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Establishment Characteristics and Work Practices: Transport Sector

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Establishment Characteristics and Work Practices: Transport Sector

Abstract

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The sector includes all activities related to transportation and storage (NACE H). The third ECS contains responses from 1,712 establishments in this sector across the EU28. The profile compares aspects of establishment characteristics with the EU28 as a whole. The methodology used (latent class analysis) was developed in the overview report. Please note that percentages may not total 100 in some figures due to rounding.

Keywords

Europe, structural characteristics, human resource management, employee participation, organizational practices, social dialogue, transport sector

Comments

Suggested Citation

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Establishment characteristics and work practices: Transport sector



The 2013 European Company Survey data provides policymakers and practitioners with information and analysis on the spread of certain work organisation, human resource and participation practices in European establishments. As employment relations and workplace practices differ substantially between sectors, this profile shows the incidence of those practices within the sector as compared to other economic sectors.

Introduction

The purpose of this report is to provide a sector profile with an overview of structural characteristics, work organisation practices, human resource management and employee participation and social dialogue in the transport sector. It is based on the Third European Company Survey (ECS), which gathers data about companies and establishments with 10 or more employees in all economic sectors except those in the NACE Rev. 2.0 categories A (agriculture and fishing), T (activities of the household) and U (activities of extraterritorial organisations and bodies) across all 28 EU Member States and Iceland, the former Yugoslav Republic of Macedonia, Montenegro and Turkey. Additional information on the structural characteristics is derived from Eurostat data.

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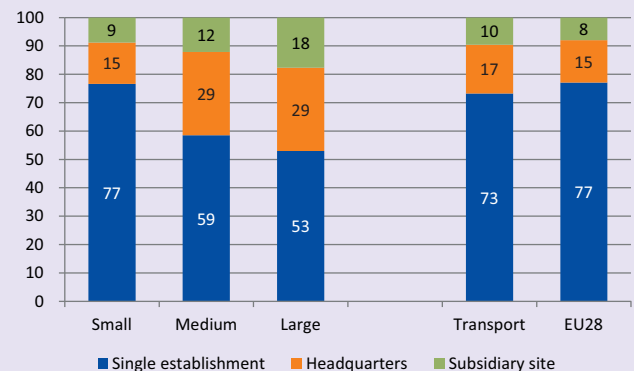
Structural characteristics

In the transport sector, 73% of establishments are single establishments (single independent companies with no further branch offices, production units or sales units),

which is less than the EU28 average (77% – see Figure 1). Headquarters cover 17% of sector establishments (EU28 15%) and 10% are subsidiary sites (EU28 8%). There are differences in terms of size, 77% of small establishments being single establishments compared to 53% of the large units. Unsurprisingly, a higher proportion of subsidiary sites are found among medium-sized and large establishments in the transport sector (29%).

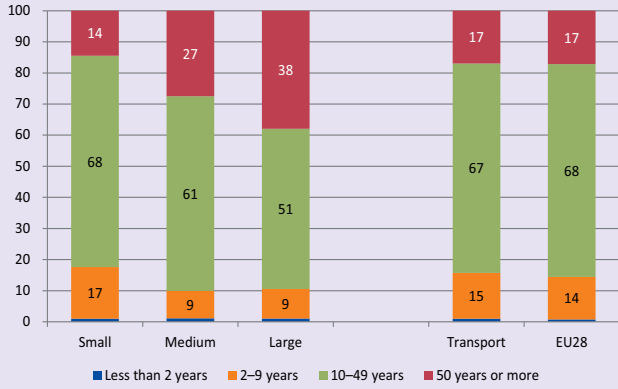
Most establishments have been in business for between 10 and 49 years (67% compared to 68% in the EU28, Figure 2). Smaller establishments are more likely to have been in operation for a shorter time than medium-sized and large units (18% less than 10 years).

