Quality of working life: A review on changes in work organization, conditions of employment and work-life arrangements

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Preface

This report is an outcome of ILO activities regarding analysing the implications that new forms of work organization have for the different aspects of conditions of employment, such as hours of work, the intensification of work and health at the workplace, pay systems, security of employment, work and family, and social dialogue. The organization of work has great implications for the quality of working life, and this is clearly demonstrated by the on-going debates on changes in work organization in the direction of greater flexibility and their potential and actual effects on workers. While it is widely assumed that flexible forms of work organization can have desirable influences on both the enterprise and its workers, these outcomes are often not realized in practice. Even when a new form of work organization results in positive outcomes overall, the gain is not always shared by all the participants involved: in many cases, some workers benefit from the change, but others do not. Thus, changes in work organization should be approached from the perspective of workers as well as employers, in order to allow their *social* implications to be fully explored.

The author, Professor Howard Gospel, provides a balanced view on this issue, based on a comprehensive review of the available literature. The evidence provided in this report is mixed. The author suggests that the flexibilization of work organization has differing effects on workers depending on, among others, industries, occupations, skill levels, and cultural and social factors. In fact, the spread of new forms of work organization itself, such as those enabled by changes in information and communications technologies, is slow and uneven. There are also methodological problems with the assessments of the changes concerned, particularly in the case of subjective indicators. As the report notes, the paucity of information on developing and transition economies is another obstacle that prevents us from reaching any firm conclusions regarding the effects of these new changes on the quality of working life. Therefore, a more cautious approach is essential in assessing recent trends towards new work organizations. It is hoped that issues concerning the quality of working life in the context of changing forms of work organization will be widely discussed between social partners and inspire further studies, particularly in developing countries and transition economies.

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Introduction

This paper will examine changes in work organization, employment conditions and work-life arrangements, especially as seen from the perspectives of employees. It will explore the links between changing environments outside the employing organization, the inside contexts and employer strategies within the organization, and worker perceptions and well-being. These are areas of long-standing research interest among academics and practitioners, but at the present time there are new concerns — associated with pressures related to globalization, accelerating technological change and changing worker expectations. These concerns are relevant not only to industrialized countries but also to transition economies and developing countries; they affect both the formal and the informal sectors of economies.

In order to explore these areas, the paper draws on a number of bodies of literature, in particular from industrial relations, human resource management, social psychology and industrial sociology. It will identify and define the main aspects of working conditions and quality of working life. It will also touch on a number of perspectives and models in these areas. On the basis of this, certain linkages will then be considered, concerning effects of changing working arrangements and work organization on employee attitudes and socioeconomic outcomes. The paper will proceed to examine surveys and other evidence which explore linkages suggested by these frameworks. Finally, some broad conclusions will be drawn and an agenda for further research will be outlined.

The paper draws mainly on the United Kingdom and United States, because these are the countries with which the author is most familiar and for which good literature also exists. Indeed, one conclusion is that it would be very useful to have a survey done of work in other countries. It would be extremely useful, for example, to have a survey of surveys in other major industrialized countries such as Japan, Germany and France; also it would be important, in so far as data exist, to include transition and developing economies. The paper also concentrates more on some aspects of working conditions than others — reflecting the brief given to the author, availability of data, and the author's areas of special knowledge.

The rationale for the paper is that it is important to develop and maintain an up-todate understanding of what is happening in the rapidly changing areas of work organization, working conditions, and employee attitudes and well-being. In the first place, it is important from the point of view of workers, since job satisfaction and well-being at work are both important ends in themselves and a means to a broader end which we may be loosely described as 'the good life'. Second, it is also important for employers to appreciate the present situation, not least because, in a world of increasing competition, the working conditions and feelings of employees can affect corporate performance. A recognition of this interest on the part of employers is in part attested by the increasing number of employee opinion surveys which firms carry out or in which they partake. Third, these subjects are also important from a broader societal and governmental perspective, since worker responses and job satisfaction/dissatisfaction also have consequences for the broader working of society. This relates not only to economic outcomes and implications for jobs and living standards; in addition, it has other social implications. In this sense, for example, long working hours and dissatisfaction at work can have adverse effects on the frequency of illness and the quality of family life. Recent

¹ Many years ago, Selig Perlman suggested that this was the essential objective of employees. See S. Perlman: *A theory of the labour movement* (New York, A.M. Kelley, c. 1928, 1949).



Contexts

In order to organize the masses of material and to locate their inter-connectedness, it is useful to adopt a framework along the lines set out in Figure 1. This is a macro framework at the national and organizational levels; it will be later supplemented with a more micro framework at the individual level.

Figure 1. Macro framework of analysis

Outer context	Inner context of the employing organization	Choice of practices	Downstream worker attitudes and well-being
Technological, market, political and social contexts	Choice of organizational structure and strategies, especially by senior management	Choice of practices in: 1. work relations 2. employment relations 3. industrial relations 4. social relations	See Figure 2

In the first place, we need to be aware of the outer contexts which shape practices within the organization and downstream attitudes and behaviours of workers. A number of the most salient of these outer contexts may be briefly outlined.

From a technological point of view, all generations like to believe that their era is one of significant technological change. At the present time, this is undoubtedly true and major changes are ongoing. This is seen in the following: the increasing obsolescence of technologies from the first (steam and textiles) and second (electricity, automobiles, chemicals) industrial revolutions; improvements in transportation and communication; and the continuing effect of information technology on many aspects of working life. Some have suggested that, together, these changes are tantamount to a third industrial revolution, based on new micro-electronic and biomedical technologies. It is important, however, always to keep in mind that (1) the spread of such technologies is uneven within and across countries, and (2) academic research over the years has stressed how technological change is always socially conditioned and contingent in its actual implementation. ³

At the present time from a market point of view, there is undoubtedly an intensification of competitive pressures in most markets. In product markets, this is the result of improvements in transportation and communications, the lowering of tariff and other barriers, and political pressures for deregulation and liberalization. In important sectors, the activities of multinational companies and highly productive new transplants have grown in terms of world production and the effects they have in a larger number of countries. In financial markets, investors can more easily move their assets around and choose where they will invest in terms of returns on shareholder value. Currency markets and exchange rates can also have profound effects on jobs and working conditions. In the labour market, there is also increased competition, in that more workers are competing with one another for a rapidly changing mix of jobs, with consequent problems of mismatch. Labour market competition has become more international, in part because of geographical mobility, but more because of the locational decisions of multinationals and the actual or threatened transfer of work between countries. The creation of regional economic blocs, such as the European Union (EU) and the North American Free Trade

³ This was one of the main messages of the socio-technical and contingency schools of thought in industrial sociology. For a good summary, see R.K. Brown: *Understanding industrial organizations* (London, Routledge, 1992).

Agreement (NAFTA), does not contradict such globalization tendencies, for within such blocs there is also an intensification of competition. Together these competitive pressures may simultaneously lead to improvement in some aspects of work and a deterioration in others.

In many countries, political changes have included a reduction in state intervention in the direction and oversight of industry, employment, and social protections and welfare. In part, this withdrawal of the state has come about because of the collapse of regimes such as those in the former Soviet Union and Eastern Europe. In part, it has been occasioned by a shift to more free market policies and the pursuit of deregulation and privatization by many governments. This shift away from the "provident state" may in turn be creating a shortfall or gap in welfare, employment protection and other services formerly provided by governments. However, there are at the present time some indications that the speed of state withdrawal may have slowed down — for example, in Europe, with the election of Social Democratic governments, offering some opportunities for new kinds of reregulation of markets.

From a social point of view, there are also significant changes. In most countries, there is a growth in educational attainment and rising aspirations. These aspirations are being met for some, but not for all. There may also be changes in the meanings which workers attach to work, and these will be considered below. At the present time, in many countries, there are high levels of unemployment, feelings of job insecurity and widening income differences. In transition and developing economies, there are problems of migration and emigration; and, in Western economies, some perception of growing problems of immigration. Resultant discontent and potential instabilities are now less likely to be channelled through traditional institutions such as trade unions, whose membership, coverage and strength have fallen in most countries. In reaction to deregulatory tendencies in the last few years, however, there may now be a growing feeling that there is some need for new initiatives, as witnessed by recent International Labour Organization (ILO), European Union and World Bank developments.

These external changes have had major impacts on the inner contexts of enterprises in terms of their strategies and structures. Pressures have led some firms to move further down the low-cost, high-volume production route; others have moved towards more differentiated strategies, emphasizing more niche and quality production. As already stated, increased globalization has led more and more firms to develop multinational activities, either through direct investment or via foreign outsourcing and the development of supplier networks. Simultaneously, there has been rebalancing of product and service strategies, with a trend towards de-diversification, specialization and restructuring. Stronger customer demand for quality means that margins between successful and unsuccessful performance are becoming narrower. In terms of structure, it is often said that these changes have led firms to develop looser, flatter and more flexible organizational forms. In some countries, this has been accompanied by waves of mergers, acquisitions and divestitures, and an increasing dominance of financial markets and shareholder value considerations. There has also been a blurring and increasing permeability of the boundaries of the enterprise through networks, alliances, spin-offs, and sub-contracting and outsourcing of various kinds. Within firms, both nationally and internationally, these changes have brought about a growth in diversity and more variegated systems of employment. 4 Again, such changes place a new set of constraints on enterprise labour polices, making for some positive, but also for many negative outcomes.

4

⁴ H. Katz and O. Darbishire: *Converging divergencies: Worldwide changes in employment systems* (Ithaca, Cornell University Press, 1999).

Concerning the labour management and social practices of organizations, four areas can be identified on which analysis should focus.

- First, there are work organization strategies, policies and outcomes. Under this heading of work relations, there might be included practices concerning the division of labour, the use of technology, the deployment of workers around technologies and different forms of working.
- Second, there are strategies and policies in the area of employment. Under the heading of employment relations, there can be included practices in terms of recruitment and selection, job tenure arrangements, training and development, and pay and benefit systems.
- Third, though the focus of this paper is on work and employment relations, the area of industrial relations policies and strategies should not be excluded. Industrial relations cover management reactions to the voice and collective aspirations of workers and the kinds of arrangements which employers and employees puts in place for dialogue. It therefore includes various kinds of mechanisms, such as joint consultation, works councils and dealings with trade unions through collective bargaining. These constitute governance mechanisms whereby aspects of work and employment may be more or less democratically regulated.
- Finally, there are policies of a social kind, which often seem to have a less direct business orientation. Social relations cover responsibility initiatives taken by firms, often for groups outside of the organization, such as for family members, the disadvantaged in local communities, or workers in supplier firms. In its Enterprise Forums and other recent work, the ILO has taken a growing interest in these kinds of initiatives. Such initiatives are very much concerned with the sustainability of the enterprise and society over the longer term. 6

These four areas (work relations, employment relations, industrial relations and social relations) are inter-related in complex ways. Often policies and practices in one area will complement those in another — for example, policies of work organization aimed at more flexible team-working will require employment policies which emphasize training and job security. Sometimes, though, policies in one area may act as a substitute for those in another — for example, a failure to maintain human capital within the firm may lead employers to pursue social initiatives which seek to remedy this by developing social capital outside the firm. Thus, though analytically we can distinguish these four areas, in practice we need to recognize that they should not be artificially separated from each other.

Finally, by way of introduction and broadly speaking, there have long been two different perspectives on changes and developments in these areas.

⁵ H. Gospel: *Social initiatives by enterprises*, Enterprise Forum Paper No. 3 (Geneva, ILO, 1996), pp. 1-10; H. Gospel and A. Pendleton: *Financial markets, corporate governance and the management of labour*, Discussion Paper No. 108 (Geneva, International Institute for Labour Studies, 1999); M.E. Porter and M.R. Kramer: "Philanthropy's new agenda: Creating value", in *Harvard Business Review*, November-December 1999, pp. 121-136; and J. Diller: "A social conscience in the global marketplace? Labour dimensions of codes of conduct, social labeling and investor initiatives", in *International Labour Review*, Vol. 138, No. 2, 1999, pp. 99-129.

⁶ For a recent review of this literature, see "Special research forum on stakeholders, social responsibility and performance", in *Academy of Management Journal*, Vol. 42, No. 5, October 1999.

- (1) One perspective has always been optimistic. It has emphasized the development of more desirable and challenging work, improved working conditions, greater employee voice, and rising productivity and well-being for workers and society. This perspective has traditionally been subscribed to by various schools of economists, sociologists and management theorists. A number of strands of argumentation may be outlined.
- (a) From a technological perspective, some have argued that technical change leads to the elimination of less desirable jobs, a gradual upskilling of work, better working conditions, and greater responsibility and participation by more skilled workers in their working lives.
- (b) From a stratification perspective, others have argued that as manual work has declined and as white-collar, professional and managerial work has increased, employees in general have better jobs, are given more discretion at work, and are more generously rewarded.
- (c) From a more managerialist perspective, others have suggested that more complex organizations, in more competitive environments, require a move away from systems of management via control and the stick to systems of management based on the carrot and commitment, with workers generally being treated better and enjoying more autonomy at work. Not only is this thought desirable, it is also argued that it is happening. ⁷
- (2) An alternative perspective is pessimistic and has a more negative message. It has traditionally suggested that, though technological change may lead to an upskilling of some jobs, it leads to a net deskilling across the economy. This view suggests that intensification of competition leads to high levels of pressure at work, rising job insecurity, longer hours and general dissatisfaction. It also suggests that the traditional psychological contract between employers and employees is in the process of disintegration. This pessimistic perspective undoubtedly reflects the fact that there are workplaces where pressures are intense, conditions are poor, and managers operate using bullying and threats. In these workplaces, attitudes are likely (though not inevitably) to be negative. At the present time, such a perspective might take as its locale the expansion of work in supermarkets, call centres, hotels and catering, and the informal sector in advanced Western economies. It also points to the degradation of work in transition economies and to the continued existence of sweatshop labour in less developed countries where the international division of labour condemns such countries to generally less desirable jobs. 8

Thus, there are differing perspectives on what is happening in terms of objective conditions and subjective attitudes at work. As will be seen later, these differences relate both to case-study work and to broad surveys of worker attitudes. For managers, workers and their organizations, and policy-makers, it is unhelpful that there should be so much disagreement over both objective matters of fact and more subjective matters of people's

The first "technological" schools of thought were well-represented by the early writings of Blauner [R. Blauner: *Alienation and freedom: The factory worker and his industry* (Chicago, Chicago University Press, 1964)]. The stratification school of thought finds some expression in the work on trust by Fox [A. Fox: *Beyond contract: Work, power, and trust relations* (London, Faber, 1974)]. The managerialist school of thought is well-represented by Walton [R. Walton: "From control to commitment in the workplace", in *Harvard Business Review*, Vol. 63, March-April 1985, pp. 76-84)].

⁸ There are a number of academic variants on this pessimistic perspective. One stressed that technological and organizational change had led to a deskilling of jobs. See H. Braverman: *Labor and monopoly capitalism* (New York, Monthly Review Press, 1974).

perceptions. Wherever possible in this survey, we will try to rely less on case-study evidence (which tends to suggest discontinuous change) and more on survey evidence (which tends to suggest change of a more incremental nature).

