

DIRECT EMPLOYEE PARTICIPATION IN THE PUBLIC SERVICES

Europe's public services are often seen as a particularly archaic instance of bureaucracy and hierarchy. But a ten country survey of 5,800 private and public service workplaces shows a high degree of workplace innovation. Public services are more likely to utilise practices which facilitate employee involvement in organisational change and increase the quality of service. This is the summary of a report analysing the 1996 Employee direct Participation in Organisational Change (EPOC) survey data collected by the European Foundation for the Improvement of Living and Working Conditions as they relate to direct employee participation in the public service sector.

Key findings

- Nine out of ten workplaces in social public services, compared to eight out of ten in private services, use work processes which entail direct employee participation. Consultation and delegation of work related decisions to individual employees is much more common than in the private sector.
- All forms of direct participation are more firmly rooted with a wider scope in public services than in the private sector: it has been an integral part of work organisation for longer and team working is much more likely to involve the majority of employees in each occupation rather than being limited to a minority of staff as in the private sector.
- The overwhelming majority of private and public sector managers consider direct participation to be useful. Nine out of ten managers from workplaces with direct employee participation believe that it helps to increase quality. However public sector managers are less likely than private sector managers to note an increase in cost reductions (44% compared to 66%) or an increase in total output (36% compared to 52%) as one of the effects.
- Direct participation is associated with diminishing employment levels in a third of all public social services organisations. But unlike in the private sector, these job losses are less likely to be compensated for by a medium or long term increase in jobs. This is partly because public services operate under tighter financial constraints with less autonomy to convert efficiency gains into expansion.
- Compared to the private sector there is stronger social partnership with a greater involvement of employee representatives and trade unions in the reorganisation of work processes.
- Social public services generally require a higher level of qualification from their employees than the private sector. Skill-oriented workplaces, combining active training support for direct employee involvement with highly qualified workforces, are more common in public services. Nevertheless, social public services are not more likely to provide training and support for the skills needed by both managers and employees to make the most of the opportunities provided by employee participation.



Introduction

The report presents an analysis of the 1996 (EPOC) survey data as they relate to direct employee participation in the public service sector. The interest is in direct participation amongst employees involved in the social public services – education, public administration, health and welfare. The EPOC survey was designed to be representative of workplaces in ten European Union member states (though there are some limitations to its representativeness). The survey contains more than 1100 organisations in the social public services.

Social Public Service

The social public service organisations have specific characteristics. They are characterised by high labour costs. In over 40% of these organisations, labour costs constitute over three-quarters of total costs (Fig. 1). These organisations are confronted with different economic pressures than private firms. Very few organisations in public administration face competition, while just over half in education and health and welfare do. In addition, they employ a highly qualified labour force. Almost two thirds of public service organisations have employees with qualifications at high or very high levels. Social public services are one of the main employers of women: the majority of the workforce is female (Fig. 2).

The survey shows that direct participation is widespread. Eighty-eight per cent of organisations in the public services use a form of direct participation, which is somewhat higher than in private organisations (80%). Sub-sectors within the social public service use different forms of direct participation. For example, the incidence of group forms of participation (group consultation and delegation) is highest in education (more than 60%), then health (less than 50 percent) and lowest in public administration (less than 30%) (Table 1).

Direct forms of participation reflect long established policies and procedures in the social public services rather than a more recent response to immediate pressures. In just half of social public services cases the main forms of direct participation were introduced in the last five years (about two thirds in private organisations). For example, in only 23% of organisations in the education sector was individual delegation introduced in the last five years. However, in

Figure 1. Labour costs as a proportion of total costs (per cent)

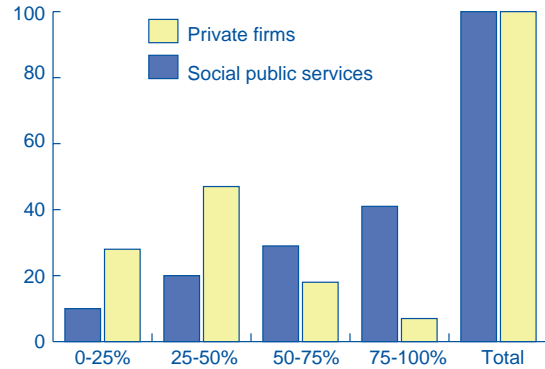
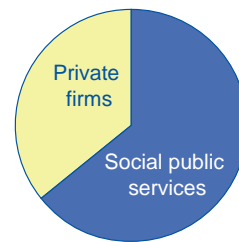


Figure 2. The percentage of female employees in the largest occupational group (per cent)



public administration direct participation is a relatively recent departure: in 60% of the organisations in this sector individual delegation was introduced in the last five years.

The survey indicates that group forms of participation are more firmly rooted in the social public services than in the private sector. Group-based participation covers over 50% of the largest occupational group in well over half of the public service organisations. For permanent group consultation this is the case in almost two thirds of public service organisations. This compares to the private sector, where coverage extends to over half the largest occupational group in one third of organisations.

