

The Changing Workplace: A Survey of Employers' Views and Experiences

James Williams Sylvia Blackwell Shirley Gorby Philip J. O'Connell Helen Russell

Table of Contents

Preface	4
Executive summary	7
Chapter 1	
Background and survey design	17
 SECTION A	 22
Chapter 2	
Pressure for change in the private sector	23
 Chapter 3	
Responses to external pressures	39
 Chapter 4	
Employment practices	53
 SECTION B	 68
 Chapter 5	
Pressure for change in the public sector	69
 Chapter 6	
Barriers to change	88
 Chapter 7	
Instruments for addressing pressures	99
 Chapter 8	
Attitudes towards reform of the public service	111
 Appendices	
A The questionnaires	119
B Survey design and methodology	133

Preface

In 2003 the Irish government requested the National Centre for Partnership and Performance to establish the Forum on the Workplace of the Future. The Forum compliments existing efforts to support and develop national competitiveness and helps to realise Ireland's broader social and economic objectives. Focusing on internal capabilities, it is developing a clearer picture of the changes needed to meet the challenge of building Ireland's knowledge and innovation driven economy.

A critical obstacle has been the lack of comprehensive data available in an Irish context. Unlike other countries there is simply no accurate picture available of the Irish workplace, its management and of employees' approach to and experience of change.

Therefore, the National Centre for Partnership and Performance commissioned the Economic and Social Research Institute to carry out this survey among over almost 2,000 employers. A complementary survey of employees and their experiences and openness to change was also carried out and this is published in a separate volume.

This report focuses on how employers are responding. It examines the pressures experienced and how companies and public sector organisations are responding. This is a comprehensive examination designed to build a strategic profile of current levels of what the Harvard academic Mike Beer is calling "organisational fitness". The question under consideration is how ready are Irish public and private sector organisations for the challenge of change in the knowledge economy.

The surveys provide some very positive evidence that faced with growing and intense levels of pressure Irish organisations are enhancing their capabilities. In particular, there is evidence that progressive policies are favoured over options such as downsizing. However, innovative managerial

strategies to harness and enable innovation are still confined to limited numbers of pioneering organisations.

The surveys for the first time in an Irish context provide hard evidence that practices like employee discretion, involvement and a range progressive HR policies are driving organisational performance. The surveys provide a detailed empirical picture of practice on the ground and offers a concrete basis for the ongoing work of the Forum on the Workplace of the Future.

I would like to acknowledge each of the 1,491 private sector employers and senior managers and the 392 senior managers in the public sector who kindly gave of their time to participate in this survey.

I would also like to acknowledge the valuable assistance and direction provided by the Chair of the Forum, Mr. Peter Cassells.

The project has been a collaborative effort among staff within the ESRI and the Centre. I would like to thank all the staff involved, in particular James Williams, Sylvia Blackwell, Sylvia Gorby, Philip O'Connell and Helen Russell from the ESRI; and Larry O'Connell, Julia Kelly, Lorraine Glendenning, Edna Jordan, Damian Thomas and Cathal O'Regan from the Centre.

Throughout the project various individuals and organisations provided inputs and assistance. The Centre's council and in particular Philip Kelly (Department of An Taoiseach), Tom Wall (ICTU), Brendan McGinty (IBEC) and Professor Bill Roche (UCD); and members of the Centre's Research Panel, in particular Professor John Geary, offered detailed feedback and very useful direction.

Finally, we would like to acknowledge the support of the Department of Enterprise, Trade & Employment for funding this survey.



Director
National Centre for Partnership and Performance

Authors' acknowledgments

We wish to thank the respondents, without whose co-operation this Survey would not have been possible.

We wish to express our gratitude to our colleagues Professor Bill Roche and Professor John Geary, both of the Michael Smurfit Graduate School of Business, University College Dublin, who contributed their expertise in this field to developing the questionnaire on which this survey is based. Both made a very substantial contribution to the development of the instrument, and, thus, to the success of the survey.

We also wish to thank Lucy Fallon-Byrne and Dr. Larry O'Connell of the National Centre for Partnership and Performance for their many contributions throughout the project.

Finally, we wish to thank the staff of the Survey Unit and Print Room at the ESRI for their work in preparing, administering and processing the Questionnaires and Deirdre Whitaker, who patiently and painstakingly copy-edited our rough manuscript.

Executive Summary

The Irish workplace has been subject to a variety of changing competitive pressures and changing labour market conditions over recent years. Changes in international competitiveness; the introduction of the Euro; improvements in technology; increases in national and international regulations and standards and so on have resulted in a rapidly changing business environment for private and public sector employers alike. Much anecdotal information has circulated over recent years on the extent to which these changes have resulted in serious pressures for business. The discussion around these areas has, however, been largely generic and discursive with little or no evidence-based research to inform the debate on either the extent to which the workplace is perceived by employers to be changing, the nature of those changes or, in particular, how they are responding to these changes.

Introduction

In this report we present the results of a comprehensive survey of public and private sector employers in Ireland regarding their views on a range of current issues facing the workplace and changes therein over recent years. We focus, in particular, on the pressures which are felt to be moulding the shape of the workplace currently and which are likely to do so over the next few years.

The report was commissioned by the National Centre for Partnership and Performance (NCP) with a view to furthering our understanding of the way in which the workplace of today operates and the way in which it is being moulded for the future.

The report attempts to shed light on the nature of employment practices; of pressure points arising from an array of competitive and non-competitive issues including technological innovation; increased competition; changing labour markets; and (particularly in the context of the Public Sector) increased scrutiny and accountability. Only by understanding the current operational and human resource systems which are in place and the pressures shaping them can we hope to move the economy to a position of higher value-added output of goods and services.

There is broad consensus that a shift towards higher value-added output in both the public and private sectors will bring an enhancement in overall competitiveness and realise our national economic and social goals. The main drivers of such competitiveness are the structure and organisation of work; systems for implementing and carrying out work; technology and innovation; quality standards; product development and innovation; employee involvement and adaptability of training systems and industrial relations. In the Public Sector there is perceived to be the added need for reform and removal of some traditional barriers to reform. Accordingly, discussion of a move towards improved competitive structures inevitably centres

on issues such as high performance work systems, employee involvement, various forms of workplace partnership, family friendly practices; barriers to reform etc. These are the core issues addressed throughout the survey report.

2.1 The surveys

Two separate surveys were undertaken – one of private sector employers the other of senior management and decision-takers in public sector organisations. Fieldwork for both surveys was undertaken over the summer and autumn of 2003. The private sector survey involved administering a questionnaire to a representative sample of businesses. The public sector survey involved an attempted census of all public sector organisations in the country. All questionnaires were administered on a so-called “mixed-mode” basis using a combination of postal and telephone approaches. The results were statistically adjusted or “re-weighted” prior to analysis to ensure that the responses are representative of the population of employers in both sectors. The analysis in the report is based on 1,491 questionnaires completed by private sector employers and 392 public sector organisations.

The questionnaires used in both surveys addressed a range of topics related to the issues which are shaping the future workplace in Ireland. These include internal and external pressures faced by employers; their responses to those pressures; barriers to change and development of their workplace etc. The questionnaires used in the public and private sectors were different – to reflect differences in the issues and problems faced by each sector. Notwithstanding their differences, however, they harmonised around a common set of issues relating to actual and anticipated change.

Table 1 | Pressures for change among private sector employees

Competition/markets	Labourforce	Operating environment
■ Competition from other companies ■ Competition from subsidiaries ■ Customers demands ■ Change in size and nature of markets for goods and services ■ Product innovation	■ Difficulties in recruiting appropriate staff ■ Employee demands for changes in workplace practices ■ Labour costs and benefits ■ Labour regulation and legislation	■ Changes in production technology ■ Product and product innovation ■ Fluctuations in exchange rates ■ Insurance costs ■ Other operating costs

3. Pressures for change among private sector employers

Private sector employers were presented with a list of 14 potential business pressures which they may be currently experiencing. Respondents were asked to record whether or not each was causing “Intense Pressure”; “Some Pressure”; or “No Pressure”. The issues in question covered three broad operational domains as shown in Table 1 above.

We find that three-quarters of all private sector companies experience some form of “intense” pressure from at least 1 of the 14 potential sources while “some” pressure was felt almost universally by all companies.

In general a higher proportion of companies in the manufacturing sector was experiencing pressures (both “intense” and “some”). In addition to the higher incidence in the manufacturing sectors, the general experience of pressures seems to be most strongly related to size of company; to recent changes in scale of the company’s operation (expansion or contraction) and also to recent reductions in profit levels.

In relative terms we found that the set of issues in the operating environment was perceived to be a greater source of pressures than those in the areas of competition/markets or the labourforce.

The individual sources of pressure most frequently cited by employers were generally cost-based or competitive in nature – competition from other companies; labour costs, insurance costs and other operating costs. Following these were increasing demands from customers and product or production regulations.

We found that in the context of labour market issues and related problems foreign ownership and Trade Union recognition were significantly related to increases in the pressure experienced by private sector employers.

Table 2 | Private sector response to external pressures

1. Product innovation/ marketing	2. Production technology/cost containment	3. Workforce	4. Structural
■ Introducing new products or services ■ Improving the quality of the goods or services produced ■ Customising goods or services to the needs of customers ■ Increased marketing or promotion	■ Introducing new production technology ■ Reducing other production costs ■ Relocation of some or all of your operation abroad ■ Outsourcing	■ Reducing the number of employees ■ Training and development ■ Encouraging greater flexibility among the workforce ■ Increase staff involvement in decision making and problem-solving	■ Mergers or de-mergers ■ Flattening management structures reducing managerial/supervisory control ■ Increasing managerial/supervisory control ■ Reconfiguring department/divisional structures ■ Introducing new work practices e.g. team working; multi-tasking etc.

4. Responses to pressures for change among private sector employers

Having reviewed the main sources of pressures facing employers in Ireland today the report also considers their responses to those pressures. A total of 17 responses to external pressures for change was presented to private sector respondents. These were classified into 4 main areas as outlined in the table below:

We find that, in general, the most important responses to current external pressures relate to product innovation/marketing. The most important areas being the introduction of new products or services and the improvement or customisation of goods or services provided.

It is particularly encouraging to note that relatively large percentages of private sector employers assign a high importance to progressive employment policies in addressing pressures. The policies in question include staff training and development; greater levels of staff involvement and greater labour market flexibility. The introduction of new work-practices is mentioned as being “important” by over one-third of firms.

Changes in corporate structure appear to be viewed by private sector employers as being among the least important in addressing current pressures. It is particularly noteworthy that the proportion of firms which indicates increasing management structures is almost twice as high as the percentage who say that they would reduce or flatten such structures in response to current pressures. The concept of an increasingly flattened management landscape would not yet appear to have yet been introduced into the Irish workplace.

Table 3 | Employment practices implemented in the private sector

1. Partnership/involvement ■ Arrangements for direct involvement of employees in decision making & problem solving ■ Employee discretion in the way their work is organised or carried out ■ Formal Partnership agreement involving unions and employees ■ Informal Partnership style arrangements between management & employee representatives ■ Information to and consultation with staff on change in the company ■ New work practices such as Teamworking/Multi-tasking/Quality Circles	2. Employee-oriented/integrative policies ■ Profit sharing/share options/gain sharing for employees ■ Explicit policy on equality/diversity in the workplace ■ Arrangements for work-life balance for employees ■ Formal dispute resolution procedures ■ Annualised hours where working hours are customised to meet the needs of both management and employees	3. Staff development practices ■ Staff training and development for managers ■ Staff training and development for employees ■ Formal staff performance review 4. Use of temporary/part-time staff ■ Use of part-time staff ■ Use of temporary labour/contract staff ■ Temporary layoffs/reduced working time, when necessary
---	--	--

5. Employment practices in the private sector

Respondents in the private sector survey were asked to indicate whether or not a range of 17 employment practices were in place in their organisation. These practices spanned 4 main areas as shown in Table 3 above.

In our examination of partnership processes we range from explicitly labelled formal and informal partnership structures to much loosely defined participative arrangements for employee involvement in workplace decision-taking. Although the incidence of explicitly labelled formal partnership is low (just over 4 per cent) we find that this increases (to 19 per cent of employers) in respect of informal

partnership practices. The percentage increases further (to a substantial 60-70 per cent) when one expands the definition to include much more loosely defined participative processes. These latter include, for example, arrangements for direct involvement of employees in decision-making and problem-solving or discretion in the way work is organised or consultation about the way work is carried out.

In general, the incidence of formal and informal arrangements is much higher in the manufacturing sectors than elsewhere in the economy and is also more generally characteristic of larger companies.

Table 4 | Internal and external pressures in the public service

Internal pressures	External pressures	
■ employee needs and preferences for greater flexibility in the workplace ■ demands by staff for greater say and involvement in work ■ demands by staff for better pay ■ demands by staff for new reward systems (e.g. profit sharing/share options etc.) ■ introduction of new technology ■ explicit equality and diversity policies	1. Regulatory Control ■ National regulations, legislation or policy in your area of work ■ European/international regulations ■ Legislation – equality in the workplace 2. Accountability ■ Scrutiny by the media ■ Freedom of information 3. Service Provision ■ Demands for increased standard of services delivered ■ Requirements for increase efficiency in the delivery of services ■ Requirement for changing opening/closing times to suit clients/users	■ Provide new services for users ■ Co-ordinate with services of other departments or Public Service bodies ■ Increases in the size of the organisation's largest group or client base (i.e. an increase in number of users of respondent's service). 4. Public Service ■ Public Service Modernisation Agenda (PSMA) ■ Budget constraints ■ Achieving balanced regional development ■ Adhering to social partnership agreements ■ Availability of approximately qualified staff

Staff development and training practices are implemented by quite substantial proportions of respondents – in the region of 50-60 per cent. Up to 38 per cent of firms use some type of formal staff performance review. Overall, we find a very strong and positive relationship between the use and implementation of good practice strategies with size of company.

6. Pressures for change in the public sector

In the course of the survey public sector employers were presented with a different set of pressures to those used with the private sector. The differences reflected the different nature of the organisations and enterprises found in the respective areas of the economy.

In the public sector a distinction was made between internal and external pressures. A set of 6 potential sources of internal pressures and 16 external pressures was presented to respondents. This latter group fell into 4 broad categories. The relevant pressures were as shown in Table 4 above.

6.1 Internal pressures in the public service

Stretching right across the Public Sector the most frequently cited internal pressure by respondents was the introduction of new technology. This was followed (some way behind) by employee needs and preferences for greater flexibility in the workplace and demands from staff for greater say or involvement in the work. The introduction of new technology as an internal pressure was perceived to be generate more pressures in the Health sector and Civil Service than in others areas of the Public Service. Pressures resulting from demands from staff for a greater say and involvement in the work are also of greater relevance in the Civil Service than in other sectors.

It is generally felt by senior management across the public service that internal pressures will increase over the next 3 years. Employee needs and preferences for greater flexibility are seen as being the area of internal pressure which is most likely to increase. This is followed by pressures generated as a result of the introduction of new technology. These trends are generally reflected across all sectors of the Service.

6.2 External pressures in the public service

In terms of external pressures 3 main areas stand out as being particularly important for Public Sector employers viz. budget constraints; a requirement for improved efficiency in the delivery of services and demands for increasing standards in service delivery.

Overall, when we generated indices of external pressures we were struck by how little variation there was in the incidence of such pressures across sectors within the Service.

7. Barriers to change in the public sector

A total of 16 potential barriers to change was presented to senior management in the Public sector. These were grouped into 3 main areas as outlined in Table 5:

In general, the greatest barriers to adapting to change in the public sector are perceived to be external in origin. Financial constraints are particularly prominent. Almost 80 per cent of respondents in Public Service organisations consider that budget constraints act as a “major barrier” in addressing pressures, and another 20 per cent regard this as a “barrier”.

While management and organisational issues are generally not considered to represent “major barriers” to addressing pressures these issues are, nevertheless, regarded as “barriers”. Two-thirds or more of Public Service organisations consider that the hierarchical nature of the organisation and high levels of bureaucracy represent either “barriers” or “major barriers” to addressing pressures. Moreover, half or more consider that management structures, the ability and experience of management, and the willingness of management to change are either “barriers” or “major barriers” in adapting to pressures.

Under the human resources heading the most salient issues are appropriate responses to under- and high performance. Over half of respondents consider that the extent to which one can award high performance is a “major barrier” to addressing pressures facing the organisation. In contrast, almost 40 per cent regard the extent to which one can deal with under-achievement as a major barrier.

