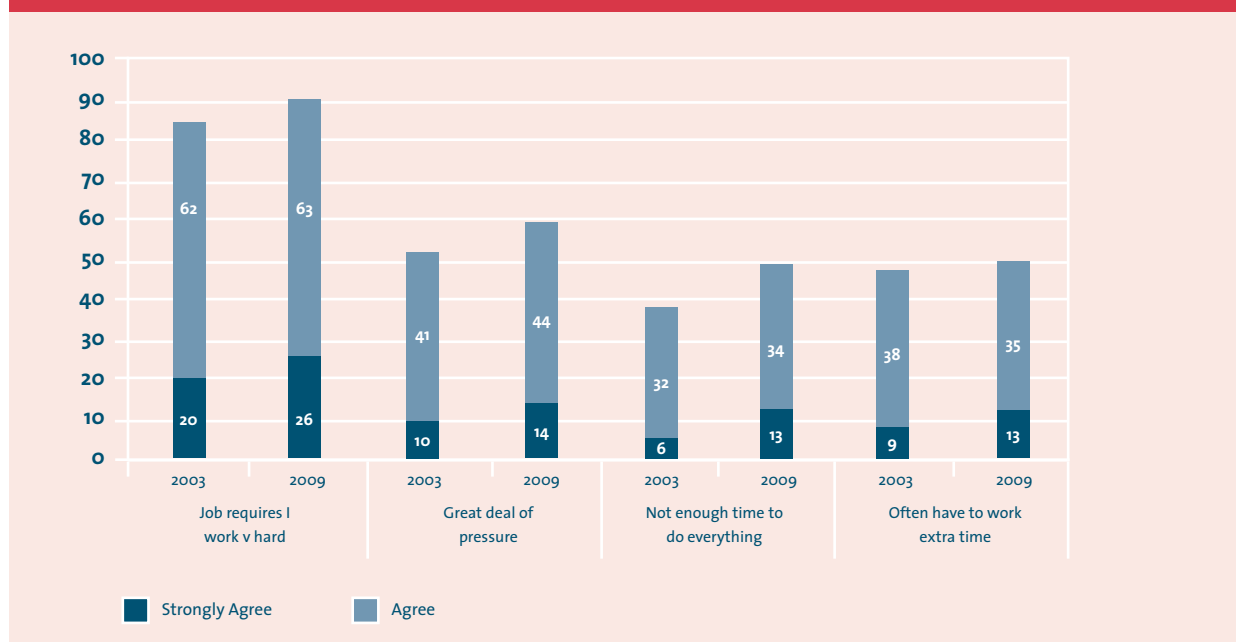


Table 7.3 | Work pressure scores 2003 and 2009

	2003	2009
All	.17	.32
Public sector	.33	.49
Private sector	.14	.28
Male	.21	.29
Female	.14	.35
Occupation		
Legislators /senior officials/managers	.65	.60
Professionals	.52	.61
Technicians/associate profession	.24	.33
Clerks	.02	.22
Service work/shop market sales	.00	.20
Skill agriculture/fishery	.37	.23
Craft & related trades	.22	.27
Plant/machine operators	-.01	.07
Elementary occupations	-.06	.16

Female employees experienced a greater increase in work pressure over the period than male employees, which resulted in a reversal of the gender difference – in 2003, men recorded higher levels of work pressure than women, but in 2009 it was women who had the higher pressure scores.

7.4 Work–family Conflict

The fourth employee well-being measure considered is work–family conflict. The central element of the concept of work–family conflict is that the demands of work and family and other life interests are in competition. In the survey, we measure work to family (life) conflict, which measures the extent to which the effects of work spill over into people’s home and family life.¹⁰ The items measure strain, the extent to which the stresses and strains of work spill over into family life, time-based conflict and conflicting demands (Netemeyer et al., 2005). Respondents were asked how often they experienced the following:

- Come home from work exhausted.
- Find that your job prevents you from giving the time you want to your partner or family.
- Feel too tired after work to enjoy the things you would like to do at home.
- Find that your partner/family gets fed up with the pressure of your job.

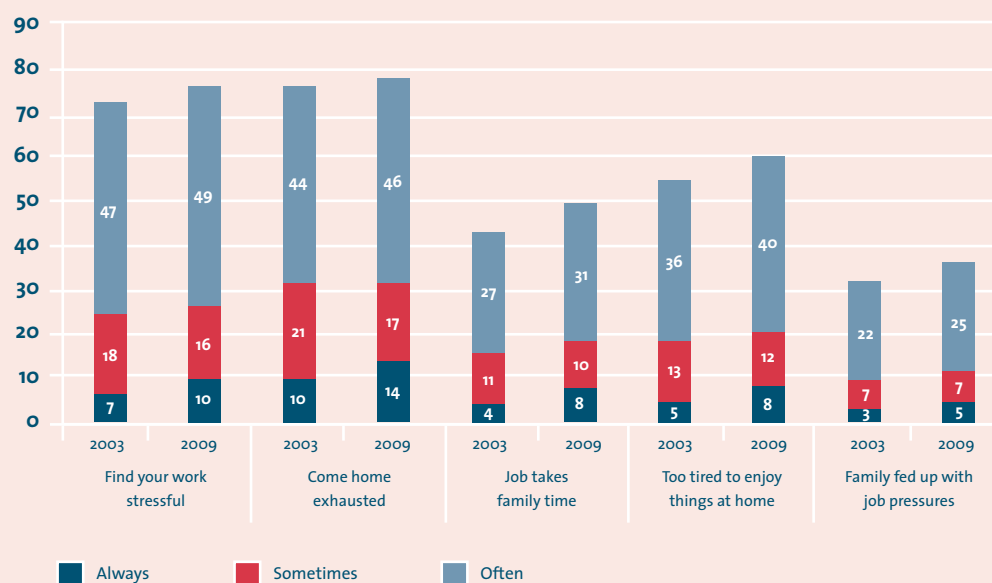
The response set allowed was “always”, “often”, “sometimes”, “hardly ever”, “never” (scored from 4 to 0). A composite scale was made based on respondents mean score over the first four items.¹¹ The overall results on these four items are reported in Figure 7.4. A fifth item “find your job stressful” was not included in the scale as it does not specifically relate to work–life (family) conflict, but is examined separately¹².

In 2009, a somewhat higher proportion of respondents respond that they “always” experience work–family conflict on each of the four items, with the greatest increase occurring for the item “job takes family time”. In most cases there was a commensurate decline in the “often” category, suggesting there was a shift from the second highest to the highest category. When respondents answering sometimes are also considered, the items showing the biggest increase were “job takes family time” and “too tired to enjoy things at home”. When these four items are added into a scale, we find that there is no difference in the level of work-family conflict reported in 2009 and 2003. However, the distribution of work-family conflict appears to have altered somewhat: in 2003, men reported higher levels of work-family conflict than women, but in 2009 there was no difference by gender.

10. The work–life balance literature also distinguishes family to work conflict, which addresses the extent to which family life interferes with work demands (McGinnity and Whelan, 2009; Gallie and Russell, 2009) but we do not attempt to operationalise this concept in the current survey.

11. Some of those not living with a partner or family did not respond to the last two items, therefore where there was missing information we averaged respondents’ scores on the items that they did answer.

12. In O’Connell et al., 2004 we included the five items for a more general scale of work stress, however here we follow the analysis in Russell et al., (2009) which confines the work-family conflict measure to the four items used here.

Figure 7.4 Work–family conflict and work-stress, 2003 and 2009**Table 7.4** Work–family conflict and work stress 2003 - 2009

	Work–family conflict Score		Always/often find work stressful %	
	2003	2009	2003	2009
All	1.55	1.52	26.0	24.6
Public	1.56	1.57	27.5	32.4
Private	1.55	1.51	25.6	22.8
Men	1.56	1.56	24.3	23.7
Women	1.54	1.47	27.6	25.7
Legislators /senior officials/managers	1.69	1.79	29.3	36.2
Professionals	1.65	1.69	32.8	37.1
Technicians/associate profession	1.49	1.48	25.3	30.4
Clerks	1.40	1.32	25.1	21.8
Service work/shop market sales	1.56	1.46	24.9	21.6
Skill agriculture/fishery	1.19	1.78	33.3	31.1
Craft & related trades	1.60	1.49	20.2	18.8
Plant/machine operators	1.57	1.61	20.6	20.8
Elementary occupation	1.52	1.45	22.0	14.1

2009: Difference in stress levels between public and private sector not statistically significant.
Difference in work-family conflict between men and women not significant and public/private not significant

2003: Difference in stress levels between male and female not statistically significant.
Difference in work-family conflict between men and women and public/private is significant at 5 per cent level.

Similarly, in 2003 employees in the public sector reported higher levels of work-family conflict (despite the higher prevalence of flexible working arrangements), but in 2009 this difference was not significant. It is worth noting that in 2003, when a wide range individual and organisational factors was controlled, women had higher work-family conflict scores than men and there was no difference between the public and private sector employees (Russell et al., 2008). Within occupations it is evident that those with higher level jobs experience greater work-family conflict, which is related to both the greater responsibilities involved (demand conflict) and often longer working hours, which leads to time-based conflict. These patterns persist over the time period.

The job stress measure also remained stable over the time period. In both years, about one in four employees always or often find their work stressful, so there is no prima facie evidence of an increase in stress when all employees are taken together. Among public sector employees the reported level of stress declined over the period, while for private sector employees stress levels increased somewhat from 23 per cent to 26 per cent. There was a marginal increase in stress among female employees which led to the emergence of a difference between men and women in 2009. Within occupations, the most notable increase in stress occurred for those in elementary-level occupations, while there was a significant decline in stress for those in the three-highest occupational groups (managers, professionals, associate professional).

7.5 Autonomy

Employee autonomy is a central element of job quality and is strongly linked to other measures of employee well-being (Gallie, 2007; O'Connell et al., 2004). Moreover, it is found that autonomy can mediate the effect of other more negative aspects of the work environment such as work pressure (Gallie, 2005, 2007). The questions asked in the survey address three dimensions of autonomy: task discretion (control over the work itself and the way tasks are carried out), control of work effort/pace and control over work time, Table 7.5.

The response set for the five items was “almost always”, “often”, “sometimes”, “rarely/almost never.” We can see from the responses that discretion on these items is quite variable. Two-thirds of workers almost always or often control their pace of work and the timing of breaks, but just over 40 per cent control the tasks they do (i.e. a manager decides the specific tasks). In general, the pattern of results suggests that the extent of employee autonomy has increased since 2003: employees now are more likely to decide how much or how fast they work, and when to take a break and managers are less likely to decide specific tasks. However, a greater proportion of employees now consider that their manager monitors their work performance. It is possible that this change is linked to greater use of performance management systems and performance-related pay. These results are broadly consistent with employees' perception of change within their own jobs, as discussed in Chapter 2. For example, while just under half of employees reported that their decision-making in their day-to-day work had increased over the last two years, 20 per cent felt that the closeness of supervision had increased over the preceding two years.

Table 7.5 Measures of autonomy, 2003 and 2009

	Almost always / Often %	
	2003	2009
You decide how much work you do or how fast you work during the day	59.0	67.7
Your manager decides the specific tasks you will do from day to day	47.0	42.5
You decide when you can take a break during the working day	54.0	60.8
Your manager monitors your work performance	48.0	56.6
You have to get your manager's OK before you try to change anything about the way you do your work	50.0	48.7

The autonomy scale was constructed using responses to these five items. For positively worded statements i.e. those that “you decide....” a score of zero is given for “rarely/never”, one for “sometimes”, two for “often” and three for “almost always”. The scoring was reversed for the other three items, which means that greater autonomy leads to higher scores. Scores on the six items were then averaged for each respondent. The scale therefore ranges from zero to three and the average score was 1.62.

Private sector workers report greater autonomy than those in the public sector. Autonomy was particularly high in Financial services, Construction, Education and Health; low in Public administration and the hospitality sector. Employees in smaller organisations felt they had more autonomy at work. Permanent and full-time workers had more autonomy than temporary or part-time workers.

7.6 Employee Well-being and Organisational Change

The final step in the analysis is to look directly at the impact of organisational changes that have occurred in the last two years on employee outcomes. This provides a more direct test of the impact of the recession on employees' well-being. The results come from regression models, which control for a wide range of personal and job

Table 7.6 Autonomy scale by organisational and job characteristics 2009

Sector	
Public	1.54
Private	1.65
Production	
Production	1.54
Construction	1.65
Wholesale and retail	1.62
Hotels and restaurants	1.54
Transport, storage, communication	1.65
Financial and other business activities	1.62
Public administration and defence	1.54
Education	1.65
Health	1.62
Other services	1.54
Size of local unit	
1–19	1.88
20–49	1.64
50+	1.56
Contract	
Permanent	1.65
Temporary/casual	1.48
Full-time	1.65
Part-time	1.56
Total	1.62

characteristics (for full model results see Table A8.1, Appendix A). The results show that staff cuts within the organisation have a strong negative effect on a range of employee outcomes. Staff cuts significantly reduce job satisfaction and organisational commitment, and are associated with an increase in work–life conflict and in job pressure.

Table 7.7 | Effect of organisational change on employee well-being

	Job Satisfaction	Organisation Commitment	WFC	Pressure	Autonomy
Staff cuts	-.110**	-.045*	+.100**	+.080**	No effect
Re-organisation	-.052*	-.083**	+.097**	+.072*	No effect
New CEO	No effect	No effect	No effect	No effect	-.05*

2009: Note: results taken from regression models controlling for personal and job characteristics, (Tables A8.1 and A8.2, Appendix A).

* <.05 ** <.005

The only indicator not affected by staff reductions in the organisation is levels of autonomy. Re-organisation of the company/organisation or its management is also found to have a uniformly negative effect on employee well-being: the effects of re-organisation on job satisfaction are weaker than for staff cuts but are nonetheless significant. Re-organisation has a more negative influence on organisation commitment than staff cuts, but the effect on work pressure and work-life conflict is of a similar magnitude. The introduction of a new CEO does not influence employee well-being to the same extent, but is associated with reduced autonomy.

7.7 Conclusion

This chapter examined a range of employee outcomes and considers how these have changed over the period 2003 and 2009. This period covers a marked shift in economic circumstances from strong economic growth and full employment to economic recession and labour market contraction, therefore it was expected that this change would have implications for employee outcomes. Over the period, there was a small increase in satisfaction levels amongst employees, but it was found that there was a decrease in average satisfaction amongst public sector workers. This decline may be attributed to the introduction of policies in 2009 to reduce public spending, including the introduction of the pension levy, which led to an effective pay decrease of 8 per cent for public sector workers. Organisational commitment increased over the period, suggesting that greater economic insecurity increases employees' attachment to their current employer because opportunities in the external labour market are so uncertain. The rise in organisational commitment was particularly marked among employees in the private sector, who had significantly lower levels of commitment than public sector workers at the height of the economic boom in 2003.

There was a significant increase in the level of work pressure between 2003 and 2006. The increase was most marked for private sector workers, female employees and those working in occupations at the bottom end of the occupational hierarchy (elementary, personal service), which suggests that it was those who are most exposed to market forces who experienced the greatest work intensification. The level of work–family conflict did not change over the period and, perhaps more surprisingly, nor did the proportion of employees reporting job stress.

The negative effects of the current economic recession on employee well-being was also demonstrated by the strong link between staff reductions in the organisation and lower levels of job satisfaction and organisational commitment, and increased levels of job pressure and work–family conflict. A similar pattern of results was found for reorganisation of the company/organisation, suggesting that these sorts of changes were prompted by the current change in economic circumstances, although the data does not reveal the motivation behind the reorganisation. In the following chapter, we go on to consider how this set of indicators of employee well-being is influenced by the range of workplace strategies described earlier in the report. While the measures described here reflect on levels of employee well-being and satisfaction, they are also likely to have implications for business performance.