What is happening to work and working conditions?

This paper will concentrate on these empirical questions. It will start with rather more objective developments in these areas and will consider both descriptive and statistical accounts. It will then move on in the next section to the more subjective area of perceptions, attitudes and employee pulse-taking. It must be stressed, however, that the objective and subjective are closely inter-related and often objective measures must be complemented with more subjective assessments. Given the nature of this paper, these are necessarily brief summaries, but could be further expanded upon.

Work organization

Each generation likes to believe that it uniquely lives in a period of rapid technological change and, for many years, there has been discussion about major changes in work organization. In part, this reflects a tendency to generalize from a few wellpublicised case-studies. However, the contention here is that in recent years there have been significant changes in technology and work organization. Some of this involves high investment simply in "hard" technology, sometimes with a deskilling of work. However, some also involves a combination of "hard" technological and "soft" organizational change, with experimentation in terms of new forms of work organization, mainly though not exclusively — in developed countries. These latter systems are often referred to as either "lean", "high performance" or "high commitment" production systems, meaning systems of working based on more flexible techniques, changing skill mixes, and broader jobs with differing degrees of team working. These systems usually crucially involve some of the following: more flexible working, either in terms of functions or in terms of numbers; job rotation over a wide or narrow range of tasks; the reduction of supervision and the introduction of some degree of "empowerment" or self-management, often in teams; just-in-time delivery, production and service systems; "total quality management" or "business process re-engineering"; greater use of outside contractors, outsourcing and putting-out systems; and communications arrangements such as quality circles.

A number of points must be made about the coverage of such systems. Even in advanced Western economies, the spread of such systems is uneven across sectors and probably covers no more than one-third of employers. ¹⁰ The most widespread growth has probably been in terms of relatively limited forms of functional flexibility, multi-skilling and job rotation. ¹¹ The coverage is also uneven across countries. Much research has been done on such systems in the United States, where there have been a large number of experiments, most management dominated. However, it should be noted that many of these

⁹ J.P. Womach, D.T. Jones and D. Roos: *The machine that changed the world* (New York, Rawson, 1990); OECD: *New directions in work organisation* (Paris, 1992); P. Capelli and N. Rogovsky: "New work systems and skill requirements", in *International Labour Review*, Vol. 133, No. 2, 1994, pp. 205-220; P. Sparrow: "The pursuit of multiple and parallel organizational flexibilities: Reconstituting jobs", in *European Journal of Work and Organizational Psychology*, Vol. 7, No. 1, 1998, pp. 79-95; and P. Osterman: "Work reorganisation in an era of restructuring: Trends in diffusion and effects on worker welfare", in *Industrial and Labor Relations Review*, Vol. 53, No. 2, 2000, pp. 179-196.

¹⁰ Osterman, ibid.

¹¹ P. Meadows: *The flexible labour markets: Implications for pension provision* (London, National Association of Pension Funds, 1999).

are carried out in parts of a company, they are not spread throughout the enterprise, and many are often discontinued. The same applies to such countries as Australia, New Zealand and the United Kingdom, where, over the last two decades, increasing competitive pressures and the loosening of institutional and legal constraints have encouraged these kinds of practices. By contrast, in Japan, some of these arrangements are of longer standing and are more deeply embedded in firms. In Austria, Germany, Switzerland and some of the Nordic countries, there are also probably more continuities in terms of what has been described as "flexible quality production", based on traditional training systems, long-term employment for skilled labour and cooperative working practices. 12 It is unknown how far new production and service systems have spread to transition and developing countries. However, outside of certain open sectors of their economies, the estimate must be that this is very limited. Even in advanced economies, work charting the spread of flexible working practices across Europe suggests that very often firms adopt such practices without a clear strategic rationale and without adequate training support for workers on such contracts. 13 In the United States, work by Osterman, while suggesting that uptake is accelerating and implying that firms may be increasingly strategic, purports that benefits to employees of such systems are often limited. 14 Work will be cited below to suggest that, though these systems may lead to some increase in job insecurity and work intensity, nevertheless workers appreciate flatter organizational hierarchies, greater discretion and responsibilities, more team work, and greater control over work tasks, methods and pace. Osterman provides a good account of developments in the United States and a brief survey of surveys in this area. 15

Skill

It seems appropriate to mention, albeit briefly, skill. This is because skill is a key aspect of work organization, of workers' ability to remain in gainful employment and of their job satisfaction. However, it is a difficult concept to measure, and this is where immediately the objective and the subjective become intertwined. Possible measures are (1) the distribution of employment across jobs; (2) within jobs, the qualifications formally required for a job, training time to do a job competently, and the amount of learning on the job; and (3) self-assessment of skill levels.

¹² W. Streeck: "Productive constraints: On the institutional conditions of diversified quality production", in W. Streeck (ed.): *Social institutions and economic performance* (London, 1992); and A.D. Soskice: "Technology policy and national institutional frameworks", in *Journal of Industry Studies*, 1996.

¹³ See Cranfield Business School at http://www.cranfield.ac.uk/som/hrcures.htm (2000).

¹⁴ Osterman, "Work reorganisation in the era of restructuring", op. cit.

¹⁵ For a recent overview of modern management techniques in manufacturing from a sociological point of view, see J. Storey and A. Harrison: "Coping with world class manufacturing", in *Work, Employment and Society*, Vol. 13, No. 3, December 1999; D. McCabe: "Total quality management: Anti-union Trojan horse or management albatross?", in Work, Employment and Society, Vol. 13, No. 4, December 1999; and E. Yildirim: "Modern management techniques in the developing world: TQM and its impact on workers in Turkey", in Work, Employment and Society, Vol. 13, No. 4, December 1999. See also Sparrow, "The pursuit of multiple and parallel organizational flexibilities", op. cit.

There is inevitably some debate in this area. For the United States, Cappelli has produced some useful research and has provided a survey of some of the evidence. ¹⁶ His research suggests that, in the case of production jobs, the composition of the labour force has shifted towards higher skilled jobs and that, more importantly, there has been an upskilling within such jobs. In the case of white-collar jobs, changes are more complicated and suggest an even split between upskilling and deskilling. Overall, the development of new office equipment seemed to be associated with deskilling. More recently, he suggests though that the small up-skilling, but argues that employer-provided training is in jeopardy because of the dismantling of internal labour markets and the increasing inability of firms to recoup the costs of training. The implication is that much upskilling has come from informal learning on the job, from self-investment, and perhaps from educational provision. For the United Kingdom, taking a composite of all the second and third measures of training above, and using the most representative surveys which exist. 17 the evidence suggests that over a period from the mid-1980s on all measures, skill has risen slightly for most groups, but with some polarization, especially in the case of women where there is evidence of strong upskilling and of deskilling. There is also evidence that new forms of working may be leading to an intensity of training, viz an intensity in the amount of training, given to distinct groups of workers rather than to an extension of coverage. 18 Technological change is an important part of upskilling, in that people who work with computers are more likely to report an increase in the skill content of their jobs. 19 In Germany and Japan, it might be hypothesized that any upgrading of skill has probably been even more incremental given the greater longer-term strength of their training systems.

It would be useful to have more detailed survey evidence from a spread of countries on this key aspect of work and employment. ²⁰

Hours and working time issues

Immediately we can move back to the rather more objective questions of hours of work and their arrangement — a crucial aspect of work organization. ²¹ The question of hours poses important problems in a number of directions. It has implications for the well-being of individual workers. Thus, a review of reviews of American, European and

¹⁶ P. Capelli: "Are skill requirements rising? Evidence from production and clerical jobs", in *Industrial and Labor Relations Review*, 1993, pp. 515-530; and P. Capelli: "Assessing the decline in internal labor markets", in I. Berg and A.L. Kalleberg (eds.): *Sourcebook of labor markets: Evolving structures and processes* (New York, Kluwer/Plenum, 2001).

¹⁷ F. Green, A. Felstead, D. Ashton and B. Burchell: "Skill trends in Britain: Trajectories over the last decade", in F. Coffield (ed.): *Research and policy implications of a learning society* (Bristol, Policy Press, 1999).

¹⁸ K. Whitfield: "High performance workplaces, training and the distribution of skills", in *Industrial Relations*, Vol. 82, No. 2, 2000, pp. 247-252.

¹⁹ D. Gallie and M. White: *Employee commitment and the skills revolution* (London, Policy Studies Institute, 1994).

²⁰ For Europe, one possible source of data might be obtained from CEDEFOP at http://www.cedefop.gr.

²¹ G. Bosch: "Working time: Tendencies and emerging issues", in *International Labour Review*, Vol. 138, No. 2, 1999, pp. 131-149.

Japanese studies suggests that there is a positively significant correlation between long hours of work and physiological and psychological ill health. ²² The length of the working week also has implications for broader social welfare, in that working hours and regimes have profound effects on family life. In addition, it has implications for economic welfare, where some have argued that the recent rise in productivity in countries such as the United Kingdom and the United States may be occasioned by longer hours rather than any real efficiency gains. ²³

At the present time, there is a popular belief that people are working longer hours, with more overtime and take-home work. In the United States, the debate was stimulated by Schor, who calculated that the average American was working 163 hours more per year than in 1969.24 Her "extra month of work" per year thesis has been criticized by others who used "time diaries" and other data to suggest that there had been no increase in working time. 25 In the United Kingdom, there has also been considerable popular discussion about long hours and high overtime working, the United Kingdom ranking the highest in the European Union. ²⁶ In other countries, however, the debate has been rather different. In France, for example, it has been nationally policy-orientated towards reducing the working week, and it would be useful to monitor the research following on the enactment of the 35-hour workweek. In Germany and the Scandinavian countries, long hours and overtime working have been less marked, perhaps reflecting collective agreements which place less of a premium on overtime hours and marginal tax rates which are a disincentive to such forms of working.²⁷ In Japan, where long hours have traditionally been worked, especially by white-collar workers and managers, it would appear that hours worked are declining and are now lower than in the United States, though higher than in countries of the European Union. ²⁸

Probing beyond the macro figures, in the case of the United Kingdom, the following more detailed conclusions can be drawn. Over a long time period, from the mid-nineteenth century onwards, average hours worked declined monotonically in steps. However, from the early 1980s, average hours of work per worker levelled off following this long decline, but have not increased since. Therefore, the average British worker is not working longer hours. However, by comparison with some other countries in the European Union, such as France and some of the northern European countries where hours have continued to fall, a relative gap has opened up, especially in the case of male workers. There is also a growing

²² K. Sparks, C. Cooper, Y. Fried and A. Shirom: "The effects of hours of work on health: A meta-analytical review", in *Journal of Occupational and Organisational Psychology*, Vol. 72, 1997, pp. 219-229.

²³ S.S. Roach: "No productivity boom for workers", in *Issues in Science and Technology*, Summer 1998, p. 49.

²⁴ J. Schor: *The overworked American: The unexpected decline of leisure* (New York, Basic Books, 1991).

²⁵ J.P. Robinson and G. Godbey: *Time for life* — *The surprising ways Americans use their time* (University Park, PA, Penn State Press, 1997).

²⁶ A. Kalwig: *Overtime work in Britain 1975-1998: A panel data analysis*, paper presented to a Centre for Economic Performance seminar, October 1999.

²⁷ L. Bell and R. Freeman: *Why do Americans and Germans work different hours?* (Cambridge, MA, National Bureau of Economic Research, 1994).

²⁸ G. Bosch, P. Dawkings and F. Michon: *Times are changing: Working time in 14 industrialised countries* (Geneva, ILO, 1994); Bosch, "Working time", op. cit.

dispersion of hours. In terms of occupational groups, managerial and professional employees are working longer and blue-collar workers fewer hours, with these two balancing one another out in the aggregate statistics. In terms of households, there is also a growing dispersion in that there are those where no one is employed and those where both are working longer. This latter has negative implications for stress and pressures on the family. Of course, one final point which may be noted on hours is that long hours and overtime may be the result in part of worker preferences. It is undoubtedly the case that individuals need to accept some responsibility themselves for the hours and other work-life patterns they adopt. ²⁹

Another aspect of hours is shift and night work. This has always existed in some public sector jobs, in some continuous process industries and in manufacturing jobs, especially during periods of high levels of economic activity. In recent years, however, it has increased among white-collar workers, in retailing, hotel and catering, and in other service and financial areas. The predictions are that this is likely to increase further as more firms respond to the so-called "24-hour society". 30 In terms of effects, it is wellknown that night and shift work can upset people's circadian clocks. This can in turn lead to fatigue, stress and depression. If continued for long periods, it can also result in gastrointestinal problems and cardiovascular disease. Moreover, tired workers are more accidentprone. Night workers can also feel less valued because they are less likely to be seen by the managers who matter. Conscious of these effects and of efficiency considerations, some employers are trying to tackle these problems: some firms are adapting less harmful patterns, such as those favoured by some air traffic control systems — working one or two nights at a time followed by a 54-hour rest period; other firms are trying to involving night workers in decisions about shifts and other working conditions which are calculated to make them less likely to suffer harmful consequences of night work. As in the general area of hours, there are new legislative interventions in Europe, with the EU Working Time Regulations likely to encourage employers to take the needs of night workers more seriously. 31

In conclusion, there is a need for new analyses of working time statistics. In addition, there is a need to go beyond these and to look at relational models, which put these into context and consider interactions with other aspects of work-life arrangements. This should also mean looking at two other aspects: (1) both (a) "extensive" effort, namely the time spent at work, and (b) "intensive" effort, namely the intensity of work during time at work; and (2) both (a) "constrained" effort, namely effort which is essential to get the job done, and (b) "discretionary" effort, namely effort over and above what the job formally requires.

²⁹ P. Gregg and J. Wadsworth: *It takes two: Employment polarisation in the OECD*, Discussion Paper No. 304 (London, London School of Economics, Centre for Economic Performance, 1996); F. Green: *It's been a hard day's night: The concentration and intensification of work in late 20th century Britain*, Study in Economics No. 99/13 (Canterbury, University of Kent, 2000).

³⁰ L. Kreitzman: *The 24-hour society* (London, Profile, 1999).

³¹ The European Union and the European Foundation for the Improvement of Living and Working Conditions are monitoring these areas. See Kreitzman, ibid. See also work being undertaken by the Future Foundation; Dr. L. Smith, Shift Work Research Group, University of Leeds; Professor S. Folkard, Chair of the scientific committee of the International Commission on Occupational Health (reported in *The Observer* of 31 October 1999).

Intensification of work within a given number of hours

Above, "extensive" effort was referred to, namely the time spent at work. We now turn to "intensive" effort, namely the intensity of work during that time at work. The latter covers heavier workloads, tighter deadlines and faster work pace.

Measurement problems are once again encountered here. The usual method is to try to measure intensity in relation to some sort of effort norm. Over the years, attempts have been made by psychologists to measure physical and mental effort under experimental conditions. This has always had practical limitations. Alternative "real world" methods are as follows.

