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# Establishment Characteristics and Work Practices: Public Administration and Defence Sector

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## **Abstract**

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The public administration and defence sector includes all activities related to public administration and defence, compulsory and social security (NACE 0). The third ECS contains responses from 1,053 establishments in this sector across the EU28 representing 10% of all EU employees. 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, public administration and defense sector

## **Comments**

### **Suggested Citation**

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# Establishment characteristics and work practices: Public administration and defence 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, direct employee participation and social dialogue in the public administration and defence 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.

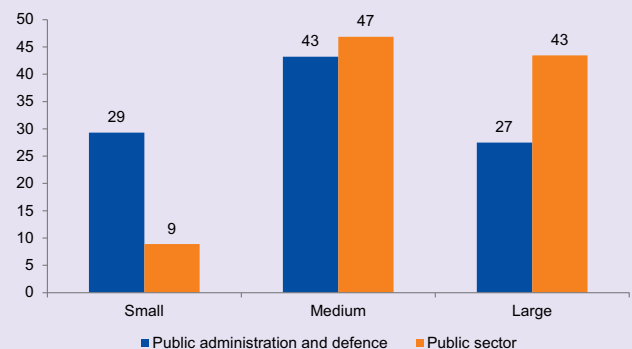
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## Structural characteristics

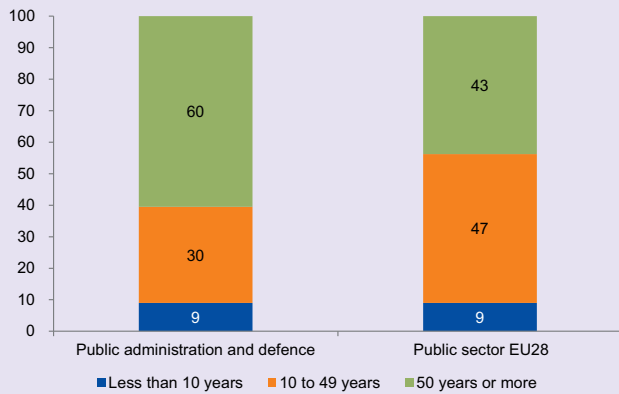
In the public administration and defence sector, 29% of employees work in small establishments, which is slightly below the average of 35% in the EU public sector. Medium-sized establishments employ 43% of sector employees (EU28 40%) and 27% work in large establishments.

Figure 1: Establishment size (%)



Source: ECS 2013 – Management questionnaire

**Figure 2: Employees by years of operation (%)**

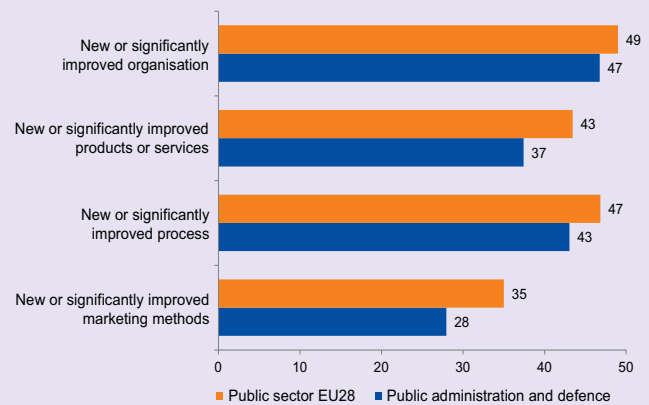


Source: ECS 2013 – Management questionnaire

There are some differences between the public administration and defence sector and the EU public sector average in terms of how long establishments have been operating (Figure 2). Establishments that have been in operation for 50 years or more cover 60% of sector employment, but only 43% in the EU overall. Companies that have been in operation for between 10 and 49 years cover 30% of employment, well below the EU average of 47%.