This is particularly the case for the measure of organisational commitment, as this is likely to have pay-offs for the employing organisation in terms of the effort invested by employees and their longer-term loyalty to the organisation; for this reason we consider it as a organisational outcome in the next chapter. It is also possible that higher levels of employee job satisfaction and reduced work–family conflict could have business benefits in the form of greater commitment, or a greater willingness to accept changes.

PART III

The Impact of Workplace Strategies

Chapter 8

The Impact of Workplace Strategies

8.1 Introduction

The earlier chapters in this report described the incidence and distribution of different work practices in Irish workplaces through the eyes of employees. Chapter 2 described the growing flexibilisation in work arrangements as shown by the increased number of employees involved in part-time work, flexible working times, and working from home. Chapter 3 described the considerable variety in the forms of employee involvement in decision-making in Irish workplaces, through traditional forms of union representation, 'new' forms of direct involvement or informal methods such as active consultation.

New forms of employee involvement are sometimes seen as part of a wider package of high performance work practices which also consist of incentivised or performance-based reward systems and high levels of employee training. In this chapter we consider the impact of these workplace strategies (flexible working arrangements and employee involvement mechanisms) as well as the strength of support for new ideas and practices in the workplace on both employee well-being and employer-level outcomes.

8.2 Previous Research

There is considerable debate in the literature on the influence of high performance work practices on **employee well-being**. Some have argued that practices such as greater involvement of employees in decision-making, flattening of

hierarchical structures, and teamworking, should have positive effects on employee well-being. Appelbaum et al., (2000) suggest that increased involvement in decision-making increases trust between employees and supervisors and enhances the challenge and intrinsic rewards of the job. This in turn is believed to positively effect organisational commitment and job satisfaction and reduce work-related stress. High performance work practices may also have an indirect affect on well-being through a positive association with wages. A number of US studies find that involvement in high performance work practices increases self-reported job satisfaction (Appelbaum et al., 2000, Freeman et al., 2000). Godard (2001) finds a U-shaped relationship between innovative workplace practices and on a number of different measures of employees subjective well-being including job satisfaction, commitment and self-esteem; levels of employee well-being increased with moderate use of HPWP but declined with high use.

There is also some European evidence of a positive link between job satisfaction and high performance work practices. Using data from the *European Working Conditions Survey*, (2004) computed an index of involvement in high performance work practices composed of three scales; the first measured involvement in decision-making, horizontal and vertical communication, team work, job rotation (these four items were collectively termed innovative work systems); the second scale measured employer-provided training; and the third measured performance-related pay systems. The overall index was found to have a positive effect on job satisfaction in the pooled country model but was not statistically significant for four of the 15 countries including Ireland (2004, p12). Separate analysis showed that it was the work-systems index rather than training or pay systems that enhanced employee satisfaction, and within work systems it was high levels of communication and to a lesser extent autonomy that had the strongest effect on satisfaction.

Others however, have argued that aspects of HPWP may have a negative effect on employee well-being. Askenazy and Caroli (2002) suggest that team-working may reduce individual control over work, and potentially increase conflict between co-workers. Others have pointed out the increased responsibility as a result of up-skilling and the delegation of decision-making, may lead to increased pressures and strain (Capelli et al., 1997; Gallie et al., 1998; Gallie, 2005).

Flexible working arrangements are also believed to have a positive effect on employees' well-being, primarily by allowing them to reduce conflicts between work and non-work demands. Analysis of the first *Changing Workplace Survey 2003* showed that some flexible work practices, particularly part-time hours and flexitime were associated with increased satisfaction and reduced pressure and stress (Russell et al., 2009; O'Connell and Russell, 2005). Moreover, the number of flexible work practices in the workplace has a positive effect on men's job pressures and work–family conflict, regardless of their own take-up. However, the results were not unequivocal, as working from home was found to be associated with increased pressure and stress, suggesting this type of flexibility represented an extension of work into non-work time and space and could be seen as a form of intensification (Russell et al., 2008, see also Felstead et al., 2005).

The impact of high performance work practices on **organisational performance** has also received attention in the literature, as outlined in Chapter 3. A number of empirical studies found that the introduction of innovative employment practices, including greater employee involvement in decision-making, increased productivity (Ichniowski et al., 1997; MacDuffie and Pil 1996; Black and Lynch 2001; Caroli and Van Reenen 2001). A number of the studies suggest that the greatest business benefits emerged when clusters of innovative work practices are introduced rather than single elements (Ichniowski et al., 1997).

Some of the firm-level benefits are believed to arise from the employee outcomes discussed above, for example via improved workplace satisfaction (OECD, 2005) or through increased motivation of employees as they become stakeholders in the firm (Godard and Delaney, 2000).

It is also hypothesised that flexible work practices, such as reduced hours, flexitime and working from home may also have beneficial business outcomes. Drew et al., (2003) suggest that such arrangements reduce casual sickness absence occasioned by employees' caring responsibilities, and can also lead to improved morale, commitment and productivity.

The next section of the chapter considers the influence of workplace strategies on employee outcomes, while section 8.4 examines the impact on potential business outcomes.

8.3 Relationship between Workplace Strategies and Employee Outcomes

We consider four key employee-level outcomes, each of which has been described in detail in the previous chapter, these are: work pressure, job satisfaction, work–family conflict and autonomy. Of the high performance work practices considered, the bivariate comparisons in Table 8.1 show that employee consultation had the strongest positive impact on employee well-being. High levels of consultation were associated with reduced work pressure, lower levels of work–family conflict, increased job satisfaction and increased autonomy.

Table 8.1 Employee well-being measures and high performance work practices (innovation, consultation employee involvement and partnership), 2009

	Pressure	WFC	Job Satisfaction	Autonomy
Employee involvement				
Low consultation	0.39	1.78	0.63	1.40
Medium consultation	0.30	1.59	0.99	1.64
High consultation	0.28	1.30	1.21	1.84
No participation in organisation				
No participation in organisation	.26	1.54	.86	1.59
Participation in organisation				
Participation in organisation	.40	1.56	1.05	1.69
Personally involved				
Personally involved	.44	1.59	1.07	1.72
No partnership in organisation				
No partnership in organisation	.31	1.53	.94	1.67
Partnership in organisation				
Partnership in organisation	.37	1.63	.96	1.55
Innovation Climate				
Low innovation	.28	1.63	.67	1.61
Average	.25	1.50	.94	1.62
High innovation	.48	1.54	1.26	1.68
Employer-provided training				
Yes	.39	1.57	1.01	1.64
No	.28	1.53	.90	1.60
Incentive-based rewards				
Yes	.31	1.58	1.03	1.70
No	.33	1.53	.89	1.58

*Differences that are significant at the 5 per cent level are highlighted in bold
Significance levels for innovation and consultation were tested using the whole scale by means of regression analysis without any additional controls.*

Many of the factors considered here are interrelated, so it is possible that some of the relationships that we point to between various workplace strategies and employee outcomes in Table 8.1 may be driven by other factors, such as personal, job or organisational characteristics. We therefore conduct a series of multivariate analyses to examine the impact of the various factors while controlling for the effects of other relevant covariates.

The multivariate models are outlined in Table 8.2 and are derived from the detailed regression analyses in Appendix Table A8.1. In these tables statistically significant relationships are reported in bold, and a positive coefficient indicates that

the variable is associated with a higher value of the dependent variable in the model. Thus for example, in the job satisfaction model, we can see that higher scores on the consultation and innovation scales are both associated with higher levels of job satisfaction. The number of flexible work practices is associated with higher levels of job satisfaction and with lower levels of work-family conflict. The multivariate analyses demonstrate that the positive effects of consultation, on job satisfaction, autonomy and reduced pressure remain significant even when other characteristics of employees and organisation are held constant.

Work practices to promote direct employee involvement (e.g. work teams, problem-solving groups, project groups, quality circles) are less strongly associated with employee outcomes than consultation. Where there is employee involvement in the organisation, levels of job satisfaction and worker autonomy are higher, but so are levels of work pressure. Personal involvement in these practices has no greater impact than the presence of participation at the organisational-level.

Formal partnership arrangements (see Chapter 3 for definition) were associated with only two of the four employee outcome measures considered here. Those working in organisations with formal partnership forums experienced *higher* levels of work–life conflict, but also higher levels of autonomy; however neither of these relationships remained significant when other factors were held constant, suggesting that the association is due to some other characteristics of workers or workplaces that are more common in organisations with partnership committees (e.g. sector, education level of employees).

Next we consider the effect of the innovation climate on employee well-being. As was outlined in Chapter 4 employees were asked a series of questions relating to their experience of practices and behaviours that are associated with an organisational openness and support for innovation namely:

- New ideas are readily accepted in my workplace
- People in my organisation are always searching for new ways
- Customer needs of looking at problems are considered top priority
- Organisation is prepared to take risks in order to be innovative
- Organisation is quick to respond when changes need to be made
- Employer encourages employees to collaborate with other organisations
- Organisation is continually looking for new opportunities
- Employer encourages people to work in teams.

Table 8.2 The relationship between employee engagement, innovation climate and employee wellbeing

	Job Satisfaction		Work-Family Conflict		Pressure		Autonomy	
	B	sig	B	sig	B	Sig	B	sig
Organisation has participation	-.012	.707	-.052	.264	-.095	.025	-.038	.29
Personal participation	-.020	.357	.053	.089	.145	.001	-.023	.336
Innovation Climate	.388	.000	-.028	.389	.196	.000	-.139	.000
Information scale	-.022	.224	.059	.025	.067	.005	-.039	.053
Consultation scale	.136	.000	-.245	.000	-.136	.000	.161	.000
Partnership in work	.012	.617	-.012	.727	-.008	.807	-.029	.271
No of Flexible work practices	.037	.000	-.035	.006	-.001	.912	.091	.000
Training	.031	.104	-.007	.812	.021	.407	-.002	.939
Incentive based pay	.043	.057	-.026	.430	-.071	.016	-.006	.808

Personal and organizational characteristics controlled, (Table A8.1, Appendix A)

Employees were also asked whether their organisation had introduced workplace innovation – that is any new ideas, processes or behaviours designed to promote improvements in the way the work is carried out. The responses generated by these nine questions were then combined to create a new scale called **Innovation Climate** and respondents were grouped into three categories relating to high, average or low innovation climate.

We find a different pattern of results across the outcome measures. Higher levels of innovation are associated with greater job satisfaction, and lower work–family conflict. However, those working in more innovative organisations are found to experience higher levels of work pressure. All but the work–family conflict effect remain significant when other factors influencing worker well-being are held constant (model summaries in Table 8.2).

Finally we consider two human resource practices that are seen to be part of high performance work practices – employer-provided training and incentive-based rewards schemes, i.e. schemes in which part of employees’ remuneration is linked to individual, group or organisation performance (Chapter 4 for further description).

The receipt of employer-provided training by the respondent is associated with increased pressure and enhanced job satisfaction. It is likely that these results will be in part (or wholly) related to the greater likelihood of those in higher-level occupational positions receiving more training from their employer. It should also be noted that since this variable relates to the employees’ personal receipt of training, it may not be a good indicator of commitment to training across the organisation as a whole. Training had no significant effect on employee wellbeing when other relevant factors are controlled, Table 8.2.

Table 8.3 | Flexible work arrangements and employee well-being

		Pressure	WFC	Job Satisfaction	Autonomy
Personally involved					
Working from home:	No	.30	1.55	.93	1.56
	Yes	.60	1.62	1.13	2.10
Flexitime	No	.35	1.59	.93	1.57
	Yes	.30	1.47	1.02	1.75
Part-time working:	No	.40	1.62	.95	1.65
	Yes	.16	1.37	.96	1.54
Job-share:	No	.34	1.56	.95	1.63
	Yes	.29	1.50	1.02	1.54
o FWP in workplace					
		.33	1.65	.86	1.48
1–2 FWP					
		.32	1.53	.94	1.62
3–4 FWP					
		.37	1.54	1.08	1.74

FWP – flexible work practices

WLC – work–life conflict

Differences that are significant at the 5 per cent level are highlighted in bold

The operation of incentive-based rewards systems is associated with significantly higher levels of job satisfaction for the workers involved, and is also linked to greater worker autonomy. However, the models show that incentive-based rewards schemes do not have any influence on satisfaction once pay levels are controlled, and suggests that such schemes increase satisfaction indirectly through higher earnings (the analysis in chapter 4 shows that incentives payments are linked to higher pay).

Flexible Work Practices and Employee Outcomes

In the introduction to this chapter we outlined previous research that has shown the presence of a link between employee well-being and participation in flexible working arrangements. The analysis presented here examines whether the relationships established using the 2003 survey still hold in 2009.

The double-edged nature of working from home, as a form of flexibility found in 2003 (O’Connell and Russell, 2005, Russell et al., 2009), is also found in the current survey.

In the 2009 survey we have defined working at home more precisely to exclude those bringing home extra work outside regular work hours, which would over-state the relationship between working from home and work-family conflict and work pressure. Despite this more conservative definition, employees who work from home experience significantly higher levels of work–life conflict and pressure. Nevertheless, home-working has a positive impact on job satisfaction and is also associated with higher autonomy.

Involvement in flexitime or flexible work hours significantly reduces work-family conflict, and increases job satisfaction and autonomy; however, it has no effect on job pressure, (Table 8.3). The positive effect of flexitime and home-working on autonomy levels is not surprising, as these forms of flexibility allow employees greater discretion over their working time and this is one of the dimensions tapped into by the autonomy scale.

Part-time work is strongly associated with reduced pressure and reduced work-family conflict, a result that was also found in 2003 (Russell et al., 2009). Part-time employment has no effect on job satisfaction but more negatively is found to be linked to lower job autonomy. Involvement in job-share has a different impact to working part-time, it does not influence job pressure or work-family conflict but is associated with increased satisfaction. However like part-timers, those involved in job-share have lower autonomy scores.

Finally, we examine whether the presence of flexible working arrangements in the organisation influences employee outcomes independently of the respondents’ own involvement. The presence of such arrangements may indicate a more “employee responsive” workplace, which may have a more general impact on employee well-being. Having a higher number of flexible working arrangements in the workplace is significantly associated with increased job satisfaction and increased autonomy, (Table 8.3). Those working in organisations that do not offer any flexible work arrangements are found to experience higher levels of work–life conflict.¹³

13. Significance effects tested for whole range of the scale rather than the three categories.

Just over half of all respondents indicated that their organisation had introduced new or significantly improved services within the past two years. A somewhat lower proportion reported that their organisation had introduced new products (45 per cent). However, 12 per cent of employees in the private sector and 40 per cent of employees in the public sector responded that product innovation did not apply to them. Those working in the public sector were somewhat more likely to report the introduction of new services, while, not surprisingly, those in the private sector were substantially more likely to report the introduction of new products.

When we combine these two measures of output innovation, about two-thirds of employees report that their organisation has introduced either new products or services within the past two years: 58 per cent in the public sector and 67 per cent in the private sector. We will adopt this combined measure of the introduction of either products or services as our principal measure of output innovation for the remainder of this chapter.

Table 8.5 Percent of respondents working in organisations that introduced either new product or service in last two years

	Public	Private	All
Yes	58.0	67.2	65.2
No	42.0	32.8	34.8
	100.0	100.0	100.0

Those working in manufacturing, wholesale and retail trade, and in transport, storage and communication, are more likely to report that their organisation has introduced a significant new product or service in the last two years. Those working in larger organisations were more likely to report innovation in products or services.

