

Employee Involvement, Work Engagement and Skill Development

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EXECUTIVE SUMMARY

Introduction

Employee involvement and skill development are central issues in the EU policy agenda. They lie at the interface of policies to improve growth and competitiveness on the one hand and policies to reinforce social rights and personal well-being on the other. The EU's initiatives are premised on the view that these economic and social objectives are mutually reinforcing rather than requiring a trade-off of benefits. This report seeks to assess the prevalence and trends over time in involvement practices at work and to examine empirically whether these are related positively not only to improved work conditions and work motivation but also to skill development practices. It uses new evidence from the Sixth European Working Conditions Survey, focusing on employees in the EU28 countries, together with Norway.

KEY FINDINGS

Trends in Employee Involvement

There was an overall improvement, over the period 2010 to 2015, in the two principal dimensions of employee involvement practices: task discretion (involvement with respect to immediate task activity) and, most particularly, in organisational participation (the wider voice or influence that employees can have over work organisation). The trend was very widespread, affecting most regions, industries and occupational classes. The change in workforce composition, but most particularly, in the prevalence of intensive computer use at work accounted for a significant part of the increase in organisational participation both overall and in most regions.

There was some convergence in employee involvement, particularly with respect to organisational participation, between the European regions and between employees in different occupational classes.

Despite the general trend to higher involvement, the highest proportion of employees was in the category of low involvement organisations, with the exception of the Nordic and North Western regions. Overall, in 2015, a third of all employees (35%) were in low involvement organisations (in which both task discretion and organisational participation were low), compared to 29% in high involvement organisations (where both aspects of involvement were high). The remainder were in organisations with intermediate levels of involvement: 20% in discretionary organisations (with high task discretion, but low organisational participation) and 16% in consultative organisations (with high organisational participation, but low task discretion).

The prevalence of high involvement organisations was affected by occupational class, intensive use of computers and type of industry. Even when such structural factors were taken into account, however, there remained differences between countries. These could be partially accounted for by the power resources of employees (reflected in the membership density of trade unions and the tightness of labour markets), the general education of the labour force (reflected by the percentage of the working age population with tertiary education) and by the degree of diffusion of advanced technologies (as indicated by the proportion of ICT specialists in total employment).



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The 'dependent self-employed' – that is to say self-declared self-employed people who have no authority to hire and dismiss employees or are generally dependant on one client or customer – had a higher level of involvement than employees, but a lower level than the independent entrepreneurs. However, their relative advantage compared to employees deteriorated over the period 2010 to 2015 with respect to both task discretion and organisational participation.

Employee Involvement and the Work Environment

Employees in discretionary and high involvement organisations had significantly better work and employment conditions than those in low involvement organisations. They were exposed to fewer physical risks at work. They were also subject to lower levels of work intensity and they had lower job insecurity, key factors which have been identified as sources of psychosocial stress at work. But working in a consultative organisation that provided organisational participation, but with low task discretion, did not lead to a significant reduction in physical work risks compared to those in low involvement organisations. It also was associated with a smaller reduction in work intensity compared to other forms of involvement. High task discretion is then the principal aspect of involvement associated with lower physical and psychosocial risks.

Working in a high involvement or consultative involvement setting was associated with a number of more progressive performance management practices. Employees were more likely to experience line management as fair and supportive, they were less exposed to multiple work pace control systems and they were more likely to have representation through health and safety committees and through works councils or trade unions. Employees in discretionary organisations also reported better treatment by line management, but the relationship was less strong and they were no more likely than employees in low involvement organisations to have institutional representation. Overall, organisational participation was the aspect of involvement most strongly associated with a high quality of performance management.

The distinctiveness of high involvement management was that it was related to a particularly wide range of positive aspects of the work environment. It was associated with better physical working conditions, lower work intensity (implying a lower level of psychosocial risks), and a more employee orientated organisational climate with more supportive and egalitarian forms of supervision, less direct supervisory control over work pace and less exposure to intensive work pace control. It combined the different benefits of discretionary and consultative forms of involvement.