- (1) It is possible to carry out detailed case-studies, examining output and worker hours, management standard-setting and control regimes, and worker restrictive practices. These have the benefits and limitations of case-study work.
- (2) Quantifiable proxies may be designed and assessed. For example, there are a number of recent studies which have taken injury rates as such a measure. However, this approach has serious problems of multiple causation and inference. 33 Another proxy which has been used is residual productivity (viz. productivity minus investment effects). 34 Again, there are serious problems with this, not least that efficiency may increase without workers working harder.
- (3) A further method is to use work-study measurements, preferably with some kind of longitudinal data. In the United Kingdom, Bennett and Smith-Gavine developed an index of the "Percentage Utilisation of Labour", based on results of work-study in a panel of factories. This index measures changes in productivity attributable to changes in work speed relative to the standard times dictated in a putatively scientific manner by work-study experts. The validity of this approach has been subjected to a convincing conceptual, practical and empirical critique. 36
- (4) Finally, we come to subjective effort measures via surveys. In turn, these are of two kinds: (a) those based on recall by respondents, and (b) those based on the posing of identical question at different points in time, preferably to a continuing panel of workers. Problems with the former technique revolve around memory recall and the idealization of the past. Somewhat similar problems exist with the latter technique,

³² M. Andrews and R. Simmons: "Are effort bargaining models consistent with the facts? An assessment of the early 1980s", in *Economica*, Vol. 62, 1995, pp. 313-334.

³³ T. Nichols: *The sociology of industrial injury* (London, Mansell, 1997).

³⁴ T. Nichols: "Labour intensification, work injuries, and the measurement of percentage utilisation of labour (PUL)", in *British Journal of Industrial Relations*, Vol. 29, No. 4, 1991, pp. 569-601.

³⁵ A. Bennett and S. Smith-Gavine: "The percentage utilisation of labour index", in D. Bosworth and D. Heathfield (eds.): *Working below capacity* (London, Macmillan, 1987).

³⁶ D. Guest: "Have British workers been working harder in Thatcher's Britain? A reconsideration of the concept of effort", in *British Journal of Industrial Relations*, Vol. 28, No. 3, 1990, pp. 293-312; Nichols, "Labour intensification, work injuries ...", op. cit.

but overall answers have been shown to correlate well with related experimental and objective measures. ³⁷

For the United Kingdom, a number of studies using various measures have suggested that there has indeed been an intensification of effort over the last two decades. According to the subjective measures, a majority of workers think they are working harder now than in the past and that discretionary effort has increased. Recall studies suggest that "constrained" effort has increased significantly and "discretionary" effort has increased slightly. This intensification of work has been most marked in manufacturing and for women. There is little internationally comparative data, though American work would suggest a similar phenomenon, and there has been some attempt descriptively to put the British research into a European perspective.

A number of factors have been adduced to explain why workers in countries such as the United Kingdom and the United States may be working harder.

- (1) Some have suggested supply side incentives, namely a growing culture of consumerism, a desire to earn and spend more, and reduced tax rates. 41
- (2) Rather more convincingly, others have stressed market structure, namely pressures from growing globalization and increased product market competition. Allied to this, labour market pressures have been influential in some countries at various points over the last 20 years, viz. higher levels of unemployment and consequent reductions in the relative power of workers and their unions.
- (3) Another set of explanations centre around technological changes, viz. (a) the effort-based nature of much recent change which requires more multi-skilled working and less down-time, and (b) improvements in monitoring techniques which makes shirking more difficult (e.g. computer-based monitoring of work in call centres and supermarkets).
- (4) Finally, and very interestingly, survey evidence has suggested that one of the main factors may be pressure from fellow workers peer group pressure from colleagues

³⁷ Guest, ibid.; F. Green and S. Mcintosh: "Union power, cost of job loss, and workers' effort", in *Industrial and Labor Relations Review*, Vol. 51, No. 3, 1998, pp. 363-383.

³⁸ Green, *It's been a hard day's night*, op. cit.

³⁹ D. Gallie, M. White, Y. Cheng and M. Tomlinson: *Restructuring the employment relationship* (Oxford, Oxford University Press, 1998); Green et al, "Skill trends in Britain", op. cit.; B.J. Burchell et al: *Job insecurity and work intensification: Flexibility and the changing boundaries of work* (York, Joseph Rowntree Foundation, c. 1999).

⁴⁰ Green and Mcintosh, op. cit. For another recent review of the literature and an international survey, see work being carried out by B. Burchell, Social and Political Sciences Department, University of Cambridge (based on a survey of 1,000 employees in each country of the European Union) (as reported in *The Observer* of 12 March 2000). See also the work of the European Foundation for the Improvement of Living and Working Conditions (studies of European Union countries based on various surveys), which suggests growing intensity of work: P. Paoli: *Second European survey of working conditions in the European Union* (Dublin, European Foundation, 1996); S. Dhont: *Time constraints and autonomy at work in the European Union* (Dublin, European Foundation, 1997).

⁴¹ Schor, The overworked American, op. cit.

may be greater in the context of more competitive markets and more team-type working. Not surprisingly, this sort of pressure seems to be one of the least resented by workers. ⁴²

Below we touch on consequences of intensification of work. It is sufficient here to point out that recent research suggests that work intensification can have detrimental effects on health. ⁴³ It should also be stated at this point that, perhaps paradoxically, there is little evidence to suggest that work intensification leads to greater job dissatisfaction. Again, this may reflect worker expectations in a competitive context and the nature of peer group pressures.

The healthy workplace

It might be useful here to refer to some recent attempts to conceptualize and measure the "healthy workplace". Again, rationales for interest in this concept are both social (with considerations of individual and family well-being) and also economic (with health and safety costs constituting an estimated 5 per cent of GDP in a country such as the United States). A recent study which pulls together some of this literature defines the healthy workplace as not only one with minimal levels of injury and illness, but also one with "balanced and appropriate internal relations conducive to good health and well-being". 44

Measure of workplace health include work-related injuries, accidents and illness, and can also be proxied by absenteeism, turnover and grievances. It is well known that, in terms of injuries, there are significant differences within countries between sectors and occupations, with construction and transport having high accident rates and professional services and managerial jobs having low rates. By contrast, illness tends to be more frequent in personal and protective services and lower in construction and manufacturing. Determinants of injuries and illness are various and may be inversely related. Thus, there are more injuries in smaller workplaces, among younger workers, in workplaces where there is less discretion on the job, no union presence, more contingent pay, and longer hours and more shift working and contract working. There is more illness and illness absence in larger workplaces, where longer hours are worked and where workers feel they have less discretion in their jobs. Interestingly, illness is higher where there is more employee representation and trade union membership, more participation in workplace decision-making, including on health and safety matters, and where there are more familyfriendly policies in place. This latter set of findings may reflect the fact that, in such workplaces, workers have more "right to be sick" and are less fearful of negative consequences of sickness absence. 45

⁴² Gallie et al., *Restructuring the employment relationship*, op. cit.; R. Blatt and E. Applebaum: "Worker participation in diverse settings: Does the form affect the outcome, and if so, who benefits?", in *British Journal of Industrial Relations*, Vol. 33, No. 3, 1995, pp. 353-378; R. Blatt: *Critical perspectives on teams: A debate on alternatives to conventional interpretations*, mimeo (Ithaca, Cornell, 1999); Green, *It's been a hard day's night*, op. cit.

⁴³ For a recent view of the literature and survey, see the Cambridge-based European Survey of Working Conditions.

⁴⁴ A. Robinson and C. Smallman: *The healthy workplace*, paper presented at a workshop of the Workplace Employee Relations Survey 98 User Group, March 2000, National Institute for Economic and Social Research.

⁴⁵ ibid.; Nichols, "Labour intensifications, work injuries ...", op. cit.

One very interesting major British research project studied causes of sociohierarchical differences in health in terms of propensity to coronary heart disease over a long time period. Controlling for occupation, namely civil servants, the research found that higher level civil servants had better life expectancies than lower level job occupants. Of course, it might at first seem counterintuitive that higher and top-level staff, facing greater demands and stress at work, should have better health outcomes. Using all the necessary controls, one of the main determinants of this was seen as the amount of job autonomy and discretion which the higher level grades enjoyed. ⁴⁶ Similar epidemiological research exists and could be usefully assembled to study the healthy workplace.

Unfortunately, we do not have much by way of good up-to-date studies of (a) changes over time and of (b) differences between countries. As to longitudinal change, there is some evidence from the United Kingdom and the United States that there may be an increase in injury and illness rates. This has been variously associated with increasing competitive pressures on firms, the growth of non-standard forms of work, and the weakening of protections afforded by trade unions. 47 As to differences between countries, the causes of sickness absence have been analysed using survey data from Australia, Canada, New Zealand and the United States. 48 Some similar employee characteristics associated with lower rates of absence were male gender, short tenure, part-time status and high wages; shift work, sick-leave entitlements and low unemployment rates were associated with higher rates of absence. The results also indicated that workgroup cohesion (the degree to which employees work together closely and harmoniously) was associated with low levels of absence if job satisfaction was high, but with high levels of absence if job satisfaction was low. Of course, this is comparing rather similar countries. It would be very useful to have comparisons of more different countries, such as the less-regulated Anglo-Saxon countries and some of the more regulated continental European countries. 49 It would also be very useful to have comparisons with transition and developing economies and to have work on the informal sector of economies. Easy observation would suggest that accidents tend to be higher in less developed countries and informal sectors, and that the same might apply to sickness. However, sickness absence in such countries and sectors may be more constrained. In sum, there is a mass of national and some international data in

⁴⁶ M.G. Marmot, M. Rose, Shipley and P. Hamilton: "Employment grade and coronary heart disease in British civil servants", in *Journal of Epidemiology and Community Care*, Vol. 3, 1978; M.G. Marmot, M. Bobak and G.D. Smith: "Explanations for social inequities in health", in B. Amick, S. Levind, A.R. Tarlov and D. Chapman-Walsh (eds.): *Society and health* (Oxford, Oxford University Press, 1995).

⁴⁷ D. Farris: "Institutional change in shopfloor governance and the trajectory of postwar injury rates in US manufacturing, 1948-1970", in *Industrial and Labor Relations Review*, Vol. 51, No. 2, 1998; Nichols, "Labour intensifications, work injuries ...", op. cit.; Robinson and Smallman, *The healthy workplace*, op. cit.

⁴⁸ R. Drago and M. Wooden: "The determinants of labour absence: Economic factor and workgroup norms across countries", in *Industrial and Labor Relations Review*, Vol. 45, No. 4, 1992, p. 764.

⁴⁹ Both work in Western and developing countries, such as China, has suggested that there is a link between job satisfaction and mental and physical well-being. For a survey, see O. Siu, L. Lu and C. Cooper: "Managerial stress in Hong Kong and Taiwan: A comparative study", in *Journal of Managerial Psychology*, Vol. 14, No. 1, 1999, pp. 6-25.

these areas which could be usefully brought together. It would be particularly helpful to have both internationally comparative and longitudinal studies. ⁵⁰

Family-unfriendly and -friendly patterns of work

There has recently been increasing comment on the growth of family-unfriendly patterns of working and simultaneously growing action by some firms and governmental agencies to correct this. In a survey of data from the United Kingdom and the broader literature, Roberts stresses the following: that couples are spending more time at work or are increasingly work-orientated; they are having increasing difficulty juggling child-care arrangements; and they have limited time for relaxation and leisure together. 51 Thus, in the United Kingdom and the United States, two out of every three families are currently dualcareer or two-earner families. Similarly, Wilkinson points out how nearly two-thirds of households with dependent children in the United Kingdom have both parents at work, and that most employees feel there is insufficient paid and unpaid care leave provision. ⁵² Even where the one partner (usually the woman) may not work, there has been an increase in dual job-holding, perhaps in part reflecting the stagnation of earnings of less-skilled males at the bottom of the income distribution. This combination of factors can lead to stress and depression, adverse effects on children, and marriage breakdowns and divorce. These problems are either less or are less commented on in some countries than in others. They are somewhat less commented on in France, Japan, Germany and the Scandinavian countries, perhaps reflecting different female participation/family behaviour patterns in Germany and Japan, and greater institutional and state support in France and the Scandinavian countries.

In many advanced Western countries, large firms are increasingly instituting so-called "family-friendly" initiatives, such as parental leave, maternity benefits, career breaks, flexible hours, child- and elder-care arrangements, and job-share schemes. Indeed, some of these have a long history in progressive firms. At the same time, these matters have increasingly become the subject of joint consultation and collective bargaining at the workplace, and of social dialogue and legislation at national levels as in the European Union. It is probably true to say that national systems of law have not kept pace with these developments. Moreover, with a few exceptions, most firms have been slow to implement family-friendly policies over and above those mandated by law. In part, this might reflect the fact that pressure from employees and trade unions have to date been insufficient. It might also reflect the fact that managements do not believe that such programmes have a positive effect on performance.

Comparative international work is being done in this area.⁵³ It would be useful to have a survey of policies and practices across a number of countries. This should look at

⁵⁰ For a recent literature review, see S. Platt, S. Pavis and G. Akram: *Changing labour market conditions and health: A systematic literature review (1993-1998)* (Dublin, European Foundation, 1998).

⁵¹ C. Roberts: Families and the labour market (London, Family Policy Studies Centre, 2000).

⁵² H. Wilkinson: Family business (London, Demos, 2000).

⁵³ See, for example, S. Aryee, D. Fields and V. Luk: "A cross-cultural test of a model of the work-family interface", in *Journal of Management*, Vol. 24, No. 4, 1999, pp. 491-512.

issues and patterns, affects on satisfaction and performance at work, and costs and benefits of measures intended to link work and family. 54

Unemployment and employment

This is not the place to survey the massive literature on unemployment and how it relates to employment opportunities. However, a few general points can be made.

- (1) It has long been acknowledged that employed work is not simply a source of income, but is also a direct source of well-being and happiness. 55
- (2) However, over the last 25 years, unemployment has risen in most countries, though with fluctuations over time. Among the advanced industrialized countries, unemployment has been lower in Japan and the United States than in Europe, though there are differences within the European Union, with France, Italy and Spain towards the higher end and, more recently, the Netherlands and the United Kingdom towards the lower end.
- (3) National unemployment figures mask hidden unemployment or underemployment, and the number of those who would like work and who are potentially employable is higher than the unemployment rates. Many of the unemployed and underemployed drift into the informal sector.
- (4) In turn, it is well know that recent unemployment and underemployment has disproportionately affected certain groups: older and younger workers, the less skilled, those with least seniority within firms, and those in parts of countries where there has been substantial industrial restructuring.
- (5) Over the last two decades, the costs of unemployment in terms of real wage loss has risen substantially, as the unemployed have found it more difficult to re-enter the workforce, are more likely once they find a job to be paid less than in their previous job, and are more likely to be made redundant again than other workers.
- (6) Though there is debate over whether job insecurity has increased (which will be considered below), the average reported expected risk of job loss in European countries has increased only slightly, except in the case of professional workers. ⁵⁶
- (7) Even for those workers who remain after job losses within an organization, there can be a so-called "survivors' syndrome" problem (i.e. feelings of shock, grief, animosity and heightened job insecurity). ⁵⁷

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⁵⁴ For work presently being undertaken in the United States, see the Family Labor Issues working group, Upjohn Institute (http://www.upjohninst.org). For a developing programme, see the Industrial Relations Research Association, National Policy Forum on "Work and family", Washington, DC, 22-23 June 2000 (http://www.irra.uiuc.edu).