Table 8.6 Percentage of respondents working in organisations that introduced either new product or service in last two years, by organisational characteristics

Sector	%
C–E. Other production	78.0
F. Construction	44.3
G. Wholesale and retail	74.3
H. Hotels and restaurants	64.4
I. Transport, storage, communication	72.6
J–K Financial and other business activities	65.3
L. Public administration and defence	60.1
M. Education	51.4
N. Health	62.4
O–Q. Other services	60.4
Size of local unit	
1–4 employees	50.1
5–19 employees	61.2
20–99 employees	64.8
100+ employees	74.3
All	65.2

Managers and administrators are more likely than any other occupational group to report that their organisation had introduced either a new product or service in the past two years. They were followed closely by plant and machine operatives and sales workers. Craft and related occupations were least likely to report that their organisation had introduced new services or products. Permanent employees were more likely than temporary or casual workers to report such output innovation, presumably because permanent employees are likely to have longer tenure and thus be able to observe such innovations. Full-time employees were also more likely to report product or service innovation.

Table 8.7 Percent of respondents working in organisations that introduced either new product or service in last two years, by job characteristics

Occupation	%
Managers and administrators	76.5
Professionals	66.7
Associate professional and technical	66.2
Clerical and secretarial	66.8
Craft and related	50.2
Personal and protective services	57.3
Sales	73.3
Plant and machine operatives	73.8
Other	52.8
Contract type	
Permanent	67.3
Temporary/casual	52.5
Full-time	67.0
Part-time	60.3
All	65.2

8.5 Flexible Work Practices and Organisational Outcomes

The discussion outlined at the start of this chapter highlighted the potential effect of flexible work practices on organisational outcomes. Analysis of the 2003 survey found a link between flexible work practices and increased organisational commitments.

The results in Table 8.8 show that personal involvement in home-working, flexitime, and job-share are all associated with increased levels of organisational commitment, but there is no difference in the organisational commitment of part-time and full-time workers. The number of flexible work practices on offer within the organisation also has a positive impact on organisational commitment; however, when other factors are controlled in the model the effect is no longer significant.

Table 8.8 Flexible work practices and organisational outcomes

		Organisational Commitment Score	Output Innovation %
Personally involved.....			
Working from home:	No	.66	63.8
	Yes	.79	74.8
Flexitime:	No	.65	62.9
	Yes	.74	70.5
Part-time Working:	No	.67	65.5
	Yes	.69	64.5
Job-share:	No	.67	64.3
	Yes	.75	73.4
0 FWP in workplace		.62	53.2
1-2 FWP		.67	66.6
3-4 FWP		.73	71.8

FWP – flexible work practices.

Differences that are significant at the 5 per cent level are highlighted in bold.

Output innovation is found to be positively linked to involvement in flexible work practices, namely working from home, flexitime and job-share. The rate of output innovation also increases with the number of flexible work practices available in the organisation: where there are no flexible work arrangements just over half of firms have introduced new products and services, compared to 72 per cent in workplaces with three or all of the flexible work practices.

8.6 Relationship between New Work Practices and Organisational Outcomes

The next step in the analysis is to investigate the link between new work practices, as measured by four indicators: innovation climate, employee involvement, training and incentive based rewards, and two organisational outcome indicators: organisational commitment and product or service innovation. (Tables 8. 9 to 8.12).

First, we consider whether these work practices influence organisational commitment. Levels of organisational commitment are found to be higher where the organisational climate is more open to innovation, and where there is active consultation of employees. The other forms of employee involvement considered (direct employee participation and formal partnership committees) do not influence the commitment of employees to the organisation, contrary to the hypothesis in the literature that these practices build greater trust between the employee and employer and therefore increase organisational commitment (Appelbaum, et al., 2000; Bauer 2004).

Finally, we consider the relationship between new work practices and output innovation. Are organisations characterised by greater levels of employee engagement and a more innovative climate also more likely to introduce new products and services? The pattern of results suggests a positive relationship between

workplace innovation and output innovation: the higher the innovation climate scale, the greater the proportion of respondents that indicate that their employing organisation had introduced a significant product or service in the past two years, (Table 8.9). **Organisations that report a high score on the innovation climate scale are almost twice as likely to have introduced a new product or service in the past two years as those organisations who report a low score.** We see a similar pattern in the results relating to consultation, participation and the presence of partnership committees.

Table 8.9 New work practices and organisational outcome measures

	Organisational Commitment Score	Product or Service Innovation %
Innovation Climate		
Low innovation	.31	44.7
Average	.70	71.4
High innovation	1.04	80.7
Consultation		
Low consultation	.38	55.4
Medium consultation	.67	66.7
High consultation	.94	73.0
Employee involvement		
No participation in organisation	.60	56.6
Participation in organisation	.75	75.7
Personally involved	.78	76.0
Partnership		
No Partnership in organisation	.67	62.5
Partnership in organisation	.66	75.2
Employer-provided training		
Yes	.69	57.2
No	.66	73.3
Incentive based rewards		
Yes	.70	77.8
No	.65	56.3

Differences that are significant at the 5 per cent level are highlighted in bold.

In the case of organisational commitment significance levels for innovation, and consultation were tested using the whole scale by means of regression analysis without any additional controls.

We next turn to multivariate analysis of output innovation. Here we employ logistic regression, given that the dependent variable, whether the employee indicated that their organisation had implemented a significant new service or product in the past two years, is a dichotomous variable. The model suggests that both the presence of arrangements for participation, and personal involvement in such work practices, are associated with output innovations. So also is the presence of formal partnership committees. The strength of consultation is not associated with output innovations when access to information is controlled.¹⁴ However, the quality of information, the presence of incentivised rewards systems and the incidence of training are all work practices that are positively associated with output innovation. The strength of the innovation climate in an organisation is also important to outputs: employees who register a high score on the innovative climate scale in their workplaces are substantially more likely to report innovation in products or services.

The absolute number of new flexible work practices – including working from home, part-time hours, flexitime and work sharing – is also positively associated with innovation in outputs. Our models also suggest that there is a negative association between output innovation and earnings. This may reflect a tendency for firms encountering trading difficulties to both pay lower wages and to innovate in order to improve their market position. However, when we estimate our models separately for the public and private sectors, (Table 8.12) and (Table A8.4, Appendix A) we find that the effect of gross wages, while negative, does not achieve statistical significance in either, so we have limited confidence in this finding.

It has been argued in previous research on this topic that new work practices are complementary to each other and that the impact of any single innovative work practice on organisational

Table 8.10 The relationship between employee engagement and innovation climate and organisational commitment

	B	sig
Participation in organization	-.028	.334
Personal involvement in participation	-.009	.657
Innovation climate	.612	.000
Information scale	-.008	.613
Consultation scale	.117	.000
Partnership in workplace	.052	.016
No. of flexible work practices	.003	.742
Training from employer	.003	.862
Gross weekly wage (log)	.034	.027
Incentivised rewards	-.023	.250

Personal and organisational characteristics controlled, (Table A8.2, Appendix A).

outcomes may be greater if it is combined with other innovative work practices. To test this in the Irish context we created an index variable to measure the absolute number of new work practices (Table 4.10 for a description). When we include this index of new work practices in the model it fails to achieve statistical significance, thus providing no support for the notion of complementarity in relation to this particular index of work practices. This suggests that further research on the issues of complementarity of work practices would be useful.

Given the differing contexts in the public and private sectors, we estimate the final models separately for both. The full models are shown in Table A8.4 (Appendix A). When we analyse the public and private sectors separately, we find that innovation climate and the quality of information scale are associated in both sectors with output innovations. So also is training. However, the relationships between other elements of employee engagement – participation, and the presence of partnership committees – as well as incentivised rewards, and output innovation, are only statistically significant in the private sector. This suggests that it is only in the private sector that these work practices are associated with output innovation in products and services.

14. The measures of consultation and level of information are significantly correlated so the inclusion of the information scale affects the consultation result.

Table 8.11 The relationship between employee engagement, innovation climate and output innovation in products or services

	B	Sig.	Exp(B)
Participation in organisation	.275	.038	1.317
Involvement in participation	.243	.040	1.275
Consultation scale	-.057	.269	.945
Information scale	.498	.000	1.646
Partnership committee	.287	.003	1.332
Incentivised rewards	.554	.000	1.740
Trained	.449	.000	1.567
Innovation Climate scale	1.248	.000	3.484
Gross weekly wage (log)	-.141	.044	.868
No. of flexible work practices	.109	.002	1.115
No. of new work practices	-.036	.662	.965

Personal and organisational characteristics controlled, (Table A8.3, Appendix A).

Table 8.12 The relationship between employee engagement, innovation climate and output innovation in products or services – public and private sectors

	Public			Private		
	B	Sig.	Exp(B)	B	Sig.	Exp(B)
Participation in organisation	.099	.638	1.104	.420	.017	1.521
Involvement in participation	.192	.154	1.211	.232	.039	1.262
Consultation scale	-.094	.201	.911	-.053	.333	.949
Information scale	.537	.000	1.710	.434	.000	1.543
Partnership committee	.018	.888	1.018	.620	.000	1.859
Incentivised rewards	1.146	.076	3.144	.475	.000	1.608
Trained	.418	.001	1.519	.380	.000	1.462
Innovation scale	1.174	.000	3.234	1.315	.000	3.723
No. of flexible work practices	.109	.061	1.115	.110	.016	1.116
Gross weekly wage (log)	-.137	.208	.872	-.152	.102	.859

Personal and organisational characteristics controlled, (Table A8.4, Appendix A)

8.7 Conclusion

Employer-level work practices are found to have a relatively strong influence on employee outcomes. Of the high performance work practices investigated, consultation with employees was found to have the strongest impact and one that was uniformly positive.

The innovation climate within the organisation was also influential; greater openness to innovation was associated with increased job satisfaction and autonomy, and reduced work–life conflict. However, a highly innovative climate also had the adverse effect of increasing work pressure. This result is consistent with Gallie’s argument that innovative practices that lead to up-skilling, increased responsibility or the delegation of decision-making, may lead to increased pressures and strain (Gallie et al., 1998; Gallie, 2005).

Performance-related pay is only indirectly associated with higher levels of job satisfaction via increased pay levels, and did not have the anticipated negative impact on work pressure; in fact the model suggests that incentive payments are associated with reduced pressure.

Certain elements of high performance work practices had a significant impact on the two organisational-level outcomes measured in the survey. A more innovative work climate was associated with significantly increased employee commitment to the organisation, and to a much greater likelihood of product or service innovation in that organisation. Both consultation with employees and level of information provided were associated with increased organisational commitment, with level of information being more influential than consultation in predicting output innovation.

Participation (i.e. direct employee involvement) in the organisation was positively associated with output innovation, as was personal involvement in such practices. Formal partnership was also associated with output innovation and with organisational commitment.

Incentivised reward systems are positively linked to the presence of output innovation in the organisation, particularly in the private sector, but there is no effect on organisational commitment.

Finally, flexible work practices in the form of part-time work and flexitime were found to have a positive impact on employee well-being, as measured by reduced work-family conflict, and greater job satisfaction. Part-time employment was also associated with reduced work pressure. The impact of working from home during normal office hours was mixed, while this practice was linked to higher job satisfaction, it was also associated with greater work intensity and a higher level of spill over from work to family life. This result confirms and strengthens findings based on the 2003 survey but using a more general measure of working from home.

A number of these flexible work practices were also beneficial from an organisational point of view: personal involvement in working from home, flexitime and job-share were all associated with increased organisational commitment, as was the number of flexible work practices applied in the organisation regardless of personal involvement.

These results presented here suggest that both employees and employers can benefit from the introduction of new work practices and flexible working arrangements. Certain types of new work practices also have positive associations with both employee and organisational outcomes. For example, a work climate that is open to innovation is positively associated with a number of employee well-being measures as well as increasing organisational commitment and output innovation. While the cross-sectional data used here cannot prove the direction of causality, the results nevertheless suggest a pathway for both employer and employee gains. The results also suggest that developing strategies around greater consultation with employees is a cost-effective way of introducing a win-win situation for both employer and employee.

Chapter 9

Conclusions and Policy Implications

9.1 Employees in the Recession

The *National Workplace Surveys 2009* were conducted in the midst of a severe economic and labour market crisis. As outlined in Chapter 1, following two decades of unprecedented growth in the economy, employment and living standards, the sudden onset of recession led to contracting employment and rising unemployment, and to falling wages and increases in taxation. The survey offers a unique opportunity to examine the experiences and perceptions of workers against this turbulent and precarious background, and to track changes in experiences and perceptions of workers since the previous survey that was conducted in the very different context of the booming labour market in 2003. The effect of economic recession on employees is of critical policy interest. The commitment, productivity and creativity of employees are essential for ensuring the survival of enterprises in the downturn. Moreover, the policy agenda of increasing efficiency, productivity and innovation in the public sector is also crucially dependent on the inputs of employees.

How has the recession impacted on those remaining in employment: have conditions deteriorated or have workers been insulated from the effects? Previous research suggests that the effects of insecurity can spread much wider than the individuals who lose their jobs. Possible impacts include increased pressure and stress, as well as deteriorating pay and employment conditions. Alternatively, those in employment may feel relatively advantaged and, therefore, job satisfaction and organisational commitment might increase. The effects of recession on the conditions of employees also depend on where the job losses are concentrated. If unemployment is concentrated amongst the low-skilled this may lead to an apparent increase in skill levels, autonomy, or other measures of job quality.

In addition to the cyclical downturn, a number of additional trends have important implications for the labour market and the workplace. Chief among these are increasing diversity and declining competitiveness. Women's employment has been rising steadily over the past two decades. The surge in women's employment was so strong that by 2008 the number of women employees exceeded the number of male employees for the first time (i.e. excluding self-employment, where males predominate). The second important element of diversity relates to migration. Inward migration grew substantially since the mid-1990s, in the booming economy and growing labour market. The number of non-Irish nationals in employment increased from about 8 per cent of total employment in 2004 to almost 16 per cent in 2007 before falling back somewhat during the recession to about 14 per cent in 2009 when the survey was carried out.

Given these very dramatic changes in the Irish economy and labour market, it is not surprising that the survey shows substantial change in the workplace since 2003. In general, respondents report higher levels of organisational change than was found in 2003, and the increased pace of change occurred in both the public and private sectors.

More than half of employees have experienced a reduction in staff numbers within their own organisations. This echoes findings from the complementary employer survey in which a very high proportion of organisations experienced intense pressure due to the economic downturn and over 60 per cent reported that the workforce had declined over the preceding two years.

This scale of change inevitably has repercussions for employees' work experiences, working conditions and their level of well-being. The manner in which change is managed can be crucially important for the experiences of workers. At a personal level around one in five workers experienced a decline in their pay rates and one-third of employees felt that their job security had deteriorated in the last two years. On a more positive note, over half of employees felt that their level of responsibility, their involvement in decision-making and their skill levels had increased in the last two years and this perception receives some support from the increased levels of autonomy recorded between the 2003 and 2009 survey. However, a potential downside of increased responsibility is an increase in work pressure and intensity. The survey found that over 60 per cent of employees feel the pressure they have been working under has increased. Increases in pressure may also be caused by the economic crisis and the declining staff numbers noted above.

Over the period there was an increase in the use of flexible work practices and a decline in the average length of the working week. These changes are likely to have a positive impact on employee satisfaction and on work-life balance of employees.

In the face of the current economic crisis, employees express a strong willingness to accept change and there has been a marked increase in acceptance of change compared to the already high levels in 2003. Even where the change involves a clear deterioration in working conditions such as working more unsocial hours, an increase in work pressure or being more closely supervised, between 45 per cent and 60 per cent of employees said they would be willing to accept such change. Greater willingness to accept change in some aspects of work (e.g. responsibility, increased use of technology, increased skills) may indicate that employers, trade unions and others have been successful in promoting the idea of greater involvement of employees in decision-making and participation and an acceptance of the up-skilling agenda by workers. Willingness to accept poorer working conditions is likely to reflect the declining bargaining power of workers. Working unsocial hours continues to be unpopular, which probably reflects the non-work commitments of employees, including family commitments, which remain constant despite the deteriorating economic circumstances.