Scope

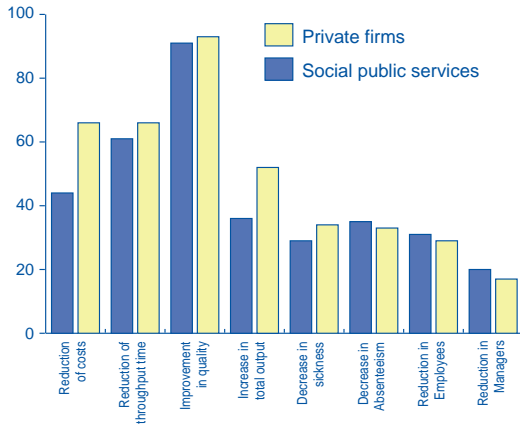
The EPOC survey was specifically designed to produce data not only on the incidence of direct participation but also on its scope – the range of issues on which employees were consulted and their rights to make decisions. The main EPOC report suggested that despite a fairly high general incidence of direct participation, the scope in terms of the issues covered or the rights provided was quite limited. This finding

Table 1. The incidence of the main forms of direct participation: public service comparison (per cent)

	Administration	Education	Health
Individual: face to face	30	49	47
Individual: arm's length	34	38	37
Group Consultation: temporary groups	29	60	46
Group Consultation: permanent groups	26	65	45
Individual delegation	79	75	68
Group delegation	31	66	40



Figure 3. *The effects of direct participation in organisations that use direct participation (per cent)*



appears to hold for the social public services as well. However, there seems to be some significant variations in scope within different parts of the social public services. Scope tends to be lowest in public administration, somewhat higher in health and highest in education.

Effects

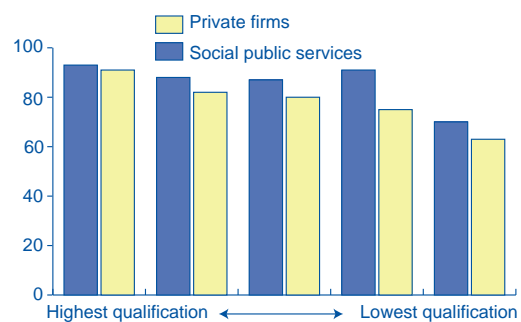
The survey indicates that direct participation affects organisations to a large extent. However, as Fig. 3 shows, in the social public services, reduction in costs (44%) and increased total output (36%) were less of an effect of the introduction of direct participation than in private firms (66% and 52% respectively). In terms of sickness and absence and reductions in employment, there were no great differences (about one third in each case). In private firms, the negative employment effects of direct participation seem to disappear in the medium term. In the social public services, however, these negative effects are more likely to remain, due to the absence of competition: social public service organisations that report negative employment effects of direct participation are about 20% more likely to report employment losses over the last three years when they do not face competition.

Regulation and Qualification

The more regulated environment in social public services makes itself felt in relation to direct participation so that, unlike in the private sector, there tends to be a higher involvement of employee representatives in direct participation. In the social public services, workplaces without employee representation are twice as likely not to have direct participation as those with employee representation. It is comparatively rare for managers in the social public services to report economic results of direct participation without some, mostly considerable, form of involvement of employee representatives.

Although high levels of qualifications are generally required in the social public services, a basic qualification is sufficient for the introduction of direct participation. seventy percent of the social public service organisations requiring little or no qualification use direct participation (Fig. 4). Skill-oriented workplaces in the social public services are more common than in the private sector. In line with the idea that direct participation requires skills, it appears that some of the effects of direct participation are much stronger in skill-oriented workplaces than in other workplaces.

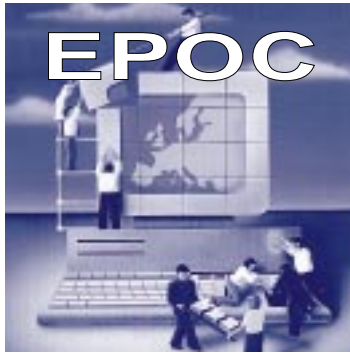
Figure 4. *Presence of direct participation by qualification (per cent)*



The EPOC Survey - Social Public Services Analysis Methodology

The methodology key points can be summarised as follows:

- The basis of the analysis of direct employee participation in social public services is a secondary analysis of the EPOC survey.
- Ten countries were involved in the EPOC survey: Denmark, France, Germany, Ireland, Italy, the Netherlands, Portugal, Spain, Sweden and the United Kingdom.
- Respondents were workplace general managers or the manager he/she felt was the most appropriate; the focus was the workplace's largest occupational group.
- The size threshold was 25 employees in the case of the smaller countries and 50 in the remaining countries; the total number of respondents was almost 5,800.
- Social public services workplaces are defined as workplaces in public administration, education and health and social welfare which do not operate for profit. They make up 19% of the total sample.
- The overall response rate for the ten countries was almost 18 per cent, with a range between 9 per cent (Spain) and 39 per cent (Ireland).
- The report on Social Public Services was prepared for the Foundation by Ariane Hegewisch, Jos van Ommeren and Chris Brewster, Cranfield School of Management, and Ian Kessler, Templeton College, Oxford, UK.



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FOR FURTHER INFORMATION

For further information on this project please contact:
Camilla Galli da Bino,
Information Liaison Officer, Work Organisation/Industrial Relations
Tel: ++ 353 1 204 3125
E-mail:
Camilla.GallidaBino@eurofound.ie

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European Foundation for the Improvement of Living and Working Conditions,

Wyattville Road, Loughlinstown, Co. Dublin, Ireland.

Tel: +353 1 2043 100

Fax: +353 1 2826 456/2824 209

E-mail: postmaster@eurofound.ie

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