Table 5 Barriers to change in the public service

Management and organisation

- Management structures within your organisation
- Ability and experience of management
- Willingness of management within the organisation to change
- Hierarchical nature of the organisation
- High levels of bureaucracy

Human resources

- The promotions process
- The level of responsibility devolved to individuals or work teams
- The extent to which one can deal with under-achievement
- The extent to which one can reward high performance
- Willingness of staff within the organisation to change
- Willingness of unions within the organisation to change
- Lack of local flexibility in industrial relations negotiations

External constraints

- Budget constraints
- Centralisation of Public Service resource allocation and finance decisions
- Centralisation of Public Service human resource systems
- Political considerations

Table 6 | Instruments for addressing pressures

1. Structural responses ■ Public-Private partnerships ■ Making the organisation less hierarchical ■ Implementing organisational performance measurement ■ Benchmarking with other organisations ■ Outsourcing ■ Creation of new Agencies ■ Working on inter-Departmental basis 2. Human resources policies ■ Open recruitment in the Public Service for all grades ■ Freedom to adjust employee numbers ■ Training and development for management	■ Increased use of contract or temporary staff ■ Training and development for employees ■ Introduction of performance related pay 3. Innovation and standards ■ Introducing new technology ■ Developing service quality standards ■ Developing customer service plans 4. Employee-oriented work-practices ■ Improving information flows and greater consultation ■ Meeting employees' needs for work-life balances. ■ Moving to a team based approach to work	■ Allowing individual discretion in managing & organising work ■ Explicit policy on equality/diversity in the workplace 5. Partnership and involvement ■ Explicit efforts to build trust between staff and management ■ Formal Partnership agreement involving unions and employees ■ Informal Partnership style arrangements between management ■ Arrangements for direct involvement of employees in decision-making and problem solving
---	---	--

8. Importance of instruments for addressing pressures

A broad range of issues were presented to Public Sector respondents who were asked to indicate the importance of each as a response to the pressures currently faced by their organisation. A total of 25 instruments was considered spanning five broad areas as shown in Table 6:

We find that training and development for both staff and management stand out as the strategies most frequently regarded as “very important” by Public sector management in responding to pressures - cited by more than two-thirds of public sector management. Training is also expected to play a large role in the future. Over 80 per cent of the Public Service record that training for employees will be “very important” over the next three years in responding to pressure with 77 per cent saying that training of managers will be “very important”.

Well over half of organisations regard implementation of organisational performance measurement as a “very important” current response to pressure and almost three-quarters expect this to be “very important” in the next 3 years.

About 60 per cent of the Public Service report that innovations in the area of quality of service, including quality standards and customer service, are currently “very important” in responding to pressures, and almost all consider that these responses will be either “important” or “very important” over the next 3 years.

Responses varied with respect to partnership and employee involvement although, on balance, it would seem to be accepted as an important instrument for public service management. About 40 per cent of respondents see partnership (formal or informal) as currently representing a “very important” response to pressure and expectations for the future suggest substantial continuity with present practice. About a quarter of organisations also consider arrangements for direct involvement of employees in decision-making and problem-solving to be currently “very important” in responding to pressure while well over one half consider that it will become so over the next three years. Building trust between management and unions is also regarded as salient: one-third consider this to be currently ‘very important’ and over one half expect it to become so over the next 3 years.

9. General attitudes to reform of the public service

A total of 10 pre-coded items was presented to respondents regarding their general views and attitudes on reform of the public Service. These covered 3 broad areas as shown in Table 7.

In general, we find that there is strong acceptance of the basic principle of the need for Public Service reform (26 per cent in aggregate ‘strongly agree’ and 67 per cent “agree” that reform is necessary. Higher levels of agreement are found in the Civil Service (50 per cent “strongly agree” and 42 per cent “agree”). Efficiency in the use of resources, the importance of quality of service delivery and partnership approaches are all seen as being of substantial importance in respect of future reform. Only in respect of reforms such as the role of cost containment and the removal of permanency as a feature of Public Service employment would there appear to be any substantial level of dissension among respondents as to their importance within a general reform agenda. Overall, however, the story told by the results presented in the report is one of a Public Service which is largely very receptive to the general principle of the need for change across a broad range of areas from quality of services to organisational or structural reform to the strengthening of partnership arrangements.

Table 7 | **General attitudes to reform of the public service**

General reform

- Reform of the Public Service is essential
- Quality of service should be the most important aspect of the Public Service
- Innovation and introduction of new ideas is critical to any reform of the Public Service

Cost management/employment practices

- Cost containment is the single most important aspect of planning for the Public Service
- Greater flexibility in payments structures is critical to any reform of the Public Service
- Ability of management to hire and fire is critical to any reform of the Public Service
- Removing permanency as a feature of Public Service jobs is critical to any reform of the Public Service

Organisational structures

- Efficient use of resources should always be the most important consideration in delivering services
- Ability of management to recruit and promote professional grades within the organisation is necessary to improve organisational performance
- A partnership approach is important to achieving organisation change in the Public Service

Chapter One

Background and Survey Design

In this report we present the results of a comprehensive survey of public and private sector employers in Ireland regarding their views on a range of current issues facing the workplace and, in particular, pressures which are felt to be moulding the shape of the workplace over the next few years. The report stems from a need to understand the current operational and human resource architecture of the Irish workplace. It attempts to shed light on the nature of employment practices; on pressure points arising from an array of competitive and non-competitive issues including technological innovation; increased competition; changing labour markets; and (particularly in the context of the Public Sector) increased scrutiny and accountability. Only by understanding the current operational and human resource systems which are in place can we hope to move the economy to a position of higher value-added output of goods and services.

1.1 Introduction

There is broad consensus that by ensuring that as we move towards higher value-added output in both the public and private sectors we can enhance our overall competitiveness and realise our national economic and social objectives. The main drivers of such competitiveness are the structure and organisation of work; systems for implementing and carrying out work; technology and innovation; quality standards; product development and innovation; employee involvement and the adaptability of training systems; and (in the Public Sector) the need for reform and removal of some traditional barriers to reform. Accordingly, discussion of a move towards improved competitive structures inevitably centres on issues such as high performance work systems, employee involvement, various forms of workplace partnership, family-friendly practices; barriers to reform etc.

Notwithstanding broad agreement on the underlying conditions necessary to achieve the move to a higher value-added output there is very limited consensus on the extent to which they are, in fact, in place in the workplace in Ireland. As discussed by Geary (1999)¹ there is a dearth of information regarding the true form of the Irish workplace, employment practices; its management; employees' expectations and responses to practices etc. Although some details on employee experiences of the workplace can be derived from various rounds of surveys such as the International Social Science Programme (ISSP); European Values Surveys (EVS) and European Survey on Work Conditions there is little evidence of direct largescale survey work on the Irish workplace. Accordingly, relatively little is known of practices, structures or outcomes of the way work is organised and workers are managed. Some relatively recent workplace studies, such as

McCartney and Teague (1997)² and Roche and Geary (1998)³ are notable exceptions. Apart from these quantitative surveys there is, on the whole, a paucity of relevant statistical information on a comprehensive basis. This contrasts strongly with the situation in Britain where one finds the largescale survey of employment relations which has been carried out on four occasions since 1980 and the employment in Britain program. As noted, the Geary/Roche survey of 1996/97 is probably the only largescale workplace survey of management and operational practices in Ireland to date.

With a view to redressing this major gap in our understanding of the workplace in Ireland the National Centre for Partnership and Performance (NCP) commissioned the Economic and Social Research Institute (ESRI) to carry out major research into the nature and structure of the Irish workplace. This research encompassed both employees' and employers' attitudes towards the Irish workplace. The report on employees' experiences is published as a separate document.³ The current report focuses exclusively on employers' experiences, views and attitudes. It focuses on current employment practices and pressures which are impacting on the shape of the current workplace and which, consequently, are helping to shape the workplace of tomorrow. The purpose of the analysis is to provide an understanding of the current situation regarding employment practices as well as perceived pressures which may affect the introduction and implementation of new practices and new ways of organising work in Ireland in the immediate future.

1. Geary, J. (1999). "The New Workplace: Change at Work in Ireland." *International Journal of Human Resource Management* 10(5): 870-890.

2. McCartney, J. and P. Teague (1998). "Workplace Innovations in the Republic of Ireland." *The Economic and Social Review* 28(4): 381-399.

3. Roche, W. K. a. G., J.F. (1998). "Collaborative Production" and the Irish Boom: Work Organisation, Partnership and Direct Involvement in Irish Workplaces." *Centre for Employment Relations and Organisational Performance Working Paper*.

4. *The Changing Workplace: A Survey of Employees Views and Experiences*, NCPP Research Series No.2, April 2004

1.2 Structure of report

The report is divided into two broad sections. In Section A we outline the results from the private sector survey. In that section we present three chapters. First, we consider pressure for change in private sector enterprises. This is followed in Chapter 3 by an analysis of private enterprises' responses to external pressures for change while in Chapter 4 we examine employment practices among private sector companies.

We then move on in Section B of the report to a consideration of views, attitudes and opinions among Public Service management. This begins in Chapter 5 with an analysis of the factors which are seen as generating pressure for change within the Public Service. In Chapter 6 we consider barriers to change before moving on in Chapter 7 to examine instruments for addressing pressures. Finally, in Chapter 8 we examine the attitudes among senior management of general issues of reform in the Public Service.

1.3 Scope and methodology

Before we outline the results of the surveys, this Chapter concludes by providing a short overview of the methodology used in the surveys (Full details are contained in Appendices A and B).

Questionnaires in both surveys were largely administered on a postal basis – with extensive phone follow-up in the Public Service. Both questionnaires are reproduced in Appendix A. The private sector survey covers the private and commercial semi-state sector including manufacturing, construction and services. The Public Service survey covers all aspects of Public Service employment in Ireland including the Civil Service; Defence Forces; Gardaí; Education; Regional Bodies & non-commercial Semi-States; the Health sector and the Prison Service.

All data collected in the course of the surveys were statistically adjusted or “re-weighted” prior to analysis. This statistical adjustment was undertaken in such a way as to ensure that the structural characteristics of the completed sample were in line with the overall relevant population of employers in terms of sector (activity) and size (number of employees). Although re-weighted, the estimates presented throughout the report are (as with all survey data) subject to standard statistical sampling variances. These variances will be especially pronounced in the analysis of sub-groups based on a small number of respondents. (For a more complete discussion of the methodology used in both surveys – including design and re-weighting – see Appendix B).

The report is based on a completed sample of 1,491 private sector employers and 392 Public Sector employers. This represents response rates of 42 per cent for the private sector and 67 per cent among Public Sector organisations. These rates are very much in line with what one would normally expect from a business survey using a mixed mode approach based on a postal and phone follow-up methodology.

1.4 Interpreting the data

The interpretation of the figures from the private sector survey is reasonably straightforward. The information was collected at the level of the business enterprise (including all branches and outlets) within the Republic of Ireland. The data are weighted to provide the best unbiased estimates of the number of business enterprises in the country which implement the various employment practices or which experience the various pressures etc. outlined in the questionnaire. The unit of analysis throughout is the business enterprise.

For the private sector business enterprises are generally well defined and unambiguous. This is not the case, however, for the Public Service. The “boundaries” of a Public Service organisation or body are often not very well defined. The extent to which individual Civil Service Departments are separate entities is quite questionable. The problem is further exacerbated by the fact that for reasons of administrative or institutional convenience, when completing questionnaire surveys several Public Service organisations opt to have their figures returned with related bodies – often reporting Departments. For example, several Urban District Councils (UDCs) insist on having their figures returned with their relevant County Council. One area where this was an important issue was in respect of first and second level education. Figures in respect of these two sectors were collated centrally for the relevant reporting sections in the Department of Education.

When statistically adjusting or re-weighting the data from the Public Sector prior to analysis we effectively assign to each respondent a weight which is in direct proportion to its size within its sector. The size of the organisation wholly determines the weight assigned. This is analogous to giving each respondent (or questionnaire) a “vote” proportional to its number of employees. The highly centralised nature of some Public Service organisations (such as An Garda Síochána and the Defence Forces) means that the single questionnaires completed in respect of such organisations receive large weights in the final analysis and tables presented. The responses in each of these questionnaires contribute, therefore, very substantially to the analysis. This is an important point in the interpretation of the results presented in subsequent chapters. In many respects the reader can interpret the Public Service respondents as clusters of employees. The larger the organisation the larger the cluster and, accordingly, the louder its voice in the final analysis presented.

1.5 Issues covered in the surveys

The information recorded in both the public and private sectors was designed to be complementary. Accordingly, the questionnaires used in both sectors were harmonised as far as possible. Given the differences in the nature of issues facing the non-commercial Public Service on the one hand and the commercial private sector, on the other the best one can hope to achieve is a harmonisation of the set of issues covered in both instruments. Harmonisation does not, of course, mean strict equalisation. Given the specificities of the concerns to both sectors it would clearly be neither feasible nor desirable to implement the same (or even similar) questionnaires to both sets of respondents. Consequently, in the course of public and private sector enquires we implemented harmonised instruments which addressed comparable but different equivalents across both sectors in question.

1.5.1 Private sector

The questionnaire modules included in the private sector surveys recorded details in four main areas as follows:

(i) Pressure for change:

This involved recording details on factors currently generating pressure for change. Respondents were presented with a total of 14 pre-coded items which could potentially generate pressure for change in the workplace. They were asked to indicate whether or not each resulted in “Intense Pressure”, “Some Pressure” or “No Pressure At All/ Not Applicable”.

(ii) Responses to pressure for change:

Respondents were further presented with 17 potential responses to external pressure. They were asked to indicate how important each was in their company in currently addressing or responding to the external pressures faced by the company.

(iii) Implementation of employment practices

In the final section of the questionnaire respondents were presented with 17 employment practices. In respect of each they were asked to indicate whether or not the practice was implemented in their company and, if so, how important the respondent felt it was to the efficient running of the company – Very Important; Important; Not Important.

(iv) Classificatory variables

In addition to the substantive issues related to the changing workplace the instrument also recorded basic classificatory details such as size of firm, industrial location etc.

1.5.2 Public service

The Public Service questionnaire was designed to collect details on views and attitudes of senior management towards a range of issues which are currently acting to shape the Public Service workplace in Ireland. The instrument contained a total of six sections as follows:

(i) Internal pressures for change

This section identified current pressure points as well as those perceived as being likely to arise over the next three years. The range of issues included areas such as demands from employees for greater labour market flexibility; greater say and involvement in the work; better pay; new reward systems (possibly to include issues such as profit sharing/ share options); pressures resulting from the introduction of new technology and from explicit equality and diversity legislation.

(ii) External pressures for change

The range of external pressures covered 16 specific topics over four main areas including issues related to regulatory control; service provision; accountability and restructuring of the Public Service itself.

(iii) Perceived barriers to addressing current pressures for change

As in the previous section, 16 specific topics in three main areas were presented to the respondent. These addressed issues related to management and organisation (broad structural issues); human resources; external constraints.

(iv) Instruments which could be used to address pressures for change

Five broad domains containing a total of 25 specific instruments for addressing pressure were considered on the questionnaire. The broad domains were: structures; innovation and standards; employee oriented practices; human resource policies and partnership/involvement.

(v) General attitudes towards reform of the public service

Details on views and opinions were recorded on a total of 10 items in three main areas viz. the areas of general reform; cost management/employment practices and organisational structures.

(vi) Classificatory variables

This section recorded information on the nature of Public Service activity, size etc.

Chapter 2

Pressure for Change in the Private Sector

In this chapter we begin by considering the extent of pressure for change in the workplace. The questionnaire examined the extent of pressures in the workplace as perceived by the employer as well as his/her response to such pressures. These are the subject of the current chapter and Chapter 3 respectively. We begin by focusing on factors which have been identified by private sector employers as generating pressure for change within the workplace.

2.0 Introduction

An analysis of the pressures facing companies will allow us to understand the factors working to mould and change the workplace in Ireland over the coming years. In the course of the survey respondents were presented with 14 pre-coded potential sources of pressure. These can be grouped into three main areas as follows:

A. Competition/markets

1. – competition from other companies (1)
2. – competition from independent subsidiaries within your group (2)
3. – increasing demands of your customers (4)
4. – contracting market for your goods or services (9)
5. – product innovation in your line of business (14)

B. Labour issues

6. – difficulty in recruiting staff (3)
7. – increasing demands for changes in the workplace from your employees (6)
8. – labour costs and benefits (including Social Insurance) (10)
9. – labour regulation and legislation (11)

C. Operating environment

10. – changes in production technology in your line of business (5)
11. – product and production regulation and legislation (e.g. environmental, safety, sustainability) (7)
12. – fluctuation in exchange rates (8)
13. – insurance costs (non-labour) (12)
14. – other operating costs (13)

The 14 items were not grouped into these main areas on the questionnaire. The number in brackets after each item indicates the order in which it appeared on the survey instrument.

Respondents were asked to indicate whether or not each of the items is currently generating:

- Intense pressure for change
- Some pressure for change
- No pressure/not applicable to their company.

2.1 Incidence of pressure for change

Table 2.1 outlines the distribution of firms according to the number of pressures which they experience. In Section A of the table we present figures on the number of items causing “intense pressure”. Section B presents comparable figures on the number of items cited as causing “any pressure”.

One can see from the figures that 76 per cent of all firms record that some form of operational issues cause them intense pressure. Just over one in five firms (22 per cent) record that they experience one such pressure point; 19 per cent record experiencing two issues causing intense pressure and so on. Over 6 per cent of private companies indicate that they are experiencing intense pressure from 6 or more of the 14 relevant items listed on the questionnaire.

One can see from the detail of the table that the Finance/Insurance/Business Services and also Distributive Services sectors have the highest percentage of firms (30-31 per cent) which record experiencing no intense pressure from any of the items listed. This is followed some way behind by Hotels/Restaurants/Transport/Other Services (21 per cent). Looking across the sectors, it would appear that the manufacturing sectors record themselves under most pressure. A total of 58 per cent in the Hi-Tech sector and 52 per cent in Traditional Manufacturing record that they experience intense pressure on 3 or more of the items listed.

