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Establishment Characteristics and Work Practices: Health Sector

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Establishment Characteristics and Work Practices: Health Sector

Abstract

[Excerpt] This paper is one in a series of sector profiles giving an overview of structural characteristics, work organisation practices, human resource management, employee participation and social dialogue in the health 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 as well as Iceland, the former Yugoslav Republic of Macedonia, Montenegro and Turkey. Additional information on the structural characteristics is derived from Eurostat data.

The sector includes all activities related to human health and social work activities (NACE Q). The third ECS contains responses from 1,059 establishments in this sector across the EU28 representing 11% of all EU employees. The report compares aspects of establishment characteristics with the EU28 as a whole. As distinguished from the private sector information sheets, the numbers presented here are based on employee weights and not on establishment weights. Proportions, therefore, refer to the proportions of employees covered. The sector 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, health sector

Comments

Suggested Citation

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Establishment characteristics and work practices: Health 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

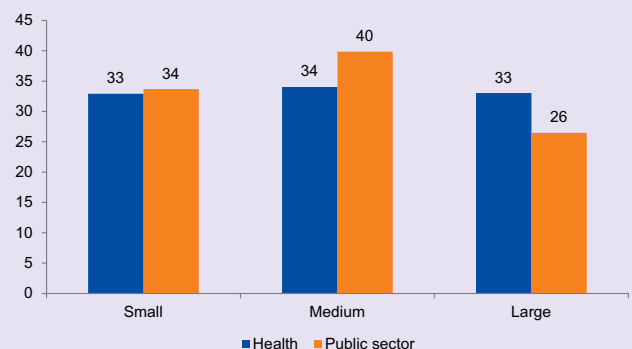
This paper is one in a series of sector profiles giving an overview of structural characteristics, work organisation practices, human resource management, employee participation and social dialogue in the health sector. It is based on the third European Company Survey (ECS), which gathers data about 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 as well as 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

Small establishments cover 39% of employment in the health sector, which is above the average of 35% in the EU public sector. Medium-sized establishments cover 34% of the sector employees (EU28 40%) and 33% work in large units (EU28 26%)(Figure 1).

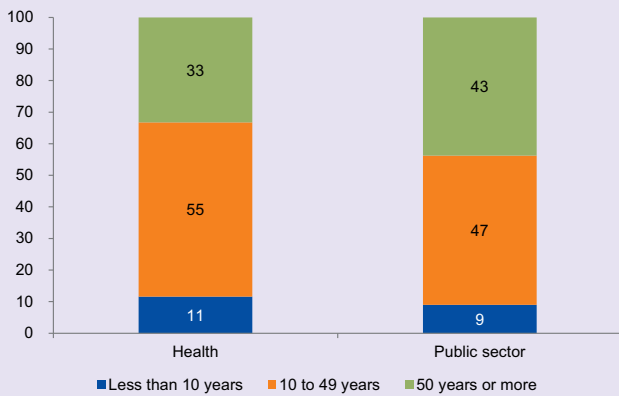
Figure 1: Establishment size (%)



Source: ECS 2013 – Management questionnaire

In the health sector, establishments that have been in operation for 50 years or more cover 33% of employment, below the average of 43% in the EU public sector overall. Most employment is covered by companies that have been in operation for between 10 and 49 years (55% compared to the EU28 average of 47%) (Figure 2).

Figure 2: Employees by years of operation (%)



Source: ECS 2013 – Management questionnaire

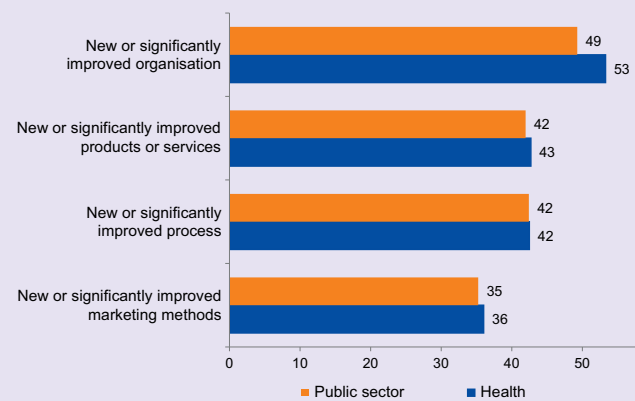
In the health sector, 53% of staff are employed in companies that have introduced new or significantly improved organisational settings (Figure 3). This is slightly above the 49% average of the EU public sector. Few differences between the health sector and the public sector overall are observed in other fields of innovation.

Work organisation practices

Collaboration and outsourcing

There are few differences in terms of collaboration observed between the health sector and the EU public sector overall. A lower proportion of sector employees (30%) work in establishments collaborating in the field of design and development than the EU28 average (34%).