9.2 Innovation and Employee Engagement in the Workplace

There is growing interest in the potential of workplace innovations and new work practices to enhance organisational effectiveness and business outcomes, while generating greater employee involvement and more interesting, satisfying work with greater job security. This survey assesses the extent to which a wide range of innovative work practices are implemented in Irish workplaces and examines the association of such workplace innovations with outcomes relating both to employee well-being, as well as to outcomes that can be related to the effectiveness of organisations.

Direct involvement of employees through participation in the manner in which work is carried out represents a significant and growing practice intended to enhance productivity and organisational effectiveness. Examples of direct participation arrangements to involve staff directly in the way in which work is carried out include work teams; problem-solving groups; project groups; quality circles; and continuous improvement programmes or groups. Overall, 45 per cent of employees indicate that such participation practices are present in their workplaces, and 36 per cent that they are personally involved in such practices. Both of these figures suggest that the incidence of participation in Irish workplaces has increased markedly since the same question was asked in 2003, when the rates were 35 per cent in respect of presence of direct participation, and 27 per cent in respect of personal involvement in such work arrangements.

The extent of consultation regarding work is another key element of employee involvement in innovative work practices. We asked a series of questions about how often workers are consulted before decisions are taken affecting their work, as well as whether workers are free to express differing opinions to their managers or supervisors and whether those views are listened to. Almost half of all respondents indicate that they are consulted before decisions are taken that affect their work and over half are given the reasons if changes occur in their work. Over half also believe that if they are consulted, attention will be paid to their views. Almost 80 per cent believe that if they have an opinion that differs from their supervisor or manager, they can say so. This pattern of responses has changed little since 2003.

The extent of communication of key business information is an important aspect of workplace relations, and a significant determinant of business outcomes. However, in general we find that substantial majorities of employees are not regularly provided with key business or work-related information. For example, less than half of private sector employees are informed about the level of competition facing their firm on a regular basis and less than one-third of those in the public sector receive regular information about the organisation's budget. Just over one-third of employees receive information about plans to change work practices.

In the context of social partnership, some workplaces established formal representative committees on which unions worked with management to promote partnership and co-operation, or to improve the organisation's performance. We found that just over 21 per cent of all employees indicated that partnership institutions were in place at their workplaces.

Partnership committees are much more common in the public sector, where over 40 per cent of employees reported their presence, than in the private sector (16 per cent).

Respondents were also asked whether their organisation had introduced any innovative processes in the workplace, such as new ideas, processes or behaviours that led to significant improvements in the way the work is carried out. Overall 57 per cent of employees reported that they worked in an organisation that had introduced such workplace innovation. Workplace innovation was more common in the private than the public sector and was most common in manufacturing and financial services. Those working in larger organisations were more likely to report such workplace innovation.

Continuing the theme of innovations in the way work is carried out within organisations, we also asked a series of questions relating to employees' experiences of innovative practices and approaches in their places of work. These included acceptance of new ideas, and new ways of doing things, customer orientation, risk-taking, responsiveness to change, teamworking and collaboration with other organisations. We combined these items to construct a scale of "innovation climate" and found that in general, there is evidence of substantial support for a climate of innovation in Irish workplaces. The innovation climate is generally stronger in the private than the public sector. The principal exception to this pattern is that public sector workers are more likely to report that their employer encourages them to collaborate with other organisations, reflecting a greater openness of public sector organisations to networking.

9.3 Learning Organisations

Skills are widely regarded as key to the economic well-being of individuals, organisations and societies. Continual upgrading of skills is essential to meet the challenges of competing in the global economy and to respond to ongoing changes in the organisation and technology of production and service delivery.

Data from the QNHS reported in Chapter 2 shows that the proportion of those in employment with third level education has increased significantly even in the six years between 2003 and 2009, while the proportion achieving only lower secondary education or less dropped from 28 per cent to 20 per cent. This was partly a result of higher unemployment amongst the unqualified group but also reflects an underlying trend of rising education levels.

While initial education levels of employees have risen dramatically, there was no such change in employer-provided training. The survey finds that in 2009, just under half of employees had participated in training, provided by their present employer, over the past two years. This is virtually the same proportion as reported training in the 2003 survey (48 per cent). It places Ireland in the mid-range in international comparisons of the incidence of workplace training, well behind best-practice countries in this regard and is a disappointing result in light of official policy to increase the rate of training at work and lifelong learning in Ireland.

Training participation is strongly linked to educational attainment: the higher the level of education the greater the likelihood that an individual will participate in training. Older workers are less likely to train than younger workers. Temporary employees are less likely to train than their counterparts with permanent contracts; part-time employees are less likely to train than full-timers. Union members are more likely to receive training. Those working in larger organisations are more likely to participate in training.

Training is widely regarded as an essential prerequisite for the implementation of innovative working practices. The analysis shows that both the presence of participatory practices in the workplace, as well as personal involvement in such work practices, are associated with higher rates of training participation. Those who report higher levels of consultation, and more regularity of communication of business information, are also more likely to have received training in the past two years. The more conventional form of employee involvement, representation through formal partnership committees is not significantly related to training; this despite the fact that training is higher among union members, who are much more likely to report the presence of partnership committees. Moreover, the extent of encouragement of and support for new ideas and ways of doing things at work, as well as the employment of incentivised reward systems, are also positively associated with training. This pattern of results suggests that training plays an essential role in innovative workplaces implementing high performance work systems.

9.4 Rewards

Incentivised rewards systems are seen as a central element of innovative work practices, and may be developed to compensate workers for increased flexibility and responsibility and also to relate rewards to the performance of the individual, team or company, thereby motivating greater productivity. In this context, we found that about half of all employees reported the use of performance appraisal in their workplace in 2003, and that this increased to over 60 per cent in 2009.

Pay systems diverge widely between public and private sector organisations. Almost half of all employees in the private sector participate in an incentivised rewards system, i.e. share options/profit-sharing, performance-related pay, non-monetary performance incentives, bonus schemes. Only 11 per cent of public sector workers are rewarded in this way. In contrast, 69 per cent of public sector workers receive a regular increment to their pay, compared to only 41 per cent of private sector workers (in both sectors some workers receive increments and incentivised rewards and these are included in both the percentages here). Incentivised reward structures are most common in the financial and business activities sector and the production sector. Those in management positions were most likely to receive incentivised payments, followed by those in sales positions and manufacturing jobs, while professionals were most likely to receive regular increments reflecting their greater concentration in the public sector.

In the private sector, rewards systems are systematically related to forms of employee involvement. In private sector firms, the presence of direct participation arrangements increases the likelihood that employees will receive incentivised pay. So also do the regularity of communication of business information and the strength of support for innovation. Personal involvement of an employee in directly participative work practices and the strength of consultation both increase the likelihood that employees receive either increments or incentivised rewards. However, formal partnership institutions have no statistically significant effects on either reward system in private firms.

In the public sector, there is little evidence of a systematic relationship between reward systems and employee involvement or innovation. This may be due to the predominance of incremental rewards in the public sector.

The presence of partnership committees does increase the likelihood of incentivised rewards systems, as does the regularity of communication.

Two forms of employee engagement are associated with higher earnings: personal involvement in direct participation and the level of consultation regarding work, although these effects are confined to the private sector. These effects suggest that workers are rewarded for increased responsibility and flexibility associated with more direct participation, greater levels of consultation and devolved decision-making. Involvement in formal partnership institutions or committees has no significant effect on earnings. Perhaps not surprisingly, employees who benefit from an incremental rewards system are paid more than those who have no additional rewards beyond their basic pay. In the private sector, employees in incentivised reward systems benefit somewhat more, suggesting that incentivised payment systems have material benefits for employees. The analysis shows no evidence of a relationship between workplace innovation and earnings, nor of a significant relationship between communication and earnings when we examine the public and private sectors separately.

9.5 Employee Outcomes

A key aim of the research report is to examine how conditions for employees have changed over time with the transition from economic prosperity to recession and rising unemployment, and to examine how this is reflected in employees' attitudes towards their jobs. We examined a range of employee-level outcomes: job satisfaction, organisational commitment, discretion, pressure and stress, and work–family conflict.

Given the dramatic shift in economic circumstances from a period of strong economic growth and full employment to a period of economic recession and labour market contraction, it might be expected that this deterioration in economic and labour market conditions could have implications for employee outcomes. Over the period between the two workplace surveys, 2003-2009, there was a small increase in satisfaction levels amongst employees, although satisfaction levels among public sector workers declined. This decline may be due to the introduction of policies in 2009 to reduce public spending, including the introduction of the pension levy, which led to an effective pay decrease of up to 8 per cent for all public sector workers.

Organisational commitment increased over the period, suggesting that greater economic insecurity may have led to an increase in employees' attachment to their current employers because opportunities in the external labour market are so uncertain. The rise in organisational commitment was particularly marked among employees in the private sector, who had significantly lower levels of commitment than public sector workers at the height of the economic boom in 2003. There was a significant increase in the level of work pressure between 2003 and 2006. The increase in work pressure was most marked for private sector workers, female employees and those working in occupations at the bottom end of the occupational hierarchy (elementary, personal service), which suggests that those most exposed to market forces experienced the greatest work intensification. The level of work–family conflict did not change over the period, and, perhaps more surprisingly, nor did the proportion of employees reporting job stress.

The negative effects of the current economic recession on employee well-being was also demonstrated by the strong link between staff reductions in the organisation and lower levels of job satisfaction and organisational commitment, and increased levels of job pressure and work–family conflict. A similar pattern of results was found for reorganisation of the company/organisation, suggesting that these attitudinal changes were prompted by the current change in economic circumstances.

While our analysis of employee outcomes focus on subjective attitudinal measures, thus reflecting levels of employee well-being and satisfaction, they are also likely to have implications for business performance. This is particularly the case for the measure of organisational commitment as this is likely to have pay-offs for the employing organisation in terms of the effort invested by employees and their longer-term loyalty to the organisation. It is also possible that higher levels of employee job satisfaction and reduced work–family conflict could have business benefits in the form of greater commitment or a greater willingness to accept changes.

9.6 The Impact of Employee Engagement and Workplace Innovation

We examined the impact of employee engagement, workplace innovation, training and incentive based rewards on two sets of outcomes; employee well-being and business-related organisational outcomes. In relation to employee well-being, we examined their impact on: job satisfaction, job pressure, job autonomy and work–family conflict. We also examined their impact on the following organisational outcomes organisational commitment and output innovation in new products and services.

Employer-level work practices were found to have a relatively strong influence on employee outcomes. Of the high performance work practices investigated, consultation with employees was found to have the strongest impact and one that was uniformly positive. The innovation climate within the organisation was also influential, greater support for innovation was associated with increasing job satisfaction and autonomy and reducing work–life conflict. However, a highly innovative workplace also had the effect of increasing work pressure. This result is consistent with previous research that suggests that innovative practices that lead to up-skilling, increased responsibility or the delegation of decision-making, may also lead to increased pressures and strain. A similar process may be behind the finding that those who receive employer-provided training have higher levels of work pressure. Performance-related pay is only indirectly associated with higher levels of job satisfaction while increased pay levels did not have the anticipated negative impact on work pressure, in fact the model suggests that incentive payments are associated with reduced pressure.

Certain elements of progressive work practices had a significant impact on a number of organisational-level outcomes. The innovation climate was associated with increased employee commitment to the organisation and to a greater likelihood of product or service innovation. Consultation with employees was associated with increased organisational commitment but regularity of communication of business information rather than consultation was most influential in predicting output innovation. Participation (i.e. direct employee involvement) in the organisation was positively associated with output innovation, as was personal involvement in such practices. The presence of formal partnership institutions was also associated with output innovation and organisational commitment.

Incentivised reward systems are positively linked to the presence of output innovation in the organisation, particularly in the private sector but there is no effect on organisational commitment.

Finally, flexible work practices in the form of part-time work and flexitime were found to have a positive impact on employee well-being as measured by reduced work-family conflict. Greater job satisfaction and part-time employment were also associated with reduced work pressure. The impact of working from home during normal office hours was mixed; while this practice was linked to higher job satisfaction, it was also associated with greater work intensity and a higher level of spill over from work to family life. This result confirms and strengthens findings based on the 2003 survey, using a more general measure of working from home.

9.7 Policy Implications

In recent years there has been a significant policy emphasis on a shift towards a “Smart Economy” or “Knowledge Economy”, which involves an up-skilling of workers, greater employee involvement and greater innovation, not only in products and processes but also in the organisation of work. Realisation of these objectives holds the promise of mutual gains: a restoration of international competitiveness, the transition to a higher-skilled dynamic and knowledge-based economy, and the enhancement of job quality.

The findings of this study suggest that more progressive work practices cluster together: employees in organisations with greater employee involvement, particularly in the form of direct consultation and participation are more likely to have access to training at work, to have incentivised reward systems and to earn higher wages. Such employee involvement systems are also related to output innovation in the form of the introduction of new products and services.

The strength of the innovation climate in an organisation is also associated with higher communication levels, incentivised payment systems (in the private sector), with the prevalence of training, and with innovation in new products and services. The causality in these relationships cannot be established with cross-sectional survey data and may run either way. For example, innovation may create a need for better communication, more highly trained workers and incentivised rewards to motivate and retain key employees. Alternatively, more highly trained staff may generate more ideas and be more willing to communicate them, while better communication, consultation and employee involvement may promote innovation because ideas filter more readily through the organisation. Otherwise, the relationships may not be causal but reflect different elements of clusters of work practices introduced simultaneously. Further research, particularly using longitudinal data, is needed to explore the causal patterns of these relationships in greater depth.

Our findings also show the effects that different forms of employee involvement have for job quality. The extent of direct consultation and the strength of the innovation climate in an organisation appear to be of central importance to improving employee well-being. Direct consultation is associated with greater satisfaction, organisational commitment, less job pressure, and greater autonomy. The strength of the innovation climate is associated with greater job satisfaction and organisational commitment, but also greater job pressure and less autonomy. The impact of advanced human resource management systems may depend on the manner in which new work practices are introduced and the extent of consultation involved in their implementation.

Policy Implication

Taken together, these findings suggest that policies to promote enhanced employee involvement, particularly incorporating greater direct consultation at work, greater emphasis on the development of a climate of innovation within organisations, and more regular communication of key business information, could contribute positively to mutual gains: enhancing organisational productivity and performance while improving job quality.

The findings also suggest progress in relation to workplace development since 2003, and this provides a platform on which to continue to promote investment in building high performing, high quality workplaces.

Innovation

The employee survey demonstrates the positive relationship between an organisation's innovation climate and product and service innovation. Employees who recorded a higher score on the Innovation Climate scale in their organisation were more likely to report product or service innovation. Similarly, participatory work practices, regularity of communication and incentivised rewards systems were also all associated with output innovation in the form of new products and services, an outcome that is key to future economic progress.

Policy Implication

The association between an organisation's innovation climate and product and service innovation suggests that the initiatives and policies to support the development of a climate and culture of innovation are critical in achieving higher levels of innovative activity at the firm level.

The association between progressive workplace practices and levels of product and service innovation suggest that the initiatives to support higher levels of innovative activity should take into account the contribution that progressive workplace practices can make to achieving this objective.

Strategies to deepen the level and quality of employee engagement should be promoted as part of a broader strategy to develop organisational wide commitment to innovation. In the private sector workplace innovation can assist enterprises to both address immediate challenges associated with reducing costs while also assisting them in building their organisational capacity to take advantage of new opportunities that may arise in the future.

Training and Upskilling

Despite the strong policy emphasis on upskilling and reskilling the employees' survey reports virtually no change in the proportion of employees who participated in employer provided training (49%) in the previous two years. Similarly, the pattern of participation in employer provided training has also remained unchanged as it continues to favour better educated employees and those higher up the occupational hierarchy. These findings suggest that Ireland continues to lag well behind those countries with higher levels of employer sponsored training.