Figure 1: Establishment type by size (%)



Source: ECS 2013 – Management questionnaire

Figure 2: Years of operation by size (%)

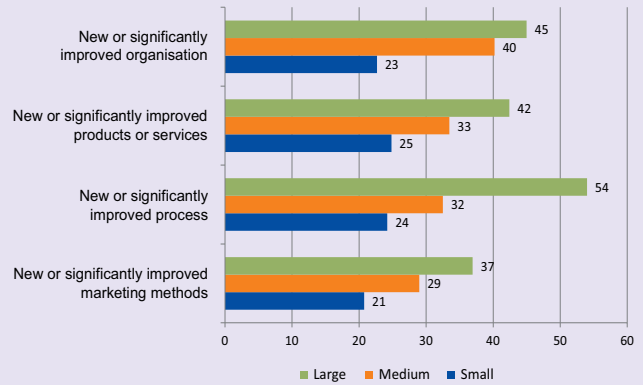
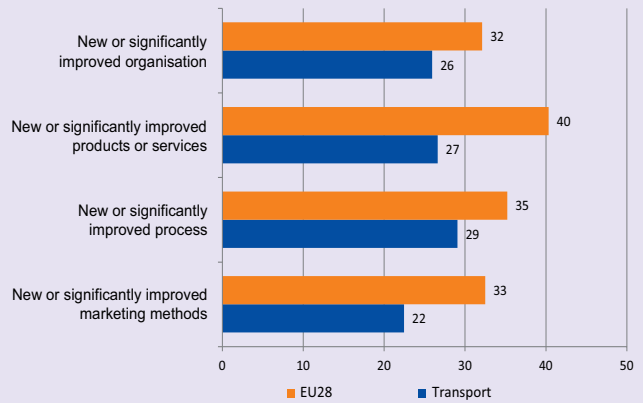


Source: ECS 2013 – Management questionnaire

Figure 3 shows that the transport sector has fewer women workers than the overall economy. In 53% of transport establishments, less than one in five employees is a woman (EU28 29%) and in only 2% is the proportion of women higher than 80% (EU28 11%). The average age of transport sector staff is higher than the overall economy. In 24% of establishments, 60% of employees are aged 50 or over, compared to 17% overall.

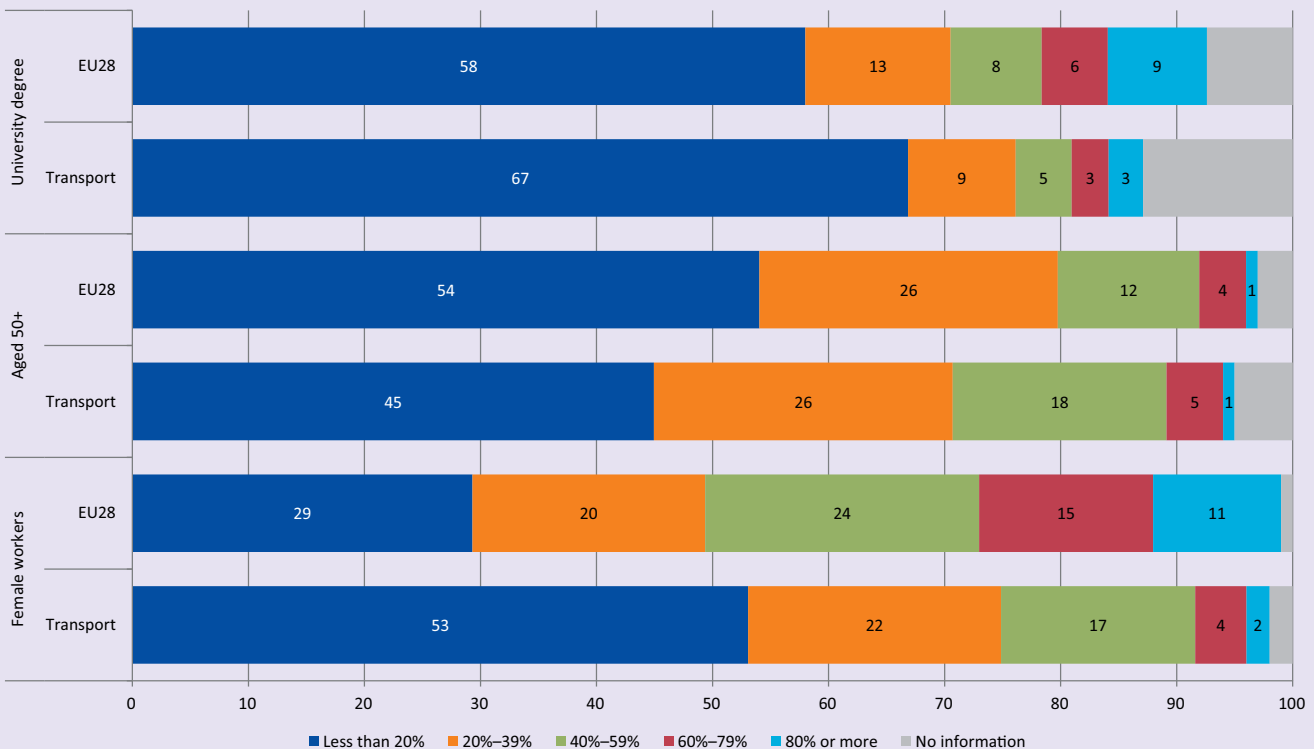
The transport sector is less innovative than the EU28 average in all four areas: marketing and sales, new products, processes and organisation. Large and medium-sized firms tend to be more innovative than small establishments. More than half of large units (54%) reported innovations in processes, compared to only 24% of small companies.