Figure 3: New or improved products, processes and marketing methods and organisational change (%)



Source: ECS 2013 – Management questionnaire

Also, outsourcing is a little less likely in the health sector than on average.

The moderate type covers 49% of the employment in the health sector. A large majority of the workforce in this group are employed in establishments that are not involved in design, development or the production of goods and services.

The limited type is characterised by very little collaboration.

The extensive collaboration and outsourcing type (covering 33% of health sector employment compared to EU28 36%) is characterised by comparatively high proportions of collaboration in all areas. Furthermore, outsourcing is above average in this type.

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

		Health				Public sector EU28			
		Moderate	Extensive	Limited	Overall	Moderate	Extensive	Limited	Overall
Group size		49	33	18	100	48	36	16	100
Design or development of new products or services	In-house with collaboration	11	67	15	30	12	70	15	34
	In-house, no collaboration	4	4	54	13	5	4	58	13
	No design/development	84	29	32	57	83	26	27	53
Outsourcing design or development of new products or services	Yes	2	29	16	13	3	38	13	17
	No	98	71	84	87	97	62	87	83
Production of goods or services	In-house with collaboration	21	73	12	37	15	71	12	35
	In-house, no collaboration	13	6	77	22	11	7	72	19
	No production	66	21	10	41	73	22	16	46
Outsourcing production of goods or services	Yes	4	43	21	20	4	47	20	22
	No	96	57	79	80	96	53	80	78
Sales or marketing of goods or services	In-house with collaboration	7	52	6	22	6	50	7	22
	In-house, no collaboration	10	9	61	19	10	12	51	17
	No sales/marketing	83	38	33	59	84	38	42	61
Outsourcing sales or marketing of goods or services	Yes	3	26	24	14	3	29	18	15
	No	97	74	76	86	97	71	82	85

Source: ECS 2013 – Management questionnaire

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

		Health			Public sector EU28		
		Highly structured	Moderately structured	Overall	Highly structured	Moderately structured	Overall
Group size		67	33	100	60	40	100
Use information systems to minimise supplies or work-in-process	Yes	58	20	45	52	19	39
Monitoring quality of production	Yes, on a continuous basis	91	69	84	85	59	75
	Yes, on an intermittent basis	8	57	12	13	22	17
	No	1	85	4	2	19	9
Monitoring external ideas or developments	Yes, using staff assigned specifically to this task	50	16	39	43	15	31
	Yes, as part of the responsibilities of general staff	37	32	35	44	33	40
	No	13	51	26	14	52	29
Keeping records of good work practices	Yes	90	72	84	86	66	78
Teamwork	No team	4	19	9	6	23	13
	Most of them work in more than one team	49	51	49	49	45	48
	Most of them work in a single team	47	30	42	44	32	39
Departments based on function	Yes	84	40	69	85	47	70
	No	16	60	31	15	53	30
Departments dealing with different types of products or services	Yes	79	33	63	77	31	59
	No	21	67	37	23	69	41
Departments dealing with specific geographical areas	Yes	35	10	27	38	9	26
	No	65	90	73	62	91	74

Source: ECS 2013 – Management questionnaire

Internal organisation and information management

Generally, the health sector is more structured in terms of internal organisation and information management than the EU public sector overall (Table 2). Most employment is covered by establishments that monitor quality (96% compared to EU28 92%), keep records of good practices (84% compared to 78%), monitor external ideas (74% compared to 71%) and organise work in multiple or single teams (91% compared to 87%).

Consequently, a majority of employees in the health sector (67%) work in establishments of the highly structured type in terms of internal organisation and information management (EU28 60%). A majority of establishments in this group monitor the quality of production on a continuous basis, keep records of best practice and have departments that are based on functions.

The moderately structured type of establishments covers the remaining 33% of employees in the sector where there are no information systems used for minimising supplies or work-in-processes, and less teamwork.

Table 3: Profiles of establishments – Employee involvement (%)

		Health			Public sector EU28		
		Joint	Top-down	Overall	Joint	Top-down	Overall
Group size		45	55	100	47	53	100
Task autonomy (who decides planning and execution of daily tasks)	The employee undertaking the tasks	12	1	6	15	1	7
	Managers or supervisors	21	59	42	18	53	37
	Both employees and managers or supervisors	66	40	52	68	46	56
Team autonomy (who decides by whom the tasks are to be performed)	Team members decide among themselves	60	7	31	57	6	30
	Tasks are distributed by a superior	32	83	60	31	80	57
	No team	8	10	9	12	14	13