⁵⁵ See M. Jahoda: *Employment and unemployment* (Cambridge, Cambridge University Press, 1982); Oswald, "Happiness and economics performance", op. cit.

⁵⁶ S. Nickell, T. Jones and G. Quintini: *A picture of the job insecurity facing British men* (London, Centre for Economic Performance, London School of Economics, 1999).

Employment relations and job tenure

In the area of employment relations, in many countries, there has been much comment on the trend towards so-called "externalization" or "marketization", with the dismantling of internal labour market-type arrangements, the growth of more flexible, nonstandard employment contracts, and the greater use of contingent work (outsourcing, insourcing, the use of temporary labour, and fixed- and part-time employment). This has also been associated with the greater use of more contingent pay and more flexible nonpay benefits. 58 Others have conceptualized these developments as a trend away from "relational" and towards "transactional" employment. Relational employment is said to be open-ended and potentially longer term, with both economic and socio-emotional involvement between employer and employee. Transactional employment entails a shorter term exchange, based on compensation for specific performance requirements and with limited involvement between employer and employee. 59 Yet again, others have conceptualized these developments in terms of a growth of a "core and periphery" model of employment: where a core of regular employees still exists in primary jobs and companies, enjoying the benefits of an internal labour market arrangement, but surrounded by a periphery of temporary and part-time workers in less good jobs or in supply firms, and more subject to the vagaries of the external labour market.

There has been considerable debate in and around these ideas. For a good summary of the American debate, Cappelli marshals evidence to suggest that, since the early 1980s and especially since the early 1990s, there has been a significant shift towards shorter, less secure jobs. ⁶¹ His summary of the evidence also supports the idea of a shift towards more contingent, non-standard work — contracting, part time, temporary work. Another survey also assembles data suggesting a pessimistic view. ⁶² For a useful focusing of the debate, see the exchange between Cappelli (somewhat pessimistic) and Jacoby (rather more optimistic). ⁶³

⁵⁷ See Cranfield Business School (http://www.cranfield.ac.uk/som/hrcures.htm), 2000. For overall summaries of the literature, see OECD: "Is job insecurity on the increase in OECD countries?", in Employment Outlook 1997 (Paris, 1997); F. Green, A. Felstead and B. Burchall: Job insecurity and the difficulty of regaining employment: An empirical study of unemployment experiences, mimeo (Leeds, Leeds University Business School, 1998); Nickell et al., ibid.; and Employment and Social Affairs: Employment in Europe 1996 (Brussels, European Commission, 1996).

⁵⁸ H. Gospel: *Markets, firms and the management of labour in modern Britain* (Cambridge, Cambridge University Press, 1992).

⁵⁹ D. Rousseau and R. Schalk: *International dimensions of psychological contracts* (Thousand Oaks, CA, Sage, 2000).

⁶⁰ J. Atkinson: *Flexibility, uncertainty and manpower management*, Institute of Manpower Studies Report No. 89 (Brighton, University of Sussex, 1985).

⁶¹ P. Capelli, L. Bassi, H. Katz, D. Knoke, P. Osterman and M. Useem: *Change at work* (Oxford, Oxford University Press, 1997); Capelli, "Assessing the decline in internal labor markets", op. cit.

⁶² L. Mishelhand and J. Bernstein: *The state of working America* (Washington, DC, Economic Policy Institute, various years) (http://www.epinet.org).

⁶³ P. Capelli: "Career jobs are dead", in *California Management Review*, Vol. 42, No. 1, 1999, pp. 146-167; S. Jacoby: "Reply: Premature reports of demise", in *California Management Review*, Vol. 42, No. 1, 1999, pp. 168-179.

In the United Kingdom, over half of the total working population now works on something other than the conventional full-time employment contract. The biggest area of growth has been in flexible hours contracts (annual hours, term-time and job-share contracts), and these now account for 12 per cent of all employees. There has also been a significant growth in the proportion of employees working part time. These latter now account for 25 per cent of all workers (45 per cent of all women), as against 21 per cent of all employees (42 per cent of women) in 1980. The proportion of the labour force on temporary or fixed-term contracts rose from around 5 per cent to 7.5 per cent in the mid-1990s, but has since fallen back to 7 per cent. 64

On the other hand, survey evidence suggests the need for caution. For example, in the United Kingdom over the last 20 years, there has been little increase in the rate of job change and little change in average elapsed job tenure. Thus, the frequency with which people change their jobs has increased only marginally. Moreover, the actual probability of job loss has not risen over the last two decades, either on average or within most occupational or skill groups. In fact, among females, average job tenure has increased. (However, this is not to deny greater volatility of employment for some groups, especially of managerial and professional employment.) The number of people employed on fixedterm contracts or engaged in temporary work has remained around 8 per cent. Most people have not experienced redundancy and are in internalized or relational job situations. Moreover, there is contested evidence of firms pursuing a deliberate core-periphery strategy. In addition, there is also evidence that most part-timers work on this basis from choice: only around 10 per cent say they would take a full-time job if they could get it. There is also evidence that employers are increasingly subject to judicial decisions and are increasingly influenced by a calculus that the costs of such forms of work exceed the benefits. They are often therefore using such jobs for screening purposes and, after a trial period, are offering new workers on such contracts permanent employment where suitable. 65

As referred to above, internationally comparative work exists on job tenure and job stability. This shows that there has been more of a shift in some countries such as Australia, New Zealand, the United Kingdom and the United States, where changes in industrial relations and legal frameworks have made such developments easier. ⁶⁶ In much

⁶⁴ Meadows, *The flexible labour markets*, op. cit. For good recent research on the gender aspect of this, see C. Hakim: *Key issues in women's work* (London, Athlone Press, 1996); C. Hakim: *Social change and innovation in the labour market* (Oxford, Oxford University Press, 1998). Hakim's works also include some international comparative materials.

Meadows, *The flexible labour markets*, ibid.; B.J. Burchell, A. Felstead and F. Green: *The age of the worried worker? Extent, pattern and determinants of job insecurity in Britain over the last decade*, paper presented at the 12th annual Employment Research Unit Conference, Cardiff Business School, University of Wales, Cardiff, September 1997; Gregg and Wadsworth, "It takes two", op. cit.; S. Burgess and H. Rees: "A disaggregate analysis of the evolution of job tenure in Britain, 1975-1993", in *British Journal of Industrial Relations*, Vol. 36, No. 4, 1998, pp. 629-655; Nickell, Jones and Quintini, "A picture of the job insecurity facing British men", op. cit.; L. Hunter, A. McGregor, J. MacInnes and A. Sproul: "The 'flexible firm': Strategy and segmentation", in *British Journal of Industrial Relations*, Vol. 31, 1993, pp. 383-407; K. Purcell and J. Purcell: "In-sourcing, outsourcing and the growth of contingent labour as evidence of flexible employment strategies", in *European Journal of Work and Organizational Psychology*, Vol. 7, No. 1, 1998, pp. 39-59.

⁶⁶ G. Anderson, P. Brosnan and P. Walsh: "Flexibility, casualisation, externalisation in the New Zealand workforce", in *Journal of Industrial Relations*, Vol. 36, 1994, pp. 491-518; K. Mumford and P. Smith: *Job tenure in Australia and Britain: Individual versus workplace effects*, paper presented at the Workplace Employee Relations Survey 98 User Group, March 2000, National Institute for Economic and Social Research.

of continental Western Europe and in Japan, though there may be some similar trends, these are more constrained by law, institutional arrangements and social norms. ⁶⁷ In Japan, there has been much talk about the decline of so-called "lifetime" employment. This has been both in the foreign and in the Japanese media. Of course, such practices always excluded certain workers — most women, part-timers and many workers in small firms. However, the most authoritative research and surveys suggest that compulsory redundancies have not risen and employees tend to stay until retirement age. ⁶⁸ Finally, again, it would be useful to have some truly comparative work putting into perspective the situation in transition and developing economies.

Pay and benefit systems

Again, this is not the place to survey the massive literature on substantive pay and benefit systems. However, a few general points can be made which are relevant to this paper.

- (1) There seems to be some shift in a number of countries towards contingent pay (e.g. output-, performance- or profit-based pay).
- (2) This is occurring more in some countries than others, e.g. more in the United Kingdom and the United States than in continental Europe, but, even in Europe and in Japan, there is some movement away from pay based on job grade or seniority. ⁷⁰
- (3) In part related to this, there is a widening of pay differentials both in national economies and within firms in a country. External market forces therefore seem to be having more of an effect on wage setting.
- (4) There are also changes in some benefit systems, with a reduction in the value of certain benefits or their growing marketization. For example, there has been a trend in a number of countries away from defined-benefit and towards defined-contribution pension plans.

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⁶⁷ For a review of the French literature, see A. Jenkins: "Flexibility, 'individualisation' and employment insecurity in France", in *European Journal of Work and Organizational Psychology*, Vol. 7, No. 1, 1998, pp. 23-38.

⁶⁸ M. Sako and H. Sato: *Japanese labour and management in transition* (London, Routledge, 1997); Jinji-Romu Kenkyukai (Human Resource Management Group of the Japan Institute of Labour): *Senseiki ni muketeno nihonteki koyoukanko no henka to tenbo* [Changes and trends in Japanese employment practices and attitudes for the new century] (Tokyo, Japan Institute of Labour, 1999).

⁶⁹ For a useful comparative summary of the evidence across a number of countries, see OECD: *Employment Outlook 1993* (Paris, 1993); OECD: "Is job insecurity on the increase in OECD countries", op. cit. For Europe, see special issue on "Flexibility in Europe", in *European Journal of Work and Organizational Psychology*, Vol. 7, No. 1, 1998, particularly O. Tregaskis, C. Brewster, L. Mayne and A. Hegewisch: "Flexible working in Europe: The evidence and implications", in *European Journal of Work and Organizational Psychology*, Vol. 7, No. 1, 1998, pp. 61-78.

⁷⁰ R. S. Schuler and N. Rogovsky: "Understanding compensation practice variations across firms: The impact of national culture", in *Journal of International Business Studies*, Vol. 29, No. 1, 1998, pp. 159-177.

Other aspects of worker dignity: Sexual harassment, bullying at work, minority rights, gay rights

There is a growing recognition in many countries of the problems of sexual harassment at work and minority rights. Data on this are confined mainly to a few developed countries. In many developing and transition countries, there is less legal recognition of these problems. It would be useful to have comparative work done on these matters, which might bring together definitions of the issues, assessment of the extent of the problem, trends in legal approaches, and surveys of enterprise policies and practices. There is also a growing awareness in some countries of the problems of bullying at work. There is some evidence that this may be on the increase at the moment, as competitive pressures intensify on organizations and their members and as some traditional protections by trade unions are weakened.

Industrial relations, social dialogue and other arrangements

It might seem inappropriate in a paper on conditions of work and well-being to raise the issue of industrial relations and social dialogue arrangements. The justification is that systems of representation are the means whereby workers have an input into significant decision-making concerning their working lives and conditions of employment. They are a way of embedding and monitoring norms in these areas to make sure that they are effectively enforced. Moreover, it will be argued below that having a voice *per se* affects workers' acceptance of change and their job satisfaction and organizational behaviour.

In the area of industrial relations and social dialogue, the tendency in many countries in recent years has been towards a reduction of trade union membership and, though to a lesser extent, of trade union coverage. This has been paralleled by changes in collective bargaining, with a reduction of coverage, a devolution to the workplace, and a narrowing of scope of topics covered. Of course, the change in union membership and collective bargaining varies between and within countries, with it being most attenuated in countries such as France, the United Kingdom and the United States, but holding up much better in Germany, Italy and the Scandinavian countries. Along with these changes, there has also been a move towards greater significance being assumed by joint consultative bodies. Some of these are long-standing and powerful, as in Germany; others are newer and less powerful, as in the United Kingdom. 71 There has also been an increase in forms of direct participation and involvement via communications systems, information sharing, quality circles, and total quality management programmes. 72 Alongside these developments is a reduction in strike rates in many countries — though there is evidence that simultaneously there has also been an increase in complaints being taken to such bodies as arbitration services and employment tribunals. There is a final point to be made. It is not surprising that these trends, along with growing global pressures, have meant a failure to develop effective forms of international trade unionism, collective bargaining and social dialogue. This means that standards won in some countries are always under threat from competitive down-bidding.

⁷¹ H. Katz: "The decentralisation of collective bargaining: A literature review and comparative analysis", in *Industrial and Labor Relations Review*, Vol. 47, No. 1, 1993, pp. 3-22; Katz and Darbishire, *Converging divergencies*, op. cit.

⁷² See the yearly issues of ILO: *World Labour Report* (Geneva); M. Cully, S. Woodland, A. Reilly and G. Dix: *Britain at work: As depicted by the 1998 Workplace Employee Relations Survey* (London, Routledge, 1999).

These changes have had a number of consequences.

- (1) They have reduced the effectiveness of worker voice, certainly at the level of the company and plant. As a result, workers now have less of a check on arbitrary and unfair employer practices.
- (2) In addition, these changes may have reduced the standardization and increased the variance of terms and conditions within companies, industries and countries.
- (3) At the same time, however, new mechanisms of direct participation may have increased worker say over immediate task aspects of work.
- (4) For their part, unions have reacted in various ways, but in many instances there is a growing interest in working with management to increase employee satisfaction and well-being. According to this view, such a "partnership" relationship is likely to provide a more effective basis for maintaining jobs and maintaining members. ⁷³

Social initiatives

It will be recalled that enterprise social initiatives are defined as voluntary initiatives by firms which usually affect groups outside of the organization and which may be more or less related to core business objectives. As such, they cover the following kinds of initiatives: outplacement services for employees made redundant; employability and self-employment programmes; training and development for outsiders, such as employees in other firms or in the wider community; health-care programmes with a community impact; community volunteering by employees; outside entrepreneur development programmes. The justification for referring to these activities is that they have been a growing phenomenon and can have important implications for individuals and groups such as future and past employees of the firm, local communities, and workers in subcontracting firms and businesses in supply chains. ⁷⁴

Some of these initiatives are important and could set trends for the future, especially with the attenuation of internal labour markets and as governments withdraw from certain types of provision. They can possibly contribute to the social protection agenda. Examples might be interventions in the affairs of subcontracting firms and the development of codes of practice for suppliers in supply chains. It must be conceded, however, that these initiatives are often limited in coverage and can be withdrawn at the discretion of the employer. It has argued that many of them are *ex post* attempts to rebuild "social capital" in situations where prior corporate policies have gone a long way to undermine "human capital" within the enterprise. They have been more evident in countries such as the United Kingdom and the United States, where more market-orientated policies have been pursued, than in continental Europe or Japan, where there has been less dismantling of internal labour markets and less withdrawal of state provision.