From Part (ii) of Section A one can see that the incidence of intense pressure for change seems to be very directly linked to size of enterprise. The larger the enterprise the more likely it is to be experiencing some form of intense pressure. One can see, for example, that a total of 26 per cent of businesses employing less than 10 persons experience no intense pressure. This incidence rate falls progressively to stand at 12 per cent for the largest group of companies. A total of 55 per cent of enterprises employing 50 or more persons experience 3 or more issues which are felt to generate intense pressure for change. The comparable figure for the smallest size category is 32 per cent.

This clear relationship between size of firm and incidence of intense pressure is perhaps not too surprising. The larger the company the greater is its exposure on a broader range of different fronts to various pressure points. The more complex and sophisticated nature of business activity among larger companies is presumably what is driving this trend. This greater complexity of business portfolios and business dealings means that their potential for experiencing intense pressure is increased.

Parts (iii) and (iv) of Section A in Table 2.1 (overleaf) refer to trends according to changes within the company in terms of its workforce and business volumes over the last two years. One can see that a company which has experienced no change in the last two years in volumes of business or in size of workforce has the lowest chance of experiencing intense pressure. Companies which have experienced change (especially where this change has been contractionary) have felt under more intense pressure. For example, 53 per cent of companies which have experienced a contraction in their workforce over the last two years record having experienced intense pressure in 3 or more areas of their operation. Comparable figures among companies which have either expanded their workforce or remained constant are 30 per cent and 24 per cent respectively. In general, change is associated with increased pressures. As one might expect, contraction or down-sizing is most painful of all.

One can see from Part (v) of Section A that there is a very strong relationship between profit out-turn in the two years preceding the survey and experience of intense pressure. For example, only 10 per cent of firms which record having made a substantial loss record no intense pressure in the two years preceding the survey. This figure rises progressively (i.e. intense pressure falls) with increasing profit performance. Just over one-third of companies which made a substantial profit record not having experienced any intense pressure.

The right hand section of Table 2.1 (Section B) presents comparable figures relating to the experience of any pressure in the company. This could be described by the respondent as either “intense” or as “some” pressure.

One can see from the table that there is an almost universal view among firms that they are experiencing some level of pressure. Less than 2 per cent of companies record that they are not experiencing any pressure from the 14 pre-coded items contained on the questionnaire.

The trends in the body of Section B in the table are very consistent with those discussed above in relation to intense pressure. One can see, for example, from Part (i) of Section B that experience of any pressure is highest in the two Manufacturing sectors and lowest in Finance/Insurance/Business Services. In broad terms, experience of any pressure increases with size of company. For example, 57 per cent of firms in the smallest size category record experiencing “some” or “intense” pressure from 7 or more of the 14 pre-coded items on the questionnaire. This compares with 91 per cent of the largest companies. As noted above, this may largely reflect the greater exposure of larger companies to the potential for pressure in some aspect of its much more complex business dealings.

Table 2.1 Firms classified according to the number of operational items which they recorded as causing “Intense” and “Any” Pressure for change.

	SECTION A					
	No of items causing intense pressure					
	None	1	2	3-5	6+	Total
(i) Industrial Sector	<i>row percentages</i>					
Traditional manufacturing	12.1	17.1	18.9	41.3	10.6	100.0
Hi-tech manufacturing	11.9	15.8	14.2	46.8	11.3	100.0
Construction	12.1	12.9	35.9	31.0	8.2	100.0
Distributive Services	29.6	22.2	16.8	25.0	6.4	100.0
Finance/Insurance/Business Services	30.8	29.6	15.2	20.1	4.2	100.0
Hotel/Rest/T'port/Oth Services	20.7	21.5	16.9	34.4	6.4	100.0
(ii) Size of Establishment						
0-9 employees	25.6	23.0	19.2	26.9	5.3	100.0
10-19 employees	17.8	23.3	13.8	32.2	13.0	100.0
20-49 employees	16.8	13.0	19.2	40.3	10.7	100.0
50+ employees	12.3	13.4	19.2	41.1	14.0	100.0
(iii) Trends in workforce over last 2 years						
Larger	23.3	29.2	17.2	22.4	7.9	100.0
The Same	30.2	25.0	20.8	20.3	3.6	100.0
Smaller	16.0	12.8	18.1	43.3	9.8	100.0
(iv) Trends in business volumes over last 2 years						
Larger	25.3	26.8	19.0	23.1	5.8	100.0
The Same	33.9	21.3	16.6	23.4	4.7	100.0
Smaller	16.1	18.4	21.0	36.4	8.1	100.0
(v) Profit out-turn in last 2 years						
Substantial loss	10.0	8.3	35.3	31.6	14.8	100.0
Moderate loss	18.9	14.3	21.8	36.6	8.4	100.0
Broke Even	27.5	16.6	11.9	40.7	3.1	100.0
Moderate profit	25.5	27.6	17.8	22.6	6.5	100.0
Substantial profit	34.2	26.2	22.1	16.3	1.3	100.0
All Firms	24.1	22.0	18.9	28.5	6.4	100.0

SECTION B

No of items causing ANY pressure

None	1-2	3-4	5-6	7-9	10+	Total
------	-----	-----	-----	-----	-----	-------

row percentages

0.0	0.6	5.1	16.5	35.5	42.3	100.0
0.6	1.7	3.9	9.1	32.4	52.2	100.0
2.7	0.0	3.0	11.8	60.3	22.2	100.0
2.2	3.3	10.1	23.5	36.6	24.3	100.0
3.5	9.8	16.5	27.3	28.4	14.5	100.0
0.1	5.3	13.5	21.6	42.6	16.8	100.0
2.1	5.2	12.6	23.3	39.4	17.3	100.0
0.0	2.9	4.6	18.3	39.9	34.3	100.0
0.8	1.5	4.5	11.8	39.5	41.8	100.0
0.0	0.8	1.0	7.2	41.2	49.8	100.0
1.8	3.9	6.2	21.4	45.5	21.3	100.0
1.8	6.2	16.9	19.8	38.8	16.5	100.0
1.6	3.1	6.7	23.8	38.0	26.8	100.0
1.5	4.1	7.8	22.7	44.3	19.7	100.0
3.0	4.2	18.3	20.1	35.2	19.2	100.0
1.4	5.8	9.6	22.2	39.0	22.0	100.0
2.0	8.6	2.4	17.4	33.7	35.9	100.0
0.8	2.0	16.5	21.5	39.2	20.0	100.0
4.5	3.9	7.3	20.6	50.3	13.3	100.0
1.2	4.8	12.6	22.4	37.3	21.8	100.0
0.3	13.0	7.9	18.4	46.4	14.0	100.0
1.8	4.7	11.3	21.7	39.5	20.9	100.0

Table 2.2 Percentage of all firms citing each of 14 pre-coded aspects of business activity as generating pressure for change

All Firms	Amount of pressure			Total
	Intense	Some	None/NA	
	%	%	%	%
Competition/Markets				
Competition from other companies (1)	26.7	59.2	14.1	100.0
Competition from independent subsidiaries within your group (2)	2.8	9.8	87.4	100.0
Increasing demands of your customers (4)	14.0	54.6	31.4	100.0
Contracting market for your goods or services (9)	9.1	37.0	53.9	100.0
Product innovation in your line of business (14)	6.2	27.8	66.0	100.0
Labour Market				
Difficulty in recruiting appropriate staff (3)	6.1	29.2	64.7	100.0
Increasing demands for changes in the workplace from your employees (6)	2.1	23.8	74.1	100.0
Labour costs and benefits (incl. Social Insurance) (10)	26.5	47.1	26.4	100.0
Labour regulation and legislation (11)	16.3	42.0	41.6	100.0
Operating Environment				
Changes in production technology in your line of business (5)	6.3	23.5	70.2	100.0
Product and production regulation and legislation (e.g. environmental, safety, sustainability) (7)	16.1	38.2	45.6	100.0
Fluctuations in exchange rates (8)	5.3	31.1	63.6	100.0
Insurance costs (12)	57.9	32.8	9.4	100.0
Other Operating costs (13)	23.4	59.7	16.9	100.0

2.2 Level of Pressure from Specific Items

2.2.1 The aggregate level

In the previous section we looked at the incidence of employers' recording of (a) intense and (b) any pressure across all of the fourteen operational items. In this section we turn to consider the extent to which each individual item was mentioned as generating "intense" pressure; "some" pressure or "no pressure/not applicable". The summary results are presented

in Table 2.2. The figures in the table relate to all 14 items across the three operational domains of competition/markets; labour market; operating environment.

One can see from the table that the item most frequently cited as posing intense pressure for change is insurance costs (not employer's Social Insurance costs). As many as 58 per cent of businesses record this as presenting intense pressure for change, a further one-third of companies indicate that it represents "some" pressure. Only 9 per cent of businesses consider that it does not generate some level of pressure within their company.

The next most frequently cited item is competition from other companies – mentioned as “intense” by 27 per cent and as presenting “some” pressure by 59 per cent. We now turn to consider the individual items within each of the three operational domains.

Competition/markets

Within this domain it would appear that the role of competition from subsidiaries within the business group is not perceived as a source of pressure. Product innovation is recorded by two-thirds of businesses as not representing pressure. It is noteworthy that as many as 54 per cent of firms do not perceive contracting markets for their goods or services as generating any pressure for change while just over 9 per cent feel that this causes them “intense” pressure and 37 per cent feel that it causes them “some” pressure. Approximately one-third of companies (31 per cent) feel that the increasing demands of their customers are not causing any pressure for change. Only 14 per cent believe that “increasing customer demands” generate intense pressure.

Labour market

Within this domain the most important pressure point is labour costs and benefits (including social insurance payments). This is recorded by 26 per cent as presenting “intense” pressure and by a further 47 per cent as causing “some” pressure. Substantial proportions also indicate that labour regulation and legislation cause some level of pressure (a total of 58 per cent). One can see that, in line with the cooling of the labour market in recent years, only 6 per cent of firms see difficulty in recruiting appropriate staff as generating intense pressure for change, although 29 per cent record that this still poses “some” pressure. It is perhaps significant that of the four labour oriented items contained on the questionnaire the one which is least frequently cited as causing pressure is increasing demands for change in the workplace from employees. Although a substantial minority (just under 26 per cent) cite this item as presenting some pressure for change, it would appear to be the least important among the four labour items presented to respondents.

Operating environment

Among the issues covered, “insurance costs” and “other general operating costs” are perceived to be causing most pressures for businesses. In contrast, product control and production regulations, as well as the introduction of new production technology are perceived to cause substantially lower levels of pressure. Just over one half of businesses (54 per cent) cite product and production regulations as causing pressures for change while only 30 per cent record changes in production technology. It is noteworthy that exchange rate fluctuations are recorded as generating more pressure than changes in production technology.

2.3.2 Sectoral variations

Table 2.3 presents details according to industrial sector on the extent of pressure caused by each of the 14 pre-coded operational aspects of business activity.

Competition/markets

Focusing on competition/markets, one can see that the main sectoral differences are in the Finance/ Insurance/Business Services sector. Within that sector an above average percentage of firms (exactly one-quarter) record that competition from other companies does not cause any pressure for change. This compares with 11-12 per cent in other sectors, with the exception of Construction where it is 17 per cent. Other than this trend in the Finance/ Insurance/Business Services sector there would appear to be very little substantial or systematic variation in perceptions of pressure points within the broad area of Competition/Markets.

Table 2.3 Percentage of firms citing each of 14 pre-coded aspects of business activity as generating pressure for change, classified by industrial sector

INDUSTRIAL SECTOR	Traditional Manufacturing			Hi-Tech Manufacturing		
	Intense	Some	None/ NA	Intense	Some	None/ NA
	per cent			per cent		
Competition/Markets						
Competition from other companies (1)	35.5	53.6	10.8	34.5	54.7	10.8
Competition from independent subsidiaries within your group (2)	1.5	6.9	91.7	2.3	9.9	87.7
Increasing demands of your customers (4)	17.2	64.0	18.8	21.9	57.8	20.3
Contracting market for your goods or services (9)	15.5	45.2	39.3	13.2	43.1	43.7
Product innovation in your line of business (14)	9.6	46.7	43.7	8.4	46.5	45.1
Labour						
Difficulty in recruiting appropriate staff (3)	12.1	32.1	55.7	10.7	44.4	44.9
Increasing demands for changes in the workplace from your employees (6)	4.9	31.0	64.1	3.6	38.4	57.9
Labour costs and benefits (incl. Social Insurance) (10)	35.2	55.5	9.2	42.7	49.7	7.5
Labour regulation and legislation (11)	15.7	54.0	30.4	21.0	51.5	27.5
Operating Environment						
Changes in production technology in your line of business (5)	8.1	47.1	44.8	7.1	43.3	49.6
Product and production regulation and legislation (e.g. environmental, safety, sustainability) (7)	25.2	47.3	27.5	24.8	52.5	22.7
Fluctuations in exchange rates (8)	13.4	38.4	48.2	16.0	45.8	38.1
Insurance costs (12)	69.7	25.1	5.2	74.3	22.9	2.8
Other Operating costs (13)	25.7	68.8	5.4	26.0	62.4	11.6

Labour market

There would appear to be more variation by sector in the perceived levels of pressure generated by the set of labour market issues. Labour shortages would seem to be relatively more important for the Manufacturing and Construction sectors than

Distributive and Non-Distributive Services. Labour costs (including social insurance payments) would also appear to represent much more substantial issues for Manufacturing and Construction than for services. In terms of pressure for change being generated by the workforce it is notable that this has been recorded more frequently by the manual sectors than by the services. Pressure from workers

	Construction			Distributive Services			Finance/Insurance/ Business Services			Hotel/Restaurant/ Transport/Other Services		
	Intense	Some	None/ NA	Intense	Some	None/ NA	Intense	Some	None/ NA	Intense	Some	None/ NA
	<i>per cent</i>			<i>per cent</i>			<i>per cent</i>			<i>per cent</i>		
	19.7	62.7	17.5	24.4	63.7	11.9	24.5	50.8	24.7	32.3	59.6	8.1
	0.8	9.9	89.3	5.1	17.3	77.6	1.6	5.5	93.0	2.2	4.9	93.0
	13.5	64.3	22.2	15.1	63.1	21.8	14.3	45.2	40.5	12.0	46.5	41.5
	3.0	29.9	67.1	8.6	32.7	58.7	12.8	32.5	54.7	8.8	46.8	44.5
	6.5	16.6	76.9	3.2	31.5	65.3	10.2	29.2	60.6	5.8	24.6	69.6
	16.4	37.0	46.6	3.5	32.0	64.5	4.3	20.9	74.8	4.5	27.0	68.5
	1.1	39.3	59.6	1.7	27.5	70.7	0.3	19.5	80.1	3.8	13.8	82.4
	36.4	55.3	8.2	24.5	50.5	25.0	14.5	43.4	42.1	30.7	41.1	28.1
	20.9	50.0	29.1	16.3	44.6	39.0	9.7	29.0	61.3	18.6	43.1	38.3
	6.1	30.9	63.0	4.5	21.1	74.4	5.1	28.0	66.9	9.0	15.6	75.4
	24.6	64.3	11.0	11.9	34.7	53.4	14.1	28.0	57.9	16.9	36.1	47.1
	0.3	18.6	81.1	4.9	38.4	56.7	3.0	21.3	75.8	7.9	33.7	58.4
	87.1	9.9	3.0	62.7	31.3	5.9	36.1	37.2	26.7	52.5	42.8	4.7
	12.7	77.5	9.9	20.0	65.2	14.8	13.2	55.9	30.9	38.8	47.5	13.7

seem to be particularly limited in the Finance/Insurance/Business Services and Personal/Other Services sectors. Over 80 per cent of firms in each of these latter two sectors indicate that increasing demands from employees for changes in the workplace are not a source of pressure.

Operational environment

As one might expect (almost by definition) “changes in production technology” is a much more significant source of pressure for the manufacturing industry than for other sectors. We find that over 50 per cent of firms in manufacturing record some pressure for change as a result of changes in

Table 2.3 Percentage of firms citing each of 14 pre-coded aspects of business activity as generating pressure for change classified by size of company

	0–9 employees			10–19 employees		
	Intense	Some	None/ NA	Intense	Some	None/ NA
	per cent			per cent		
Competition/Markets						
1. Competition from other companies	25.5	59.4	15.1	30.4	55.9	13.7
2. Competition from independent subsidiaries within your group	2.8	9.4	87.8	2.4	10.1	87.6
4. Increasing demands of your customers	13.1	52.7	34.1	17.3	61.9	20.8
9. Contracting market for your goods or services	8.2	36.6	55.2	14.7	36.0	49.3
14. Product innovation in your line of business	6.2	26.2	67.6	4.2	33.5	62.3
Labour						
3. Difficulty in recruiting appropriate staff	5.3	26.8	67.8	11.8	39.7	48.5
6. Increasing demands for changes in the workplace from your employees	1.6	20.9	77.5	4.1	34.9	61.0
10. Labour costs and benefits (incl. Social Insurance)	23.8	46.6	29.5	39.8	50.4	9.8
11. Labour regulation and legislation	15.2	39.9	45.0	21.3	50.5	28.2
Operating Environment						
5. Changes in production technology in your line of business	6.4	21.4	72.1	5.4	29.6	65.0
7. Product and production regulation and legislation (e.g. environmental, safety, sustainability)	14.8	36.4	48.8	18.1	48.1	33.7
8. Fluctuations in exchange rates	4.5	30.2	65.3	6.8	34.3	58.9
12. Insurance costs	56.0	34.0	10.0	69.4	26.7	3.9
13. Other Operating costs	23.0	58.8	18.3	23.2	66.4	10.5

	20–49 employees			50+ employees		
	Intense	Some	None/ NA	Intense	Some	None/ NA
	<i>per cent</i>			<i>per cent</i>		
	31.2	62.3	6.6	40.6	54.4	5.0
	2.4	10.4	87.2	3.4	16.5	80.1
	18.3	63.1	18.6	22.3	71.1	6.6
	12.6	39.3	48.1	15.6	42.6	41.8
	5.6	36.5	58.0	9.4	41.5	49.1
	10.4	43.0	46.6	6.9	44.8	48.3
	5.8	41.0	53.2	3.3	46.8	49.9
	40.2	48.8	10.9	42.2	50.3	7.5
	23.1	51.5	25.3	22.8	61.7	15.5
	5.9	36.7	57.4	5.7	39.5	54.8
	26.1	47.0	26.9	26.0	49.2	24.8
	9.6	32.6	57.8	12.9	43.5	43.6
	68.2	25.0	6.7	65.3	27.1	7.6
	26.0	63.6	10.5	28.1	65.1	6.8

production technology. Product regulation is also seen as being more generally problematic in these sectors, as well as in Construction. In general, the Finance/Insurance/Business Service sector is something of an outlier in the extent to which much lower percentages of firms in that sector record problems generated by “insurance costs” or other operating costs than do firms in any other area of activity.