Source: ECS 2013 – Management questionnaire

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

		Health				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		60	26	14	100	62	20	18	100
Change in recruitment policies	Yes	23	50	46	33	17	40	39	25
	No	77	50	54	67	83	60	61	75
Difficulties in finding employees with the required skills	Yes	30	89	39	46	25	85	33	38
	No	70	11	61	54	75	15	67	62
Difficulties in retaining employees	Yes	2	31	11	11	2	31	12	10
	No	98	69	89	89	98	69	88	90
Need to reduce staff	Yes	9	21	84	23	10	23	84	26
	No	91	79	16	77	90	77	16	74
Changes in the number of employees	Increased	40	53	11	39	35	48	8	32
	Stayed about the same	51	40	35	46	50	39	26	43
	Decreased	9	7	55	15	15	13	67	24

Source: ECS 2013 – Management questionnaire

Decision-making on daily tasks

More than half of employees (52%) work in establishments where managers and employees decide together on the planning and execution of tasks, although this is still below the EU public sector average of 56% (Table 3). In terms of team autonomy, however, there is little difference between the sector and the EU average.

More than half of health service establishments (55%) follow a top-down approach in terms of decision-making, which is more or less in line with the EU28 average of 53%. The remaining 45% of employees are covered by establishments with a joint approach to decision-making. In terms of task autonomy, establishments where decisions are taken jointly cover 66% of employment in this group. Establishments in which employees undertaking the tasks decide on their own on planning and execution of tasks account for a further 12% of employees.

HR practices

Recruitment, employment and change

Compared to the EU public sector average, it is more difficult to find skilled staff, and it is more likely that changes in the recruitment policy have taken place (Table 4). Accordingly, establishments that reported ‘shortage of matching skills’ cover 26% of employment (above the EU28 average of 20%), characterised by difficulties in finding skilled employees and frequently reported changes in recruitment policies.

Nearly one quarter of employees in the sector (23%) work in establishments where the management reported that there was a need to reduce staff, slightly below the EU public sector average of 26%. Establishments where staff numbers decreased count for 15% of employment, clearly less than the EU average (24%). Consequently, establishments of the reduction in workforce type, which are generally under pressure to reduce the workforce, cover

Table 5: Profiles of establishments – Training (%)

		Health					Public sector EU28				
		Selective	Encompassing	No training	On-the-job training only	Overall	Selective	Encompassing	No training	On-the-job training only	Overall
Group size		63	33	2	2	100	67	28	3	3	100
Time off provided by the employer for training (proportion of workforce)	Yes	97	99	1	42	95	93	97	1	24	90
	No	3	1	99	58	5	7	3	99	76	10
On-the-job training provided by employer (proportion of workforce)	Yes	76	100	2	100	83	76	100	2	100	81
	No	24	0	98	0	17	24	0	98	0	19

Source: ECS 2013 – Management questionnaire

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

		Health				Public sector EU28			
		Encompassing	Limited	Selective	Overall	Encompassing	Limited	Selective	Overall
Group size		18	33	49	100	21	35	43	1000
Flexibility in starting and finishing times	No	1	48	13	23	1	49	15	24
	Yes	99	52	87	77	99	51	85	76
Accumulation of overtime	No	6	32	9	16	7	41	12	21
	Yes	94	68	91	84	93	59	88	79
Part-time work	No	27	34	19	25	30	34	19	27
	Yes	73	66	81	75	70	66	81	73

Source: ECS 2013 – Management questionnaire

14% of sector employment, but 18% of employment in the EU public sector overall.

The ‘business-as-usual’ type (in terms of recruitment and employment) covers more than half of employment in the sector (60%). This group is characterised by little change in recruitment policies and hardly any problems finding skilled employees or retaining them in the workforce. Likewise, the need to reduce staff was not often perceived in this cluster.

Working time flexibility

Establishments that offer flexibility in starting and finishing times cover 77% of employment in the sector and 76% of the EU average (Table 6). Establishments which allow for accumulation of overtime cover 84% of employment in the sector (EU28 79%).

Employees in the sector are slightly less likely to work in establishments that make up the encompassing type (18%) than the average EU public sector (21%), with all having a flexi-time scheme in place.

The ‘limited’ working-time flexibility type covers 33% of health sector employment (EU28 35%), characterised by a

comparatively high proportion of no working time flexibility and a relatively high proportion of employees working in firms where time cannot be accumulated (32%).

The selective flexibility type covers almost half of employees (49% compared to EU28 43%) offering flexi-time to most of them, but only a small proportion offer it to 80% or more of the workforce.

Variable pay

Bonuses paid and group performance-based pay are less likely to be prevalent in the health sector than the EU average (Table 7).

Health sector establishments of a ‘limited’ type in terms of variable pay cover a majority (62%) of employment. Within this cluster there are practically no share-ownership or group performance-based pay schemes in place.

The moderate type of variable pay schemes covers a further 34% of employees. Payments for individual results (bonuses) are paid in most establishments of this group.

Only 4% of health sector employees work in firms that offer an extensive range of variable pay schemes; for example, most of them offer profit-sharing schemes.