One good web site for industrial relations in Europe and, indeed, for other matters covered in this paper is the European Industrial Relations Observatory (http://www.eiro.eurofound.ie).

⁷⁴ Gospel, *Social initiatives by enterprises*, op. cit.; Gospel and Pendleton, *Financial markets, corporate governance* ..., op. cit.; Porter and Kramer, "Philanthropy's new agenda", op. cit.; Diller, "A social conscience in the global marketplace?", op. cit.; R.M. Kanter: "From spare change to social change", in *Harvard Business Review*, May-June 1999, pp. 122-132.

⁷⁵ H. Gospel: "Financial markets, corporate governance and enterprise social initiatives", in Enterprise Forum: *A new spirit of enterprise* (Geneva, ILO, 1999), pp. 81-87.

Interim conclusions

Before proceeding to more subjective aspects of worker attitudes and pulse-taking, some interim conclusions may be drawn. There have been significant changes in the technological, market and political contexts surrounding enterprises, which may simultaneously lead to improvement in some aspects of work and a deterioration in others, and which may also differentially affect different groups of workers. There are also significant changes in the structure and strategies of firms which directly affect aspects of work, employment and industrial relations. In part, these may be summarized by saying that there has been an increase in the flexible use of labour in two directions. First, there has been an increase in qualitative flexibility, i.e. the degree to which people working in or for a certain organization can and do perform different tasks. This may involve flatter organizational hierarchies, job redesign, new forms of group working, and various kinds of just-in-time management. For the most part, this requires that individuals are well-trained, have diverse skills and can show some greater initiative. For others, however, it represents a deskilling and intensification of work. Second, there has been an increase in quantitative flexibility, i.e. the extent to which the quantity of personnel and their hours of work are varied. This often involves flexible hours contracts, part-time and temporary work. These developments involve some negative developments, in terms of an increasingly skewed distribution of hours, more intensive work patterns, more precarious working situations, and less input into joint regulation for many workers. 76

Though we have pointed out some deleterious developments, on balance, many of the conclusions reached so far are rather more optimistic for the majority of workers, at least in developed countries. There are some positive developments in work organization and skill formation. Many employees see these changes as a challenge and are not averse to working in such situations. Moreover, it cannot be assumed that workers are just acted upon by employers and that they have no say in decisions affecting their work. However, this is not to deny that there are many workers who are experiencing a deterioration in working conditions over time. However, the stories we have told relate mainly to workers in the more formal sectors of advanced Western economies. Throughout, we have stressed the paucity of comparable data available on the informal sector and on transition and developing economies.

⁷⁶ This is a slightly different way of defining flexibility from the others which are often used, i.e. numerical, functional, temporal, locational and financial. For a recent definition of these, see P.A. Reilly: "Balancing flexibility: Meeting the interest of employer and employee", in *European Journal of Work and Organizational Psychology*, Vol. 7, No. 1, 1998, pp. 7-22.

Implications for worker attitudes and pulsetaking

This section will explore the impact of different economic, technological and organizational choices, and the influence of the more objective factors outlined above on workers' more subjective attitudes and well-being. In particular, it will touch on some major research programmes and attitude surveys at workplace, organizational, national and international levels. It will also consider longitudinal trends in worker attitudes, where data exist.

It is useful to build on the framework set out above and to use this to organize the masses of empirical material. This approach therefore builds on Figure 1 and is outlined in Figure 2.

Figure 2. Micro framework of analysis

Outer and inner contexts of the employing organization and choice of practices	Employee prior attitudes and meanings	Attitudes	Psychological contract	Behaviour
See Figure 1 above.	Personal background, experiences and expectations of employees which influence the meaning of work	Attitudes in terms of job satisfaction, organizational commitment	Exchange relationship between employer and employee, signifying extent to which it is believed that promises and obligations are met	Employee behaviour in areas such as motivation, absence and quitting, and performance

The outer and inner contexts of the firm are seen as affecting worker attitudes and behaviour, though mediated through their prior attitudes, values, and the meanings which they attach to work. These then influence workers' views of the employment relationship and the psychological contract. In turn, together these then shape employees' behaviour, in areas such as effort, dealings with supervisors and other workers, absence and intention to quit, motivation and performance.

Data sources

In many countries in recent years, there has been a flood of media stories about employee attitudes, focusing on such issues as feelings of work stress and job insecurity. There are in addition many useful case-studies and small surveys of particular companies, workplaces and occupational groups. These can offer valuable detailed insights.

However, as far as possible, it is necessary to focus on large-scale national and international surveys, which are representative, where samples are random, whose size and response rates are known and reliable, and where the methods of analysis are well-grounded statistically. Preferably these should be surveys which are repeated over time and which enable one to draw longitudinal conclusions from data panels.

⁷⁷ For a good discussion of different instruments, techniques and surveys in this area, see D. Guest and N. Conway: *How dissatisfied are British workers?* (London, IPD, 1999), pp. 16-19.

The following sections are again biased towards the United Kingdom, which is used as an exemplar of other advanced industrialized countries. In the United Kingdom, there are a small number of surveys of an authoritative kind. These include the General Household Survey (GHS), the British Social Attitudes Survey (BSA), the Workplace Employment Relations Survey (WERS), the Employment in Britain Survey (EIBS), and various Institute of Personnel and Development (IPD) surveys. ⁷⁸ The paper also touches on the United States and other countries where similar evidence is known and relevant. For a good overview of American surveys, see Cappelli, 79 who draws more on corporatesponsored and privately-organized studies. These latter include the following: the annual survey conducted by SRA Corporation, dating back to the 1950s and covering up to a halfmillion employees; the Mayflower Group survey, an informal set of companies which compare employee attitude data; and various surveys by Hay Associates, Ganz-Willey surveys, the Wyatt group, Right Associates, and the American Management Association (AMA). A good Japanese source is that published by Jinji-Romu Kenkyukai (The Human Resource Management Research Group of the Japan Institute of Labour), which compares practices and attitudes in 1985 and 1998.

In addition, there are some useful internationally comparative surveys which meet high standards of representativeness and reliability. The Eurobarometer survey 80 is a European Union-sponsored survey conducted every seven years, most recently in 1996. The International Social Survey Programme (ISSP) provides another good comparison across a growing number of countries, including European Union members such as Austria, Germany, Ireland, Italy, the Netherlands and the United Kingdom, and also Hungary, Israel and the United States. In addition, it has come to include Japan and a number of transition (Bulgaria, Czech Republic, Latvia, Poland, Slovak Republic, Slovenia) and developing (Bangladesh, Philippines) economies. In total, the programme now covers 31 countries. Within the programme, the work orientation module, conducted in 1989 and 1997, covers three topics: work organization, work content, and work and leisure. Under the same International Social Survey Programme (ISSP) aegis, other surveys cover orientations to social inequality, gender roles and the family; these also contain material on work and employment-related matters. 81 For one good use of the material, see Blanchflower and Oswald. 82 A further international group is the Luxembourg Income Study. This has existed since 1983 and brings together and attempts integration of a series of national surveys from 25 countries. It contains over 70 data sets and other extensive documentation. Though the group mainly focuses on employment, unemployment, pay and benefits, survey data and research results are also available on other aspects of employment, hours, conditions of work, job tenure and job security. 83 Attention should also be drawn to research carried out by the European Foundation for the

⁷⁸ For a good account of the British Social Attitudes Survey, see A. Bryson and S. McKay: "What about the workers?", in R. Jowell et al. (eds.): *British social attitudes: The 14th report* (Ashgate, 1997); and H. Russell: "The rewards of work", in R. Jowell et al. (eds.): *British social attitudes: The 15th report* (Ashgate, 1998).

⁷⁹ Cappelli, "Assessing the decline in internal labor markets", op. cit.

⁸⁰ Eurobarometer: *Public opinion in the European Union* (Luxembourg, various dates).

⁸¹ See the International Social Survey Programme website at http://issp.org.

⁸² D.G. Blanchflower and A.J. Oswald: "International patterns of work", in R. Jowell, S. Witherspoon and L. Brook: *British social attitudes: Special international report* (Aldershot, Gower, 1989)

⁸³ See the Luxembourg Income study website at http://lissy.ceps.lu.

Improvement of Living and Working Conditions. Their work on topics such as part-time employment, gender and working conditions, and health and safety covers both case-studies and survey material of firms and employees. ⁸⁴ Finally, there is some published and unpublished material in private sources of an internationally comparative nature. These include surveys produced by commercial companies, such as International Survey Research, one of the world's largest surveyors of employee opinions. ⁸⁵ Towers Perrin also produces surveys in this area, though with an emphasis on pay and benefit systems. ⁸⁶ There is also work carried out in the 1970s by the Japanese union Denki Rohren, which surveyed workers in the electrical industry in a number of countries. Though useful, it should be noted that these surveys were produced for a particular set of clients and there are some problems with their representativeness and methodology.

Here we focus on a number of areas, which together help define the state of working life, the employment relationship and worker attitudes. Again we move from measures concerned with work organization through measures affecting employment relations. In this section, there is less to be said about industrial relations and social initiatives. Towards the end of the section, we introduce the composite notions of the state of the "employment relationship" and of the "psychological contract".

The meaning of work

Objective factors do not always parallel subjective factors. Let us give a number of examples which focus on the meaning of work. Women generally have less good terms and conditions than men, but in many respects they seem no less satisfied, perhaps reflecting (at least historically) less attachment to work. ⁸⁷ Of course, this may be changing if and as female employment opportunities improve. Also, better working conditions do not always result in a parallel increase in job satisfaction, partly because expectations are constantly changing. Thus, there may be more pluses and fewer minuses at work, but over time people have come to expect more pluses and fewer minuses. This may mean that subjectively they are no more satisfied. ⁸⁸ In another respect, there are a number of studies which suggest that the meaning of work may be changing for a lot of workers, in particular in advanced Western countries, and that workers are placing less emphasis on the centrality of work and the work ethic.

⁸⁴ See also the related European Industrial Relations Observatory website at http://www.eiro.eurofound.ie.

⁸⁵ See International Survey Research (ISR): Organisational mutation: Employee satisfaction in the '90s (London, 1997); ISR: Tracking trends: Employees satisfaction in the '90s (London, 1999); ISR: Globalisation and employee satisfaction (London, 1999). See also the ISR website at http://isrsurveys.com.

⁸⁶ See the Towers Perrin website at http://www.towers.com/towers.

⁸⁷ M. Rose: *The work ethic: Women, skill and the ancient curse*, presidential paper presented to Section N (Sociology) of the British Association for the Advancement of Science (1991).

⁸⁸ Oswald, "Happiness and economics performance", op. cit.; R. Frank: *Luxury fever: Why money fails to satisfy in an era of success* (New York, Free Press, 1999).

⁸⁹ There has been discussion for some time of a growth in "post-industrial" or "post-materialist" values. See, for example, R. Inglehart: *The silent revolution* (Princeton, Princeton University Press, 1977); R. Inglehart: *Culture shift in advanced industrial societies* (Princeton, Princeton University Press, 1990); and D. Yankelovitch: *A world at work* (New York, 1985). By this is often

There are also studies which suggest significant differences across countries in the meaning and importance of work, with differences in terms of high versus low expectations and preferences for work versus leisure time. 90 Using large-scale comparative data from eight countries, another group of researchers, the Meaning of Work Research Team, has argued among other things that the work ethic is now less strong in some Western than in Eastern countries. Thus, the work ethic was found to be strongest in Japan and much weaker in Germany, the Netherlands and the United Kingdom. Their research has analysed how work and employment is characterized across different countries by one of four values: work as a burden, work as a constraint, work as a responsibility, and work as a social contribution. Their research has tended to suggest a number of dominant dimensions ranging from work as an individual cost to work as a social contribution, and whether the individual is seen as owing society a duty to work to whether people consider that society has a duty to provide work for the individual. 91 In the United States, for example, most people feel that there is a duty on the part of individuals to contribute to society by working, and there is little belief in society's obligation to provide individuals with work. By contrast, in other countries, there is a greater belief in the obligation of society to provide work for individuals as a way of maintaining human dignity. In a somewhat different way, see also the useful distinction recently made by Sen, ⁹² who has argued that the United States is tolerant of low social protections but intolerant of high unemployment, whereas in Europe, it is the other way around, with a social and political intolerance of low social protection but a preparedness to see high unemployment.

Task discretion

The degree of task discretion and related feelings of autonomy and responsibility at work are a subjective dimension of work organization. They are a measure of the extent to which the worker feels he or she has some degree of control over work. More specifically, they concern the extent to which methods and rhythm of work are set by technology, the employer, the employee or by group norms. Operationally, task discretion may be measured by perceived influence over the choice of tasks, over effort, over methods and over quality decisions.

It will be remembered from the above that there is some objective evidence that there may be a limited move towards reduction of supervision, "empowerment" and self-managed teams. There is also evidence along the following lines: skills are rising in many jobs; there is some intensification of work; there is some reduction of employee control

meant a rejection of traditional ideologies based on class, a belief in personal development and autonomy at work, and a growing individualism rather than collectivism. Others have added to such orientations a questioning of authority and a belief in commonly shared activities and have questioned whether younger workers are less materialistic than their elders. See, for example, M. Rose: Reworking the work ethic: Economic values and socio-cultural politics (London, Batsford Academic and Educational, 1985); and M. Rose: "Attachment to work and social values", in D. Gallie (ed.): Employment in Britain (Oxford, Oxford University Press, 1988).

⁹⁰ See the work on matters such as job satisfaction, pride in work and general orientation to work of the European Values System Study Group; M. Abrams, D. Gerard and N. Timms: *Values and social change in Britain* (London, Macmillan, 1985); and S. Harding, D. Phillips and M. Fogarty: *Contrasting values in Western Europe* (London, Macmillan, 1986).

⁹¹ Meaning of Work Research Team (MOW): *The meaning of work: An eight-country comparative study* (London, Academic Press, 1987); and S.A. Ruiz-Quintinilla (ed.): *Work centrality and related work meanings* (Hove, Sussex, Lawrence Erlbaum, 1991).

⁹² A. Sen: "Inequality, unemployment and contemporary Europe", in *International Labour Review*, Vol. 136, No. 2, 1997.

through collective bargaining, but some increase in direct forms of employee participation. This might suggest contradictory outcomes in terms of worker feelings of discretion. In fact, British evidence suggests that perceived discretion is slightly down on all the above measures, especially quality. The decrease is somewhat higher among women, especially those in routine jobs. ⁹³ To put this differently, there is a feeling that control by others has increased: in part, control by management through the pay system, but also by fellow workers through team working. Control through pay (especially more use of contingent pay) is resented, but control through fellow workers does not lead to resentment and less commitment. ⁹⁴ There is somewhat similar evidence for the United States. ⁹⁵ Thus, it would seem that employers, though avowedly interested in developing "high commitment" and "high involvement" workplaces are reluctant to give up control. In the light of what was said above about discretion and illness, if true, this is somewhat disconcerting for worker well-being.