Figure 4: New or improved products, processes and marketing methods and organisational change (%)



Source: ECS 2013 – Management questionnaire

Figure 3: Women, older workers and workers with a university degree (%)



Source: ECS 2013 – Management questionnaire

Table 1: Profiles of establishment types – Collaboration and outsourcing (%)

		Transport				EU28			
		Moderate	Extensive	Limited	Overall	Moderate	Extensive	Limited	Overall
Group size		54	30	16	100	37	36	27	100
Design or development of new products or services	In-house with collaboration	2	42	4	14	6	57	9	25
	In-house, no collaboration	4	5	55	12	5	7	61	21
	No design/development	94	53	40	73	88	36	30	54
Outsourcing design or development of new products or services	Yes	2	39	8	14	2	43	10	19
	No	98	61	92	86	98	57	90	81
Production of goods or services	In-house with collaboration	9	58	11	24	11	64	8	29
	In-house, no collaboration	10	5	66	17	15	7	78	30
	No production	82	36	22	59	74	28	13	41
Outsourcing production of goods or services	Yes	4	50	18	20	5	54	19	26
	No	96	50	82	80	95	46	81	74
Sales or marketing of goods or services	In-house with collaboration	20	63	10	31	25	68	10	36
	In-house, no collaboration	22	13	69	27	29	14	78	37
	No sales/marketing	57	24	21	42	46	18	12	27
Outsourcing sales or marketing of goods or services	Yes	7	42	12	18	6	38	8	18
	No	93	58	88	82	94	62	92	82

Source: ECS 2013 – Management questionnaire

Work organisation practices

Collaboration and outsourcing

A large number of transport establishments do not carry out design and development (73%) or produce goods or services in-house (59%). Both of these figures are significantly above the EU average (54% and 41% respectively). Consequently, fewer units in this sector cooperate in these activities compared to the EU28 average. However most activities, if carried out in-house, are done in collaboration.

Among the three groups of establishments, the extensive group is most likely to collaborate in all fields: 63% in sales or marketing, 58% in the production of goods and services and 42% in designing or developing new goods and services. Some 30% of establishments belong to the extensive group.

Most establishments in the transport sector are classified as ‘moderate’ in terms of collaboration and outsourcing (54% compared to 37% in the EU28). The group is characterised by low involvement in design or development (94% having no design or development) and in the production of goods and services (82% with no production).

Transport establishments are less likely to be part of the ‘limited type’ than the EU average (16% compared to 27% EU28). This type is characterised by very little collaboration or outsourcing.