2.2.3 Size of firm

Table 2.4 presents details on variations in perceived levels of pressure generated according to size of company. In general, one can see that the percentage of firms reporting pressure for change increases with size across all items contained on the questionnaire. As noted in Section 2.2 this may, in part at least, reflect the greater potential for larger firms with their more complex business operations to face pressures from an array of sources than is the case with their smaller counterparts. One of the few items not to conform to this trend is the pressure generated by insurance costs. In general, this item was cited by very high proportions of all firms regardless of size. One can see that 90 per cent of the smallest firms record that this is generating “intense” or “some” pressure. The comparable figures are 96 per cent for those employing 10–19 persons; 93 per cent for those employing 20–49 persons and 92 per cent for the group of largest companies employing 50 or more persons.

2.3 Index of pressures facing firms

In the previous sections we considered the percentage of firms (broken down by sector and size) which recorded the 14 operational items as generating pressure for change within their company. Given that one is dealing with 14 different measures of change it is helpful to provide a comprehensive overall summary of the extent to which employers generally perceive the level of pressures generated by the issues in question.

With a view to providing a summary measure of the pressures generated from each source and how these vary from one type of firm to another we have constructed a simple summary “pressure index”. To do this we assigned a score of “2” to an item if the respondent recorded that it generated “intense” pressure, a score of “1” if it was felt to generate “some” pressure and a score of “0” if it generated ‘no pressure’ or was said not to be applicable. An average score was then calculated for each respondent depending on his/her answers to the 14 questions. This average score could range from 2 to 0. An average score of 2 would indicate that the respondent regarded all items as generating “intense” pressure. A score of 0 would indicate that the respondent regarded none of the items in question as generating any pressure for change in their company. Accordingly, the closer the score is to zero the less the respondent feels under pressure for change in his/her company. The closer the summary score is to 2 the greater is the respondent’s perceived level of business pressure.

In the first instance we calculated an overall average score across all 14 items included at Q14 of the questionnaire (see Appendix A). We further generated three additional indices – one for each of the 3 operational domains referred to throughout the chapter i.e. one relating to the 5 items on Competition/Markets one for the 4 items in the Labour Market domain and one for the 5 items relating to the Operating Environment within which the company works. The average score on all 4 indices will range from 2 to 0 as described above. The results are presented in Table 2.5.

Consider firstly the aggregate index made up of the summary scores across all 14 items (Column A of the table). This shows that the mean across all firms was 0.69. From part (i) of the table one can see that overall pressure appears to have been highest for the two Manufacturing sectors (0.86–0.89) followed closely by Construction (0.76); Hotels/- Restaurants/ Transport/Other Services (0.71) and Distributive services (0.70). The Finance/Insurance/ Business Services sector, however, lagged some way behind (0.57).

As noted above in our discussion of the percentage of firms in each response category, pressures for change increased with size of company. One can see from Part (ii) of the table, for example, that the index for the largest size of firm is 1.36 times that of the smallest (i.e. 36 per cent larger).

Parts (iii) and (iv) of the table indicate that change is characterised by pressures, especially where the change in question is contractionary (measured in terms of either size of workforce or business volumes).

Finally, Part (v) of the table illustrates that at this overall aggregate level there would appear to be quite a strong relationship between perceived pressure levels and trends in business profits over the two years preceding the survey. One can see, for example, that the highest average score is 0.79 for those who recorded making a “substantial loss” over the preceding 2 years. Pressure levels appear to fall progressively with increases in profit out-turn to stand at 0.59 for those who record having made a “substantial profit”.

The 4 indices scored as 2 for “intense pressure”; 1 for “some pressure” and 0 for “no pressure” or “not relevant”.

Columns (B) through (D) provide comparable summary information on the three sub-indices i.e. in respect of competition/markets; labour market and operating environment. In general, one can see that issues arising in the operating environment generate most pressure, followed equally by competition/markets and the labour market.

Table 2.5 Mean scores on summary measures of pressure arising from competition; labour market issues and the operating environment of companies

All Items	(A) Competition	(B) Labour Market	(C) Operating	(D) Environment
(i) Industrial Sector				
Traditional manufacturing	0.86	0.76	0.77	1.03
Hi-tech manufacturing	0.89	0.75	0.85	1.05
Construction	0.76	0.54	0.83	0.93
Distributive Services	0.70	0.66	0.61	0.81
Finance/Insurance/Business Services	0.57	0.60	0.43	0.64
Hotel/Rest/T'port/Oth Services	0.71	0.62	0.60	0.86
(ii) Size of Establishment				
0-9 employees	0.66	0.61	0.57	0.79
10-19 employees	0.81	0.68	0.83	0.91
20-49 employees	0.84	0.71	0.86	0.96
50+ employees	0.90	0.81	0.89	1.01
(iii) Trends in workforce over last 2 years				
Larger	0.70	0.63	0.69	0.79
The Same	0.63	0.58	0.52	0.76
Smaller	0.77	0.68	0.68	0.92
(iv) Trends in business volumes over last 2 years				
Larger	0.69	0.62	0.64	0.80
The Same	0.64	0.56	0.56	0.76
Smaller	0.72	0.68	0.60	0.87
(v) Trends in profits over last 2 years				
Substantial loss	0.79	0.76	0.61	0.95
Moderate loss	0.75	0.67	0.63	0.92
Broke even	0.68	0.61	0.61	0.80
Moderate profit	0.67	0.61	0.60	0.78
Substantial profit	0.59	0.49	0.60	0.69
All Firms	0.69	0.62	0.61	0.82

The 4 indices scored as 2 for "intense pressure"; 1 for "some pressure" and 0 for "no pressure" or "not relevant".

The manufacturing sector emerges on all three dimensions as experiencing most pressure. On the other hand, Finance/Insurance/Business Services and the Hotel/Restaurant/Transport/Other Services sectors appear least pressurised. The relationship between the experience of pressure and size of company and also changes in the workforce and/or business volumes is apparent across all 3 domains. Finally, one can see that level of pressure is generally related quite strongly to recorded profit out-turn in the two years preceding the survey. As one might expect this is particularly striking in regard to the indices relating to “operating environment” and “competition”. For example, firms which recorded a “substantial loss” over the 2 years preceding the survey have an average score of 0.76 on the competition index. This falls sharply to stand at 0.49 for those firms who record themselves as making a “substantial profit”.

The figures above provide details on the average levels of pressures according to a set of five classificatory variables. Variations in average levels of stress were examined according to each characteristic of the firm in isolation for other characteristics. This provides substantial insights into variations in pressure among different types of firm. It does not, however, allow one to control for the simultaneous effects of the characteristics in question. To allow one to assess whether or not the variations in pressure levels are each statistically significant when combined with other variables we can consider the results of some multiple regression analysis as set out below in Table 2.6. In this analysis each of the 4 indices of pressure is used as the dependent variable against the same set of independent characteristics used in the previous table. Recognition of a trade union in the workplace and nationality of ownership are also included as independent characteristics. Both variables are included given their potentially important role in understanding variations in the experiences and characteristics of firms. A total of 19 per cent of firms record themselves to recognise a trade union. One can see from the figures below that recognition is highest in Construction (46%) and the in Manufacturing sectors (30 – 34%).

Incidence of trade union recognition by firms

Traditional Manufacturing 34%

Hi-Tech Manufacturing 30%

Construction 46%

Distributive Services 19%

Finance/Insurance/Business Services 10%

Hotel/Restaurant/Transport/Other Services 10%

The results allow one to say whether or not each of the variables in question has an independent and statistically significant effect on pressure levels when used in conjunction with the other characteristics set out in the table.

In equation 1 we consider the effects of independent characteristics on the aggregate measure of pressure. Using the hotels/restaurant/transport/other services category as a reference group one can see that all sectors are significant with the exception of Distributive Services. Size is also significant for all categories with the coefficient rising progressively with increases in the numbers employed. Foreign/indigenous and recognition/non recognition of a Trade union are also included. One can see that neither is significant when assessed in conjunction with the other characteristics.

One can see that changes in business trends experienced by the firm are also significant. Any change in business volumes (positive or negative) is associated with stress and is statistically significant. Falls in employment and also profit losses are also seen to be statistically significant drivers of pressure.

Equation 2 considers competition. From this one can see a significant effect for the manufacturing, construction and finance/insurance/business services sectors. Size is also significant for the two larger categories of firms. Neither nationality nor recognition of a Trade Union is significant, Falls in business levels and employment (though not profits) are also significant.

Equation 3 focuses on the labour market index. One can see that only in three sectors (Hi-Tech Manufacturing; Construction and Finance/Insurance/Business Services) do we find significant differences from the reference category. Size is very

Table 2.6 Regression results of influences on various indices of pressure experienced by private sector firms

	Eqn 1 All Pressure	Eqn 2 Competition	Eqn 3 Labour Market	Eqn 4 Operating Environment
Constant	0.571 **	0.483 **	0.471 **	0.725 **
(i) Sector				
Traditional manufacturing	0.114 **	0.125 **	0.071	0.150 **
Hi-tech manufacturing	0.129 **	0.106 **	0.138 **	0.165 **
Construction	0.099 **	0.034	0.227 **	0.085
Distributive Services	0.042	0.076 **	0.059	0.021
Finance/Insurance/Business Services	-0.083 **	0.023	-0.100 **	-0.165 **
<i>(Ref. Category Hotel/Rest/T'port/Oth Services)</i>				
(ii) No. of Employees				
10-19 employees	0.114 **	0.047	0.226 **	0.086 **
20-49 employees	0.151 **	0.088 **	0.249 **	0.137 **
50+ employees	0.218 **	0.207 **	0.280 **	0.188 **
<i>(Ref. Category 1-9 employees)</i>				
Foreign Owned	-0.029	0.049	-0.087 **	-0.059
Recognise Trade Union	0.030	-0.005	0.070 **	0.021
(iii) Business Trends Last 2 years				
Business Volumes increased	0.048 **	0.016	0.064	0.050
Business Volumes decreased	0.050 **	0.083 **	0.000	0.046
<i>(Ref. Category Business Volumes unchanged)</i>				
(iv) Employment Trends Last 2 years				
Employment increased	0.036	0.027	0.079 **	0.023
Employment decreased	0.057 **	0.061 **	0.081 **	0.040
<i>(Ref. Category Employment unchanged)</i>				
(v) Profit Trends in last 2 years				
Substantial loss	0.087 **	0.087	0.062	0.112 **
Moderate loss	0.075 **	0.059	0.069	0.095 **
Moderate profit	0.001	0.019	-0.031	0.005
Substantial profit	-0.067	-0.049	-0.087	-0.071
<i>(Ref. Category Broke even)</i>				
Adj R-square	0.16	0.08	0.14	0.15
<i>** significant at 95 per cent or above.</i>				

significant and has a high coefficient implying substantial increases in labour market pressures with number of employees. There would appear to be a significant effect with Foreign ownership and also in Trade Unionised – foreign owned business having lower labour market pressures and unionised workplaces higher levels. Neither changes in business volumes nor profit levels are significant though changes in employment levels (in both directions) seem to be significant.

Finally, in equation 4 relating to the operating environment one can see that some sectoral and size effects are significant. None of the other characteristics of the firm is significant, however, with the exception of negative trends in profit out-turns in the 2 years preceding the survey.

2.4 Summary

In this chapter we have considered the extent to which firms perceive a range of factors generating pressures for change in their company. A total of 14 items (potential points of pressure) were included on the questionnaire. These covered three main operating domains. In the course of the chapter we saw that one-quarter of companies record experiencing no intense pressure. In general, a higher proportion of manufacturing industries (especially hi-tech manufacturing) record experiencing intense pressure than did those in other sectors. Experience of intense pressure is strongly related to size of company and also to the change in the scale of the company's operation (either expansion or contraction) and falling profit levels over the previous two years.

When we turn from intense pressure to some pressure we find that almost all firms record some form of pressure. Less than 2 per cent record not experiencing any pressure at all. In general we find that the relationships between experience of any pressure and the classificatory variables used throughout the chapter are largely in line with those identified in our discussion of intense pressure.

In terms of the intensity or level with which individual items are felt to be a source of pressure for change we see that insurance costs were the most important followed closely by operating costs and

labour costs. These, of course, are almost axiomatic problems for anyone in private business attempting to maximise their profit. We feel that it is somewhat surprising that only 2 per cent of employers consider that pressure for change from their workforce is “intense” while a further 24 per cent feel that there is “some” pressure for change from workers. We saw that, in general, firms in the Finance/Insurance/Business Services sector have a somewhat lower propensity to record the 14 items as generating pressures than those in other sectors.

This was true across all 3 domains. Labour costs would appear more significant for the Manufacturing and Construction sectors than for Services. As one might expect, “production innovation” and “product regulation” were much more significant for Manufacturing than for other sectors.

There was generally a strong relationship between firms reporting pressure on the one hand and size of company on the other. We noted that this was most likely due to the much more complex nature of their business portfolio and the related potential for problems and pressures to arise in the course of business activity. Only the perception of insurance costs does not conform with the general trend between size of company and propensity to record business pressures arising from the items in question. Insurance costs are perceived by at least 90 per cent of firms of all size categories to generate “intense” or “some” pressure for change.

The summary indices of overall pressure as well as individual sub-indices for pressure arising in the domains of competition/markets; labour market and operating environment generally reflect these trends. In broad terms, the regression analysis confirmed the significant effect associated with sector and size of business enterprise. In terms of the aggregate index of pressure, change in business volumes in either direction are found to be significant as are downsizing and profit loss. The significant nature of these trends generally carries through to the other three indices (viz. competition, labour market and operating environment). We see that in the context of the labour market pressure index foreign ownership and Trade Union recognition become significant, in a statistical sense, with associated perceived pressure levels.

Chapter Three

Responses to External Pressures

This Chapter considers the importance attributed by private sector companies to a series of potential responses to external pressures. Companies were asked about a range of items including product and market innovations, production technology, workforce, and structural change.

3.1 Introduction

A total of 17 pre-coded items was presented to respondents in the course of the survey (see Appendix A, Q15 of private sector questionnaire). They were asked to indicate how important each currently was to their company in responding to the broad range of external pressures facing their company. The question was couched in general terms and recorded details on responses to the full range of pressures faced by the company in the normal operation of its business, in contrast to individually specified types of pressure.

The 17 individual responses were grouped into 4 main types or areas of response as follows:⁵

1. Product/innovation/marketing

- Introducing new products or services (1)
- Improving the quality of the goods or services produced (3)
- Customising goods or services to the needs of customers (4)
- Increased marketing or promotion (9)

2. Production technology/cost control

- Introducing new production technology (2)
- Reducing other production costs (6)
- Relocation of some or all of your operation abroad (7)
- Outsourcing (8)

3. Workforce

- Reducing the number of employees (5)
- Training and development (10)
- Encouraging greater flexibility among the workforce (16)
- Increase staff involvement in decision making and problem solving (17)

4. Structural change

- Mergers or de-mergers (11)

- Flattening management structures-reducing managerial/supervisory control (12)
- Increasing managerial/supervisory control (13)
- Reconfiguring department/divisional structures (14)
- Introducing new work practices e.g. team working; multi-tasking etc. (15)

Product/Innovation/Marketing refers to four individual items related to product innovation; quality; customisation and marketing.

Production Technology/Cost Control relates to issues associated with the introduction of production technology; relocation of production overseas or outsourcing as well as a general reduction in production costs.

Workforce issues related to the workforce and includes reduction in employee numbers; training and staff development; policies aimed at greater labour market flexibility and greater involvement of workers in decision-making and problem-solving.

Structural responses refer to changes in corporate, management or divisional structures as well as the introduction of new work practices.⁶ In broad terms this set of responses relates principally to the way in which the company is organised to carry out its work.

3.2 Current response to external pressures

Table 3.1 summarises the percentage of all firms which record each of the responses as currently being “Very Important”, “Important” or “Not Important” in responding to external pressures.

3.2.1 Product innovation/marketing

One can see that in the region of one-third of firms consider product development in the form of innovation, improvement or customisation as being very important in addressing change in their external environment. It is clear from the figures that this type of product development is generally felt to be of greater relative importance than increased marketing or promotion.