Policy Implication

There is clearly a need to actively promote training, upskilling and learning in Irish workplaces. In particular, employers, government and unions need to fully explore innovative ways of tackling the barriers that are preventing Ireland from achieving a substantial improvement in the level and patterns of participation in workplace training and learning.

Managing Change in the Public Sector

Despite the challenges facing the public sector in the current economic environment the employees' survey reveals a high level of willingness to accept change, a strong foundation in relation to employee engagement and an increased level of organisational commitment since 2003. Public sector employees report a strong presence of workplace practices and behaviours that support innovation and 60 per cent of them also report that their organisation has introduced a new or improved product or service. While satisfaction levels have dropped slightly since 2003 they remain high despite the recession.

The survey also indicates that innovation climate and the frequency of communication of key information are associated with output innovation in both the public and private sectors. This suggests that practices that both support an openness to innovation and also facilitate regular communication of business and budgetary information need to be an integral part of strategies to enhance the level of innovative activity in the public service. In relation to innovation climate this would involve encouraging organisations to experiment with new ideas, to be prepared to take risks in order to innovate, to network with other organisations and departments, to promote teamworking, to engage with customers and to be continuously searching for new ways of looking at problems and opportunities.

The survey also reveals the negative impact that staff reduction and organisational change initiatives can have on employee well-being particularly in terms of organisational commitment and job satisfaction. Given the likelihood of further retrenchment and restructuring within the public service the strong influence of employer-level work practices on employee outcomes should be noted. In particular, consultation with employees was found to have the strongest impact and one that was uniformly positive in terms of employee well-being.

Policy Implication

The strong support for innovation in the public service and employees' willingness to accept change needs to be harnessed in a manner that supports the achievement of organisational reform in the public sector.

Continued support for the range of practices and approaches that promote an openness to innovation across the organisation have the potential to lead to significant improvements both innovation outcomes and the way work is carried out.

9.8 Future Research

We have already noted that it is not possible to attribute causality to the relationships between differing human resource management strategies using cross-sectional data collected at a single point in time. Thus, innovation may create a need for more effective consultation and training, on the other hand, employees with greater levels of involvement and higher skills may be more innovative. Understanding the underlying causal patterns in these complex relationships requires longitudinal data that enable the researcher to track changes over time in the key factors.

Creation of such longitudinal data is thus a key objective if we are to better understand how organisations work and to design human resource management practices that promote more effective organisations and better jobs.

Given the challenges currently facing the Irish economy, we can expect that the pace of change in organisations and jobs is likely to accelerate over the medium term. Just as the current workplace survey has allowed us both to take a snapshot of the workplace in 2009 and to assess the extent of change since the previous survey in 2003, it will be essential to undertake a further follow-up survey within another 5–6 years in order to inform policy responses to the workplace of the future.

Finally, this report provides an initial exploration of working conditions, employee experiences and attitudes. A single survey report cannot explore all of the potential research questions in a single volume. It is to be hoped that the large nationally representative survey of employees underlying this report will subsequently provide the database for a programme of further in-depth research into working conditions, employee experiences and attitudes, and workplace practices and relationships, and thus provide a solid evidential basis to inform policy making for some years to come.

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Appendices

Appendix A

Table A5.1 | Logistic regression of participation in training

	B	Sig.	Exp(B)	B	Sig.	Exp(B)
Female	-.019	.787	.982	-.032	.658	.969
Age 25–39	-.127	.237	.881	-.174	.118	.840
Age 40–54	-.232	.030	.793	-.313	.005	.731
Age 55+	-.351	.006	.704	-.403	.002	.668
Low 2nd Education	.241	.148	1.272	.207	.233	1.230
High 2nd Education	.208	.179	1.231	.158	.328	1.171
Post Leaving certificate	.454	.004	1.575	.399	.016	1.490
Degree	.591	.000	1.806	.505	.002	1.658
Professional	-.379	.000	.685	-.296	.001	.744
Associate Professionals	.011	.000	1.011	.008	.014	1.008
Clerical	.329	.000	1.389	.352	.000	1.422
Craft	-.050	.644	.952	.074	.503	1.077
Operatives	-.055	.643	.946	.180	.147	1.197
Personal	-.324	.008	.724	-.131	.304	.877
Sales	-.374	.012	.688	-.065	.673	.937
Other occupation	-.429	.003	.651	-.236	.117	.790
Temporary contract	-.142	.241	.867	.153	.231	1.165
Work Hours	-.507	.000	.602	-.231	.109	.794
Union member	-.151	.509	.860	.100	.676	1.105
Public sector	.244	.002	1.277	.357	.000	1.430
Size 5–19 employees	.288	.008	1.334	.137	.231	1.147
Size 20– 99 employees	.327	.002	1.386	.130	.241	1.139
Size 100+ employees	.602	.000	1.826	.304	.008	1.355
Participation in organisation				.028	.789	1.029
Involvement in participation				.441	.000	1.554
Consultation				.089	.017	1.093
Information				.185	.002	1.203
Partnership committee in workplace				.071	.370	1.074
Incentivised rewards				.382	.000	1.465
Innovation scale				.258	.001	1.294
New CEO				.176	.013	1.193
Staff cuts				.032	.617	1.032
Reorganisation				.064	.350	1.066
Constant	-.867	.000	.420	-2.268	.000	.103
-2 Log likelihood	6679.284			6343.719		
Cox & Snell R Square	.067			.104		
Nagelkerke R Square	.089			.138		
N of cases	5110			5110		

Throughout the regression analyses in the Tables in Appendix A, the reference categories are: male, aged under 18-24 years, no educational qualifications, managerial occupation, permanent contract, not a union member, private sector, less than 5 employees.

Table A5.2 Multinomial logit regression of participation in general training versus no training and specific training versus no training

	General Training			Specific Training		
	B	Sig.	Exp(B)	B	Sig.	Exp(B)
Intercept	-2.887	.000		-2.486	.000	
Female	-.009	.903	.991	-.117	.272	.889
Age 25–39	-.097	.421	.908	-.371	.032	.690
Age 40–54	-.308	.011	.735	-.307	.072	.735
Age 55+	-.425	.003	.653	-.363	.070	.696
Low 2nd Education	.106	.582	1.112	.475	.082	1.608
High 2nd Education	.072	.685	1.075	.373	.147	1.452
Post Leaving certificate	.352	.052	1.422	.543	.040	1.721
Degree	.470	.010	1.600	.587	.026	1.799
Professional	-.241	.016	.786	-.474	.001	.623
Associate Professionals	.009	.005	1.009	.003	.520	1.003
Clerical	.237	.004	1.267	.737	.000	2.089
Craft	.104	.379	1.110	-.046	.784	.955
Operatives	.263	.048	1.300	-.094	.614	.910
Personal Services	-.123	.374	.885	-.165	.385	.848
Sales	.000	1.000	1.000	-.323	.179	.724
Other occupation	-.190	.241	.827	-.432	.069	.649
Temporary contract	.228	.096	1.256	-.085	.659	.919
Work hours	-.257	.102	.773	-.210	.341	.811
Union member	.124	.634	1.132	.012	.971	1.012
Public sector	.323	.000	1.382	.430	.000	1.537
Size 5–19 employees	.152	.227	1.164	.111	.525	1.118
Size 20–99 employees	.166	.174	1.181	.129	.444	1.138
Size 100+ employees	.428	.001	1.534	.111	.526	1.117
Participation in organisation	-.001	.992	.999	.146	.350	1.157
Involvement in participation	.481	.000	1.618	.364	.001	1.438
Consultation	.109	.007	1.115	.006	.908	1.006
Information	.259	.000	1.296	.053	.548	1.055
Partnership committee in workplace	.098	.252	1.103	.081	.470	1.084
Incentivised rewards	.465	.000	1.592	.131	.310	1.140
Innovation scale	.309	.000	1.363	.102	.359	1.108
-2 Log likelihood						
Intercept only	9840.124					
Final	9169.146					
Cox and Snell	.126					
Nagelkerke	.146					
McFadden	.068					
N of cases	5110					

Table A6.1 Multinomial logit regression of incremental and incentivised rewards systems, versus no additional rewards.

	Increment			Incentive		
	B	Sig.	Exp(B)	B	Sig.	Exp(B)
Intercept	-1.731	.000		-2.479	.000	
Female	.224	.021	1.251	-.265	.004	.767
Age 25–39	.145	.350	1.156	-.147	.275	.863
Age 40–54	.065	.672	1.067	-.449	.001	.638
Age 55+	-.191	.278	.826	-.947	.000	.388
Low 2nd Education	.010	.963	1.010	.018	.936	1.018
High 2nd Education	.042	.832	1.043	.091	.658	1.095
Post Leaving certificate	.102	.615	1.107	.102	.629	1.108
Degree	.419	.040	1.520	.380	.075	1.462
Professional	-.578	.000	.561	-.737	.000	.479
Associate Professionals	.010	.016	1.010	.017	.000	1.017
Clerical	.587	.000	1.799	.086	.399	1.090
Craft	.224	.191	1.252	-.384	.010	.681
Operatives	.199	.276	1.220	-.372	.026	.690
Personal services	.033	.862	1.033	-.496	.002	.609
Sales	-.298	.201	.742	-.936	.000	.392
Other occupation	.004	.987	1.004	-.648	.000	.523
Temporary contract	.249	.173	1.283	-.641	.000	.527
Work hours	.051	.820	1.052	-.131	.450	.877
Union member	.168	.590	1.182	-.183	.561	.833
Public sector	1.054	.000	2.868	-1.810	.000	.164
Size 5–19 employees	-.016	.909	.984	-.357	.015	1.429
Size 20–99 employees	.011	.938	1.011	.622	.000	1.863
Size 100+ employees	.288	.046	1.334	1.238	.000	3.449
Participation in organisation	.222	.131	1.249	.539	.000	1.714
Involvement in participation	.341	.000	1.406	.465	.000	1.592
Consultation scale	.151	.002	1.164	.191	.000	1.210
Information scale	.110	.163	1.116	.625	.000	1.868
Partnership committee	.214	.038	1.238	.191	.096	1.210
Innovation climate	-.127	.200	.881	.311	.002	1.365
New CEO	-.036	.706	.965	.123	.199	1.131
Staff cut	-.258	.002	.772	-.079	.346	.924
Reorganisation	-.158	.082	.854	.214	.018	1.239
-2 Log Likelihood						
Intercept only	10882.847					
Final	8292.070					
Cox and Snell	.406					
Nagelkerke	.457					
McFadden	.238					
N of cases	4974					

Table A6.2 Multinomial logit regression of incremental and incentivised rewards systems, versus no additional rewards – public sector only

	Increment			Incentive		
	B	Sig.	Exp(B)	B	Sig.	Exp(B)
Intercept	.405	.584		-2.055	.096	
Female	.284	.052	1.329	.467	.067	1.594
Age 25–39	.334	.272	1.397	-.554	.192	.575
Age 40–54	-.037	.901	.963	-1.213	.004	.297
Age 55+	-.434	.175	.648	-1.590	.001	.204
Low 2nd Education	-.170	.630	.844	-.413	.472	.662
High 2nd Education	-.037	.904	.963	-.143	.773	.867
Post Leaving certificate	-.006	.985	.994	-.666	.195	.514
Degree	.225	.477	1.252	-.494	.334	.610
Professional	-.821	.000	.440	-1.089	.001	.337
Associate Professionals	.006	.279	1.006	.014	.173	1.014
Clerical	.340	.021	1.406	-.018	.943	.982
Craft	-.138	.657	.871	-.033	.952	.968
Operatives	-.310	.341	.733	.150	.784	1.162
Personal services	-.752	.031	.471	.067	.907	1.069
Sales	-1.040	.066	.354	.187	.833	1.205
Other occupation	-2.571	.025	.076	-.339	.787	.713
Temporary contract	-.364	.274	.695	-.053	.925	.948
Work hours	.737	.545	2.089	1.056	.500	2.874
Union member	-.328	.458	.720	-.575	.492	.563
Size 5–19 employees	-.028	.907	.973	-.497	.241	.609
Size 20–99 employees	.284	.198	1.328	-.180	.639	.835
Size 100+ employees	.564	.013	1.757	.313	.409	1.368
Participation in organisation	.122	.555	1.130	-.420	.290	.657
Involvement in participation	.133	.339	1.142	.203	.378	1.225
Consultation scale	.038	.606	1.039	.098	.454	1.103
Information scale	.143	.227	1.154	.544	.007	1.723
Partnership committee	.228	.082	1.256	.576	.008	1.780
Innovation climate	-.122	.395	.885	.225	.362	1.252
New CEO	.065	.620	1.067	-.063	.768	.939
Staff cut	-.185	.141	.831	-.159	.449	.853
Reorganisation	-.239	.067	.788	.086	.685	1.090
-2 Log Likelihood						
Intercept Only	2788.162					
Final	2569.086					
Cox and Snell	.126					
Nagelkerke	.154					
McFadden	.079					
N of cases	1620					

Table A6.3 Multinomial logit regression of incremental and incentivised rewards systems, versus no additional rewards – private sector only

	Increment			Incentive		
	B	Sig.	Exp(B)	B	Sig.	Exp(B)
Intercept	-2.414	.000		-2.817	.000	
Female	.253	.063	1.287	-.388	.000	.679
Age 25–39	-.023	.904	.977	-.216	.136	.806
Age 40–54	.099	.600	1.104	-.398	.007	.671
Age 55+	.034	.881	1.034	-.841	.000	.431
Low 2nd Education	.042	.877	1.043	.118	.623	1.126
High 2nd Education	.038	.881	1.039	.195	.391	1.215
Post Leaving certificate	.095	.724	1.100	.242	.303	1.274
Degree	-.445	.105	1.560	-.594	.013	1.811
Professional	-.453	.007	.636	-.683	.000	.505
Associate Professionals	.015	.008	1.015	.017	.000	1.017
Clerical	.766	.000	2.152	.161	.175	1.174
Craft	-.335	.160	1.397	-.353	.032	.703
Operatives	-.468	.066	1.597	-.443	.019	.642
Personal services	-.540	.026	1.716	-.463	.009	.629
Sales	-.028	.917	.972	-.944	.000	.389
Other occupation	-.368	.165	1.445	-.602	.002	.548
Temporary contract	.633	.010	1.884	-.700	.000	.497
Work hours	-.350	.176	1.419	-.068	.704	.934
Union member	.064	.916	1.066	.126	.745	1.134
Size 5–19 employees	-.091	.596	.913	.426	.007	1.532
Size 20–99 employees	-.254	.154	.776	.636	.000	1.888
Size 100+ employees	-.076	.701	.927	1.257	.000	3.516
Participation in organisation	.166	.461	1.181	.652	.000	1.919
Involvement in participation	.501	.000	1.650	.538	.000	1.713
Consultation scale	.212	.001	1.236	.225	.000	1.253
Information scale	.111	.305	1.117	.644	.000	1.905
Partnership committee	.239	.180	1.270	.084	.555	1.088
Innovation climate	-.077	.595	.926	.323	.005	1.381
New CEO	-.225	.136	.799	.102	.360	1.107
Staff cuts	-.334	.005	.716	-.096	.304	.908
Reorganisation	-.038	.777	.963	.263	.011	1.301
-2 Log Likelihood						
Intercept Only	6626.496					
Final	5579.377					
Cox and Snell	.268					
Nagelkerke	.311					
McFadden	.158					
N of cases	3446					

Table A6.4 | Regression analysis of earnings, employees working 15 hours or more per week