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

		Health				Public sector EU28			
		Extensive	Limited	Moderate	Overall	Extensive	Limited	Moderate	Overall
Group size		4	62	34	100	3	60	37	100
Payment by results	Yes	51	4	27	13	52	2	21	11
	No	49	96	73	87	48	98	79	89
Individual performance-based payment following management appraisal (bonuses)	Yes	85	9	70	33	85	13	76	38
	No	15	91	30	67	15	87	24	62
Group performance-based pay	Yes	82	1	31	14	87	1	36	17
	No	18	99	69	86	13	99	64	83
Profit-sharing	Yes	94	6	27	16	91	4	17	11
	No	6	94	73	84	9	96	83	89
Share-ownership	Yes	24	0	4	2	31	0	3	2
	No	76	100	96	98	69	100	97	98

Source: ECS 2013 – Management questionnaire

Table 8: Profiles of establishments – Direct employee involvement (%)

		Health				Public sector 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		13	14	73	100	15	13	72	100
Management attitude toward direct employee participation	Positive attitude	68	37	92	82	61	43	91	81
Level of direct involvement of employees in decision-making in most important change in past 3 years according to management	Not involved	8	12	4	5	6	9	4	5
	Informed only	11	50	16	20	12	52	19	23
	Consulted	0	16	11	11	0	17	12	11
	Involved in joint decision-making	2	21	41	33	2	21	39	31
	Not applicable (no major change happened)	79	1	28	31	80	1	26	31

Source: ECS 2013 – Management questionnaire

Employee participation and social dialogue

Table 8 shows that companies where employees were involved in joint decision-making on important or major changes accounted for 33% of the workforce in the sector (EU28 31%). Another 11% work in establishments that consulted employees on major decisions, while those that just informed employees about changes covered 20% (EU28 23%). A large majority of employees work in establishments where managers have a generally positive attitude to direct employee involvement (82%).

The ‘extensive and supported’ type of establishment in terms of direct employee participation, covered 73% of employees, in line with the EU average of 72%. A positive attitude towards employee involvement was prevalent in this type of establishment.

Establishments of the ‘low effort and little change’ cluster accounted for 13% of sector employees, slightly below the EU average of 15%. Establishments of this group most often did not have any opportunity to involve employees.

‘Moderate and unsupported’ type establishments cover the remaining 14% of the sector workforce, largely only informing employees about major changes or not involving them at all.

Workplace social dialogue

Employee representatives are slightly better resourced in the health sector than the EU average and have more information available, while almost no differences are reported in terms of their influence on decision-making (Table 9).

Establishments involving employee representatives in joint decisions on major changes cover 50% of sector employees and another 24% are employed in establishments where employees are generally consulted on major changes.

The ‘extensive and trusting’ type comprises 24% of all health sector employees. 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 most of the establishments, employees are involved in joint decision-making.

The ‘moderate and trusting’ type covers 28% of sector employment. Compared to the extensive and trusting cluster, they are less well resourced, get less information and are far less likely to be involved in joint decision-making (as perceived by the employee representatives). Nevertheless, a relatively high level of mutual trust is reported in this cluster, coupled with a low incidence of industrial action.

The extensive and conflictual group comprises 18% of employees, below the EU public sector average of 26%. Employee representatives are substantially involved in decision-making in most establishments and they have some influence on decisions taken. Even so, the mutual trust between management and employee representatives is lower.

A much higher proportion of employees in the health sector (29%) work in establishments of the limited and conflictual type, compared to the EU average (12%). This group is characterised by low mutual trust levels, a higher likelihood of industrial action, and a high proportion of establishments that do not involve their employees in decision-making at all.

Table 9: Profiles of establishments – Workplace social dialogue

		Health					Public sector 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 (%)		24	28	18	29	100	42	20	26	12	100
Resources (score 0–100)	Average score	71	58	68	47	65	69	54	64	45	62
Available information (score 0–100)	Average score	90	70	74	27	76	87	72	68	29	72
Employee representation influence on decision making (score 0–100)	Average score	64	25	49	14	46	65	24	48	15	47
Employee representation involvement in decision making (in %)	Not involved	0	6	4	55	9	0	13	4	59	11
	Informed	2	36	19	27	17	2	34	20	24	16
	Consulted	12	39	34	16	24	11	31	30	15	20
	Involved in joint decision-making	86	19	43	2	50	87	23	45	2	53
Trust in management (score 0–100)	Average score	83	77	63	43	71	84	78	62	47	73
Trust in employee representation (0–100)	Average score	71	68	63	64	67	72	68	62	63	68
Industrial action since 2010 (%)	Occurred	31	20	61	37	38	23	20	59	57	36

Source: ECS 2013 – Management and employee representative questionnaires

Further information

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

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