5. The figures in parentheses relate to the order of the item as it appeared on the questionnaire.

6. Introduction of new work practices is clearly an aspect of the workforce. Given that it principally relates to the way the work is organised and managed we have included it here under structural changes.

Table 3.1 Percentage of firms indicating current importance of various responses to external pressures, currently and also over next 3 years

Type of response to external pressure	C U R R E N T L Y		
	Very Important	All Firms Important	Not Important
Product Innovation/Marketing			
Introducing new products or services (1)	32.2	40.2	27.6
Improving the quality of the goods or services you produce (3)	34.7	47.4	17.9
Customising your goods or services to the needs of your customer(s) (4)	37.2	42.9	19.9
Increased marketing or promotion (9)	18.3	49.8	31.9
Production Technology/Cost Control			
Introducing new production technology (2)	12.0	30.1	57.9
Reducing other production costs (6)	20.9	37.7	41.3
Relocation of some or all of your operation abroad (7)	0.5	4.4	95.1
Outsourcing (8)	5.6	13.3	81.0
Workforce			
Reducing the number of employees (5)	3.5	17.3	79.3
Training and development (10)	18.0	48.3	33.7
Encouraging greater flexibility among your workforce (16)	12.9	42.9	44.2
Increase staff involvement in decision making and problem solving (17)	12.2	43.1	44.7
Structural Change			
Flattening management structures-reducing managerial/supervisory control(12)	1.7	13.9	84.4
Increasing managerial/supervisory control (13)	3.3	25.3	71.3
Reconfiguring departments/divisional structures (14)	2.9	13.4	83.7
Introducing new work practices e.g. team working; multi-tasking etc. (15)	7.8	27.8	64.4
Mergers or de-mergers (11)	2.5	7.7	89.8

3.2.2 Production technology/cost containment

General reduction in production costs is felt to be “Very Important” or “Important” by almost 59 per cent of firms. In many respects it is slightly surprising that as many as 41 per cent of firms consider this as “Not Important” in responding to their external pressures.

Introduction of new production technologies is felt to be either “Very Important” or “Important” by 42 per cent of firms while outsourcing appears to have some importance for a sizeable minority (19 per cent). Relocation of some or all of operations abroad is clearly not seen as being of any substantial relevance in responding to external pressures – only 5 per cent of firms record that they use this as a response to business pressures.

3.2.3 Workforce

Of the four types of responses related to the workforce, staff training and development was felt to be of importance by the largest percentage of firms. A total of 66 per cent felt this was of some importance in responding to external pressures. Approximately 55-56 per cent mention encouraging labour flexibility and increasing staff involvement in decision-making and problem solving. In contrast, approximately one in five firms felt that reducing their number of employees was a “Very Important” or “Important” way of currently responding to pressures in their external environment. Only 3 per cent felt it was a “Very Important” response, 17 per cent felt it was “Important”.

In general terms it would seem to be very encouraging that of the responses related to the workforce, downsizing is perceived by private sector employers to be least important in responding to external business pressures. Much greater emphasis appears to be placed on more progressive practices such as staff development, staff involvement and encouraging greater flexibility.

3.2.4 Structural change

One can see from Table 3.1 that structural change would appear not to be as important in responding to external pressures as the other three main areas of response outlined in the table. Approximately 10 per cent consider mergers or de-mergers to be of importance. In some respects it is surprising that such a dramatic and extreme response is considered by such a relatively large percentage of employers. Changes in departmental or divisional structures are felt to be of importance by just over 16 per cent of firms.

Attitudes towards changes in management structures are particularly interesting. One can see from the figures that almost twice the percentage of firms (29%) cite increasing managerial/supervisory control as being of importance in addressing change compared to those who indicate that they would consider flattening management structures or reducing managerial/supervisory control (16%).

The introduction of new work practices such as team working; multi-tasking etc. is regarded by 36 per cent of firms as being of importance in responding to current external pressures.

3.3 Sectoral variations in responses to external pressures

In Table 3.2 (overleaf) we provide sectoral details on the perceived importance of current responses to external pressures.

3.3.1 Product innovation/marketing

There are generally few systematic sectoral variations in perceived importance of the items in the area of product innovation/marketing. It would appear that all sectors see the need to continually enhance the range and quality of the goods and/or service they produce.

3.3.2 Production technology/cost containment

As one might expect, the manufacturing sectors (both traditional and hi-tech) assign a much greater importance to the introduction of production technology and containment of production costs in addressing external pressures than do other sectors.

3.3.3 Workforce

There would appear to be some evidence from the table to suggest that, in general terms, downsizing assumes a slightly higher level of importance among firms in the manufacturing sectors (and particularly in traditional manufacturing) than in other areas of private sector activity. For example, 42 per cent of Traditional Manufacturing and 33 per cent of Hi-Tech Manufacturing record downsizing as a tactical response to current pressures as being “very important” or “important”. Comparable figures for other sectors are 19 per cent in Construction; 23 per cent in Distributive Services; 12 per cent in Financial/Business Services and 22 per cent in Personal/Other Services.

3.3.4 Structural change

The main sectoral difference in terms of structural issues as responses to pressures is in the introduction of new work practices such as team-working etc. This is assigned a much higher priority in Manufacturing and Hi-Tech (58%) than in other sectors. Manufacturing feel it is of importance. Comparable figures for the Service sectors are in the region of 32-38 per cent and fall as low as 27 per cent in construction.

3.4 Variation in responses to external pressures with size of firm

Table 3.3 (page 35) sets out the percentage of firms in each size category which indicates their perceived importance of various responses to external pressures.

3.4.1 Product innovation/marketing

There is no systematic variation in the perceived importance of product innovation by size of company. The quality of output delivered appears to be slightly more important among larger than smaller firms. For example, approximately 80-81 per cent of firms in the smallest two size categories consider quality to be “Very Important” or “Important”. Comparable figures for the two largest categories

are 88-90 per cent. Larger companies are also generally more open to customising output to the client’s requirements and are more aware of the importance of marketing or promotion.

3.4.2 Production technology/cost containment

Two of the four items under this heading are perceived to be more important in addressing external pressures by larger than smaller companies viz. introduction of new production technology and reduction in production costs. Outsourcing is considered to be of relatively higher importance by larger companies.

3.4.3 Workforce

All responses to external pressure in the area of workforce are quite strongly related to size of company. The larger the company the greater the importance of downsizing in responding to business pressures. For example, one can see that 17 per cent of the smallest companies record that they would consider reducing their workforce. The comparable figure among the largest group of companies employing 50 persons or more is 48 per cent. The greater willingness of large firms to adopt a policy of downsizing must be complemented by their equally increased willingness to adopt progressive employment practices. These latter include staff training and development as well as the need for greater involvement of staff in decision-making and problem solving.

3.4.4 Structural changes

The perceived importance of each of the five items under structural changes generally increases with size of company though the strength of the relationship appears less marked than was the case with the items in the workforce group discussed above.

Table 3.2 Percentage of firms in each sector indicating their perceived importance of various responses to current external pressures

Type of response to external pressure	Traditional Manufacturing			Hi-Tech Manufacturing		
	Very	Important	Not Important/NA	Very	Important	Not Important/NA
	per cent			per cent		
Production Innovation/Marketing						
Introducing new products or services	37.8	42.1	20.2	32.9	49.8	17.3
Improving the quality of the goods or services you produce	43.7	44.6	11.7	40.6	49.8	9.6
Customising your goods or services to the needs of your customer(s)	44.0	38.5	17.4	40.5	48.1	11.4
Increased marketing or promotion	23.2	56.3	20.5	21.9	48.2	29.9
Production Technology/Cost Containment						
Introducing new production technology	22.0	50.9	27.1	20.7	52.2	27.1
Reducing other production costs	42.1	45.3	12.6	42.0	50.0	8.0
Relocation of some or all of your operation abroad	7.2	8.4	84.4	3.8	7.7	88.5
Outsourcing	13.6	24.1	62.3	9.9	26.4	63.7
Workforce						
Reducing the number of employees	15.8	26.3	57.9	7.5	25.6	66.9
Training and development	14.3	57.2	28.5	15.5	63.9	20.6
Encouraging greater flexibility among your workforce	21.3	49.6	29.2	21.3	49.6	29.2
Increase staff involvement in decision making and problem solving	15.9	47.0	37.1	17.4	55.5	27.1
Structural Changes						
Mergers or de-mergers	4.1	11.2	84.7	1.6	11.3	87.1
Flattening management structures- reducing managerial/supervisory control	6.0	19.6	74.5	5.9	22.0	72.1
Increasing managerial/supervisory control	6.1	32.9	61.0	8.0	30.4	61.5
Reconfiguring departments/divisional structures	4.4	24.7	70.9	7.0	20.5	72.5
Introducing new work practices e.g. team working; multi-tasking etc.	17.1	40.9	42.0	14.0	44.7	41.3

	Construction			Distributive Services			Finance/Insurance/ Business Services			Hotel/Restaurant/ Transport/Other Services		
	Very	Important	Not Important/NA	Very	Important	Not Important/NA	Very	Important	Not Important/NA	Very	Important	Not Important/NA
	<i>per cent</i>			<i>per cent</i>			<i>per cent</i>			<i>per cent</i>		
	19.3	44.0	36.6	33.9	44.0	22.1	31.2	38.8	30.0	36.3	34.6	29.2
	31.7	47.1	21.2	32.3	46.7	21.0	30.0	47.6	22.4	40.4	48.1	11.5
	26.2	46.1	27.7	34.8	43.8	21.4	33.9	43.3	22.8	46.0	40.3	13.7
	14.6	49.0	36.4	16.4	54.0	29.6	16.9	49.5	33.6	22.2	45.6	32.2
	10.2	36.4	53.4	9.4	28.3	62.4	13.1	25.8	61.2	13.0	28.3	58.6
	23.6	40.5	35.9	17.5	35.2	47.3	12.6	36.4	51.0	25.6	38.5	36.0
	0.9	7.0	92.1	0.1	4.2	95.7	0.2	4.7	95.1	0.1	2.7	97.2
	4.1	17.5	78.4	5.5	11.1	83.3	4.6	16.4	79.0	6.0	9.5	84.6
	1.2	17.5	81.3	3.0	20.1	76.8	2.5	9.8	87.7	4.1	17.9	77.9
	20.7	56.3	23.0	16.5	48.6	34.9	16.3	53.9	29.8	20.0	38.6	41.4
	9.6	51.2	39.2	13.0	46.1	40.9	12.0	35.0	53.1	13.2	40.1	46.7
	8.7	37.0	54.2	14.7	46.3	39.0	9.7	44.1	46.1	12.0	40.5	47.6
	0.3	6.8	92.9	1.5	5.9	92.6	0.6	9.2	90.3	5.6	8.4	86.0
	0.9	12.3	86.8	1.7	15.1	83.3	0.6	8.8	90.6	2.3	15.8	81.9
	2.1	40.2	57.8	5.6	22.7	71.7	1.1	21.6	77.4	2.6	23.2	74.2
	6.4	10.5	83.0	2.5	11.5	85.9	0.6	14.4	84.9	2.8	14.3	82.9
	4.7	21.6	73.8	7.2	30.6	62.2	4.9	28.2	66.9	10.4	24.6	65.0

Table 3.3 Percentage of firms in each size category indicating their perceived importance of various responses to external pressures

Type of response to external pressure	0–9 employees			10–19 employees		
	Very	Important	Not Important/NA	Very	Important	Not Important/NA
	per cent			per cent		
Product Innovation/Marketing						
Introducing <i>new</i> products or services	32.3	39.0	28.7	32.3	39.0	28.7
Improving the <i>quality</i> of the goods or services you produce	32.9	48.4	18.7	35.2	45.4	19.3
Customising your goods or services to the needs of your customer(s)	36.4	43.0	20.6	38.4	42.3	19.3
Increased marketing or promotion	17.5	49.3	33.2	21.4	52.0	26.6
Production Technology/Cost Containment						
Introducing new production technology	11.6	28.4	60.0	13.9	33.8	52.3
Reducing other production costs	18.6	36.2	45.2	28.9	41.6	29.5
Relocation of some or all of your operation abroad	0.1	4.0	96.0	0.8	6.4	92.8
Outsourcing	5.5	12.0	82.5	5.1	18.1	76.7
Workforce						
Reducing the number of employees	2.6	14.3	83.1	5.8	29.8	64.3
Training and development	17.2	45.7	37.1	16.7	64.6	18.6
Encouraging greater flexibility among your workforce	10.9	40.8	48.4	24.9	50.2	24.8
Increase staff involvement in decision making and problem solving	11.6	40.2	48.2	16.8	54.6	28.6
Structural Change						
Mergers or de-mergers	2.3	7.1	90.6	3.4	8.5	88.1
Flattening management structures- reducing managerial/supervisory control	1.1	11.7	87.2	2.7	22.0	75.3
Increasing managerial/supervisory control	2.5	22.4	75.2	10.3	34.5	55.2
Reconfiguring departments/divisional structures	2.2	10.4	87.4	4.3	22.4	73.3
Introducing new work practices e.g. team working; multi-tasking etc.	6.5	24.5	69.0	14.9	39.9	45.2

	20–49 employees			50+ employees		
	Very	Important	Not Important/NA	Very	Important	Not Important/NA
	<i>per cent</i>			<i>per cent</i>		
	30.6	48.9	20.6	32.4	44.0	23.6
	50.4	38.0	11.6	48.4	42.6	9.0
	45.5	41.4	13.1	40.8	43.8	15.4
	23.5	52.6	24.0	24.1	53.5	22.4
	14.7	43.2	42.2	13.2	40.1	46.7
	33.8	47.3	18.9	38.8	49.9	11.3
	2.0	9.1	88.8	6.5	4.5	89.0
	5.6	24.4	70.0	8.6	19.0	72.4
	7.1	34.2	58.7	12.9	35.3	51.8
	23.5	62.3	14.3	28.4	58.4	13.2
	20.1	57.4	22.6	28.3	55.4	16.3
	13.9	61.3	24.8	15.5	61.4	23.1
	1.7	8.6	89.7	5.5	18.1	76.4
	6.0	22.0	71.9	7.2	36.6	56.2
	7.0	42.0	50.9	6.5	49.3	44.1
	6.5	28.9	64.5	9.9	38.7	51.4
	14.2	44.0	41.8	15.4	55.8	28.8

3.5 Summary measures of response to pressures

In the previous sections we considered the importance assigned by firms (broken down by sector and size) to each of the responses to pressures. Given that one is dealing with such a wide range of responses it is helpful to provide an overall summary index of the extent to which firms adopt the responses in question. In Table 3.4 we outline four summary measures of the importance recorded by firms for each of the broad response categories. This summary index has been constructed very simply by assigning a value of 2 to an item if the respondent recorded that it was a “Very Important” response to pressure; a value of 1 if the respondent recorded that it was an “Important” response and a value of 0 if the respondent indicated that it was “Unimportant” or “Not Relevant”. Four indices have been constructed one each in respect of responses related to Product Innovation/Marketing; Production Technology/Cost Containment; Workforce; Structural Changes. The results are outlined in the table, classified by the standard set of classificatory variables used above.

From the bottom row in the table one can see that the summary index in respect of responses related to Product Innovation/ Marketing is higher than that for the other 3 response domains. This clearly indicates that aspects of product innovation and marketing are by far the most frequently adopted by firms in response to pressures. From Section (i) of Column A one can see that this is particularly so in respect of the manufacturing sectors. It is clear that the uptake of product customisation and innovation or increased marketing/promotion responses is lowest in the Construction sector. From Section (ii) of Column A one can see that the index increases systematically with size of company. It is interesting to note from Section (v) of the table that it is higher among loss making companies than among their more profitable counterparts.

From Column B in Table 3.4 one can see that responses related to the introduction of new production technology; reduction of production costs; relocation of production or outsourcing

is, as one might expect, highest in the manufacturing sectors. The summary index also rises progressively with size of company and would also appear to be higher in companies which have undergone recent changes in business volumes or employment levels (either expansionary or contractionary).

Responses related to the workforce are considered in the index in Column C. These include downsizing; training and development; encouraging flexibility and increasing staff involvement in decision-making. The figures indicate that these types of workforce oriented responses to pressures are generally adopted on a systematic basis with increasing size of company. Given the mixed composition of responses in question (for example downsizing in contrast to increased involvement in decision-making) the interpretation of this summary index may be somewhat more difficult than the others in the table.

Column D in the table focuses on structural changes as a response to pressures. This is clearly the least important of the 4 response domains included in the survey. There is evidence to suggest that levels of structural reform are highest in the manufacturing sectors. They can also be seen to increase with size of company and especially in companies which have experienced recent business or employment growth. This is clearly a reflection of the need to accommodate this growth within the organisation.

As noted in Section 2.4 above in our discussion of the index of pressures, the descriptive figures on average levels indicate variations with respect to each characteristic in turn. They do not allow one to assess the simultaneous effects of the characteristics in tandem. To allow one to assess whether or not the responses to pressures are statistically significant when considered in tandem with other characteristics we present the results of a regression analysis in Table 3.5. This is based on the summary index as the dependent variable with the set of independent characteristics used in the previous table. In addition, recognition of a Trade Union and also nationality of the company is included in the analysis.