	B	Sig.	B	Sig.
(Constant)	5.130	.000	4.997	.000
Intercept	-.147	.000	-.139	.000
Female	.317	.000	.309	.000
Age 25–39	.394	.000	.381	.000
Age 40–54	.407	.000	.409	.000
Age 55+	.049	.178	.037	.308
Low 2nd Education	.139	.000	.123	.000
High 2nd Education	.207	.000	.186	.000
Post Leaving Cert	.368	.000	.337	.000
Degree	.009	.698	.030	.174
Professional	-.165	.000	-.133	.000
Associate Professionals	-.249	.000	-.221	.000
Clerical	-.166	.000	-.105	.001
Craft	-.261	.000	-.220	.000
Operatives	-.358	.000	-.310	.000
Personal services	-.397	.000	-.361	.000
Sales	-.215	.000	-.174	.000
Other occupation	-.177	.000	-.146	.000
Temporary contract	.025	.000	.024	.000
Work hours	.099	.000	.084	.000
Union member	.106	.000	.113	.000
Public sector	.048	.038	.034	.143
Size 5–19 employees	.119	.000	.090	.000
Size 20–99 employees	.176	.000	.113	.000
Organisation has participation'			.008	.728
Personal participation			.054	.000
Consultation scale			.019	.015
Information scale			.025	.043
Partnership committee			.022	.165
Innovation scale			-.014	.372
Regular increment			.059	.000
Incentive based pay			.068	.000
Trained in last 2 years			.010	.435
New CEO			.044	.002
Staff cuts			.030	.018
Reorganisation			.021	.119
			.007	.213
Adj R sq		0.59	.600	
N of cases		4243		4167

Dependent var. - log of gross weekly wages

Table A6.5 Regression analysis of earnings, public and private sectors, employees working 15 hours or more per week

	Public		Private	
	B	Sig.	B	Sig.
(Constant)	5.201	.000	4.953	.000
Intercept	-.140	.000	-.137	.000
Female	.259	.000	.307	.000
Age 25–39	.313	.000	.389	.000
Age 40–54	.345	.000	.429	.000
Age 55+	.048	.480	.023	.598
Low 2nd Education	.186	.002	.094	.022
High 2nd Education	.261	.000	.148	.000
Post Leaving certificate	.497	.000	.256	.000
Degree	.031	.527	.031	.225
Professional	-.141	.006	-.090	.003
Associate Professionals	-.211	.000	-.206	.000
Clerical	-.211	.032	-.100	.002
Craft	.029	.856	-.247	.000
Operatives	-.193	.000	-.361	.000
Personal services	-.469	.010	-.352	.000
Sales	-.029	.713	-.230	.000
Other occupation	-.195	.000	-.115	.000
Temporary contract	.021	.000	.026	.000
Work hours	.095	.001	.070	.000
Union member	.009	.851	.059	.032
Size 5–19 employees	.068	.102	.109	.000
Size 20–99 employees	.056	.188	.148	.000
Organisation has participation	-.058	.126	.039	.154
Personal participation	-.003	.898	.082	.000
Consultation scale	-.004	.765	.025	.007
Information scale	.035	.107	.020	.185
Partnership committee	.040	.077	.021	.344
Innovation scale	.000	.996	-.020	.310
Regular increment	.075	.002	.043	.006
Incentive based pay	-.005	.902	.074	.000
Trained in last 2 years	.012	.591	.008	.617
New CEO	.062	.006	.030	.099
Staff cuts	.012	.576	.038	.017
Reorganisation	.005	.811	.028	.110
No of flexible work practices	.019	.064	.008	.297
Adj R sq	0.49		.640	
N of cases	1391		2775	

Table A8.1 | Models of employee well-being

	Job Satisfaction		Work-family Conflict		Pressure		Autonomy	
	B	sig	B	sig	B	sig	B	sig
(Constant)	-1.995	.000	1.254	.000	-1.021	.000	.208	.149
Female	.024	.272	.183	.000	.152	.000	-.037	.122
Age	.002	.019	-.007	.000	.000	.786	.012	.000
Intermediate/Junior certificate	.019	.712	.038	.619	.031	.648	-.010	.859
Leaving certificate	.061	.203	.034	.625	.076	.230	.048	.374
PLC or Diploma	-.013	.787	.150	.037	.206	.002	.159	.004
Degree	.023	.651	.189	.010	.242	.000	.188	.001
Temporary contract	.014	.628	.083	.048	-.074	.050	-.023	.473
Trade union member	-.024	.294	.058	.087	-.010	.743	-.297	.000
Work hours	-.006	.000	.020	.000	.016	.000	.002	.049
Lt1yr	-.083	.022	-.049	.353	-.049	.300	-.203	.000
Lt5yr	-.026	.269	-.034	.308	-.018	.556	-.061	.020
Public Sector	-.048	.062	-.022	.564	.194	.000	-.116	.000
5–19 employees	-.050	.158	-.006	.913	.008	.863	-.180	.000
20–99 employees	-.027	.443	.025	.629	.000	.995	-.267	.000
100+ employees	-.013	.727	-.020	.711	-.099	.040	-.304	.000
Professional	.078	.008	.014	.743	.089	.022	.030	.362
Technical	-.064	.050	.053	.262	.003	.943	-.084	.022
Clerical	.051	.118	-.123	.011	-.151	.000	-.101	.006
Craft	-.088	.037	.000	.998	-.084	.130	-.189	.000
Service	-.045	.163	.093	.049	-.057	.186	-.144	.000
Operatives	.026	.530	-.003	.965	-.232	.000	-.380	.000
Other occupation	.019	.784	-.127	.210	-.199	.030	-.046	.560
Participation in org NOT involved	-.012	.707	-.052	.264	-.095	.025	-.038	.298
Personal participation	-.020	.357	.053	.089	.145	.001	-.023	.336
Innovation Climate	.388	.000	-.028	.389	.196	.000	-.139	.000
Information	-.022	.224	.059	.025	.067	.005	-.039	.053
Consultation score	.136	.000	-.245	.000	-.136	.000	.161	.000
Partnership in work	.012	.617	-.012	.727	-.008	.807	-.029	.271
No of Flex arrang	.037	.000	-.035	.006	-.001	.912	.091	.000
Train	.031	.104	-.007	.812	.021	.407	-.002	.939
Gross weekly earnings	.097	.000	.049	.047	.047	.035	.179	.000
Incentivised pay	.043	.057	-.026	.430	-.071	.016	-.006	.808
New CEO	-.024	.249	.042	.168	.032	.243	-.050	.035
Staff cuts	-.110	.000	.100	.000	.080	.001	.032	.135
Re-organisation	-.052	.009	.097	.001	.072	.007	.029	.208
Adjusted R Sq.	.219		.159		.151		.257	

Table A8.2 | Regression models of organisational outcomes

	Org. Commitment	
	B	sig
(Constant)	-1.704	.000
Female	.062	.001
Age	.004	.000
Intermediate/Junior certificate	.072	.127
Leaving certificate	.078	.077
PLC or Diploma	.057	.207
Degree	.007	.874
Temporary contract	-.006	.820
TU member	-.044	.034
Work hrs	.000	.817
Job tenure lt 1yr	-.034	.305
Job tenure 1 to 5 yrs	-.027	.200
Public sector	.060	.012
5–19 employees	-.063	.050
20–99 employees	-.098	.002
100+ employees	-.168	.000
Professional	.002	.948
Technical	-.062	.036
Clerical	.005	.871
Craft	-.071	.064
Service	.050	.094
Operatives	.023	.538
Other occup	.090	.155
Partic in org NOT involv	-.028	.334
Personal participation	-.009	.657
Innovative practices	.612	.000
Information scale	-.008	.613
Consultation scale	.117	.000
Partnership in work	.052	.016
No. of flexible work practices	.003	.742
Training from employer	.003	.862
Gross weekly wage (log)	.034	.027
Incentivised pay	-.023	.250
New CEO	-.018	.340
Staff cuts	-.045	.009
Re-organisation	-.083	.000
Adjusted R square	.320	

Table A8.3 | Logistic regression of output innovation

	B	Sig.	Exp(B)
Female	-.030	.731	.971
Age	-.007	.048	.993
Low 2nd Education	.065	.745	1.067
High 2nd Education	-.141	.449	.869
Post Leaving certificate	.066	.730	1.069
Degree	-.045	.817	.956
Professional	-.127	.353	.881
Associate Professionals	-.114	.449	.892
Clerical	.097	.537	1.102
Craft	-.338	.065	.714
Operatives	.130	.498	1.139
Personal services	-.038	.808	.963
Sales	.642	.000	1.900
Other occupation	-.379	.164	.685
Temporary contract	-.206	.052	.813
Work hours	.007	.098	1.007
Union member	.158	.085	1.171
Public sector	-.370	.000	.691
Size 5–19 employees	.223	.082	1.249
Size 20– 99 employees	.240	.056	1.272
Size 100+ employees	.313	.019	1.368
Participation in organisation	.275	.038	1.317
Involvement in participation	.243	.040	1.275
Consultation scale	-.057	.269	.945
Information scale	.498	.000	1.646
Partnership committee	.287	.003	1.332
Incentivised rewards	.554	.000	1.740
Trained	.449	.000	1.567
Innovation scale	1.248	.000	3.484
New CEO	.114	.182	1.121
Staff cuts	.017	.822	1.017
Reorganisation	.322	.000	1.380
Gross weekly wage (log)	-.141	.044	.868
No. of flexible work practices	.109	.002	1.115
No. of new work practices	-.036	.662	.965
Constant	-3.296	.000	.037
-2 Log likelihood	4742.768		
Cox & Snell R Square	.177		
Nagelkerke R Square	.246		
N of cases	5110		

Table A8.4 Logistic regression of output innovation, public and private sectors

	Public			Private		
	B	Sig.	Exp(B)	B	Sig.	Exp(B)
Female	-.169	.249	.844	.015	.893	1.015
Age	-.018	.004	.983	-.003	.422	.997
Low 2nd Education	-.158	.672	.854	.120	.624	1.128
High 2nd Education	-.091	.779	.913	-.147	.526	.863
Post Leaving certificate	-.041	.901	.960	.121	.616	1.128
Degree	-.247	.459	.781	.099	.691	1.104
Professional	-.077	.782	.926	-.069	.678	.933
Associate Professionals	.129	.661	1.138	-.311	.103	.732
Clerical	.166	.611	1.180	.056	.765	1.057
Craft	-.256	.643	.774	-.347	.081	.707
Operatives	-1.153	.246	.316	.114	.580	1.121
Personal services	.011	.971	1.011	-.075	.694	.928
Sales	--			.658	.001	1.930
Other occupation	-.209	.639	.811	-.634	.093	.530
Temporary contract	-.119	.494	.888	-.302	.028	.739
Work hours	.000	.951	1.000	.009	.089	1.010
Union member	.084	.583	1.088	.183	.137	1.201
Size 5–19 employees	.025	.921	1.026	.276	.067	1.318
Size 20– 99 employees	.037	.876	1.037	.306	.046	1.358
Size 100+ employees	.165	.490	1.179	.275	.101	1.317
Participation in organisation	.099	.638	1.104	.420	.017	1.521
Involvement in participation	.192	.154	1.211	.232	.039	1.262
Consultation scale	-.094	.201	.911	-.053	.333	.949
Information scale	.537	.000	1.710	.434	.000	1.543
Partnership committee	.018	.888	1.018	.620	.000	1.859
Incentivised rewards	1.146	.076	3.144	.475	.000	1.608
Trained	.418	.001	1.519	.380	.000	1.462
Innovation scale	1.174	.000	3.234	1.315	.000	3.723
New CEO	.005	.966	1.005	.189	.109	1.208
Staff cuts	.049	.693	1.050	.004	.969	1.004
Reorganisation	.492	.000	1.635	.189	.079	1.208
No. of flexible work practices	.109	.061	1.115	.110	.016	1.116
Gross weekly wage (log)	-.137	.208	.872	-.152	.102	.859
Constant	-2.338	.015	.097	-3.673	.000	.025
-2 Log likelihood	1723.708			2978.888		
Cox & Snell R Square	.161			.180		
Nagelkerke R Square	.217			.256		
N of cases	1664			3446		

Appendix B

Methodology

The National Workplace Employee Survey 2009

The survey of employees targeted employees in the public and private sectors aged fifteen and over. Following a pilot in February 2009, the survey was fielded by telephone from March to June 2009 by Amárach Research.

Sample Selection

The sample for the telephone survey was generated on a stratified random basis from Amárach's database of landline telephone numbers (comprising of both listed and unlisted numbers). To ensure all regions of the country are represented, the database is sorted by area code; when a sample is required a random sample is extracted from each of the area code databases, the volume relative to the area code's representation in the country.

Quota control was implemented on those taking part, at the stage of selection of individuals for interview within households, to ensure the sample is representative of the target population.

Questionnaire

The questionnaire was designed to capture a comprehensive range of information on the nature of the job and the organisation of work. As well as replicating items included in the 2003 survey, new items were included to gather data on the match between the person's skills and the skills needed for the job, on work-life balance and on issues related to diversity in the workplace such as nationality and ethnicity.

The questionnaire had eight sections as follows:

Section A: Labour market details

Section B: Attitudes to job, intensity and autonomy

Section C: Change in the workplace

Section D: Skill and learning/training

Section E: Communications

Section F: Employer/employee relations

Section G: Employee involvement and participation

Section H: Background details

Interviews took thirty-five minutes, on average, to complete.

Interviewing

All interviews were completed with the questionnaire-scripted NIPO software. NIPO is a software programme developed by TNS in the Netherlands. It provides excellent capabilities in managing a number of different research methodologies from CAPI (Computer Assisted Paper Interviewing) to CAWI (Computer Assisted Web Interviewing) to CATI (Computer Assisted Telephone Interviewing), and can also act as a data entry package. This facilitates interviewing for both the interviewer and the interviewee by facilitating the exclusion of non-applicable questions.

The software also manages the telephone sample; numbers are automatically sent to interviewers for dialling. It has the capability of managing appointments with respondents at a specific date and time: when the appointment time arrives the number is pulled from the database for calling. Other capabilities include telephone number management; if for some reason the phone is not answered, or is engaged etc., the software records this and delays the use of this number again for a set time period. Finally, the software allows

monitoring of sample quotas and overall targets in order to track progress.

The quality of interviewing was monitored in real time as the interview happens; NIPO enables specific supervisor stations to view interviewers' screens as they complete the questionnaires and listen to the interview. Every interviewer's performance is monitored closely with these quality checks on a regular basis.

In order to boost response rates, those identified as "soft" refusals and broken appointments were re-contacted at a later date in an effort to secure their co-operation. On re-contact, a number of initial soft refusals were determined to be ineligible (nobody in the household at work) and a number of completed interviews were secured.

Response Rate

Table 1 shows the survey outcomes. There were 5110 completed and usable interviews from a total of over 65,000 numbers called. The majority of these numbers (45,880) were not eligible for the survey (number not in service, nobody in the household was an employee, or "out of quota" because a sufficient number of interviews had been completed with people in that gender and age category). A further 10,832 numbers were of unknown eligibility because the interviewer was unable to determine whether anyone in the household was in employment. In calculating the response rate we need to estimate the proportion of these numbers that are likely to have been eligible. We do this by taking the eligibility rate where this was known (16 per cent), giving a total estimated eligible of 10186. The response rate, calculated as completed interviews as a percentage of the total estimated eligible was 50 per cent.¹⁵ This is a very respectable rate for a telephone survey.

The co-operation rate – the proportion of those actually contacted who completed the interview – was 60 per cent.

Reweighting the data

In line with all sample surveys the data were reweighted or statistically adjusted prior to analysis to ensure that it is fully representative of the full population of all employees living in private households. This statistical adjustment is standard practice in all sample surveys. Data for reweighting came from the *Quarterly National Household Survey (QNHS)* from the first quarter of 2009. This is a large sample survey (over 30,000 interviews per quarter), conducted by the Central Statistics Office, which is used to provide definitive information on the Irish labour market. This ex-post adjustment ensures that the data are wholly representative of the population from which they have been selected and so allows us to provide unbiased estimates of those engaged in the non-agricultural public and private sectors. Figures from the *QNHS* were used to re-calibrate the sample data prior to analysis.