Employee Involvement and Work Engagement

Work engagement constitutes a particularly strong form of positive motivation involving high levels of energy, identification with work and absorption in the job. It is considered to be a vital factor for both job performance and employee well-being. The report confirms that employees with high work engagement spent significantly less time absent from work, reported higher levels of discretionary effort (working in their free time to meet work demands), preferred a later retirement age and had higher levels of affective well-being. The relationship was particularly strong with respect to increased personal well-being. In all cases, an effect of work engagement was evident even when account was taken of the individual's organisational commitment and job satisfaction.

High levels of work engagement were most common among independent entrepreneurs (49%), followed at some remove by the dependent self-employed (38%) and then by employees (34%).



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The prevalence of high work engagement among employees in high involvement organisations (47%), however, was very similar to that of the self-employed. In contrast, only 24% of those in low involvement organisations had high levels of work engagement.

Contrary to the view that women may be less involved in their employed work than men, female employees in general and female full-time employees in particular had higher levels of work engagement than their male equivalents.

The quality of the working environment was significantly associated with the level of work engagement. Employees with better physical working conditions, lower work intensity and higher job security had higher work engagement.

This was even more strongly the case where employees reported that management treated employees fairly and was supportive in personal and practical terms.

Although part of the relationship between employee involvement and work engagement was accounted for by the fact it was associated with a better working environment, there was still a significant direct or intrinsic effect of involvement on work engagement even when this had been controlled for. This suggests that involvement is important to employees not only for the instrumental benefits it may bring, but because it meets needs or values for self-determination. There was also evidence that this intrinsic effect may have been partly because higher involvement was associated with increased meaningfulness of work.

There were differences between regions and types of employee in the effects of high involvement on work engagement. The importance of mediated effects through improvements in the working environment was strongest in the East European countries, whereas the intrinsic importance of involvement was the more important factor in the EU-15 countries.

The overall effect of involvement on work engagement was lower among managerial and professional employees and among technicians and administrative employees. It was also lower among those in public service industries. This may reflect the fact that organisational context matters less to the work engagement of employees who have very high levels of intrinsic task interest or for whom the work task has a high social value.

Employee Involvement and Skill Development

The prevalence of formal and informal skill development practices was significantly higher in the Nordic and North Western countries, among employees in higher occupational classes, and among those in large organisations. In contrast, there was little difference between male and female employees.

Although there was an association of employee involvement with the likelihood that employees would receive high quality formal training, it was most strongly related to the prevalence of informal learning through everyday work practices that encouraged the acquisition and implementation of new ideas. Employee involvement, on its own, accounted for 24% of the variance in informal learning (some two-thirds of the overall variance that could be explained). While each type of involvement was associated with increased informal learning, this was particularly the case for those in high involvement organisations.

There is also evidence that the presence of representative institutions such as health and safety committees, as well as trade unions and work councils, raises the probability that employees will have high quality formal training. Such training is also more common as organisational size increases, perhaps reflecting the availability of stronger administrative support and greater economies of scale in the provision of training.



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Occupational class differentials in both formal and informal skill development are still evident even when organisational, individual and job type factors are taken into account. But they are considerably reduced – for most classes by at least 60% in the case of both formal and informal skill development. Employee involvement was particularly important in reducing class differences in informal skill development, accounting for approximately 40% of the class gap.

When structural variables were controlled, there still remained country differences in skill development patterns. A multi-level analysis showed that about half of the country variance in formal and 40% of that in informal skill development can be accounted for by differences in work context and labour force composition. Over and above these factors, macro institutional arrangements increase the residual country variance accounted for to approximately 75% for both formal and informal skill development.

Formal skill development is influenced significantly by the prevalence of firms' product and/or process innovation activities and by the tightness of the labour market. Informal skill development is influenced by the strength of learning culture in the society (as reflected in the proportion of the working population with tertiary education and the pervasiveness of continuing vocational training) as well as by the extent of diffusion of advanced technologies. It is notable that a high general level of continuing vocational training not only has benefits for the individual's chances of acquiring good quality training, but, together with more widespread general skills, is associated with greater opportunities for informal skill development.

The full report is available at:

<https://www.eurofound.europa.eu/sites/default/files/wpef19061.pdf>



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