Table 3.4 | Mean scores on summary measures of responses in 4 main areas to pressures

	A Product Innovation/ Marketing	B Production Technology/Cost Containment	C Workforce	D Structural Change
(ii) Industrial Sector				
Traditional manufacturing	1.20	0.75	0.80	0.42
Hi-tech manufacturing	1.17	0.73	0.82	0.40
Construction	0.93	0.50	0.61	0.24
Distributive Services	1.06	0.37	0.64	0.25
Finance/Insurance/Business Services	1.02	0.37	0.57	0.21
Hotel/Rest/Transport/Other Services	1.14	0.43	0.59	0.27
(ii) Size of Establishment				
0-9 employees	1.05	0.40	0.57	0.22
10-19 employees	1.10	0.49	0.82	0.41
20-49 employees	1.20	0.59	0.86	0.44
50+ employees	1.19	0.62	0.95	0.57
(iii) Trends in workforce over last 2 years				
Larger	1.20	0.49	0.79	0.38
The Same	0.95	0.36	0.50	0.17
Smaller	1.13	0.47	0.64	0.29
(iv) Trends in business volumes over last 2 years				
Larger	1.11	0.45	0.69	0.32
The same	1.00	0.36	0.55	0.23
Smaller	1.07	0.45	0.58	0.22
(v) Trends in profits over last 2 years				
Substantial loss	1.21	0.52	0.52	0.30
Moderate loss	1.12	0.53	0.65	0.32
Broke even	1.00	0.41	0.50	0.19
Moderate profit	1.08	0.39	0.65	0.26
Substantial profit	0.88	0.40	0.57	0.24
All Firms	1.07	0.42	0.61	0.26

The 4 indices scored as 2 for "Very Important"; 1 for "Important" and 0 for "Not Important" or "Not Relevant"

Table 3.5 Regression results of influences on various indices of response to pressure experienced by private sector firms

	Eqn 1 Product Innovation/ Marketing	Eqn 2 Production Technology/Cost Containment	Eqn 3 Workforce	Eqn 4 Structural Change
Constant	0.957**	0.332**	0.430**	0.148**
(i) Sector				
Traditional manufacturing	0.050	0.288**	0.079	0.073
Hi-tech manufacturing	0.037	0.270**	0.100**	0.044
Construction	-0.166**	0.149**	0.002	0.002
Distributive Services	-0.015	-0.021	0.070**	0.022
Finance/Insurance/Business Services	-0.018	-0.003	0.009	0.011
<i>(Ref. Category Hotel/Rest/T'port/Oth Services)</i>				
(ii) No. of Employees				
10-19 employees	0.041	0.048	0.213**	0.181**
20-49 employees	0.106**	0.121**	0.251**	0.201**
50+ employees	0.113**	0.143**	0.320**	0.315**
<i>(Ref. Category 1-9 employees)</i>				
Foreign Owned	-0.122**	0.002	-0.101**	-0.066
Recognise Trade Union	-0.047	0.000	0.061**	0.010
(iii) Business Trends last 2 years				
Business Volumes increased	0.114**	0.040	0.051	0.028
Business Volumes decreased	0.045	-0.017	0.000	-0.049
<i>(Ref. Category Business Volumes unchanged)</i>				
(iv) Employment Trends last 2 years				
Employment increased	0.123**	0.033	0.101**	0.113**
Employment decreased	0.102**	0.124**	0.126**	0.103**
<i>(Ref. Category Employment unchanged)</i>				
(v) Profit Trends in last 2 years				
Substantial loss	0.039	0.083	0.032	0.136**
Moderate loss	0.102**	0.051	0.045	0.024
Moderate profit	0.019	-0.021	0.041	-0.001
Substantial profit	-0.052	-0.026	-0.008	-0.025
<i>(Ref. Category Broke even)</i>				
Adj R-square				

** significant at 95 per cent or above

In equation 1 in Table 3.5 we can see that sector is generally not significant in regard to the summary measure related to product innovation or marketing. Only in the Construction sector are these types of responses statistically significant. One can see from the sign of the coefficient that their uptake is significantly lower in that sector than in other areas of activity.

From the remaining sections of equation 1 one can see that company size; increasing business volumes and changes in employment levels are significant (and also positively related) to the uptake of these responses. Foreign ownership is also significant but is negatively related to uptake of the responses in question. In other words, adoption of product innovation or promotional changes as a response to pressure is less likely among foreign than domestic companies.

From equation 2 one can see that the adoption of responses related to the introduction of production technology and/or cost containment is significant in manufacturing and construction; among larger companies and also among companies in which there has been a recent reduction in employee numbers.

Equation 3 shows that response to pressures related to changes in the workforce are generally significant in larger companies; in foreign owned companies; and in companies which have had a recent change in their employment levels.

The fourth equation deals with the uptake of structural responses. Size of company and recent changes in employment levels are seen to be significant drivers of response in this area.

3.6 Summary

In this chapter we have considered the perceived importance assigned to a range of responses of private sector firms in addressing their current pressures.

In general, we saw that the most important responses to current external pressures relate to product innovation, improvement and customisation. It is encouraging to note that relatively high percentages of private sector employers assign a high importance to progressive policies such as staff training and development; greater levels of staff involvement and greater labour market flexibility. Changes in corporate structure are generally viewed as being among the least important in addressing current pressures. The introduction of new work-practices is mentioned as being important by over one-third of firms. It is also noteworthy that the proportion of firms which indicated increasing management structures is almost twice as high as the percentage who say that they would reduce or flatten such structures in response to current pressures.

Sectoral variations in perceived importance of responses are largely in line with expectations. Very limited sectoral variations were found in regard to product innovation/marketing issues. As might be expected, the Manufacturing sectors assign a much greater importance to the introduction of production technology as well as cost containment measures in the workplace than do employers in the Service sectors. The regression analysis indicated that sector was a significant factor in responses in this area than in the case of any of the other 3 areas of response.

In terms of workforce issues, downsizing as a response to external pressure would seem to be more characteristic of manufacturing sectors – though this may reflect size of company rather than sector per se. Team-working and other new forms of work practices are also perceived to be more important in the manufacturing sector.

Finally, we see that larger firms appear to be generally more open to almost all forms of response to current external pressures than are smaller ones. This was apparent in the descriptive statistics presented throughout the chapter and also from the regression analysis.

Chapter Four

Employment Practices

This chapter focuses on specific employment practices. The chapter examines a number of areas including participation and partnership, progressive HR, staff development and contractual relations.

4.1 Introduction

In this chapter we turn from a consideration of pressures and related responses to a discussion of various aspects of employment practices which are implemented in private sector organisations. Details on a total of 17 individual employment practices were recorded in the course of the survey. For ease of discussion these were grouped into four main categories as below.

Partnership/involvement

- Arrangements for direct involvement of employees in decision making & problem solving
- Employee discretion in the way their work is organised or carried out
- Formal Partnership agreement involving unions and employees
- Informal Partnership style arrangements between management & employee representatives
- Information to and consultation with staff on change in the company
- New work practices such as Teamworking/ Multi-tasking/Quality Circles.

Employee oriented/integrative policies

- Profit sharing/share options/gain sharing for employees
- Explicit policy on equality/diversity in the workplace
- Arrangements for work-life balance for employees
- Formal dispute resolution procedures
- Annualised hours where working hours are customised to meet the needs of both management and employees.

Staff development

- Staff training and development for managers
- Staff training and development for employees
- Formal staff performance review.

Use of temp/PT staff

- Use of part-time staff
- Use of temporary labour/contract staff
- Temporary layoffs/reduced working time, when necessary.

In Section 4.2 below we discuss aggregate levels of implementation. In Section 4.3 we consider variations according to size of establishment and industrial sector. In Section 4.4 we consider the simultaneous effects of independent characteristics on the incidence of employment practices. Finally, Section 4.5 presents a brief summary of our findings.

4.2 Incidence and perceived importance of employment practices

In this section we consider the extent of implementation of employment practices in each of the four main areas outlined above.

4.2.1 Partnership/involvement

The questionnaire was designed so as to allow one to derive estimates of the incidence of different types of partnership structures or processes. These start with very formal, explicitly labelled partnership agreements involving formal arrangements between employees/unions on the one hand and management on the other. They progress to informal partnership arrangements between management and employees or their representatives and, from there, progress through different types and intensities of structures which facilitate employee consultation and involvement in the decision-making process.

We begin in Table 4.1 with narrowly defined and narrowly labelled formal partnership agreements involving unions and employees with management in a direct approach to involvement. One can see that just over 4 per cent of companies record having such arrangements. When one broadens the definition somewhat to refer to informal partnership style arrangements the figure rises to just over 19 per cent for all private sector employers.

One can further see that practices such as team-working/quality circles were implemented by just under 21 per cent of private sector employees. Substantial increases are apparent in the percentage of firms recording that they implemented other structures for involving workers in decisions. For example, 61 per cent of firms record having arrangements in place which provide information to and consultation with staff on change in the organisation. Over two-thirds of employers indicated that they had in place some form of arrangement which allows employee involvement in decision-making and also arrangements which allowed discretion in the way in which employees carry out their work. Overall, a total of 84.3 per cent of firms record having at least one of the 6 types of partnership/participation structures in place.

In general, therefore, we see that a very modest proportion of firms record having in place a narrowly defined and labelled structure based on formal partnership arrangements. Progressively larger percentages of firms indicate, however, having in place other processes for involving employees in decision-making about the ways in which work is organised – albeit without a formal partnership label.

Table 4.1a | Percentage of firms recording that they implement partnership/involvement practices

Partnership/Involvement	Implemented
Formal Partnership agreement involving unions and employees	4.3
Informal Partnership style arrangements between management & employee representatives	19.3
New work practices such as Teamworking/Multi-tasking/Quality Circles	20.8
Information to and consultation with staff on change in the company	61.5
Arrangements for direct involvement of employees in decision making & problem solving	62.4
Employee discretion in the way their work is organised or carried out	70.0

Table 4.1b | Percentage of firms recording that they implement employee-oriented practices

Employee Oriented	Implemented
Profit sharing/share options/gain sharing for employees	14.4
Explicit policy on equality/diversity in the workplace	41.4
Arrangements for work-life balance for employees	40.5
Annualised hours where working hours are customised to meet the needs of both management and employees	30.3
Formal dispute resolution procedures	30.0

Table 4.1c | Percentage of firms recording that they implement staff development practices

Staff development	Implemented
Staff training and development for managers	51.7
Staff training and development for employees	41.4
Formal staff performance review	30.0

Table 4.1d | Percentage of firms recording that they make use of temporary/part-time staff

Use of temp/PT staff	Implemented
Use of part-time staff	59.6
Use of temporary labour/contract staff	35.4
Temporary layoffs/reduced working time, when necessary	21.8

4.2.2 Employee oriented/integrative policies

Table 4.1b outlines the incidence among private sector firms of implementing employee-oriented practices. One can see that a substantial minority (41 per cent) indicates that it has in place an explicit policy on equality/diversity in the workplace. Approximately equal proportions implement an explicit policy to facilitate work-life balances among its employees. Just under one-third of private sector employers record implementing annualised hours and a formal dispute resolution procedure while small proportions (14 per cent) record implementing profit sharing/share options or gain sharing.

4.2.3 Staff development

Table 4.1c outlines details on the proportions of firms which implement staff development practices. One can see that levels of staff training for employees run at 64 per cent while just under 40 per cent of firms record having formal staff performance review processes in place.

4.2.4 Use of part-time/temporary staff

From Table 4.1d one can see that approximately 60 per cent of employers record making use of part-time staff while one-third use temporary labour/contract staff. Just over one-fifth of private sector employers use temporary lay offs/reduced working time as a management tool.

4.3 Variations by sector and size of enterprise

Table 4.2 outlines sectoral variations in the implementation of the 17 employment practices while Table 4.3 presents comparable details according to size of enterprise – number of employees.

4.3.1 Sectoral variations

One can see from Table 4.2 that there is quite a range of variations in the incidence of the employment practices according to sector. For example, it is clear that profit sharing/gain sharing goes from a low of 6 per cent in Construction to 30 per cent in Finance/Business Services. It is of particular relevance to note that the use of formal and informal partnership arrangements are much more frequently found in manufacturing sectors (13-15 per cent for formal arrangements and 31-33 per cent for informal arrangements) than in other sectors. The incidence of the more broadly defined range of partnership structures seems lowest, in general, in the Construction sector.

Table 4.2 | Percentage of firms in each sector indicating their

Partnership/Involvement

Formal Partnership agreement involving unions and employees

Informal Partnership style arrangements between management & employee representatives

New work practices such as Teamworking/
Multi-tasking/Quality Circles

Information to and consultation with staff on change in the company

Arrangements for direct involvement of employees
in decision making & problem solving

Employee discretion in the way their work is organised or carried out

Employee oriented/Integrative Policies

Profit sharing/share options/gain sharing for employees

Explicit policy on equality/diversity in the workplace

Arrangements for work-life balance for employees

Annualised hours where working hours are customised
to meet the needs of both management and employees

Formal dispute resolution procedures

Staff development

Training and development for managers

Staff training and development for employees

Formal staff performance review

Use of temp/PT staff

Use of part-time staff

Use of temporary labour/contract staff

Temporary layoffs/reduced working time, when necessary

perceived importance of various responses to current external pressures.

	Traditional Manufacturing	Hi-Tech Manufacturing	Construction	Distributive Services	Finance/Business Services	Hotels/restaurants/ Transport/ Other Services
	Implemented	Implemented	Implemented	Implemented	Implemented	Implemented
	15.4	13.2	5.5	4.6	4.1	1.8
	33.1	30.9	26.1	18.8	14.4	18.4
	32.7	34.8	13.8	18.5	23.3	21.9
	68.7	67.3	40.5	61.4	70.3	62.8
	64.5	64.7	46.6	67.1	69.1	58.6
	61.8	62.5	64.9	77.0	71.8	65.0
	14.9	17.6	6.1	10.4	29.2	11.1
	46.1	40.6	34.4	42.1	36.9	45.7
	40.2	36.4	39.3	39.4	47.0	37.6
	34.3	33.6	30.6	34.4	24.6	29.5
	44.1	45.3	43.4	29.4	29.4	23.9
	59.5	69.4	49.7	46.8	55.9	52.0
	69.4	82.6	65.9	60.0	66.9	2.8
	39.9	50.4	22.8	32.4	50.6	38.9
	66.3	52.2	29.8	71.1	55.3	62.5
	41.5	39.8	54.3	24.2	37.1	36.6
	33.0	31.4	34.3	15.2	9.9	30.2

Table 4.3 Percentage of firms recording that they implement a range of employment practices and the importance of each to the efficient running of their company, classified by size

	0–9 persons engaged	10–19 persons engaged	20–49 persons engaged	50+ persons engaged
	Implemented	Implemented	Implemented	Implemented
Partnership/Involvement				
Formal Partnership agreement involving unions and employees	2.3	5.1	12.6	29.1
Informal Partnership style arrangements between management & employee representatives	17.2	21.9	29.5	42.4
New work practices such as Teamworking/Multi-tasking/Quality Circles	19.6	20.5	24.3	39.3
Information to and consultation with staff on change in the company	60.6	63.8	63.9	74.1
Arrangements for direct involvement of employees in decision making & problem solving	61.8	67.1	64.0	64.7
Employee discretion in the way their work is organised or carried out	70.9	72.1	65.4	56.3
Employee oriented/Integrative Policies				
Profit sharing/share options/gain sharing for employees	13.5	14.1	14.4	32.7
Explicit policy on equality/diversity in the workplace	38.9	44.9	53.5	61.1
Arrangements for work-life balance for employees	40.6	37.1	38.2	45.7
Annualised hours where working hours are customised to meet the needs of both management and employees	30.3	32.9	30.3	26.4
Formal dispute resolution procedures	25.6	42.2	47.3	69.5
Staff development				
Training and development for managers	47.4	63.6	74.0	84.3
Staff training and development for employees	60.0	76.9	83.8	93.6
Formal staff performance review	34.8	38.9	55.2	69.8
Use of temp/PT staff				
Use of part-time staff	57.8	65.3	66.6	77.0
Use of temporary labour/contract staff	33.3	33.2	44.3	63.6
Temporary layoffs/reduced working time, when necessary	20.4	26.1	27.6	35.6

4.3.2 Variations by size of company

Table 4.3 provides details on variations in employment practices by size. Some interesting trends emerge. In general, most of the practices are used more frequently in larger than smaller companies. An exception to this is employee discretion in the way work is organised or carried out. Approximately 70 per cent of firms with less than 20 employees record that employees have discretion in the way they work. This figure drops to 65 per cent for firms employing 20-49 persons and to 56 per cent for those employing 50 or more persons.

Explicitly labelled partnership arrangements (formal and informal) are much more strongly associated with larger firms. It is clear that the two explicitly labelled partnership arrangements are much more strongly related to size of company than is the incidence of the other types of participative/-involvement structures listed on the questionnaire. Practices such as staff training and development and performance reviews are also much more common with increasing size of company.

4.4 Simultaneous effects of firm characteristics on employment practices

In this section we consider the simultaneous effects of the characteristics of the firm and the impact these have on the firm's likelihood of implementing the range of employment practices considered throughout the chapter. We begin in Table 4.4 (overleaf) by presenting the results of a logistic regression to identify the significant drivers of implementing the 6 employment practices which we are broadly labelling as "Partnership/Involvement".