Stress

In recent years, there has been growing concern about stress at work, and anecdotal evidence of this is widespread. There has also been some increasing recognition that stress may be costly to firms and industry. It has been suggested that each year around 10 per cent of the GNP of countries such as the United Kingdom and the United States is lost due to stress-related poor performance, absenteeism and labour turnover. ⁹⁶ Alongside this, there is large number of small-scale surveys of stress at work. As discussed above, we do not unfortunately have much good survey evidence on stress at work in the sense of large, representative surveys, using suitable statistical techniques. This applies even more for internationally comparative studies.

The tendency in much of the recent academic research has come to view stress not as some invariant characteristic or propensity on the part of an individual worker, but more in terms of the sorts of events which cause stress, sometimes referred to as job stressors. ⁹⁷ In the literature, stressors are defined as role demands, task demands, physical demands and interpersonal demands. ⁹⁸ The tendency has been therefore to use more situation-specific models and to define stress in terms of working hours, intensification of work, and problems of balancing the work-home relationship. Nevertheless, there has been an attempt to develop individual indicators of stress. In this respect, a notable measure is the

⁹³ Gallie et al., *Restructuring the employment relationship*, op. cit.; Green et al., "Skill trends in Britain", op. cit.

⁹⁴ Gallie et al., ibid.

⁹⁵ Batt, "Critical perspectives on teams", op. cit.

⁹⁶ See, for example, J.C. Quick, D. Nelson and J.D. Quick: *Stress and challenge at the top* (New York, Wiley, 1990); S. Cartwright and C. Cooper: *Managing mergers, acquisitions and strategic alliances* (Oxford, Butterworth-Heinemann, 1996).

⁹⁷ K. Sparks and C. Cooper: "Occupational differences in the work-strain relationship: Towards the use of situation-specific models", in *Journal of Occupational and Organizational Psychology*, Vol. 72, 1999, pp. 219-229.

⁹⁸ J.C. Quick and J.D. Quick: *Organizational stress and preventive management* (New York, McGraw Hill, 1984).

Occupational Stress Indicator (OSI) scale, as developed and used by Cooper. ⁹⁹ This instrument uses a combined person-situation approach and has been widely used to examine a number of occupational groups. However, others have used more case-study and qualitative techniques to explore stress; ¹⁰⁰ others have argued for a combination of quantitative and qualitative techniques. ¹⁰¹ Another body of work has concentrated more on the resources individuals have for coping with the stress of their work — commenting on the fact that in many instances the level of control which people have over their immediate working environment makes it difficult to make any significant changes.

For a country such as the United Kingdom, evidence suggests that there is some feeling that stress is high and that it is increasing. ¹⁰² This relates to both the extensification and intensification of work, particularly among managerial and professional workers. On some more objective proxies for stress, there is also some suggestion of an increase: turnover, higher rates of absenteeism, increased health compensation claims. ¹⁰³ Stress is generally lower among blue-collar workers and high among groups such as teachers, general practitioner doctors, and air traffic controllers. ¹⁰⁴ One good international review of the literature focuses on teachers and finds high levels of stress in Canada, Israel, New Zealand, the United Kingdom and the United States. ¹⁰⁵

On the other hand, one must be cautious. There is a tendency for people to agree that there is a lot of stress in their jobs and to see stress as increasing. There is also a tendency to believe that technological and organizational change has become more rapid and that this is having a negative effect on stress levels and the ability to cope. In fact, the evidence seems to suggest that most workers accept technological change. There is rather more resistance to and stress caused by organizational change (downsizing, privatization, job redesign, re-allocation of roles and responsibilities) which workers find more stressful. In turn, however, this should not be exaggerated by individual case-

⁹⁹ C. Cooper, S.J. Sloan and S.L. Williams: *Occupational stress indicator: Management guide* (Windsor, NFER-Nelson, 1988).

¹⁰⁰ P. Bannister, E. Burman, I. Parker, M. Taylor and C. Tindall: *Qualitative methods in psychology: A research guide* (Buckingham, Open University Press, 1994); J.A. Smith, R. Harre and L. Van Langenhove: *Rethinking methods in psychology* (London, Sage, 1995).

¹⁰¹ D.L. Debates, J. Drost and P. Hansen: "Experiences of meaning in life: A combined qualitative and quantitative approach", in *British Journal of Psychology*, Vol. 86, 1995, pp. 359-375.

¹⁰² Institute of Personnel and Development (IPD) surveys, 1995-1998.

See S. Cartwright and C. Cooper: *Managing workplace stress* (London, Sage, 1997).

¹⁰⁴ R. Fotinatos-Ventouratos and C. Cooper: "Social class differences and occupational stress", in *International Journal of Stress Management*, Vol. 5, No. 4, 1998, pp. 211-222; Robinson and Smallman, "The healthy workplace", op. cit.; Green, *It's been a hard day's night*, op. cit.

¹⁰⁵ C. Kyriacou: "Teacher stress and burnout: An international review", in *Educational Research*, Vol. 29, No. 2, 1987, pp. 146-152.

¹⁰⁶ C. Cooper: *Theories of organizational stress* (Oxford, Oxford University Press, 2000); C. Cooper: "Editorial", in *Work and Stress*, Vol. 12, No. 2, 1998, pp. 97-100.

¹⁰⁷ W.W. Daniel: Workplace industrial relations and technical change (London, Pinter, 1987).

¹⁰⁸ Cartwright and Cooper, *Managing workplace stress*, op. cit.

studies of where this has been badly handled, with inevitable subsequent adverse consequences. ¹⁰⁹ Finally, and perhaps paradoxically, it will be noted below that feelings of stress do not seem to have affected attitudes to job satisfaction or organizational commitment. ¹¹⁰

Job security/insecurity

Job security/insecurity is a subjective concept which is related, though in a complex manner, to the objective likelihood of actual job tenure or loss. It will be remembered that it was suggested that the average reported expected risk of job loss has changed little over the last two decades, although it has risen slightly for professional workers and the costs of job loss have risen. ¹¹¹

An analysis of the main surveys of job insecurity in the United Kingdom ¹¹² suggest that, with some variation between surveys, a majority of employees report positive feelings on job security. ¹¹³ Time series evidence also suggests that there has been little change during the 1990s. However, taking a longer time period, there may have been changes during and since the 1980s. At that time, there was significant job loss among blue-collar workers. It may now be the case that, among this category, those who have survived are more inured to job loss. Thus, there are also differences between groups. There is some evidence that feelings of job insecurity may have increased among manual workers in the 1980s, but remained stable, or even improved, for skilled manual workers in the 1990s, But, for professional and managerial workers, job security may have declined in the 1990s. It is possible that popular notions about growing job insecurity may reflect the fact that it may increasingly/relatively have affected these more high-profile and vocal groups in the 1990s. ¹¹⁴

Internationally comparative evidence is mixed. On the one hand, ISR surveys of 400 companies in 17 countries employing over 8 million workers throughout Europe found the employment security of workers declined significantly between 1985 and 1995. 115 On the

Daniel, Workplace industrial relations and technical change, op. cit.

Guest and Conway, *How dissatisfied are British workers?*, op. cit. For a good review of the stress literature, see Cooper, *Theories of organizational stress*, op. cit.

Green et al., "Job insecurity and the difficulty of regaining employment", op. cit.; Nickell et al., "A picture of the job insecurity facing British men", op. cit.

¹¹² IPD surveys, 1997, 1998; British Social Attitudes (BSA) survey, 1997; Cully et al., *Britain at work*, op. cit.

For this and later sections, responses above the mid-point on attitude scales are taken to indicate a positive response; the mid-point is taken as a neutral or uncertain response; and below the mid-point is taken as a negative response.

Guest and Conway, *How dissatisfied are British workers?*, op. cit., p. 13.

International Survey Research: *Employee satisfaction: Tracking European trends* (London, 1996). The United Kingdom declined from 70 down to 48 per cent; Germany, from 83 to 55 per cent; France, from 64 to 50 per cent; the Netherlands, from 73 to 61 per cent; Belgium, from 60 to 54 per cent; and Italy, from 62 to 57 per cent.

other hand, national surveys in Japan and the United States suggest rather less increase in anxiety about job loss. 116

Job satisfaction/dissatisfaction

Job satisfaction/dissatisfaction is one of the classic subjective concepts in the area of worker attitudes and well-being and, over the years, there have been thousands of studies. This has been accompanied by an on-going debate as to the validity of the very notion. However, the useful of the concept is suggested by the fact that (1) employees are prepared to operate with the notion, and (2) there tends to be consistency in attitudes over time. Operationally, job satisfaction is usually a self-report measure of either a single overall feeling or set of feelings (e.g. satisfaction with job content, job conditions, job pay). These latter are then combined in various ways. Recent work suggests that a single global measure can be just as valid as one which takes a number of facets and then combines them, though again there is some debate around this. 117

Taking the representative British surveys referred to above and accepting that there is variation between the surveys, on balance, most studies suggest that most employees are satisfied with their jobs. ¹¹⁸ Typically, over 60 per cent of the workforce report overall positive job satisfaction. Moreover, job satisfaction seems to have remained largely unchanged through the 1990s. ¹¹⁹ Women are more generally satisfied with their jobs than men, despite having lower status and lower paid jobs. Part-time workers seem to be more satisfied with their jobs than full-time workers. Lower levels of education appears to increase job satisfaction; workers in small establishments are more satisfied than those in large; and public-sector workers have higher levels of satisfaction than private-sector workers. ¹²⁰ There is evidence that managers and professionals and those with more job discretion, control, and more caring type jobs have higher levels of job satisfaction. ¹²¹ However, as certain studies have pointed out, managerial and professional workers can still

Cappelli, "Assessing the decline in internal labor markets", op. cit.; Jinju-Romu Kenkyukai, op. cit. For a review of some of the evidence, see "Flexibility in Europe", European Journal of Work and Organizational Psychology, op. cit.

¹¹⁷ J. Wanous, A. Reichers and M. Hudy: "Overall job satisfaction: How good are single item measures?, in *Journal of Applied Psychology*, Vol. 82, No. 2, 1997, pp. 247-252.

General Household Survey (GHS), 1990s; IPD surveys, 1996-1998; BSA surveys, 1997; Eurobarometer: Public opinion in the European Union (1996); Cully et al., Britain at work, op. cit. See also S. Mullarkey, T. Wall, P. Warr, C. Clegg and C. Stride: Measures of job satisfaction, mental health and job-related well-being: A benchmarking manual (Sheffield, Sheffield Institute of Work Psychology, Sheffield University, 1999); and J.A. Gardner and A. Oswald: The determinants of job satisfaction in Britain, mimeo (Coventry, Warwick University, 1999).

¹¹⁹ ISR, Organisational mutation, op. cit.; ISR, Tracking trends, op. cit.

¹²⁰ Gardner and Oswald, The determinants of job satisfaction in Britain, op. cit.

Guest and Conway, *How dissatisfied are British workers?*, op. cit.; Fotinatos-Ventouratos and Cooper, "Social class differences and occupational stress", op. cit.; and M. Rose: *The job satisfaction data in the WERS 98 employee survey*, paper presented to the Workplace Employee Relations Survey 98 User Group, March 2000, National Institute for Economic and Social Research.

feel stressed and suffer the emotional and physical manifestations of work overload, role ambiguity, career blocks and the like. 122

Despite these rather optimistic conclusions, a significant minority (roughly around 20 per cent in different surveys) express strong job dissatisfaction (a further 20 per cent are ambivalent or undecided). The strongly dissatisfied are more likely to work in large companies and large workplaces, to be younger rather than older, and to be better educated. They are also more likely to be male, blue-collar workers engaged in assembly and machine operations, and to belong to a trade union. Other groups with low job satisfaction are white-collar workers in routine clerical and secretarial jobs. There is a small positive correlation between low income and low job satisfaction; a small negative correlation between high job tenure and higher job satisfaction; and a small positive correlation between long hours and job dissatisfaction. Interestingly, there is also more dissatisfaction among workers in organizations which have fewer progressive human resource management practices and where there is little scope for discretion and involvement. In other words, management policies and practices can have an important effect on satisfaction, especially practices in terms of involvement and consultation. ¹²³

Evidence from other countries is mixed. American surveys referred to above have suggested that job satisfaction was stable up to the early 1980s; ¹²⁴ since then it has declined slightly, especially for older workers. Another survey suggests that in Japan, though there has been an increase in anxiety about the future, a preponderance among all generations of workers are satisfied with their jobs. ¹²⁵ Indeed, younger and older workers have shown increased job satisfaction. However, middle employees have shown decreased satisfaction with their companies. Somewhat tangentially, one interesting internationally comparative study based on 41 countries suggests wide differences between countries on a broader measure, not just of job satisfaction, but of wider subjective well-being. Subjective well-being is taken to cover not just work satisfaction, but also life satisfaction. The researchers find that higher income and more individualistic attitudes tend to correlate with greater subjective well-being. ¹²⁶ International data drawn from the International Social Survey Programme Eurobarometer are to be found in Tables 1 and 2.

Of course, it is possible that workers may be satisfied with their work, but not with their employment in a particular enterprise as measure by organizational commitment.

¹²² Fotinator-Ventouratos and Cooper, ibid.

¹²³ Guest and Conway, ibid., pp. 17, 27-29.

¹²⁴ Cappelli, "Assessing the decline in internal labor markets", op. cit.

¹²⁵ Jinji-Romu Kenkyukai, op. cit.

¹²⁶ E. Diener and E. Suh: *National differences in subjective well-being* (1997), available from the following web site: http://s.psych.uiuc.edu/~ediener.hottopic/Diener-Suh.html.