- The variables used for weighting were:
- Gender by industrial sector (eleven sectors)
- Gender by age group (eight age groups)
- Gender by region (two regions)
- Gender by size of local unit (three size categories)
- Gender by full- or part-time
- Gender by education by broad age group (four education levels, two age groups)
- Household size (five categories)
- Public or private sector
- Gender by nationality (four categories)

15. A more conservative estimate of the response rate would involve excluding "numbers not in service" and "business numbers" when calculating the percentage of "unknown eligibility" numbers that are likely to be eligible, on the grounds that these numbers are likely to be identified as ineligible early in the process. If we take this approach, the response rate is 45 per cent.

Table 2 compares the population of all employees to the completed sample. The balance across sectors is reasonably good (apart from men in construction and women in health) as is the balance by region, broad age group and household size. The main pattern is the over representation of the public sector, especially women in the health sector, and the under representation of both males and females aged 25–34 (particularly those with post-secondary, non-degree qualifications). Other groups somewhat under represented are those working

full-time, men in the construction sector, men and women in small workplaces (under twenty employees), non-union members and those born outside the EU15 countries. The results of the weighting procedure are shown in the final column of the table. The weighting aligns the sample proportions in each category with those of the population to ensure that the results are representative.

Table 1 | Survey outcomes and response rate

Survey Outcome			Number of Telephone numbers
Eligible numbers	1	Complete	5110
	2	Partially completed (not used)	91
	3	In employment (eligible), soft refusal (recontact)	326
	4	In employment (eligible), final refusal	1854
	5	In employment (eligible), definite appointment to be recontacted	48
	6	In employment (eligible), soft appointment to be recontacted	1051
	7	In employment (eligible), other non-response	14
Ineligible Numbers	8	In employment but out of quota (ineligible)	5496
	9	Business or institution or fax number (Ineligible)	1804
	10	Number not in service (ineligible)	19,086
	11	Nobody in employment in household (ineligible)	19,105
	12	Language barrier (ineligible)	389
	13	No contact after 10 attempts	
Unknown Eligibility	14	Outright soft refusal, don't know if anyone in household in employment (unknown eligibility)	651
	15	Outright final refusal, don't know if anyone in household in employment (unknown eligibility)	3676
	16	Answering machine, ringing out, busy - spoke to no-one (unknown eligibility)	6505
Calculations	17	Total Numbers confirmed as eligible (Sum (1–7))	8494
	18	Total numbers confirmed as ineligible (Sum (8–13))	45,880
	19	Total of unknown eligibility (Sum (14–16))	10,832
	20	Percent eligible (where known, 17/(17+18))	16%
	21	Estimated total eligible (20 x 19) + 17	10,186
	22	Response rate (1 / 21)	50%
	23	Co-operation rate (1/Sum(1–7))	60%

Table 2 | Characteristics of sample compared to population

	Population Per cent	Unweighted sample N Cases	pct	Weighted Sample Diff	pct
Gender by Industry					
<i>Males</i>					
A–B Agriculture, forestry, fishing	1%	24	0%	-1%	1%
C–E Other production	10%	530	10%	0%	10%
F Construction	7%	177	3%	-4%	7%
G Wholesale & retail t	6%	267	5%	-1%	6%
H Hotels & restaurants	2%	102	2%	0%	2%
I Transport, storage and communication	5%	247	5%	0%	4%
J–K Financial and other business services	7%	431	8%	1%	7%
L Public administration and defence	3%	237	5%	1%	4%
M Education	2%	189	4%	1%	2%
N Health	2%	162	3%	1%	2%
O–Q Other services	2%	65	1%	-1%	2%
<i>Females</i>					
A–B Agriculture, forestry, fishing	0%	10	0%	0%	0%
C–E Other production	5%	172	3%	-1%	5%
F Construction	1%	35	1%	0%	1%
G Wholesale & retail t	8%	364	7%	-1%	8%
H Hotels & restaurants	3%	129	3%	-1%	3%
I Transport, storage & communication	2%	86	2%	0%	2%
J–K Financial and other business services	8%	397	8%	0%	8%
L Public administration and defence	3%	195	4%	0%	3%
M Education	7%	438	9%	2%	7%
N Health	11%	760	15%	3%	12%
O–Q Other services	3%	93	2%	-2%	3%
Gender by age					
Males 15–19	1%	69	1%	1%	1%
Males 20–24	5%	198	4%	-1%	5%
Males 25–34	16%	393	8%	-9%	16%
Males 35–44	12%	849	17%	4%	12%
Males 45–54	9%	560	11%	1%	10%
Males 55–59	3%	203	4%	1%	3%
Males 60–64	2%	127	2%	0%	2%
Males 65+	0%	32	1%	0%	0%
Females 15–19	0%	103	2%	2%	1%
Females 20–24	5%	269	5%	0%	5%
Females 25–34	17%	464	9%	-8%	17%
Females 35–44	12%	909	18%	6%	12%
Females 45–54	10%	598	12%	2%	10%
Females 55–59	3%	186	4%	0%	4%
Females 60–64	2%	125	2%	1%	2%
Females 65+	0%	25	0%	0%	0%
Gender by Region					
Border/Midlands/West – M	12%	532	10%	-1%	12%
Other regions – M	37%	1899	37%	0%	37%
Border, Midlands, West – F	13%	676	13%	0%	13%
Other Regions – F	38%	2003	39%	1%	38%
Gender by size local Unit					
1–19 employees –M	20%	719	14%	-6%	19%
20–49 employees -M	6%	497	10%	4%	6%
50+ employees -M	24%	1215	24%	0%	24%
1–19 employees –F	21%	977	19%	-2%	21%
20–49 employees -F	6%	577	11%	5%	7%
50+ employees -F	23%	1125	22%	-1%	23%
Union by size local unit					
Union, 1–49	12%	957	19%	7%	13%
Union, 50+	22%	1280	25%	3%	22%
Non-union, 1–49	41%	1813	35%	-6%	41%
Non-union, 50+	25%	1060	21%	-4%	25%

Table 2 | Characteristics of sample compared to population (*continued*)

	Population Per cent	Unweighted sample N Cases	pct	Weighted Sample Diff	pct
Gender by full or part-time					
Male, under 16 hours	0%	96	2%	1%	1%
Male, 16–23 hours	2%	152	3%	1%	2%
Male, 24+ hours	47%	2183	43%	-4%	47%
Female, under 16 hours	4%	370	7%	3%	4%
Female, 16–23 hours	9%	620	12%	3%	10%
Female, 24+ hours	38%	1689	33%	-5%	37%
Gender by age by education					
Male, 18–34 Primary/below	1%	8	0%	0%	0%
Male, 18–34 Low secondary	2%	53	1%	-1%	2%
Male, 18–34 Higher secondary to non-degree	13%	330	6%	-6%	12%
Male, 18–34 Degree	6%	269	5%	-1%	6%
Male, 35+ Primary/below	3%	125	2%	-1%	3%
Male, 35+ Low secondary	5%	259	5%	0%	5%
Male, 35+ Higher secondary to non-degree	12%	723	14%	2%	12%
Male, 35+ Degree	7%	664	13%	6%	7%
Female, 18–34 Primary/below	0%	5	0%	0%	0%
Female, 18–34 Low secondary	1%	41	1%	0%	1%
Female, 18–34 Higher secondary to non-degree	13%	424	8%	-4%	12%
Female, 18–34 Degree	9%	366	7%	-2%	9%
Female, 35+ Primary/below	3%	107	2%	0%	3%
Female, 35+ Low secondary	4%	174	3%	-1%	4%
Female, 35+ Higher secondary to non-degree	15%	919	18%	3%	15%
Female, 35+ Degree	7%	643	13%	6%	7%
N adults (n AGE 15+)					
One	9%	496	10%	1%	9%
Two	50%	2612	51%	1%	50%
Three	21%	980	19%	-2%	21%
Four	14%	670	13%	-1%	14%
Five or more	6%	352	7%	1%	6%
Public/private Sector					
Public sector	22%	1664	33%	11%	22%
Private sector	76%	3181	62%	-14%	75%
Commercial semi-state	3%	265	5%	3%	3%
Nationality by Gender					
Male Irish	40%	2044	40%	0%	40%
Male, UK	1.4%	175	3%	2%	2%
Male, other EU15	1.0%	26	1%	-1%	1%
Male, other	6.9%	186	4%	-3%	6%
Female Irish	44%	2319	45%	2%	44%
Female, UK	1.0%	192	4%	3%	1%
Female, other EU15	0.8%	33	1%	0%	1%
Female, other	5.3%	135	3%	-3%	5%
Occupation by sex					
M, Managers and administrators	6.4%	454	9%	2%	7%
M, Professionals	6.2%	527	10%	4%	6%
M, Associate professional /technical	4.0%	202	4%	0%	4%
M, Clerical and secretarial	3.6%	189	4%	0%	4%
M, Craft and related	9.4%	291	6%	-4%	9%
M, Personal and protective services	5.0%	244	5%	0%	5%
M, Sales	3.0%	174	3%	0%	3%
M, Plant/machine operatives	6.2%	274	5%	-1%	6%
M, Other	5.2%	76	1%	-4%	4%
F, Managers and administrators	5.1%	218	4%	-1%	5%
F, Professionals	7.3%	623	12%	5%	8%
F, Associate professional/technical	6.5%	502	10%	3%	7%
F, Clerical and secretarial	11.6%	411	8%	-4%	12%
F, Craft and related	0.5%	28	1%	0%	1%
F, Personal and protective services	8.8%	514	10%	1%	9%
F, Sales	5.6%	299	6%	0%	6%
F, Plant and machine operatives	1.5%	61	1%	0%	2%
F, Other	3.8%	23	0%	-3%	2%

Appendix C

Questionnaire: Employees

ID: Int No.

Date of Interview: / / 2009

Time Interview began (24 hour clock) :

Hello. My name is and I'm doing an important research project on work for the Economic and Social Research Institute.

[The study is on behalf of the National Centre for Partnership and Performance.

In the difficult situation our country is facing at the moment, we need to understand how to better organise the way we work so that we can plan for economic recovery.]

I'd like to speak to someone working as an employee, ideally someone who is *[... check Respondent Check sheet.]* You would be of tremendous help if you would fill out a short survey on your experiences at work. All the information collected will be treated in the strictest of confidence.

SECTION A. LABOUR MARKET DETAILS

I would like to begin by asking you some general questions about your present position regarding employment.

A.1a Are you currently in employment for at least one hour per week?

Yes No

A.1b How would you best describe your present situation regarding employment? Are you:

Employee/Apprentice Community Employment Scheme(CE) Other
 Self-employed Unpaid family worker

Now I would like to ask you some questions about your present job.

A.2 How many jobs do you have at the moment (including part-time job)?

A.3 When did you begin your present employment?

 month year

A.4 Please describe as fully as possible the exact nature of your current job.

A.5 What is the main activity of the business or organisation where you work.

A.6 In which of the following sectors do you work?

Public Sector

Commercial Semi-State sector

Private Sector

A.7 Are you employed in the:

Civil Service

Local Govt

Health Sector

State Agencies

Gardaí/Defence Forces

Other (Specify)

A.8 How many people work in the branch or outlet of the business or organisation in which you work.

- 1 - 4 5 - 19 20 - 25
 26 - 49 50 - 99 100 - 499
 500+

A.9 And now I'd like you to think in terms of the full enterprise or business in all its branches. How many people work, in all branches or outlets throughout the Republic of Ireland in the business or organisation in which you work?

- 1 - 4 5 - 19 20 - 25
 26 - 49 50 - 99 100 - 499
 Don't know

A.10 Do you supervise or manage any personnel in your job?

- Yes **A.11 How many?** No

A.12 Which one of the following best describes your job?

- Senior Management Middle Management
 Supervisor Employee

A.13 How many days do you normally work each week?

days per week

A.14 How many hours do you normally work each week in your main job, including regular overtime?

hours per week

A.15 How often does your work involve working unsocial hours (i.e. weekends, evenings, nights)?

- Never Once a month Every week
 Less than once a month Several times a month (Don't know)

A.16 Please think back over the last four working weeks, not including holiday weeks. How many days, if any, were you absent from work because of illness or other reasons (except holidays) over the last four weeks.

days (If none write NONE - DO NOT LEAVE BLANK)

A.17 Are you employed on (a) a permanent basis; (b) on a temporary/contract basis; (c) a casual basis?

- Permanent Temporary/contract Casual

A.18 Are you a direct employee of the organisation where you work or an agency worker?

- Direct employee Agency worker

A.19 Which of the following best describes your situation before working for your current employer? Were you:

- Employed on a full-time basis Employed on a part-time basis
 Self-employed/Farmer Unemployed
 On home duties In full-time education
 Other (specify)

SECTION B: ATTITUDES TO JOB, INTENSITY AND AUTONOMY**B.1 I am now going to read out 16 statements about the way you feel about your work and various issues related to your work. For each statement I would like you to tell me whether or not you strongly agree; agree; disagree or strongly disagree.**

	Strongly Agree	Agree	Disagree	Strongly Disagree
In general, I am satisfied with my present job	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I am satisfied with my physical working conditions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I am satisfied with my hours of work	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I am satisfied with my earnings from my current job	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
My job is secure	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I am willing to work harder than I have to in order to help this organisation succeed	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
My values and the organisations values are very similar	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I am proud to be working for this organisation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I would turn down another job with more pay in order to stay with this organisation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
My job requires that I work very hard	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I feel very little loyalty to the organisation I work for	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I would take almost any job to keep working for this organisation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I work under a great deal of pressure	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I never seem to have enough time to get everything done in my job	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I often have to work extra time, over and above the formal hours of my job to get through the job or help out	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
My job requires that I keep learning new things <i>[British Skills Survey 2006]</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

B.2 I am now going to read out 8 statements that might apply to the organisation you work for. For each statement I would like you to tell me whether you strongly agree; agree; disagree or strongly disagree.

	Strongly Agree	Agree	Disagree	Strongly Disagree
New ideas are readily accepted in my workplace	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
People in my organisation are always searching for new ways of looking at problems	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Customer needs are considered top priority in my organisation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
This organisation is prepared to take risks in order to be innovative	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
This organisation is quick to respond when changes need to be made	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
My employer encourages employees to collaborate with people in other organisations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
This organisation is continually looking for new opportunities in a changing environment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
My employer encourages employees to work in teams in order to improve performance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

B.3 If you were to get enough money to live on as comfortably as you would like for the rest of your life, would you continue to work, not necessarily in your present job, or would you stop working?

Continue to work Stop working

B.4 I will now read out 5 statements about the level of influence you may have over your work. You can answer by saying almost always; often; sometimes; rarely or almost never.

	Often	Sometimes	Rarely	Almost Never
You decide how much work you do or how fast you work during the day	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Your manager decides the specific tasks you will do from day to day	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
You decide when you can take a break during the working day	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Your manager monitors your work performance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
You have to get your manager's OK before you try to change anything with the way you do your work	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

SECTION C: CHANGE IN THE WORKPLACE

c.1 Have any of the following organisational or management changes taken place at your workplace over the last 2 years? if you have changed job within the last 2 years, i would like you to think back to just after you started your current job.

	No	Not Applicable	Yes
(a) Change in the ownership of the organisation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Re-organisation of the company or management	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
New Chief Executive or equivalent	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
A reduction in the number of levels of management	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
A reduction in overall staff numbers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(b) Re-organisation of the organisation or management	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
New Chief Executive or equivalent	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
A reduction in the number of levels of management	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
A reduction in overall staff numbers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

c.2 I am going to read out 8 aspects of your job. I would like you to think back over the last 2 years and tell me, for each one, whether it has increased a lot, increased a little, not changed, decreased a little or decreased a lot. If you have changed jobs within the last 2 years I would like you to think back to just after you started your current job.