Internal organisation and information management

Table 2 shows that the transport sector is less structured in internal organisation and information management than the EU average, and is less likely to use information systems

or work-in-process than other private sector units (39% compared to 44%). The monitoring of external ideas is reported by only 58% of transport establishments compared to the EU average of 68%.

Work is less likely to be organised in teams, with 38% of units reporting having no teams (27% overall). A smaller proportion of sector units have departments dealing with different types of products than in the EU overall (39% compared to 46%). Departments dealing with specific geographical areas are more common in the sector (26%) than the EU average (19%).

Only 43% of establishments in the transport sector are highly structured. A huge majority of this group monitor the quality of production on a continuous (89%) or at least an intermittent basis (9%). Many also keep records of best practices (78%). Teams are present in 82% of these establishments. In this cluster, 46% have departments that deal with different geographical areas.

More than half of establishments (57%) belong to the moderately structured type, characterised by little use of information systems for minimising supplies or work-in-process (77% not using them), or monitoring of external ideas (62%). A very low proportion of establishments structure their organisation by product/service (18%) or geographical area (12%).

Decision-making on daily tasks

Daily tasks are more likely to be decided by managers or supervisors than jointly (58% compared to 54% EU28 – Table 3). Teams are prevalent in 62% of transport establishments, but in 73% of EU establishments; in 46%, tasks are distributed by superiors and decided among team members themselves in only 17%.

Table 2: Profiles of establishments - Internal organisation and information management (%)

		Transport			EU28		
		Highly structured	Moderately structured	Overall	Highly structured	Moderately structured	Overall
Group size		43	57	100	52	48	100
Use information systems to minimize supplies or work-in-process	Yes	60	23	39	61	26	44
	No	40	77	61	39	74	56
Monitoring quality of production	Yes, on a continuous basis	89	59	72	87	64	76
	Yes, on an intermittent basis	9	23	17	11	22	16
	No	2	18	11	2	14	8
Monitoring external ideas or developments	Yes, using staff assigned specifically to this task	40	11	23	43	14	29
	Yes, as part of the responsibilities of general staff	44	27	34	44	33	39
	No	17	62	42	13	52	32
Keeping records of good work practices	Yes	78	42	57	78	44	62
	No	22	58	43	22	56	38
Teamwork	No team	18	54	38	14	41	27
	Most of them work in more than one team	52	32	41	47	36	41
	Most of them work in a single team	30	14	21	39	24	32
Departments based on function	Yes	83	41	59	90	54	72
	No	17	59	41	10	46	28
Departments dealing with different types of products or services	Yes	68	18	39	70	21	46
	No	32	82	61	30	79	54
Departments dealing with specific geographical areas	Yes	46	12	26	32	6	19
	No	54	88	74	68	94	81

Source: ECS 2013 – Management questionnaire

A 'top-down' approach is followed in 63% of sector establishments, characterised by centralised decision-making. In 71% of these establishments, only managers/supervisors decide and plan work organisation. In most cases when teams are present (57%), tasks are distributed by a superior.

In establishments that follow a joint approach to decision-making, decisions are usually either taken jointly (49%) or by employees themselves (15%). Likewise, autonomous teamwork is much more prevalent (38%) within this group than the top-down group.

HR Practices

Recruitment, employment and change

About 30% of transport establishments increased their staff between 2010 and 2013, two percentage points more than the total sample (Table 4). Furthermore, 83% of managers do not plan to reduce their staff, while a slightly lower proportion of respondents (36%) reported difficulties in finding skilled employees than the EU average (39%).

Most establishments are classified as 'business-as-usual' in terms of recruitment and employment. The huge majority

Table 3: Profiles of establishments – Task autonomy (%)

		Transport			EU28		
		Joint	Top-down	Overall	Joint	Top-down	Overall
Group size		37	63	100	38	62	100
Task autonomy (who decides planning and execution of daily tasks)	The employee undertaking the tasks	15	1	6	16	1	6
	Managers or supervisors	35	71	58	30	69	54
	Both employees and managers or supervisors	49	28	36	54	30	39
Team autonomy (who decides by whom the tasks are to be performed)	Team members decide among themselves	38	4	17	44	5	20
	Tasks are distributed by a superior	27	57	46	30	68	53
	No team	36	39	38	26	28	27