Table 1. International comparisons of job satisfaction (ranked in percentage of descending order by ratings of job satisfaction)

	Completely satisfied	Very satisfied	Fairly satisfied	Neither	Dissatisfied	N
Ireland	18	33	41	5	4	474
Austria	17	29	39	11	4	814
Italy	17	17	47	10	10	581
USA	15	35	37	6	7	797
Norway	14	28	43	12	4	1057
UK	12	27	46	7	8	984
Israel	11	26	49	9	5	678
Netherlands	10	30	45	10	5	650
West Germany	9	34	41	11	4	605
Hungary	6	7	63	19	6	564
All	13	27	45	10	6	7204

Source: International Social Survey Programme, 1989

Table 2. International comparisons of job satisfaction (ranked in percentage in descending order by ratings of job satisfaction)

	Very satisfied	Moderately satisfied	Slightly dissatisfied	Dissatisfied	N
Ireland	57	38	4	1	1004
Denmark	50	45	3	2	997
Netherlands	46	46	7	1	1064
Belgium	44	49	6	1	1011
Austria	44	45	9	1	1070
Luxembourg	40	53	5	2	494
Sweden	39	53	5	2	1055
UK	38	49	9	5	1064
East Germany	34	56	9	2	1047
West Germany	34	51	11	4	1025
Finland	31	62	6	2	1059
Italy	26	56	15	4	1028
Spain	23	57	16	4	996
France	22	60	14	5	999
Portugal	21	62	13	3	998
Greece	11	50	29	9	1033
All	35	52	10	3	15914

Source: Eurobarometer, 1995-1996

Organizational commitment/alienation

Organizational commitment refers to the degree of identification with the goals and values of the employing organization. It is different from jobs satisfaction, which is concerned with employees' attitudes to the specific jobs which they hold within the organization, Organizational commitment is concerned with the worker's view of the organization itself. In practice, it is usually associated with job satisfaction, but can still be treated as analytically separate. Organizational commitment is generally considered to be rather more stable than job satisfaction and likely to be associated with high retention of staff. Operationally, there are a number of measures, such as those developed in the United States 127 and in Britain. 128 These are basically scale measures of pride in or loyalty to the

 $^{^{127}}$ R. Mowday, R. Steers and L. Porter: "The measurement of organizational commitment", in *Journal of Vocational Behaviour*, Vol. 14, 1979, pp. 224-247.

organization and desire or willingness to continue to contribute to the organization. These measures tend to be closely inter-related and therefore suggest that scales on these lines have a reasonable validity.

Nationally representative surveys in the United Kingdom suggest that a majority of workers (around 60 per cent) are reasonably committed to the organizations which employ them. In fact, attitudes are somewhat more positive than those for job satisfaction. Again, there seems to have been little change over time, except in the case of some marginal reduction on the part of women workers. As with job satisfaction, there is again a minority of around 20 per cent who are not committed to their organizations. These tend to be workers in larger establishments, with lower levels of skill, less task discretion and with less participation. Other factors which have a negative effect on organizational commitment are the use of contingent pay and trade union membership. Again, it is interesting that what seems to be very significant in terms of positive commitment are feelings of task discretion and certain types of progressive human resource policies. ¹²⁹

Cappelli reports on American surveys. ¹³⁰ He suggests that commitment to the organization has also been relatively high, but that it has declined over the last ten to 20 years. He suggests that, with restructuring and downsizing, employees have come to focus more on their own careers, though apparently this has not led to an equally commensurate reduction in loyalty towards their employer. Cappelli also points out that most studies find that contingent workers have just as high (in some cases higher) commitment to their organizations as do full-time employees. Of course, this may be a question of expectations which are lower. This also suggests the possibility that workers may be committed to their organizations, which they define largely in terms of the network of connections with other workers, but not be satisfied with the relationship which they have with their employer. In other words, the commitment may be to the job and the work community rather than to the employment relationship.

Commitment seems to differ significantly between countries. Overall, it is higher in the United States than in Europe. Within Europe, it seems to be higher in some of the smaller countries and higher in northern than in southern Europe. Moreover, it is higher in Western Europe than in Eastern Europe. Within Eastern Europe, it is higher in Bulgaria and the Czech Republic, perhaps suggested by a more successful move away from old command and control systems. ¹³¹

For a survey of surveys across a number of cross-national differences in the concept of dual commitment, i.e. commitment to the company and the union, see Young, McHugh,

¹²⁸ J. Cook and T. Wall: "New work attitude measures of trust, organisational commitment and personal need-fulfilment", in *Journal of Occupational Psychology*, Vol. 53, 1980, p. 39.

¹²⁹ IPD surveys, 1998; BSA surveys, 1997; Cully et al., *Britain at work*, op. cit.; and D. Guest: "Human resource management: The workers' verdict", in *Human Resource Management Journal*, Vol. 9, No. 3, 1999, pp. 5-25.

¹³⁰ Capelli, "Assessing the decline in internal labor markets", op. cit.

D. Gallie, D. Kostova and P. Kuchar: "Employment experience and organisational commitment", in *Work, Employment and Society*, Vol. 13, No. 4, December 1999; D. Gallie: *Employer policies and organisational commitment*, paper presented at a seminar in January 2000, organized by the Centre on Skills, Knowledge and Organisational Performance, Oxford University.

and Reed. ¹³² This found a stable positive correlation between company and union commitment across all the countries surveyed, though not surprisingly the strength of the commitment relationship was greater in countries with "cooperative" industrial relations.

The state of the "employment relationship"

Some studies of subjective aspects of worker well-being add together job security, job satisfaction and organizational commitment to produce an indicator of the state of the employment relationship. (Other more objective data which might be included in this are measures such as labour turnover, absenteeism, the filing of grievances, and standards of workmanship. In the past, some studies have also used strikes as a collective measure of the state of the employment relationship.) In practice, operationally, the state of the employment relationship is usually arrived at through a set of general questions on the relations between management and employees.

Overall, at least in the case of the United Kingdom, when one consolidates these measures and taking the main surveys, again one finds a consistently positive attitude to the employment relationship and the psychological contract. ¹³³ However, there is rather greater variation between the surveys, and attitudes are rather less positive than judgements about job satisfaction and commitment. This may be because the notion of the employment relationship is less real and less immediate to employees. As in so many of the other surveys above, it would seem that three-fifths of workers are positive, one-fifth is neutral or uncertain, and one-fifth is negative. Interestingly, it does not appear to be the case that workers on non-permanent or non-standard contracts are negative. This may be a result of expectations and the intervening role of the psychological contract. ¹³⁴

The state of the "psychological contract"

The notion of the psychological contract has attracted considerable academic interest in recent years. Schein defines the concept as "a set of unwritten reciprocal expectations between an individual employee and an organization". ¹³⁵ Rousseau defines the concept in terms of "an individual's interpretation of an exchange of promises which is mutually agreed upon and voluntarily made between two or more parties". ¹³⁶ Guest and Conway define it as "a dynamic exchange relationship between employer and employee, and the state of the psychological contract assesses the extent to which mutual promises and

¹³² W.R. Young, P.P. McHugh and C.S. Reed: "A cross-national comparison of company and union commitment: A meta-analysis", in *Industrial Relations Research Association: Proceedings* (January 1992).

¹³³ IPD surveys, 1995-1998; BSA surveys, 1997; Cully et al., Britain at work, op. cit.

J. Barling and D. Gallagher: "Part-time employment", in *International Review of Industrial and Organisational Psychology*, Vol. 11, 1996, pp. 243-277; D. Guest and N. Conway: *Employee motivation and the psychological contract*, Issues in People Management No. 21 (London, IPD, 1997); Guest and Conway, *How dissatisfied are British workers?*, op. cit., pp. 21-22.

¹³⁵ E.A. Schein: *Career dynamics: Matching individuals and organizational needs* (Reading, MA, Addison-Wesley, 1978).

¹³⁶ D. Rousseau: Psychological contracts in organizations: Understanding written and unwritten agreements (Thousand Oaks, CA, Sage, 1995); Rousseau and Schalk, International dimensions of psychological contracts, op. cit.

obligations are met". ¹³⁷ In other words, the contract pivots on the willingness of employees and employers to trust one another's promises, and is a measure of whether promises have been kept in the past and are felt likely to be kept in the future. It therefore provides an important evaluation by workers of management policy and practice.

Operationally, less work has been done on the notion, at least in major representative surveys. Some have used the idea as an intervening variable which is seen to shape attitudes towards job security, job satisfaction and organizational commitment. Others have used it more as a composite dependent variable which is an overall outcome. In this latter sense, at least for the United Kingdom, most of the surveys would suggest that most individuals perceive themselves to have a healthy "psychological contract" with their employer. 138 For the United States, Cappelli, in a rather more pessimistic vein, but less well-grounded statistically, suggests that trust in the organization has declined since the mid-1980s. ¹³⁹ He argues that this has been particularly the case with middle managers who had once looked for a long-term career with their firms but who now feel this is more problematic. As a consequence, personal career ambitions and individual strategies are now becoming more predominant. Not surprisingly, employee attitudes and perceptions of the employer across a range of issues are lower in companies which have restructured and downsized. Other work undertaken in the United States finds that perceived breach of the psychological contract leads employees to reduce their obligations and self-reported measures of performance and commitment. 140

Industrial relations, voice and attitudes

It was suggested above that, in a large number of countries, there has been a reduction in the coverage and scope of collective bargaining, a tendency for collective bargaining to be devolved to enterprise or workplace level, a growth in alternative consultation systems, and an increased use of direct forms of employee involvement.

Unfortunately, good survey evidence on employee attitudes to these developments is lacking. However, from miscellaneous sources, it is shown that employees wish to participate in decisions affecting their working lives, though for the most part they are less interested in participating in organizational-level strategic matters and more interested in participating in workplace-level decisions concerning immediate tasks and working conditions. Concern about voice in higher level organizational matters is more likely to be salient in exceptional situations, such as a corporate merger or the threat of plant closure.

There were a series of studies conducted in the 1970s and early 1980s which tried to explore aspects to involvement in decision-making and to do this in an international

 $^{^{137}\,}$ Guest and Conway, How dissatisfied are British workers?, op. cit., p. 4.

¹³⁸ IPD surveys, 1995-1998; BSA surveys, 1997; Cully et al., *Britain at work*, op. cit.

¹³⁹ Cappelli, "Assessing the decline in internal labor markets", op. cit.

¹⁴⁰ S.L. Robinson, M.S. Kraatz and D. Rousseau: "Changing obligations and the psychological contract", in *Academy of Management Journal*, Vol. 37, 1994, pp. 137-152. In international comparative terms, Rousseau and Schalk (*International dimensions of psychological contracts*, op. cit.) will be producing the results of a major international collaborative project. This will cover contributions from 13 countries, including industrialized, transition and developing nations.

comparative perspective. ¹⁴¹ These studies used Tannenbaum control graphs which asked workers how much say they had over a series of decisions (e.g. work organization, working conditions); how much say they thought others had (e.g. their immediate supervisor, top management, their employee representative, their trade union); how much say they would like to have; and how much say they thought others should have. Both the levels and the gap between actual and desired were then measured. Roughly, this could be used as a measure of worker satisfaction with their level of voice in industrial relations terms. At the time the work was carried out, there were significant differences between countries. Workers in the former Yugoslavia scored high in terms of desired and actual perceived control; workers in Denmark and Germany also scored high. By contrast, workers in France and, though to a lesser extent, Italy scored high in terms of aspirations for a say, but low in terms of their perception of actual say. Workers in the United Kingdom had relatively modest expectations, but reasonably high levels of perceived control. It would be useful to revisit and perhaps even replicate some of the work, given the major changes over the last decade and more. ¹⁴²

Other smaller surveys of Japan, the United Kingdom and the United States suggest that a majority of workers would like more representation and voice in the workplace, though not necessarily through trade unions. ¹⁴³ On other forms of participation, it has been suggested that employee involvement in work organization matters is valued by employees and that it can have a significant effect on organizational citizenship behaviour. ¹⁴⁴ This is defined in terms of individual discretionary behaviour which benefits the organization, but which is not necessarily rewarded by it. Such behaviour may be as judged by the employer or individual employee. In other words, employee involvement and participation in work organization via consultation and voice at the level of the job is valued by workers and encourages organizational citizenship behaviour; this, in turn, has a positive effect on individual performance.

Employee perceptions of enterprise social initiatives

There has been little polling of employee attitudes in the area of enterprise social initiatives as defined above. It would be useful to have surveys which reflected attitudes towards such things as family-friendly interventions, relationships with workers in supply chains, and other out-reach programmes by firms.

Some British research shows that employer involvement in the community and socially responsible practices towards the environment can have a positive effect on

¹⁴¹ These were carried out by the Industrial Democracy in Europe (IDE) team. A number of volumes have been produced. See, for example, IDE: *Industrial democracy in Europe* (Oxford, Oxford University Press, 1981); IDE: *Industrial democracy in Europe revisited* (Oxford, Oxford University Press, 1993); IDE: *Organisational participation: Myth and reality* (Oxford, Oxford University Press, 1998).

Further work from the team is anticipated in the near future. Among others, the team has included J. Englander, F. Heller, R. Peccei, E. Pusic, G. Strauss and B. Wilpert. A third volume appeared in 1998 and a further volume summarizing the work is forthcoming.

¹⁴³ R. Freeman and J. Rogers: *What do workers want?* (Ithaca, Cornell University Press, 1999); Cully et al., *Britain at work*, op. cit.; Jinji-Romu Kenkyukai, op. cit.

¹⁴⁴ P. Cappelli and N. Rogovsky: "Employee involvement and organizational citizenship: Implications for labor law and 'lean production", in *Industrial and Labor Relations Review*, Vol. 51, No. 4, 1998, pp. 633-653.

employee commitment, in part through increased job satisfaction. ¹⁴⁵ There is also limited case-study and survey evidence which suggests that employees increasingly look for employers who say and seem to value their employees, customers, etc.; who are environmentally aware; and who contribute to their communities. Employees take a positive attitude to various kinds of activities. In the United Kingdom, for example, there are significant differences between occupations as to which give more blood to national blood donor systems. Government civil servants, teachers and workers in banking are high donors of blood. By contrast, people working in advertising and marketing, hotels and catering, construction and engineering are low blood donors. In part, these differences reflect employer attitudes and support to giving blood at the workplace and during working time. More significantly, people who give blood and who feel that their employer encourages this experience a "feel good" attitude and are more positive towards their organizations. ¹⁴⁶ This is the kind of area, in terms of social initiatives, where it would be useful to have more research and survey evidence.

 $^{^{145}}$ Department of Employment: The competitive edge: Employee involvement in Britain (London, HMSO, 1995).

¹⁴⁶ National Blood Service: Work together to save a life (2000), http://www.bloodnet.nbs.nhs.uk.

Other observations

Human resource policies and practices/employer commitment

At the beginning of the paper, it was suggested that it was useful to locate employee well-being and attitudes in the context of employer policies and practices. In other words, employers have choices, and these choices can profoundly affect employee attitudes.

Various British survey evidence shows there does seem to be a link between the policy and practice of firms and worker attitudes. Perhaps not surprisingly (some would say tautologically), where positive human resource practices are in place (training provision, upgrading of skills, more work autonomy), feelings of job security, satisfaction, commitment and good employment relations are higher. To put this another way, it would seem that on the whole, while increases in quantitative flexibility can have significant negative consequences for personal development, health and well-being, increases in qualitative flexibility, though they may lead to task overload, can also have many more positive advantages. 147 Positive worker attitudes are also particularly associated with situations where effective mechanisms for involvement and participation are put into place. The fact that for the most part job satisfaction, organizational commitment, etc., are generally positive implies that a good number of organizations do indeed have appropriate practices in place. ¹⁴⁸ However, it must immediately be conceded that the spread of positive human resource management policies is patchy and their implementation is uneven. There is room for improvement in this respect, with a potential for real pay-offs in terms of improved employee satisfaction and well-being.