Just under half of employees in the sector (47%) are in companies that have introduced new or significantly improved organisational settings, in line with the EU public sector average (49%, Figure 3). A lower proportion of employees (37%) are covered by companies that introduced new products or services compared to the EU public sector average (43%). Establishments in the sector

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



Source: ECS 2013 – Management questionnaire

that introduced new marketing methods only cover 28% of those employed in the sector, again less than the EU public sector average of 35%.

## Work organisation practices

### Collaboration and outsourcing

Overall, few differences in terms of collaboration are observed between the public administration and defence sector and the EU public sector overall (Table 1). Outsourcing, however, is more likely in the sector than on average, with 24% of employees working in establishments that outsource design or development of new products/services, compared to 17% overall. Companies

**Table 1: Profile of establishments – Collaboration and outsourcing (%)**

		Public administration and defence				Public sector EU28			
		Moderate	Extensive	Limited	Overall	Moderate	Extensive	Limited	Overall
<b>Group size</b>		<b>46</b>	<b>40</b>	<b>14</b>	<b>100</b>	<b>48</b>	<b>36</b>	<b>16</b>	<b>100</b>
Design or development of new products or services	In-house with collaboration	8	63	8	30	12	70	15	34
	In-house, no collaboration	5	4	65	13	5	4	58	13
	No design/development	87	33	27	57	83	26	27	53
Outsourcing design or development of new products or services	Yes	3	53	14	24	3	38	13	17
	No	97	47	86	76	97	62	87	83
Production of goods or services	In-house with collaboration	15	72	11	37	15	71	12	35
	In-house, no collaboration	14	8	71	19	11	7	72	19
	No production	71	20	18	43	73	22	16	46
Outsourcing production of goods or services	Yes	6	60	22	30	4	47	20	22
	No	94	40	78	70	96	53	80	78
Sales or marketing of goods or services	In-house with collaboration	4	45	6	21	6	50	7	22
	In-house, no collaboration	5	10	32	11	10	12	51	17
	No sales/marketing	90	45	61	68	84	38	42	61
Outsourcing sales or marketing of goods or services	Yes	3	28	17	15	3	29	18	15
	No	97	72	83	85	97	71	82	85

Source: ECS 2013 – Management questionnaire

outsourcing the production of goods and services cover 30% of employment, compared to 22% for the EU public sector average. In terms of in-house activities, sales and marketing is less likely to be carried out by employees in the sector than the EU average (32% compared to 39%).

Collaboration and outsourcing are somewhat more likely to be classified as 'extensive' in the public administration and defence sector with 40% of employees covered (EU28 36%). The extensive collaboration and outsourcing type is characterised by comparatively high proportions of collaboration in all areas. Furthermore, outsourcing is above average in this cluster.

In the moderate type, most of the workforce is 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.

## Internal organisation and information management

Generally speaking, the public administration and defence sector is less structured than the EU public sector overall (Table 2). Establishments that do not monitor external

ideas cover 39% of employment (EU28 29%); 35% are establishments where no records of best practices are kept (EU28 23%), and 18% of employees work in firms where no teamwork takes place (EU28 13%).

Employees in the sector are, however, more likely to be employed in establishments with departments based on function (74% compared to 70%), dealing with different types of products/services (65% compared to 59%) or dealing with specific geographical areas (36% compared to 26%).

Public administration and defence sector staff employed in establishments that are highly structured in terms of internal organisation and information management account for 56% of all employees in the sector (EU28 60%). The 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 function.

The moderately structured type cover the remaining 44% of employees in the sector and are dominated by no use of any information systems for minimising supplies or work processes and much less teamwork.