Aspect of Employment	Increased a lot	Increased a little	No change	Decreased a little	Decreased a lot
The responsibilities you have	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The pressure you work under	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The level of technology or computers involved in your work	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Your job security	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Your hourly pay rate	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The level of skill necessary to carry out your work	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The level of decision-making you have in your own day-to-day work	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
How closely you are supervised	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

- c.3 I am going to read out 7 aspects of your work. Suppose each of these was to take place in your workplace over the next 2 years, would you please tell me whether you would be willing or unwilling to accept the change.**

Aspect of Employment	Willing/unwilling to accept the change		
	Willing	Neither willing nor unwilling	Unwilling
Increase in the responsibilities you have	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Increase in the pressure you work under	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Increase in the level of technology or computers involved in your work	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Being more closely supervised or managed at work	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Increase in the level of skills necessary to carry out your job	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Having to work unsocial hours	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Increased responsibility for improving how your work is done	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

- c.4 During the LAST TWO YEARS, did your organisation introduce... ?**

New or significantly improved services Yes No

New or significantly improved products Yes No Not Applicable

- c.5 During the LAST TWO YEARS, did your organisation introduce any innovations in the workplace such as new ideas, processes or behaviours that led to significant improvements in the way the work is carried out?**

Yes No

SECTION D: SKILL & LEARNING/TRAINING

D.1 How well do the skills and abilities you personally have match the skills you need to do your present job? Would you say your skills are ...

- Much higher
 A bit higher
 About the same
 A bit lower

I would like to ask you a few questions about any education or training which has been paid for or provided by your current employer over the last 2 years. [If in your current job for less than 2 years: I would like you to think about any education or training which your employer has provided or paid for since starting your employment with him or her.]

D.2 Have you received any education or training paid for or provided by your present employer over the last 2 years?

- Yes
 No *(go to D.7)*

D.3 Is the education or training continuing or has it completed?

- Continuing
 Completed

D.4 Have you received any education or training paid for or provided by your present employer over the last 2 years?

- Up to 1 day
 2 days - 1 week
 Over 1 week - 4 weeks
 Over 4 weeks - 6 months

D.5 Do you feel that this education or training has been of use to you in carrying out your current job?

- Yes
 No

D.6 Do you feel that the skills or knowledge which you have acquired in this education or training would be of any use to you in getting a job with another employer or was the education or training specific to your current job only?

- Of use in getting job with another employer *(Go to E.1)*
 Of use only in current job

D.7 [If no training received] Was any training offered to you by your present employer in the last two years?

- Yes
 No

SECTION E: COMMUNICATIONS

E.1 Who provides you with MOST USEFUL information concerning your workplace: management or supervisors; the Trade Unions or Staff Association; the grapevine; or other sources? (Tick ONE Box only)

- Management or supervisors
 Union or Staff Association
 The grapevine
 Other (specify)

E.2 (a) I am going to read out 7 [6 for Public sector] aspects of your work. For each of these that applies to your organisation, please tell me whether or not you receive information from management on a regular basis; occasionally or hardly ever.

	Regular Basis	Occasionally	Hardly Has not	Ever arisen
The level of competition faced by your employer?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Plans to develop new products or services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Plans to introduce new technology	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Plans to re-organise the company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Plans to change work practices e.g. work in teams etc	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Information on sales, profits, market share etc.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Plans for staff reductions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

(b) Do you receive information on:

	Regular Basis	Occasionally	Hardly Has not	Ever arisen
The budget of your organisation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Plans to improve the service your organisation provides	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Plans to introduce new technology	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Plans to re-organise how public services are delivered	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Plans to change work practices e.g. working in teams etc.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Plans for staff reductions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

F.4 In the past six months, have you personally been subjected to bullying or harassment at work? By this I mean repeated and persistent inappropriate behaviour whether verbal, physical or otherwise, conducted by one or more individuals at the place of work?...

Yes No

SECTION G: EMPLOYEE INVOLVEMENT AND PARTICIPATION

I am going to ask now about teams or groups that may or may not be found in your workplace. Let me explain what I mean.

G.1 In some workplaces employees are given a direct say in deciding on the way in which the work is actually carried out. This is done through what might be known as work teams; problems solving groups; project groups; quality circles; continuous improvement programs or groups. Are there any arrangements in your workplace to involve staff directly in the way in which the work is carried out on a day-to-day basis?

Yes No Don't Know

G.2 Do you personally participate in any of these groups?

Yes No

G.3 Generally speaking, how much influence does the group exercise over the way in which its work is planned and organised:

Employed on a full-time basis Employed on a part-time basis
 Self-employed/Farmer Unemployed

G.4 Has your involvement increased, remained the same or decreased in the last two years?

Increased Remained the same Decreased

G.5 In your opinion what effect do these groups have on:

	Positive effect	No effect	Negative effect
Your job satisfaction	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Your performance in the workplace	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Your pay and conditions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Your willingness to embrace change	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The confidence with which you co-operate with management	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

G.6 [All] Is there a Trade Union or Staff Association in your workplace?

- Yes, Trade Union Yes, Staff association Yes, both
 Yes, not sure which No

G.7 [All] Are you currently a member of a Trade Union?

- Yes No

G.8 [If No at G7] Are you considering joining a Trade Union?

- Yes No

G.10 Are you currently a shop steward or Union

- Yes No

G.11 How effective or ineffective would you say the Trade Union or Staff Association is in representing your interests?

- Very Good Fairly Good Neither good nor bad
 Bad Fairly Bad

G.12 I am going to read out 8 areas in your work. I would like you to tell me whether each one SHOULD BE a high priority issue or low priority issue for the Union or Staff Association.

SHOULD BE:	High Priority	Low Priority
Pay and conditions in your job	<input type="checkbox"/>	<input type="checkbox"/>
Changes concerning your job	<input type="checkbox"/>	<input type="checkbox"/>
Decisions concerning the future of the company you work for	<input type="checkbox"/>	<input type="checkbox"/>
So called 'Family Friendly' or flexible working conditions	<input type="checkbox"/>	<input type="checkbox"/>
Negotiating individual employment contracts	<input type="checkbox"/>	<input type="checkbox"/>
Negotiating in-work training	<input type="checkbox"/>	<input type="checkbox"/>
Working to ensure the future success/viability of the organisation	<input type="checkbox"/>	<input type="checkbox"/>
Working to ensure the future employment prospects of employees	<input type="checkbox"/>	<input type="checkbox"/>

G.13 Some workplaces establish committees on which unions work with management to promote partnership and co-operation, or to improve the organisation’s performance. Do union officers or shop stewards represent members on any such committees in your workplace?

Yes *go to G.15* No *go to H.1* Don't Know *go to H.1*

G.14 Do you personally participate in these committees?

Yes No

G.15 In your opinion what affect do these types of committees have on the following in your workplace:

	Positive effect	No effect	Negative effect
job satisfaction	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
productivity or performance of the workforce	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
pay and conditions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
employment security	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
employees willingness to embrace change	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

G.16 What do you think is the MAIN reason there is no union in your workplace?

- Lack of interest
- Not needed
- Employer does not recognise unions
- Union dues not good value for money
- Other reasons
(please specify)
-
-
- Don't know

SECTION H: BACKGROUND DETAILS

H.1 Gender of respondent:

Male Female

H.2 Which of the following best describes your present marital status:

Married Living with a partner Separated/Divorced
 Widowed Single

H.3 Is your husband/wife/partner currently in paid employment?

Yes No

H.5 Could I ask your age at your last birthday:

years old

H.6 In which country were you born?

Ireland Elsewhere

H.7 Have you lived outside the Republic of Ireland for a continuous period of one year or more?

Yes *Go to H.12* No *Go to H.12*

H.10 Please specify country:

H.11 When did you come to live in Ireland?

H.12 How likely is it that you will leave Ireland to live in another country in the next two years?

Very likely Likely
 Unlikely Very unlikely

H.13 What is your ethnic or cultural background?

- White or White Irish; Irish Irish Traveller Any other white background
- Black or Black Irish; African Any other black background
- Asian or Asian Irish Chinese Any other Asian background

Other including mixed background

(Please describe)

H.14 How would you rate your written and spoken ENGLISH language skills:

- Excellent Very good Good
- Fair Poor

H.15 How old were you when you left full-time education for the first time?

- [age in years] Never left Still in school/college *Go to H19*

H.16 Since leaving full-time education have you spent 1 year or more when you were NOT in paid employment. By this I mean unemployed; on home duties; ill or disabled etc.

- Yes No

H.17 For approximately how long?

years

H.18 In total how many years have you worked in paid employment...

in Ireland (number years worked in Ireland)

Abroad (number years worked in abroad)

H.19 Which of the following best describes the highest level of education which you have completed to date:

- None/Primary Certificate or equivalent
- Some secondary (no exam)
- Junior/Inter/Group certificate/lower second level
- Leaving Certificate/upper second level
- PLC,
- Third Level
- Postgraduate diploma/degree
- Other (specify)

H.19b In addition to the above, have you completed any technical or vocational training of at least one year's duration?

Yes *Go to H.19c*

No *Go to H.20*

H.19c What level of qualification did you receive?

<p>Technical or Vocational</p> <p><i>National Framework of Qualifications Levels 4 or 5 FETAC Level 4/5 Cert., NCVA Level 1/2, FÁS Specific Skills, Teagasc Cert. in Agricult., CERT Craft Cert. or equiv.</i></p>	<input type="checkbox"/>
<p>Advanced Certificate/Completed Apprenticeship</p> <p><i>NFQ Level 6 FETAC Advanced Cert., NCVA Level 3, FÁS National Craft Cert., Teagasc Farming Cert., CERT Professional Cookery Cert. or equiv.</i></p>	<input type="checkbox"/>
<p>Higher Certificate</p> <p><i>NFQ Level 6 NCEA/HETAC National Cert. or equivalent</i></p>	<input type="checkbox"/>

H.20 How many persons aged 18 years or over, including yourself, live in your household?

18yrs+

H.21 Do you have any children living with you?

Yes How many?

No *Go to H.23*

H.22 How old are your children or your partner's children) who live with you:

[Int: List ages of each child, from oldest to youngest]

H.23 In general would you say your health is...?

Excellent

Fair

Very good

Poor

Good

H.24 Is your daily activity limited by a long term illness, health problem or disability?

Yes severely

Yes, to some extent

No

H.25 Could you tell me whether any of the following form part of your pay and conditions at work?

	Yes	No
Regular Increment	<input type="checkbox"/>	<input type="checkbox"/>
Employee share options, profit sharing or gain sharing	<input type="checkbox"/>	<input type="checkbox"/>
→ Bonus schemes	<input type="checkbox"/>	<input type="checkbox"/>
Merit/performance related pay	<input type="checkbox"/>	<input type="checkbox"/>
Non-monetary performance incentives	<input type="checkbox"/>	<input type="checkbox"/>

H.26 [If Yes to H25c]

Is the amount of the bonus related to the performance ...

[Tick all that apply]

Of the organisation or section/team	<input type="checkbox"/>
Of the individual	<input type="checkbox"/>
Not related to performance	<input type="checkbox"/>
Don't know	<input type="checkbox"/>

H.27 Are you a member of a company/ occupational pension scheme?

Yes No

H.28 You mentioned above *[Int. See A.14, page 2 on number of hours worked per week]* **that you usually worked** **hours per week. How often are you paid for that, is it weekly, monthly etc.?**

Per week Per month Per year

Per 2 weeks Per four weeks Per hour

Other (please specify)

H.29a Could I ask about the approximate level of your GROSS or BEFORE TAX income from work? I'd like to assure you once again that all information you give me is entirely confidential. Remember that I don't know your name or address or anything which could identify you.

amount *[Go to H33]* Don't Know/Refused *[Go to H29]*

H.29b Could you tell me your NET or TAKE HOME PAY (Before Tax and PRSI)?

amount *[Go to H30]* Don't Know/Refused *[Go to H31]*

H.30 [IF PUBLIC SECTOR EMPLOYEE] Could I just check, if this is the amount before or after the PENSION LEVY was deducted?

Before (Pension Levy not deducted yet) *Go to H.33* After (pension Levy deducted) *Go to H.33*

H.31 I would just like to know into which broad category or group your income falls. If I were to read you out a number of categories would it be possible for you to tell me into which category your income would fall. I can read you the categories as either an amount per week, per month or per year. Which would you prefer? *[Int: read categories from table from ONE of the columns, depending on respondent's preference]*

Per week	Per Month	Per Year
A. Under €250 <i>01 ≠ Go to A Below</i>	Under €1000	Under €13,000
B. €250 - €449 <i>02 ≠ Go to B Below</i>	€1000 - €1999	€13,000 - €23,999
C. €450 - €699 <i>03 ≠ Go to C Below</i>	€2000 - €2999	€24,000 - €36,999
D. €700 or more <i>04 ≠ Go to D Below</i>	€3000 or more	€37,000 or more

A. Would that be:

(per week)	Under €100	<input type="checkbox"/>	€100-€149	<input type="checkbox"/>	€150-€199	<input type="checkbox"/>	€200-€249	<input type="checkbox"/>
(per month)	Under €400	<input type="checkbox"/>	€400-€649	<input type="checkbox"/>	€650-€849	<input type="checkbox"/>	€850-€999	<input type="checkbox"/>
(per year)	Under €5,000	<input type="checkbox"/>	€5,000-€7,999	<input type="checkbox"/>	€8,000-€9,999	<input type="checkbox"/>	€10,000-€12,999	<input type="checkbox"/>

B. Would that be:

(per week)	€250-€299	<input type="checkbox"/>	€300-€349	<input type="checkbox"/>	€350-€399	<input type="checkbox"/>	€400-€449	<input type="checkbox"/>
(per month)	€1,000-€1,299	<input type="checkbox"/>	€1,300-€1,499	<input type="checkbox"/>	€1,500-€1,749	<input type="checkbox"/>	€1,750-€1,999	<input type="checkbox"/>
(per year)	€13,000-€15,499	<input type="checkbox"/>	€15,000-€8,499	<input type="checkbox"/>	€18,500-€20,999	<input type="checkbox"/>	€21,000-€23,999	<input type="checkbox"/>

C. Would that be:

(per week)	€450-€499	<input type="checkbox"/>	€500-€575	<input type="checkbox"/>	€576-€649	<input type="checkbox"/>	€650-€699	<input type="checkbox"/>
(per month)	€2,000-€2,199	<input type="checkbox"/>	€2,200-€2,499	<input type="checkbox"/>	€2,500-€2,749	<input type="checkbox"/>	€2,750-€2,999	<input type="checkbox"/>
(per year)	€24,000-€26,999	<input type="checkbox"/>	€27,000-€30,499	<input type="checkbox"/>	€30,500-€33,499	<input type="checkbox"/>	€33,500-€36,999	<input type="checkbox"/>

D. Would that be:

(per week)	€700-€999	<input type="checkbox"/>	€1,000-€1,199	<input type="checkbox"/>	€1,200-€1,349	<input type="checkbox"/>	€1,350 or more	<input type="checkbox"/>
(per month)	€3,000-€3,899	<input type="checkbox"/>	€3,900-€4,749	<input type="checkbox"/>	€4,750-€5,599	<input type="checkbox"/>	€5,600 or more	<input type="checkbox"/>
(per year)	€37,000-€47,499	<input type="checkbox"/>	€47,500-€57,999	<input type="checkbox"/>	€58,000-€69,999	<input type="checkbox"/>	€70,000 or more	<input type="checkbox"/>

H32 Could I just check, is this amount before or after Tax and PRSI?

Before tax and PRSI (higher, Gross) After tax and PRSI, (lower, net, take-home)

H.33 [Interviewer: Record Time Interview ended (24 hour clock) :]

**THANK YOU FOR HAVING TAKEN THE TIME TO HELP US WITH THIS SURVEY.
THIS HAS BEEN OF GREAT ASSISTANCE TO US.**

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