There is also considerable scope for further internationally comparative work on the relationship between human resource management policies in general and on specific "bundles" of policies and worker valuation of such practices. ¹⁴⁹

Performance

What impact do working conditions and resulting attitudes have on performance? This is a subject where there is now vast literature. Some of this deals with the effect of more objective aspects of working conditions on productivity outcomes. Here there is evidence that some kinds of work organization, with high skill and greater job discretion,

¹⁴⁷ M.J. Schabracq and C. Cooper: "Flexibility of labour, well-being and stress", in *International Journal of Stress Management*, Vol. 4, No. 4, 1997, pp. 259-274.

¹⁴⁸ Guest, "Human resource management", op. cit.; Guest and Conway, *How dissatisfied are British workers?*, op. cit., p. 31.

¹⁴⁹ N. Rogovsky and R.S. Schuler: "Managing human resources across cultures", in *Business and the Contemporary World*, Vol. IX, No. 1, 1997, pp. 63-75; T. Clark, H. Gospel and J. Montgomery: "Running on the spot? A review of twenty years of research on the management of human resources in comparative and international perspective", in *International Journal of Human Resource Management*, Vol. 10, No. 3, 1999, pp. 519-543. The latter provides a survey of international and comparative literature in the major human resource management and related journals over the last ten years. It would be useful to take this further and, across a number of countries, to review the relationship between different human resource management practices and performance.

are more conducive to innovation and productivity performance than others. ¹⁵⁰ There is also American and British evidence that job stability and longer job tenures have a positive effect on productivity. The literature on new forms of work organization seems to suggest that, when combined with suitable human resource management policies, many of the innovative work organization practices seem to produce higher levels of output and quality than more traditional systems. ¹⁵¹ In the academic literature, there has been considerable debate as to whether employee voice has a positive effect on economic outcomes. The majority of the academic literature does seem to suggest that collective voice, though it may have a negative effect on profitability, probably has a positive effect on labour productivity. ¹⁵² There is also literature which deals with collective voice through more consultative mechanisms, as in Germany. ¹⁵³ Again, this suggests a positive efficiency effect. Finally, American and British work on innovative human resource management practice seems to suggest that, when combined in appropriate "bundles" or combinations, these can have a positive effect on performance. ¹⁵⁴

To turn to the connection between subjective attitudes and performance, a survey of the literature would suggest that employee satisfaction is neither a necessary nor a sufficient condition for business success. High levels of satisfaction can co-exist with weak business performance, often in traditional organizations in cosy environments. Equally, there are situations where there are low levels of employee satisfaction, but where strong business performance is achieved. This can exist in organizations where the employer is both a monopsonist and a monopolist; it can also occur where workers are pressurized into high levels of effort for poor pay and conditions, but where they have little recourse to exit or voice. Having said this, research over many years has suggested that there is a positive, but rather low, relationship between individual job satisfaction and individual performance. More specifically, over the years, links have been found between job satisfaction, organizational commitment and employee retention. More recent research has

¹⁵⁰ Soskice, "Technology policy and national institutional frameworks", op. cit.

¹⁵¹ C. Ichniowski, T. Kochan, D. Levine, C. Olson and G. Strauss: "What works at work?", in *Industrial Relations*, Vol. 35, No. 3, 1996, pp. 299-333.

¹⁵² R. Freeman and J. Medoff: What do unions do? (New York, Basic Books, 1984); T. Kochan, H. Katz and R. McKersie: The transformation of American industrial relations (New York, Basic Books, 1986); D. Metcalf: "Transformation of British industrial relations", in R. Barrell (ed.): The UK labour market: Comparative aspects and institutional developments (Cambridge, Cambridge University Press, 1994): P. Nolan: "The productivity miracle", in F. Green (ed.): The restructuring of the UK economy (Hemel Hempstead, Harvester Wheatsheaf, 1989).

¹⁵³ B. Frick: *Mitbestimmung und Personalfluktation* (Mering, Rainer Hammp, 1996).

J.B. Arthur: "The impact of human resource management on manufacturing performance and turnover", in *Academy of Management Journal*, Vol. 37, 1994, pp. 670-687; M.A. Huselid: "The impact of human resource management practices on turnover, productivity and corporate financial performance", in *Academy of Management Journal*, Vol. 38, 1995, pp. 635-672; J.P. MacDuffie: "Human resource bundles and manufacturing performance: Flexible production systems in the world auto industry", in *Industrial Relations and Labor Review*, Vol. 48, 1995, pp. 197-221; B. Becker and B. Gerhard: "The impact of human resource management on organizational performance: Progress and prospects", in *Academy of Management Journal*, Vol. 39, No. 4, 1996, pp. 779-801; Ichniowski et al., "What works at work?", op. cit.; M. Patterson, M. West, R. Lawthorn and S. Nickell: *Impact of people management practices on business performance*, Issues in People Management (London, IPD, 1997).

¹⁵⁵ ISR, Tracking trends, op. cit.

tended to stress the positive nature of how satisfied the workforce is as a collectivity and company performance. ¹⁵⁶

For the United States, Cappelli has put this rather differently. 157 Relying on both small survey and aggregate data, he suggests that, on average, firms do not pay much of a price in terms of decreased employee performance for breaches of the psychological contract through downsizing and reorganization. After lay-offs and changes in work organization, morale may decline and attitudes become more negative, but performance does not fall. This suggests, he claims, a need to be careful about the "happy worker, productive worker" model. There are a number of possible reasons why there may be little link between the unilateral breaking of the psychological contract and employee performance. One explanation might be that the jobs which remain, though more demanding, may also be more satisfying. For example, a survey of 12,000 managerial employees worldwide found a decline in commitment and loyalty compared with ten years ago, but the respondents were more satisfied with their work. 158 Case-studies of firms such as General Electric and Bell in the United States have found that, though such firms have downsized to a considerable extent, with resultant increased work intensity and job insecurity, nevertheless workers appreciated new work systems — flatter hierarchies, more team working, more job discretion. 159 While companies may have abrogated certain aspects of the employment contract, they have also been making significant changes in work organization. The outcome has been that workers have become more satisfied with their jobs and more productive. Another explanation stresses fear — the higher levels of unemployment in the external labour market, the greater costs of long-term job loss. There has been a lively debate in the academic literature around these two explanations. ¹⁶⁰

The most recent work and the best studies to date are as follows. For the United States, see Arthur, "The impact of human resource management on manufacturing performance and turnover", op. cit.; Huselid, "The impact of human resource management practices on turnover ...", op. cit.; Becker and Gerhard, "The impact of human resource management on organization performance", op. cit.; and Ichniowksi et al., "What works at work?", op. cit. In the United Kingdom, work by the Centre for Economic Performance at the London School of Economics and the Sheffield Institute of Work Psychology has identified linkages between aggregate measures of employee satisfaction and organizational commitment, on the one hand, and business performance as measured by productivity and profitability, on the other. See Patterson et al., Impact of people management practices ..., op. cit. The 1998 WERS survey (Cully et al., Britain at work, op. cit.) has also supported this association. In conclusion, therefore, there seems to be a strong link between various measures of satisfaction and well-being and positive performance outcomes.

¹⁵⁷ Cappelli, "Assessing the decline in internal labor markets", op. cit.

¹⁵⁸ R.M. Kanter: "Transcending business boundaries: 12,000 world managers view change", in *Harvard Business Review*, May-June 1991, pp. 151-162.

¹⁵⁹ P.T. Kilborn: "The workplace, after the deluge", in *New York Times*, Business Section, 1993, pp. 3-4, as cited in Cappelli, "Assessing the decline in internal labor markets", op. cit.; R. Batt: "From bureaucracy to enterprise? The changing jobs and careers of managers in telecommunications service", in P. Osterman (ed.): *Broken ladders: Managerial careers in the new economy* (New York, Oxford University Press, 1996).

Metcalf, "Transformation of British industrial relations", op. cit.; Nolan, "The productivity miracle", op. cit.; Cappelli, "Assessing the decline in internal labor markets", op. cit.

International comparative studies of worker attitudes and pulse-taking

We referred above to some of the internationally comparative surveys which exist. To take two brief examples of data which may be obtained and some of the problems, Table 1 (based on ISSP data) shows that countries such as Austria and Ireland come out highest in terms of job satisfaction, and Hungary and West Germany the lowest. Table 2 (based on Eurobarometer data) suggests that countries such as Denmark, Ireland, and the Netherlands come out highest in terms of job satisfaction, with Greece, Portugal, France, Spain, and Italy the lowest. The two sets of tables show discrepancies: Italy comes high in the first, but low in the second, while the Netherlands is the other way around. However, it should be noted also that overall they suggest that most workers in these developed countries report high levels of job satisfaction.

Conclusions and agenda for further research

This paper draws a number of conclusions in terms of objective and subjective changes, the need for further research and future terms of action.

- 1. Overall there are significant changes in work, employment and industrial relations of an objective kind. The following: has been stressed: the spread (albeit slow and uneven) of new forms of work organization; some tendency towards an upskilling of work; a tendency toward an intensification of effort; a trend towards more externalized, market-based employment relations; and an erosion of collective employee voice in decision-making about work and employment relations. Certain continuities were also stressed: the co-existence of large areas of traditional work forms; relative stability or continued declines for many in terms of hours worked; the existence of standard employment contracts and job tenures for most workers. Case-studies are usually selected to suggest big changes; large representative surveys suggest more modest incremental change. Overall, this paper tends towards a somewhat cautious conclusion about the amount of change and towards the more optimistic end of the spectrum in terms of the actual impact of that change, at least in the case of advanced Western countries.
- 2. In terms of more subjective attitudes, nationally representative and reliable surveys suggest a division on the following lines. Using primarily the example of the United Kingdom, for which most evidence has been deployed above, it might be hazarded that around two-thirds of workers would seem to be satisfied with their jobs: they do not feel insecure; they have a high level of commitment to their employers; and judgements about the state of the employment relationship and the psychological contract are overall positive. Around one-fifth of workers are unsure and ambivalent about these matters. However, a consistent and sizeable one-fifth is dissatisfied, feels insecure, and does not seem to be committed to their work organizations. Again, therefore, the paper inclines towards the optimistic end of the spectrum in terms of interpretation. Nevertheless, there are considerable grounds for concern for about two-fifths of the labour force, even in advanced industrial countries.

This minority could be further reduced, to the benefit of workers, employers and society. Employers themselves and the practices they choose are crucial in shaping employee attitudes and feelings of well-being. There is, in addition, an onus on governmental and other policy-makers and organizations such as the ILO to be aware of this situation, and to take the causes and consequences of employee satisfaction and dissatisfaction seriously.

3. It will have been noted throughout that we have relied on a limited number of national and international surveys. In part, the former tendency reflects the experience and knowledge of the author. In part, the latter tendency reflects the small number of good international surveys. There is a need for more surveys of surveys, of a nationally representative and reliable kind. This applies in particular to the need for a survey of developments in transition and developing countries, allowing us to extend our knowledge base beyond advanced Western countries. There is also a need for surveys of the more informal sectors of national economies.

It would be extremely useful as well to have a survey of more internationally comparative surveys which would allow stronger conclusions to be drawn about global trends, similarities and the size of differences between countries. In addition, longitudinal surveys are needed, where the same questions are asked over a number of years in the same way to the same population. From a policy point of view, it would therefore be useful to develop databases of both national and international surveys. This would provide a more authoritative statement and a benchmark for action by employers, trade unions and policy-

makers. The ILO should further develop its information and reference sources on many of these areas, especially on work organization and related areas, such as skill levels and working time arrangements. This should be extended from work on advanced industrialized countries to transition and developing economies, and from the more formal to the more informal sectors. It would be useful also to explore new ways of measuring and monitoring the quality of working life, in much the same way that determine indicators which measure gross domestic product and other traditional economic concepts. Some attempts at this have been referred to in the text.

In this latter respect, policy-makers need both objective and subjective measures of well-being. If only objective indicators are collected, valuable information is overlooked about how people evaluate the conditions of their working lives. Subjective indicators can summarize how people feel about aspects of their work and employment, weighted by how important these factors are to them. Although subjective indicators should not substitute for measures of more objective conditions, they serve as a useful complement in assessing and improving the quality of working life. A variety of specific indicators are necessary, especially with a longitudinal dimension. Again, various instruments used by academic researchers have been referred to above. ¹⁶¹

4. The question of what to do is inevitably the subject of another paper. At the end of the day, however, the concern of the ILO is with how to enhance the coverage and effectiveness of social protections for workers and how to do this in a sustainable manner. In conclusion, it would be useful to have a research which considered these matters in terms of intervention and monitoring mechanisms.

One line of approach states it is best to leave these matters to the voluntary action of enterprises. Here the argument would be that it is in the best interests of firms to attract and retain good labour forces. Indeed, we have argued that the choice by the employer of human resource policies is crucial. Of course, well-meaning and far-sighted enterprises will see this and act accordingly. However, the problem is coverage, since there will always be market failure and many will not act in the desired way. The more there are of these, the more this will undermine the more far-sighted enterprises. One way forward in this respect is undoubtedly competitive benchmarking exercises and the publication of studies which show the pay-off of certain practices. Another way forward might be the development of industry standards and self-regulation, not only in the labour market, but also in the product market, which can then positively affect the labour market.

A second approach is to look to bilateral regulation through mechanisms, such as joint consultation, collective bargaining and social dialogue. It could be argued that, if we are not just talking about good conditions which are "favours" which can be given and withheld, then "rights" to decent work and conditions must be established. Agreements with trade unions and works councils have been a traditional way of doing this. However, as suggested, in many countries collective bargaining is shrinking; its level is declining to that of the plant; and it also tends only to help those actually covered. Yet, it should be added that there are some interesting developments in this respect, such as the Social Dialogue of the European Union, with initiatives covering such areas as working time and work-family inter-relationships. What is the future role therefore of bilateral and trilateral

¹⁶¹ See also the work done by the European Foundation on how to construct composite indicators. S. Dhondt: *Indicators of working conditions in the European Union* (Dublin, European Foundation, 1997).

¹⁶² The author is engaged in such a study, entitled "Quality jobs, quality work", which looks at how standard setting in the product or service market can have benign effects on the labour market. It looks at various kinds of regulation and self-regulation.

regulation in these area? How do they relate to other forms of worker involvement, such as more direct participation in work tasks?

A third and traditional way is to look to international codes, standards and conventions of a more or less voluntary nature. Here obviously the ILO has a long experience and can provide assistance with the diffusion of innovations. But it would seem to the outsider that there is a need to re-examine and target such activities in the light of changing circumstances and in a more focused enterprise direction.

A final way is to look to national and supra-national law and related interventions. At the national level, there may be some scope for legal intervention. This could take the form, for example, of legal obligation to report conditions of work in company accounts or to conduct a social audit so as to make practices more transparent. It might also take the form of standard setting in product and service markets, which could then have knock-on effects on labour markets. Ideas have also been floated in recent years concerning the possibilities of tax and other incentives to encourage / discourage certain types of employer behaviour. At the supra-national level, standard setting of various kinds by the European Union and proposals for social clauses in international trade agreements indicate other possible alternatives. There would be considerable scope for investigation of various ideas in this area.

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