Source: ECS 2013 – Management questionnaire

Table 4: Profiles of establishments – Recruitment, employment and change (%)

		Transport				Public sector EU28			
		Business-as-usual	Shortage of matching skills	Reduction in workforce	Overall	Business-as-usual	Shortage of matching skills	Reduction in workforce	Overall
Group size		68	19	13	100	67	19	14	100
Change in recruitment policies	Yes	10	25	25	15	11	32	26	17
	No	90	75	75	85	89	68	74	83
Difficulties in finding employees with the required skills	Yes	25	82	26	36	28	86	31	39
	No	75	18	74	64	72	14	69	61
Difficulties in retaining employees	Yes	4	36	15	12	3	30	16	10
	No	96	64	85	88	97	70	84	90
Need to reduce staff	Yes	7	14	77	17	5	13	78	17
	No	93	86	23	83	95	87	22	83
Changes in the number of employees	Increased	31	40	8	30	29	42	5	28
	Stayed about the same	54	43	25	48	54	43	20	47
	Decreased	15	16	67	22	16	16	75	24

Source: ECS 2013 – Management questionnaire

of these establishments had not implemented any changes in recruitment policies (90%) and faced no problems in finding skilled employees (75%) or in retaining them in the workforce (96%). There was practically no perceived need to reduce staff (93%).

Almost 20% of transport firms are part of the ‘shortage of matching skills’ cluster, characterised by a very high proportion of establishments that had difficulties in finding skilled employees (82%) and a higher proportion of units that introduced changes in their recruitment policies (25%). A further 13% of establishments make up the cluster that are under pressure to reduce their workforce. Indeed, 86% of transport establishments in this group consider this an issue, while most decreased their workforce between 2010 and 2013.

Training

In terms of training policies, transport establishments show the same patterns as the EU average (Table 5). Among them, 70% offer paid time-off for training to some of their employees. In 19% of transport firms this possibility is open to almost all employees. On-the job training is offered to practically all employees in 28% of establishments.

The majority of transport firms (61%) have a selective approach, with at least some of the employees having access to training. A further 23% are the encompassing type, offering both types of training to a majority of employees; and 10% offer no training at all (slightly above the average). On-the-job training only is offered in a further 7% of establishments.

Table 5: Profiles of establishments – Training (%)

		Transport					EU28				
		Selective	Encompassing	No training	On-the-job training only	Overall	Selective	Encompassing	No training	On-the-job training only	Overall
Group size		61	23	10	7	100	63	21	10	5	100
Time off provided by the employer for training (proportion of workforce)	None at all	20	8	100	85	30	21	7	100	83	29
	Low (up to 19%)	29	16	0	14	22	30	14	0	15	23
	Medium (20–79%)	39	25	0	1	29	35	33	0	1	30
	High (80% or more)	13	51	0	0	19	14	45	0	0	19
On-the-job training provided by employer (proportion of workforce)	None at all	31	0	98	0	28	26	0	98	0	27
	Low (up to 19%)	27	0	2	0	17	29	0	2	0	19
	Medium (20–79%)	41	11	0	1	27	43	14	0	2	30
	High (80% or more)	1	89	0	99	28	2	86	0	98	24

Source: ECS 2013 – Management questionnaire

Table 6: Profiles of establishments – Working time flexibility (%)

		Transport				EU28			
		Encompassing	Limited	Selective	Overall	Encompassing	Limited	Selective	Overall
Group size		6	54	40	100	10	46	44	100
Flexibility in starting and finishing times	None at all	1	65	25	40	1	59	23	35
	Low (up to 19%)	0	9	26	14	0	8	23	12
	Medium (20–79%)	25	7	39	22	20	7	43	22
	High (80% or more)	74	19	10	24	78	26	12	31
Accumulation of overtime	Yes, possible for all employees	73	39	46	47	79	44	54	54
	Yes, possible for some employees	17	9	34	20	11	7	28	15
	No	10	52	20	34	10	50	18	31
Part-time work	None at all	35	43	26	36	31	43	25	34
	Low (up to 19%)	45	43	53	47	49	42	54	48
	Medium (20–79%)	19	11	18	15	19	13	19	16
	High (80% or more)	1	2	3	2	2	3	2	2