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

		Public administration and defence			Public sector EU28		
		Highly structured	Moderately structured	Overall	Highly structured	Moderately structured	Overall
<b>Group size</b>		<b>56</b>	<b>44</b>	<b>100</b>	<b>60</b>	<b>40</b>	<b>100</b>
Use information systems to minimize supplies or work-in-process	Yes	52	20	38	52	19	39
Monitoring quality of production	Yes, on a continuous basis	74	46	62	85	59	75
	Yes, on an intermittent basis	23	47	24	13	22	17
	No	3	88	14	2	19	9
Monitoring external ideas or developments	Yes, using staff assigned specifically to this task	39	11	27	43	15	31
	Yes, as part of the responsibilities of general staff	42	24	34	44	33	40
	No	19	66	39	14	52	29
Keeping records of good work practices	Yes	76	50	65	86	66	78
Teamwork	No team	7	32	18	6	23	13
	Most of them work in more than one team	57	46	52	49	45	48
	Most of them work in a single team	36	22	30	44	32	39
Departments based on function	Yes	89	55	74	85	47	70
	No	11	45	26	15	53	30
Departments dealing with different types of products or services	Yes	84	41	65	77	31	59
	No	16	59	35	23	69	41
Departments dealing with specific geographical areas	Yes	54	12	36	38	9	26
	No	46	88	64	62	91	74

Source: ECS 2013 - Management questionnaire

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

		Public administration and defence			Public sector EU28		
		Joint	Top-down	Overall	Joint	Top-down	Overall
<b>Group size</b>		<b>45</b>	<b>55</b>	<b>100</b>	<b>47</b>	<b>53</b>	<b>100</b>
Task autonomy (who decides planning and execution of daily tasks)	The employee undertaking the tasks	17	1	8	15	1	7
	Managers or supervisors	12	45	30	18	53	37
	Both employees and managers or supervisors	72	54	62	68	46	56
Team autonomy (who decides by whom the tasks are to be performed)	Team members decide among themselves	44	4	22	57	6	30
	Tasks are distributed by a superior	38	79	61	31	80	57
	No team	18	17	18	12	14	13

Source: ECS 2013 – Management questionnaire

## Decision-making on daily tasks

Almost two thirds of employees (62%) work in establishments where managers and employees decide together on planning and execution of tasks, slightly above the EU public sector average of 56% (Table 3). On the other hand, team members are less likely to decide among themselves on the distribution of tasks (22%) compared to the EU average (30%).

More than half of public administration and defence service establishments (55%) follow a top-down approach in terms of decision-making, 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 72% of employment in this type; establishments where employees decide on their own is 17%.

## HR practices

### Recruitment, employment and career development

Most employment in the public administration and defence sector is covered by establishments that had no problems hiring skilled staff (67%, above the EU public sector average of 62%) or retaining workforce (90%, see Table 4). However, more than a third of sector employees (35%) worked in establishments where the management reported that there was a need to reduce staff, clearly above the EU public sector average of 26%. Accordingly, establishments that reported a decrease in the number of employees cover 36% of employment, compared to 24% in the EU overall.

Consequently, establishments that are generally under pressure to reduce workforce cover 26% of sector employment, but only 18% of employment in the EU public sector overall.

The ‘business-as-usual’ cluster (in terms of recruitment and employment) covers more than half of employment in the

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

		Public administration and defence				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
<b>Group size</b>		<b>58</b>	<b>16</b>	<b>26</b>	<b>100</b>	<b>62</b>	<b>20</b>	<b>18</b>	<b>100</b>
Change in recruitment policies	Yes	13	28	37	21	17	40	39	25
	No	87	72	63	79	83	60	61	75
Difficulties in finding employees with the required skills	Yes	21	83	28	33	25	85	33	38
	No	79	17	72	67	75	15	67	62
Difficulties in retaining employees	Yes	3	33	13	10	2	31	12	10
	No	97	67	87	90	98	69	88	90
Need to reduce staff	Yes	13	29	87	35	10	23	84	26
	No	87	71	13	65	90	77	16	74
Changes in the number of employees	Increased	30	37	5	25	35	48	8	32
	Stayed about the same	49	39	20	40	50	39	26	43
	Decreased	21	25	75	36	15	13	67	24