From the table one can see that the significant drivers of formal partnership arrangements are size of company (the two larger size categories being statistically significant) and also recognition of a Trade Union. Trade Union recognition has the most substantial effect. One can see that the only other variable to be significant is downsizing in the two years preceding the survey. The reader should note that it is almost axiomatic that Trade Union recognition be as highly significant as it is given that formal partnership arrangements were defined on the questionnaire as those involving agreements between unions and employees. It is noteworthy that sector per se is not significant – even though in the descriptive tables above we saw that the incidence was substantially higher in the manufacturing sectors than elsewhere. The regression indicates, however, that this result reflects higher levels of union recognition in manufacturing than in other areas of economic activity. In broad terms it would appear that across the range of practices related to employee involvement and partnership issues the principal and most systematic driver is size of company. Only in respect of the introduction of new work practices such as Teamworking/Multi-tasking/Quality Circles would sector seem to be significantly related to the practice in question. One can see from the table that being in manufacturing

Table 4.4 Logistic regression of characteristics driving employment practices related to employee oriented/integrative policies

	Formal partnership	Informal partnership	New work practices, teamwork etc.	Info & consultation with staff re. change in company	Direct involvement of employees in decision making	Employee discretion way work is organised
(i) Sector						
Traditional manufacturing	0.3317	0.2162	0.6144**	0.0296	0.2811	-0.1762
Hi-tech manufacturing	0.4734	0.1311	0.7733**	-0.0884	0.3222	-0.1240
Construction	0.8122	-0.3402	0.1949	-0.8555**	0.0578	-0.1030
Distributive Services	0.0802	-0.2347	0.0554	-0.1412	0.3008	0.2093
Finance/Insurance/Business Services	0.4087	-0.4164	0.6725	0.2626	0.4883**	0.2598
<i>(Ref. Category Hotel/Rest/T'port/Oth Services)</i>						
(ii) No. of Employees						
10-19 employees	0.3261	0.2662	0.0049	0.0216	0.1014	-0.0711
20-49 employees	1.1773**	0.4913**	0.0862	-0.279	-0.0211	-0.3914
50+ employees	1.9199**	0.9901**	0.7811**	0.3984**	-0.0189	-0.7778
<i>(Ref. Category 1-9 employees)</i>						
Foreign Owned	-0.3301	-0.0400	0.4655**	0.8452**	-0.2559	-0.1281
Recognise Trade Union	3.4255**	0.2558	-0.0433	0.3042**	-0.0326	-0.1284
(iii) Business Trends last 2 years						
Business Volumes increased	-0.0450	0.0900	0.2603	0.3600**	0.3264**	0.0029
Business Volumes decreased	0.1203	-0.1562	0.1993	0.1100	0.2726	0.0860
<i>(Ref. Category Business Volumes unchanged)</i>						
(iv) Employment Trends last 2 years						
Employment increased	-0.0340	0.1714	0.2908	0.2256	0.2812	0.5788**
Employment decreased	0.5614*	0.2187	0.2104	0.2885	0.0973	0.3823**
<i>(Ref. Category Employment unchanged)</i>						
(v) Profit Trends in last 2 years						
Substantial loss	-0.1560	-0.2381	-0.4094	-0.3219	-0.3481	-0.1768
Moderate loss	-0.1703	-0.0376	-0.0569	-0.2593	0.0602	-0.2009
Moderate profit	0.0623	0.1801	-0.0280	-0.1304	0.1973	-0.1957
Substantial profit	-0.1682	0.2142	-0.1263	-0.2733	0.1502	-0.1585
<i>(Ref. Category Broke even)</i>						
Chi sq	365.25	80.04	87.02	72.71	27.98	55.24
Goodness of fit	1391.08	1348.38	1348.38	1356.99	1368.75	1351.66

Table 4.5 Logistic regression of characteristics driving employment practices related to employee oriented/integrative policies

	Profit Share/ share option/ gain share	Policy on equality/ diversity	Work-life balance	Annualised Hours	Formal dispute resolution procedures
(i) Sector					
Traditional manufacturing	-0.1266	-0.1859	-0.0979	-0.0010	0.0208
Hi-tech manufacturing	0.1361	-0.3996	-0.1015	0.0365	-0.0186
Construction	-0.0745	-0.2465	-0.1233	-0.1444	-0.0620
Distributive Services	-0.1126	-0.0299	-0.0365	-0.1541	0.0350
Finance/Insurance/Business Services	1.0775**	-0.0882	0.2125	-0.3753	0.0793
<i>(Ref. Category Hotel/Rest/T'port/Oth Services)</i>					
(ii) No. of Employees					
10-19 employees	-0.0605	0.2944	-0.2340	-0.1018	0.6460**
20-49 employees	-0.0662	0.4800**	-0.1850	-0.2662	0.7566**
50+ employees	0.9496**	0.8199**	0.0418	-0.2484	1.5701**
<i>(Ref. Category 1-9 employees)</i>					
Foreign Owned	0.7998**	0.2019	-0.0898	-0.5225**	0.7207**
Recognise Trade Union	0.1336	0.3040**	0.0001	-0.0584	1.0500**
(iii) Business Trends last 2 years					
Business Volumes increased	0.3071	0.2337**	0.2848	-0.0679	0.1590
Business Volumes decreased	0.3893	-0.0611	-0.0996	0.1343	0.1298
<i>(Ref. Category Business Volumes unchanged)</i>					
(iv) Employment Trends last 2 years					
Employment increased	0.1356	0.3771	0.2730	0.2132	0.1262
Employment decreased	0.1347	0.2067	0.0442	0.0910	0.2974
<i>(Ref. Category Employment unchanged)</i>					
(v) Profit Trends in last 2 years					
Substantial loss	0.2449	-0.1605	-0.0651	-0.2526	-0.1433
Moderate loss	0.3130	0.0325	0.1602	-0.4136	-0.1282
Moderate profit	0.5302**	-0.0403	0.0224	-0.3478**	-0.1921
Substantial profit	1.0161**	0.1930	0.2565	-0.7074**	0.0462
<i>(Ref. Category Broke even)</i>					
Chi sq	148.42	78.09	33.69	30.51	225.12
Goodness of fit	1335.03	1339.54	1335.49	1338.05	1346.83

has a significant influence on the uptake of these new work practices. These practices are also more likely in foreign-owned companies. Information and consultation is also more likely in foreign owned and unionised companies. Finally, information and consultation and direct involvement of employees is also more likely in companies where business performance has improved over the previous two years.

In Table 4.5 (page 53) we consider the factors driving the introduction of what we have described above as employee-oriented or integrative policies. In terms of offering profit sharing/share options/gain sharing facilities to staff one can see that being in financial/insurance/business services; having 50 or more employees; being foreign owned and also making a profit are significant determinants of whether or not this employment practice is implemented. Interestingly, it is companies that are performing well that are more likely to use these practices. The significant drivers of explicit policies on equality/diversity in the workplace would appear to be size of company and recognition of a Trade Union. Expanding business volumes are also significant in determining such a policy being in place.

Explicit arrangements for having arrangements in place for work-life balances in the workplace seem to be largely random with no significant drivers being identified. Annualised hours are significantly characteristic of foreign owned and profit-making companies. Finally, having in place formal dispute resolution procedures is clearly driven by size of company; foreign ownership and recognition by management of a Trade Union.

In Table 4.6 we consider the factors related to the implementation of staff development policies. One can see that size of company and changing business volumes (both positive and negative), along with increasing business volumes and staff numbers are significant drivers of training or development of staff. Being in Hi-Tech. Manufacturing is also significant. Finally, firms which have a formal staff performance review process in place can be characterised as being larger, and foreign owned companies, especially those with expanding business volumes and also those with changing employment levels over recent years. It is noteworthy that making a substantial loss is significantly linked to having a formal performance appraisal system.

Table 4.6 | Logistic regression of characteristics driving staff development practices.

	Training/ Development Managers	Training/ Development Staff	Formal performance Review
(i) Sector			
Traditional manufacturing	-0.0769	-0.2880	-0.5196**
Hi-tech manufacturing	0.3575	0.5864**	-0.1473
Construction	0.0361	0.3104	-0.5477
Distributive Services	0.0741	-0.0136	-0.2710**
Finance/Insurance/Business Services	0.2851	0.0882	0.5252
<i>(Ref. Category Hotel/Rest/T'port/Oth Services)</i>			
(ii) No. of Employees			
10-19 employees	0.6714**	0.6867**	0.2032
20-49 employees	1.2095**	1.1202**	0.6812**
50+ employees	1.6770**	2.0167**	1.1541**
<i>(Ref. Category 1-9 employees)</i>			
Foreign Owned	0.2331	0.0587	1.3214**
Recognise Trade Union	0.0416	0.2901	-0.0481
(iii) Business Trends Last 2 yrs			
Business Volumes increased	0.6510**	0.4757**	0.4127**
Business Volumes decreased	0.3876**	0.0085	0.1893
<i>(Ref. Category Business Volumes unchanged)</i>			
(iv) Employment Trends Last 2 yrs			
Employment increased	0.3086	0.5645**	0.3890**
Employment decreased	-0.0053	0.1136	0.3316**
<i>(Ref. Category Employment unchanged)</i>			
(v) Profit Trends in last 2 years			
Substantial loss	-0.4933	-0.4029	-0.6531**
Moderate loss	-0.3311	-0.3100	-0.3243
Moderate profit	0.0926	0.1056	-0.1510
Substantial profit	0.1631	0.0358	-0.2089
<i>(Ref. Category Broke even)</i>			
Chi sq	188.46	187.16	201.12
Goodness of fit	1358.09	1314.84	1341.72

Table 4.7 | Logistic regression of characteristics related to use of temporary and part-time staff

	Use of part-time staff	Use of temporary labour/ contract staff	Temporary layoffs reduced working time when necessary
(i) Sector			
Traditional manufacturing	-0.3949	-0.1357	-0.0769
Hi-tech manufacturing	-0.9266**	-0.1123	0.3575
Construction	-1.8951**	0.4706	0.0361
Distributive Services	0.3494	-0.5304**	0.0741
Finance/Insurance/Business Services	-0.4830**	0.2139	0.2851
<i>(Ref. Category Hotel/Rest/T'port/Oth Services)</i>			
(ii) No. of Employees			
10-19 employees	0.2554	0.0296	0.6714**
20-49 employees	0.2733	0.3305**	1.2095**
50+ employees	1.0088**	1.2037**	1.6770**
<i>(Ref. Category 1-9 employees)</i>			
Foreign Owned	-0.4845**	0.0778	0.2331
Recognise Trade Union	0.1443	0.4050**	0.416
(iii) Business Trends last 2 years			
Business Volumes increased	0.1677	0.1030**	0.6510**
Business Volumes decreased	-0.1153	-0.1808**	0.3876**
<i>(Ref. Category Business Volumes unchanged)</i>			
(iv) Employment Trends last 2 years			
Employment increased	0.3475**	0.3574	0.3086**
Employment decreased	0.4405**	0.4259	-0.0053
<i>(Ref. Category Employment unchanged)</i>			
(v) Profit Trends in last 2 years			
Substantial loss	0.0258	-0.1391	-0.4933
Moderate loss	-0.0157	0.0974	-0.3311
Moderate profit	-0.1275	0.0758	0.0926
Substantial profit	0.1720	0.1437	0.1631
<i>(Ref. Category Broke even)</i>			
Chi sq	140.43	150.84	188.46
Goodness of fit	1346.01	1348.47	1358.09

Finally, Table 4.7 outlines factors related to the use of temporary and part-time staff. From this one can see that in terms of the use of part-time staff there are some significant sectoral effects. Hi-Tech Manufacturing; Construction and Financial/ Insurance/Business Services are all negative relative to the reference category of Hotels/ Restaurants/ Transport/ Other Services. Change in employment numbers is also significant as are being foreign owned and also being in the largest size category.

The use of temporary labour/contract staff is significantly related to size; Trade Union recognition and changes in business trends over recent years. Finally, use of temporary layoffs or reduced working time when necessary is significantly related to size of company; recent changes in business trends and increased employment.

4.5 Summary

In this chapter we have considered the incidence of various types of employment practices in 4 broad areas of business operation ranging from partnership/involvement to employee-oriented practices, staff development and the use of temporary or part-time staff.

Our examination of partnership processes ranged from explicitly labelled formal and informal partnership structures to much more loosely defined participative arrangements for employee involvement in workplace decision-taking. Although the incidence of explicitly labelled formal partnership was low (just over 4 per cent) this increased (to 19 per cent of employers) in respect of informal partnership practices. The percentages

increases substantially (to 60-70 per cent) when one expands the definition to include much more loosely defined processes such as general arrangements for direct involvement of employees in decision-making and problem-solving or discretion in the way work is organised or consultation about the way work is carried out.

In general, the incidence of formal and informal arrangements is much higher in the manufacturing sectors than elsewhere in the economy and is also more generally characteristic of larger companies. The regression analysis, however, indicated that the sectoral effect may well reflect the influence of higher levels of Trade Union recognition in manufacturing.

Staff development and training practices are implemented by quite substantial proportions of respondents – in the region of 50-60 per cent. Up to 38 per cent of firms use some type of formal staff performance review. Overall, we see a very strong and positive relationship between the use and implementation of good practice strategies with size of company. In general, the story told by the regression analysis suggests that size is the key characteristic in determining the implementation of employment practices. There would appear to be relatively few effects of sector per se. Trade Union recognition and foreign ownership are also significant in respect of some specific practices.

Section B

Employers' Attitudes to Change and Practices in the Public Service Workplace in Ireland

Section B considers the views, attitudes and opinions of senior managers in the Irish public sector.

The section begins in Chapter 5 with an analysis of the factors which are seen as generating pressure for change within the Public Service. Chapter 6 considers barriers to change before moving on in Chapter 7 to examine instruments for addressing pressures. Finally, Chapter 8 examines the attitudes among senior management to general issues of reform in the Public Service.

Chapter Five

Pressure for Change in the Public Sector

In this Chapter we consider views on the extent of pressures for change within the Public Service. Both internal and external pressures are considered. We begin in Section 5.2 by discussing perceptions of internal pressures currently arising from within respondent organisations themselves. In Section 5.3 we consider current external pressures for change before moving on in Section 5.4 to examine a measure of composite internal and external pressures facing Public Service organisations. Finally, Section 5.5 presents a brief summary of our main findings.

5.1 Introduction

As noted in Chapter 1, the figures presented throughout this report are weighted according to number of employees in the respondent organisations. A weight is therefore assigned to each questionnaire in direct proportion to its size within its sector. The size of the organisation wholly determines the weight assigned. This is analogous to giving each respondent (or questionnaire) a “vote” proportional to its number of employees. The highly centralised nature of some Public Service organisations (such as An Garda Síochána, the Defence Forces, Primary and Secondary level education etc.) was noted in Chapter 1. Accordingly, the single questionnaires completed in respect of such organisations receive large weights in the final analysis and tables presented. The responses in each of these questionnaires contribute throughout the report very substantially to the analysis. This is an important point in the interpretation of the results presented in the current and subsequent chapters.

5.2 Current internal pressures

In the course of the survey respondents were presented with 6 pre-coded issues which could potentially be a source of internal pressure for change within their organisation. These potential sources of pressure were:

- employee needs and preferences for greater flexibility in the workplace
- demands by staff for greater say and involvement in work
- demands by staff for better pay
- demands by staff for new reward systems (e.g. profit sharing/share options etc.)
- introduction of new technology
- explicit equality and diversity policies.

Respondents were asked to record whether or not each currently generated “intense pressure”, “some pressure” or “no pressure” for change within their organisation. The results are presented in Table 5.1 overleaf.

From Section G of the table one can see that, in overall terms across the Public Service as a whole, the area to be most frequently perceived as a source of internal pressure is the introduction of new technology. Just under 36 per cent record that this item is generating “intense” pressure. Employee needs and preferences for greater flexibility within the workplace (18 per cent) and demands from staff for greater say or involvement in the work (13 per cent) are the next most frequently mentioned issues. Demands for better pay is mentioned by 11 per cent of Public Service management. Demands for a new reward system (in the form of profit sharing/share options etc.) does not appear to act as a substantial source of internal pressure – with as many as 61 per cent citing this issue as causing “no pressure” at all.

The detail of Sections A to E provides information on sectoral variations. One can see that, in general, the main internal pressure point represented by the introduction of new technology is apparent in 3 of the 5 sectors outlined. These are clearly the priority issues in the Health sector (54 per cent) and the Civil Service (68 per cent). Demands from employees for greater flexibility appear to assume greater relative importance in the Civil Service (27 per cent), Health Sector (24 per cent) and Local Government/Regional Bodies/Non Commercial Semi-States (27 per cent). This is substantially higher than in the Gardaí/Defence Forces/Prison Service or Education where levels of 12 per cent and 4 per cent are recorded respectively.

It is interesting to note that within the Civil Service staff demands for a greater say and involvement in the work (28 per cent) assumes a much greater relative importance than in any of the other sectors. Issues of diversity and equality appear to be seen as relatively more important in the Civil Service (57 per cent); Health Sector (57 per cent) and the Gardaí/Defence Forces/Prison Service (43 per cent).