Source: ECS 2013 – Management questionnaire

Working time flexibility

Transport establishments are slightly less likely to have working time flexibility measures in place than EU establishments overall (Table 6). Flexibility in starting and ending times is possible in 60% of transport establishments for part of the staff (69% overall). The possibility to take time off in compensation for overtime is possible for all employees in 47% of the units (EU28 54%).

The ‘limited’ working-time flexibility group is made up of 47% of transport establishments. This cluster is characterised by a high proportion of establishments that give no working time flexibility in terms of starting or ending times (65%) or the accumulation of overtime (52%).

The selective flexibility type is made up of 37% of all transport establishments. Flexi-time is offered in 75% of these establishments, but only one in ten offers it to 80% or more of the workforce. Most firms of the selective type have at least some part-time staff (74%).

Finally, 15% of the transport establishments belong to the encompassing group of work time flexibility (compared to 20% overall). Within this group, most establishments have a flexi-time scheme in place for the majority of staff. Likewise, the opportunity to accumulate overtime is open to almost everybody in most of these firms.

Variable pay

Table 7 shows that pay schemes are generally less prevalent in the transport sector than the EU28 average. The ‘limited’ cluster of variable pay is formed by 54% of transport establishments, higher than the EU28 average of 46%. This cluster is mostly dominated by companies that offer no form of variable pay.

Just under half of establishments (40%) fall into the moderate cluster. Pay schemes linked to individual performance, based on management appraisal, are provided in 68% of these establishments, while payment-by-results schemes are present in 45% of them.

Table 7: Profiles of establishments - Variable pay schemes (%)

		Transport				EU28			
		Extensive	Limited	Moderate	Overall	Extensive	Limited	Moderate	Overall
Group size		6	54	40	100	10	46	44	100
Payment by results	Yes	73	6	45	26	75	8	52	34
	No	27	94	55	74	25	92	48	66
Individual performance-based payment following management appraisal (bonuses)	Yes	82	9	68	36	85	9	69	43
	No	18	91	32	64	15	91	31	57
Group performance-based pay	Yes	74	1	28	16	80	2	37	25
	No	26	99	72	84	20	98	63	75
Profit-sharing	Yes	96	8	34	24	96	8	37	30
	No	4	92	66	76	4	92	63	70
Share-ownership	Yes	28	1	4	4	27	1	5	5
	No	72	99	96	96	73	99	95	95

Source: ECS 2013 – Management questionnaire

Table 8: Profile of establishment types – Direct employee participation (%)

		Transport				EU28			
		Low effort and little change	Moderate and unsupported	Extensive and supported	Overall	Low effort and little change	Moderate and unsupported	Extensive and supported	Overall
Group size		30	17	53	100	28	15	57	100
Number of instruments deployed for employee involvement	None	13	3	1	5	9	3	1	3
	1–4	81	83	59	70	83	79	59	69
	5–7	5	13	40	25	7	17	40	28
Management attitude toward direct employee participation (%)	Positive	63	36	91	74	68	43	92	78
Level of direct involvement of employees in decision-making in most important change in past 3 years according to manage	Not involved	4	7	3	4	4	7	2	3
	Informed only	8	40	12	16	9	43	14	17
	Consulted	0	31	14	13	0	25	12	11
	Involved in joint decision-making	1	20	43	27	2	24	43	29
	Not applicable (no major change happened)	86	1	28	41	85	1	28	40

Source: ECS 2013 – Management questionnaire

The remaining 6% of transport firms offer an extensive range of variable pay schemes to their employees; 96% offer profit-sharing and 82% pay some kind of bonus or performance-based payment.