Source: ECS 2013 – Management questionnaire

**Table 5: Profiles of establishments – Training (%)**

		Public administration and defence					Public sector EU28				
		Selective	Encompassing	No training	On-the-job training only	Overall	Selective	Encompassing	No training	On-the-job training only	Overall
<b>Group size</b>		74	21	3	3	100	67	28	3	3	100
Time off provided by the employer for training (proportion of workforce)	No	6	4	99	90	10	7	3	99	76	10
	Yes	94	96	1	10	90	93	97	1	24	90
On-the-job training provided by employer (proportion of workforce)	No	23	0	99	0	19	24	0	98	0	19
	Yes	77	100	1	100	81	76	100	2	100	81

Source: ECS 2013 – Management questionnaire

sector (58%) but slightly less than the EU28 average (62%). 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 rarely reported in this cluster.

Establishments that reported ‘shortage of matching skills’ covered a further 16% of employment (EU28 20%), characterised by difficulties in finding skilled employees and frequently reported changes in recruitment policies.

## Training

No differences between the sector and the EU average are observed in terms of offered training (Table 5). However, the selective training type covers more employment of the sector (74%) than overall (67%), while fewer employees work in encompassing establishments (21%) than the EU public sector average (28%). In such establishments both types of training are offered to a majority of staff.

## Working time flexibility

Employees of the public administration and defence sector are more likely to enjoy working time flexibility than the average EU public sector employee (Table 6).

Establishments that offer flexibility in starting and finishing times cover 83% of employment in the sector and 76% in the EU overall. Likewise, 85% of sector staff work in units where accumulation of overtime is possible, as do 79% of employees in the public sector overall.

Consequently, employees in the sector are more likely to work in establishments that make up the encompassing group (29%) than the EU public sector average (21%), with all of them having a flexi-time scheme in place.

The limited working-time flexibility group covers 32% of public administration and defence sector employment (EU28 35%), characterised by a high proportion of no working time flexibility and a relatively high proportion of employees working in firms where overtime cannot be accumulated (33%).

The selective flexibility type covers the remaining 39% of employees, offering flexi-time to most of them, but only a small proportion offering it to 80% or more of the workforce.

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

		Public administration and defence				Public sector EU28			
		Encompassing	Limited	Selective	Overall	Encompassing	Limited	Selective	Overall
<b>Group size</b>		29	32	39	100	21	35	43	100
Flexibility in starting and finishing times	No	0	39	12	17	1	49	15	24
	Yes	100	61	88	83	99	51	85	76
Accumulation of overtime	No	5	33	8	15	7	41	12	21
	Yes	95	67	92	85	93	59	88	79
Part-time work	No	34	40	19	30	30	34	19	27
	Yes	66	60	81	70	70	66	81	73

Source: ECS 2013 – Management questionnaire



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

		Public administration and defence				Public sector EU28			
		Extensive	Limited	Moderate	Overall	Extensive	Limited	Moderate	Overall
<b>Group size</b>		<b>3</b>	<b>58</b>	<b>39</b>	<b>100</b>	<b>3</b>	<b>60</b>	<b>37</b>	<b>100</b>
Payment by results	Yes	60	2	17	9	52	2	21	11
	No	40	98	83	91	48	98	79	89
Individual performance-based payment following management appraisal (bonuses)	Yes	92	16	81	44	85	13	76	38
	No	8	84	19	56	15	87	24	62
Group performance-based pay	Yes	93	1	40	20	87	1	36	17
	No	7	99	60	80	13	99	64	83
Profit-sharing	Yes	91	2	10	8	91	4	17	11
	No	9	98	90	92	9	96	83	89
Share-ownership	Yes	43	0	2	2	31	0	3	2
	No	57	100	98	98	69	100	97	98

Source: ECS 2013 – Management questionnaire

## Variable pay

Differing forms of variable pay are as likely to be prevalent in the public administration and defence sector as the EU public sector average. Only individual performance-based payments are slightly more frequent in the sector (44%) than overall (38%).