Employee participation and social dialogue

Direct employee participation

In 25% of transport establishments, a wide range of direct participation instruments are in use, a little below the EU average of 28% (Table 8). Employees in 27% of establishments were involved in joint decision-making about major changes, whereas they were only informed of or not involved at all in 20% of them. Transport managers are slightly less likely to be positive about employees' involvement than the EU average (74% compared to 78%).

'Low effort and little change' is reported by 30% of the transport establishments, in 86% of which no major change had taken place at all. The 'extensive and supported' type of direct employee participation is made up of 53% of transport establishments (EU 57%). Within this group, in most establishments, employees were involved in joint decision-making (43%) or consulted (14%) about major changes.

Another 17% of transport firms form the 'moderate and unsupported' group in terms of employee participation. Within this cluster, the employees of 40% of establishments were informed about major changes, while in 31% they were consulted and in 20% they were involved in joint decision-making. In 64% of these establishments, managers did not have a positive attitude towards employee participation.

Workplace social dialogue

The ECS 2013 shows that an official structure of employee representation is present in 35% of establishments in the transport sector, which is slightly above the EU average of 32%.

In 56% of transport establishments in which employee representation structures are present, employee representation reported that they were involved in joint decision-making (Table 9). In 24%, the employee representative was only informed or not involved at all when it came to major changes (30% overall).

The average scores of trust in either management or employee representation were slightly lower in the transport sector than the EU average. Industrial action took place in 19% of transport firms, in line with the EU average.

The 'extensive and trusting cluster' comprises 36% of all transport establishments (39% overall). Employee representatives are comparatively well resourced and enjoy a very high level of provision of information. The management is highly trusted in this cluster and in 89% of establishments in this group, employees are involved in joint decision-making.

The 'moderate and trusting' cluster is formed by more than a fifth of establishments (23% compared to EU28 26%). Compared to the extensive and trusting cluster, they are less well-resourced, get less information and are, in many establishments, only consulted on important decisions (34%). There is a very low incidence of industrial action in this cluster (4%).

The extensive and conflictual group comprises nearly a third of establishments in the transport sector (29% compared to 23%). Employee representatives are substantially involved in decision-making (60%), but much

Table 9: Profiles of establishments – Work place social dialogue

		Transport					EU28				
		Extensive and trusting	Moderate and trusting	Extensive and conflictual	Limited and conflictual	Overall	Extensive and trusting	Moderate and trusting	Extensive and conflictual	Limited and conflictual	Overall
Group size (%)		36	23	29	12	100	39	26	23	12	100
Resources (score 0–100)	Average score	64	48	61	46	55	60	48	55	37	52
Available information (score 0–100)	Average score	82	72	59	40	67	87	74	70	30	69
Employee representation influence on decision making (score 0–100)	Average score	59	28	49	9	44	62	24	46	10	42
Employee representation involvement in decision making (in %)	Not involved	0	12	2	39	8	0	15	3	52	11
	Informed	1	26	12	47	16	1	37	18	38	19
	Consulted	10	34	25	11	20	8	24	25	6	16
	Involved in joint decision-making	89	28	60	3	56	91	24	54	3	54
Trust in management (score 0–100)	Average score	81	62	62	45	72	82	77	63	50	73
Trust in employee representation (0–100)	Average score	62	66	56	63	64	70	69	61	62	67
Industrial action since 2010 (%)	Occurred	8	4	43	21	19	7	9	42	34	19

Source: ECS 2013 – Management and employee representative questionnaires

less so than in the extensive and trusting type, and they are less likely to feel they have some influence on decisions taken in the establishment. The employee representatives' trust in management is below average, as is management's trust in employee representation. Nearly half of transport establishments in this group (43%) were involved in industrial action.

A small proportion of transport firms (12%) are part of the limited and conflictual group (comparable to 12% overall), characterised by lower mutual trust levels, a relatively high incidence of industrial action (21%) and a high proportion of establishments that do not involve their employees in decision-making at all (39%). This group also has by far the lowest 'available information' score of the four groups.

Further information

The report *Third European Company Survey: Overview report* is available at: <http://bit.ly/3ECS2015/>

For more information, contact Franz Eiffe, Research Officer at fei@eurofound.europa.eu