Public administration and defence sector establishments of a ‘limited’ cluster of variable pay cover 58% of employment. Within this cluster there are practically no share-ownership or group performance-based pay schemes in place.

The moderate range of variable pay schemes type covers a further 39% of employees. Payments for individual results (bonuses) are paid in most establishments of this group.

Only 3% of public administration and defence sector employees work in firms that offer an extensive range of variable pay schemes; of these, 91% offer profit-sharing.

## Employee participation and social dialogue

### Direct employee participation

Companies where employees were involved in joint decision-making on important or major changes accounted for 25% of the workforce in the sector (EU28 31%). Another 12% work in establishments that consulted employees on major decisions; establishments which just informed about such changes covered 28% of employment (EU28 23%).

The ‘extensive and supported’ type of direct employee participation covered 66%, although less than 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 20% of sector employees, above the EU average of 15%. Establishments in this group were most likely to have no opportunity to involve employees.

‘Moderate and supported’ type establishments cover the remaining 14% of sector workforce, largely informing employees about major changes.

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

		Public administration and defence				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
<b>Group size</b>		<b>20</b>	<b>14</b>	<b>66</b>	<b>100</b>	<b>15</b>	<b>13</b>	<b>72</b>	<b>100</b>
Management attitude toward direct employee participation (%)	Positive attitude	51	49	91	77	61	43	91	81
Level of direct involvement of employees in decision-making in most important change in past 3 years according to manage	Not involved	5	6	3	4	6	9	4	5
	Informed only	13	59	26	28	12	52	19	23
	Consulted	0	18	15	12	0	17	12	11
	Involved in joint decision-making	1	16	35	25	2	21	39	31
	Not applicable (no major change happened)	80	1	22	30	80	1	26	31

Source: ECS 2013 – Management questionnaire



**Table 9: Profiles of establishments – Workplace social dialogue**

		Public administration and defence					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
<b>Group size (%)</b>		42	20	26	11	100	42	20	26	12	100
Resources (score 0–100)	Average score	72	55	66	51	65	69	54	64	45	62
Available information (score 0–100)	Average score	85	64	62	26	68	87	72	68	29	72
Employee representation influence on decision making (score 0–100)	Average score	68	22	48	15	48	65	24	48	15	47
Employee representation involvement in decision making (in %)	Not involved	0	13	3	58	10	0	13	4	59	11
	Informed	3	31	23	24	16	2	34	20	24	16
	Consulted	15	27	27	15	21	11	31	30	15	20
	Involved in joint decision-making	82	29	47	3	53	87	23	45	2	53
Trust in management (score 0–100)	Average score	84	79	59	50	73	84	78	62	47	73
Trust in employee representation (0–100)	Average score	73	68	62	62	68	72	68	62	63	68
Industrial action since 2010 (%)	Occurred	14	13	55	73	31	23	20	59	57	36

**Source:** ECS 2013 – Management and employee representative questionnaires

## Workplace social dialogue

The ECS 2013 shows that 82% of employees work in establishments where an official structure of employee representation is present, above the 75% of the EU28 public sector as a whole.

Employee representatives are slightly better resourced in the public administration and defence sector than the EU average, but get less information. No differences are reported in terms of influence on decision-making.

Establishments involving employee representatives in joint decisions on major changes cover 53% of sector employees. A further 21% are employed in establishments where employees are generally consulted on major changes.

The extensive and trusting cluster comprises 42% of all public administration and defence 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’ cluster covers 20% of sector employment. Compared to the extensive and trusting cluster, they are not so well resourced, get less information

and are (by 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 of 26% of employees. Employee representatives are substantially involved in decision-making in most units and have some influence on decisions taken in the establishment. Nonetheless, the mutual trust of management and employee representatives is quite low.

A small proportion of administration and defence employees (11% compared to 12% overall) work in establishments of the limited and conflictual group 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 (51%).

### 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](mailto:fei@eurofound.europa.eu)