Table 5.1 | Distribution of the Public Service according to sector and perceptions of factors generating internal pressures within their organisations

	A. Civil Service				Intense Pressure
	Intense Pressure	Some Pressure	No Pressure	Total	
Employee needs and preferences for flexibility	26.9	72.6	0.5	100.0	26.9
Demand for staff for greater say	27.7	66.0	6.3	100.0	16.9
Demands for better pay	0.4	90.3	9.2	100.0	6.8
Demands for new reward system	0.0	14.9	85.1	100.0	2.5
Introduction of new technology	67.9	21.4	10.7	100.0	44.8
Equality and diversity	57.5	32.7	9.8	100.0	26.9
	D. Education/VEC				Intense Pressure
	Intense Pressure	Some Pressure	No Pressure	Total	
Employee needs and preferences for flexibility	4.1	94.9	1.0	100.0	12.5
Demand for staff for greater say	3.2	90.0	6.8	100.0	0.0
Demands for better pay	3.2	95.5	1.3	100.0	12.5
Demands for new reward system	4.0	19.3	76.7	100.0	0.0
Introduction of new technology	8.3	86.8	4.9	100.0	0.0
Equality and diversity	2.1	90.9	7.0	100.0	43.0

D. Public Bodies / Non-Commercial Semistate						
B. Local Government Regional Bodies / Non-Commercial Semistate			C. Health			
Some Pressure	No Pressure	Total	Intense Pressure	Some Pressure	No Pressure	Tota
70.8	2.3	100.0	23.6	74.5	1.9	100.0
74.5	8.6	100.0	17.2	82.0	0.8	100.0
85.7	7.5	100.0	22.9	76.1	0.9	100.0
36.3	61.2	100.0	0.0	67.3	32.7	100.0
47.6	7.5	100.0	54.3	41.8	3.9	100.0
70.8	2.3	100.0	57.5	32.7	9.8	100.0
E. Gardaí/Defence Prison service			F. Total			
Some Pressure	No Pressure	Total	Intense Pressure	Some Pressure	No Pressure	Total
87.5	0.0	100.0	17.7	81.0	1.4	100.0
100.0	0.0	100.0	12.6	82.9	4.4	100.0
87.5	0.0	100.0	10.9	86.1	3.0	100.0
12.5	87.5	100.0	1.6	36.9	61.5	100.0
100.0	0.0	100.0	35.7	59.0	5.2	100.0
57.0	0.0	100.0	21.3	72.0	6.7	100.0
G. Other Public Bodies / Non-Commercial Semistate						

Table 5.2 Distribution of the Public Service according to size and perceptions of factors generating internal pressures within their organisations

	1 – 20 Employees				21 – 100 Employees			
	Intense Pressure	Some Pressure	No Pressure	Total	Intense Pressure	Some Pressure	No Pressure	Total
Employee needs and preferences for flexibility	5.8	64.4	29.7	100.0	10.9	77.9	11.2	100.0
Demand for staff for greater say	5.7	52.8	41.5	100.0	8.5	74.6	16.9	100.0
Demands for better pay	10.6	62.7	26.7	100.0	14.3	71.7	14.0	100.0
Demands for new reward system	1.0	18.6	80.4	100.0	3.6	27.6	68.8	100.0
Introduction of new technology	10.4	43.6	46.0	100.0	17.8	60.2	21.9	100.0
Equality and diversity	1.9	31.3	66.8	100.0	3.8	67.7	28.5	100.0
	100+ Employees				Total			
	Intense Pressure	Some Pressure	No Pressure	Total	Intense Pressure	Some Pressure	No Pressure	Total
Employee needs and preferences for flexibility	17.8	81.1	1.1	100.0	17.7	81.0	1.4	100.0
Demand for staff for greater say	12.7	83.2	4.0	100.0	12.6	82.9	4.4	100.0
Demands for better pay	10.8	86.5	2.7	100.0	10.9	86.1	3.0	100.0
Demands for new reward system	1.5	37.1	61.3	100.0	1.6	36.9	61.5	100.0
Introduction of new technology	36.1	59.1	4.8	100.0	35.7	59.0	5.2	100.0
Equality and diversity	21.7	72.2	6.1	100.0	21.3	72.0	6.7	100.0

Table 5.3a Public Service organisations classified according to sector and number of internal pressures classified as causing intense pressures

	0	1	2	3	4	5	6	Total
Civil Service	29.2	6.3	19.4	45.1	0.0	0.0	0.0	100.0
Health	11.4	64.6	6.5	9.2	8.3	0.0	0.0	100.0
Local Govt/Regional Bodies/ NonCommercial SemiState	38.1	37.9	8.6	5.2	8.2	0.1	1.9	100.0
Education/VEC	89.9	4.0	0.7	2.3	3.1	0.0	0.0	100.0
Gardaí/Defence/Prison Service	44.5	43.0	12.5	0.0	0.0	0.0	0.0	100.0
Total	44.1	33.5	7.2	9.9	5.0	0.0	0.3	100.0

Table 5.3b Public Service organisations classified according to size and number of internal pressures classified as causing intense pressures

	0	1	2	3	4	5	6	Total
1 to 20	75.3	16.6	6.0	1.8	0.2	0.0	0.0	100.0
21 to 100	66.3	21.3	7.5	0.0	3.3	0.8	0.9	100.0
100+	43.6	33.8	7.2	10.1	5.0	0.0	0.3	100.0
Total	44.1	33.5	7.2	9.9	5.0	0.0	0.3	100.0

In Table 5.2 we present comparable details on perceptions of current internal pressures classified according to size of organisation. Although demands for greater pay appear to assume a higher relative importance among the smallest group of organisations, the introduction of new technology stands out as a priority source of internal pressure in all size categories. Perhaps the most striking point to emerge from the table is the very strong increase in the percentage of organisations which record “intense pressure” as size of organisation increases. For example, internal pressure arising from the introduction of new technology is cited by 10 per cent of the smallest group of organisations; by 18 per cent of medium sized organisations and by 36 per cent of the largest organisations. This increasing propensity to record that an issue is generating “intense pressure” is apparent across all 6 potential sources included on the questionnaire. This, of course, may simply reflect the greater probability that as the size of an organisation increases the greater is the likelihood that pressure in some aspect of work will arise from some section of employees.

In Table 5.3a we present details on the distribution of Public Service firms according to number of internal issues cited as currently causing intense pressure. Perhaps the most notable point is that as many as 44 per cent of respondents record that they are not experiencing any internal pressures at all. At the other extreme, 15 per cent record that they are experiencing 3 or more from the 6 outlined in the questionnaire. It would appear that, in general, higher percentages of Civil Service organisations are experiencing a greater number of internal pressures than other branches of the Public Service (45 per cent record 3 or more such pressures compared with 15 per cent across the Service as a whole). Lowest levels of internal pressures are recorded by the Education sector – just over 5 per cent recorded 3 or more such items. Comparable details classified according to size of organisation are presented in Table 2.5b. Here we can see evidence of the pattern mentioned earlier whereby increases in the size of organisations clearly correspond to increases in the level of internal pressures. One can see, for example, that 2 per cent of the smallest category

Table 5.4 Distribution of the Public Service according to sector and views on likely future trends over next 3 years in factors generating internal pressures

A. Civil Service					
	Increase	Stay the same	Decrease	Total	Increase
Employee needs and preferences for flexibility	80.5	19.5	0.1	100.0	83.3
Demand for staff for greater say	53.5	46.3	0.3	100.0	66.4
Demands for better pay	37.3	61.4	1.4	100.0	36.2
Demands for new reward system	46.3	31.3	22.5	100.0	33.7
Introduction of new technology	83.2	16.8	0.0	100.0	67.1
Equality and diversity	62.0	37.3	0.7	100.0	70.5
D. Education/VEC					
	Increase	Stay the same	Decrease	Total	Increase
Employee needs and preferences for flexibility	88.3	10.5	1.1	100.0	43.0
Demand for staff for greater say	30.8	67.5	1.7	100.0	43.0
Demands for better pay	23.3	73.2	3.5	100.0	100.0
Demands for new reward system	20.1	18.0	61.8	100.0	0.0
Introduction of new technology	80.1	19.9	0.1	100.0	87.5
Equality and diversity	23.2	75.6	1.2	100.0	0.0

of organisation record 3 or more issues as generating internal pressures. The comparable figure for the largest group of organisations is 15 per cent.

In Table 5.4 we turn from a consideration of current perceptions of pressure points to views on whether or not it is likely that these would change over the next 3 years. Respondents were asked to

indicate whether or not they felt each internal pressure would be likely to increase, stay the same or decrease over the next 3 years.

From Section F of the table one can see the general view expressed in regard to most of the issues presented to respondents is that there is going to be an increase in internal pressures over the next

B. Local Government Regional Bodies / Non-Commercial Semistate			C. Health			
Stay the same	Decrease	Total	Increase	Stay the same	Decrease	Total
13.5	3.2	100.0	77.8	21.9	0.3	100.0
33.5	0.0	100.0	72.6	27.4	0.0	100.0
63.7	0.1	100.0	53.6	46.4	0.0	100.0
65.5	0.8	100.0	35.9	64.0	0.1	100.0
25.5	7.4	100.0	73.0	26.6	0.4	100.0
25.3	4.2	100.0	68.5	31.5	0.0	100.0
E. Gardai/Defence Prison service			F. Total			
Stay the same	Decrease	Total	Increase	Stay the same	Decrease	Total
57.0	0.0	100.0	78.9	20.1	1.0	100.0
57.0	0.0	100.0	53.8	45.7	0.6	100.0
0.0	0.0	100.0	44.0	54.8	1.3	100.0
55.5	44.5	100.0	28.6	45.5	25.9	100.0
12.5	0.0	100.0	76.8	21.8	1.3	100.0
100.0	0.0	100.0	49.9	48.9	1.2	100.0

three years. The data indicate that employee needs and preferences for greater flexibility are viewed by the overall Public Service as the most likely to increase over the coming years (recorded by just under 80 per cent of respondents). This is followed very closely by the introduction of new technology – (recorded by 77 per cent of the overall Public Service). Pressures arising from staff demands for

greater say and involvement in work and demands for better pay are cited by 54 per cent and 44 per cent respectively. It would appear that Public Service management feel that demands for a new reward system (recorded by only 29 per cent) is going to be the least problematic in terms of increased pressures over the next 3 years.

Table 5.5 Distribution of the Public Service according to size and views on likely future trends over next 3 years in factors generating internal pressures for change

	1 – 20 Employees				21 – 100 Employees			
	Intense Pressure	Some Pressure	No Pressure	Total	Intense Pressure	Some Pressure	No Pressure	Total
Employee needs and preferences for flexibility	46.2	51.5	2.3	100.0	70.1	29.9	0.0	100.0
Demand for staff for greater say	36.4	61.4	2.2	100.0	51.4	47.1	1.5	100.0
Demands for better pay	40.4	56.2	3.3	100.0	44.0	55.2	0.8	100.0
Demands for new reward system	18.5	71.2	10.4	100.0	35.7	56.7	7.7	100.0
Introduction of new technology	35.6	57.6	6.8	100.0	50.3	43.5	6.2	100.0
Equality and diversity	25.5	64.8	9.7	100.0	42.0	50.6	7.4	100.0
	100+ Employees				Total			
	Intense Pressure	Some Pressure	No Pressure	Total	Intense Pressure	Some Pressure	No Pressure	Total
Employee needs and preferences for flexibility	79.2	19.8	1.0	100.0	78.9	20.1	1.0	100.0
Demand for staff for greater say	53.9	45.6	0.5	100.0	53.8	45.7	0.6	100.0
Demands for better pay	44.0	54.7	1.3	100.0	44.0	54.8	1.3	100.0
Demands for new reward system	28.5	45.2	26.3	100.0	28.6	45.5	25.9	100.0
Introduction of new technology	77.5	21.3	1.2	100.0	76.8	21.8	1.3	100.0
Equality and diversity	50.2	48.8	1.0	100.0	49.9	48.9	1.2	100.0

In broad terms these trends are reflected across all areas of the Public Service. Increases in pressures arising from calls from staff for greater flexibility and the introduction of new technology are perceived by most as likely to cause increased pressures over the next 3 years. In some sectors – notably Health, the Civil Service and Local Government/Regional Bodies/Non Commercial Semi-States the issue of greater say and involvement on the part of staff in the way their work is carried out have been recorded as potentially causing a greater increase in internal pressure over the coming years. The Gardaí/Defence/Prison Service suggest that there may be an issue of pay as causing increase internal pressure over the next 3 years.

In Table 5.5 we present details on perceived likely future trends in internal pressures according to size of organisation. The table clearly indicates that propensity to see increases in internal pressures over the next 3 years increases with size of the organisation. For example, 46 per cent of the smallest group record that pressures generated by employee needs and preferences for greater flexibility will increase over the next 3 years. This rises to 70 per cent for the middle-sized group of organisations and to 79 per cent for the largest category. Comparable figures for pressures arising from the introduction of new technology are 36 per cent, 50 per cent and 77 per cent respectively. This trend generally holds true across all 6 aspects of potential

pressure outlined in the table – the exception being demands for a new reward system which decreases slightly for the largest category of organisation.

Overall, therefore, we have seen so far in this section that the main internal pressure points within the Public Service in Ireland would appear to be the introduction of new technology followed by employee needs and preferences for greater flexibility. In general, these issues recur throughout all areas of the Public Service. Perceived current pressure would appear to increase substantially with size of organisation. As noted above, this trend may, in many respects, not be so surprising. In larger organisations one has, by definition, a greater likelihood for at least some section of the workforce to exert pressure in respect of some or all of the issues in question. Whatever the reason, the relationship between the incidence of current pressure across all issues presented to respondents on the one hand and size of organisation on the other is clear. Intensity of pressure (in terms of number of issues raised) appears to be highest in the Civil Service followed by the Health Sector. Having considered internal pressures we now turn to consider current sources of external pressure.

5.3 External pressure

A total of 16 pre-coded sources of external pressure was presented to respondents who were then asked to indicate whether or not each was felt to be a source of intense pressure; some pressure or no pressure. The 16 items covered a broad range of topics as follows:

A. Regulatory control

- National regulations, legislation or policy in your area of work
- European/international regulations
- Legislation – equality in the workplace.

B. Service provision

- Demands for increased standard of services delivered
- Requirements for increase efficiency in the delivery of services

- Requirement for changing opening/closing times to suit clients/users
- Provide new services for users
- Co-ordinate with services of other departments or Public Service bodies
- Increases in the size of the organisation's target group or client base (i.e. an increase in number of users of respondent's service).

C. Accountability

- Scrutiny by the media
- Freedom of information.

D. Public service

- Public Service Modernisation Agenda (PSMA)
- Budget constraints
- Achieving balanced regional development
- Adhering to social partnership agreements
- Availability of appropriately qualified staff.

From Section F in the table it is clear that for the overall Public Service there are 3 factors which are principally perceived to be sources of intense external pressure. These are budget constraints (80 per cent); requirement for efficiency in the delivery of services (72 per cent); and demands for increased standards of service delivery (71 per cent). Following these issues the next most important external pressure points would appear to be the PSMA (mentioned by 60 per cent of respondents); national regulations/legislation (40 per cent) and accountability in the form of scrutiny by the media (38 per cent). It is clear that issues such as pressures to change opening/closing hours of service provision and achieving balanced regional development are not felt to generate any substantial degree of pressure for change.

One can see from Sections A to E of Table 5.6 (overleaf) that there are some sectoral variations in terms of sources of external pressure. Budget constraints and efficiency of service delivery are more or less universally recorded by all sectors on a most frequent basis as being the source of most intense external pressure. Only in the case of the

Table 5.6 Distribution according to sector and perceptions of factors generating external pressures

	A. Civil Service			
	Intense Pressure	Some Pressure	No Pressure	Total
Regulations				
National legislation/regulations	30.0	69.5	0.5	100.0
European/Int'l regulations	31.1	62.6	6.3	100.0
Legislation-equality in workplace	10.7	76.0	13.2	100.0
Service Provision				
Demand- for increased standard of service delivered	69.9	30.0	0.1	100.0
Requirement for efficiency in delivery of services	83.9	14.7	1.4	100.0
Need to change opening/closing times	0.1	71.5	28.4	100.0
Providing new services for users	3.5	79.1	17.4	100.0
Co-ordination with services of other depts, organisations	42.2	48.3	9.6	100.0
Increases in size of target of client base	56.1	23.6	20.2	100.0
Accountability				
Scrutiny by the media	60.1	29.5	10.4	100.0
Freedom of information	18.2	77.1	4.8	100.0
Public Service				
Public Service modernisation agenda PSMA	65.8	26.1	8.1	100.0
Budget constraints	87.6	10.7	1.7	100.0
Achieving balanced regional developments	2.9	55.9	41.2	100.0
Adhering to social partnership agreements	65.5	21.5	13.0	100.0
Availability of appropriately qualified staff	4.0	89.5	6.5	100.0
	D. Education / VEC			
	Intense Pressure	Some Pressure	No Pressure	Total
Regulations				
National legislation/regulations	21.0	79.0	0.0	100.0
European/Int'l regulations	14.6	84.2	1.2	100.0
Legislation-equality in workplace	6.0	90.9	3.0	100.0
Service Provision				
Demand- for increased standard of service delivered	75.0	23.3	1.7	100.0
Requirement for efficiency in delivery of services	72.9	26.5	0.6	100.0
Need to change opening/closing times	10.6	17.1	72.4	100.0
Providing new services for users	10.5	88.2	1.3	100.0
Co-ordination with services of other depts, organisations	2.1	88.4	9.5	100.0
Increases in size of target of client base	8.1	87.6	4.3	100.0
Accountability				
Scrutiny by the media	1.2	83.7	15.1	100.0
Freedom of information	8.2	76.8	15.0	100.0
Public Service				
Public Service modernisation agenda PSMA	65.4	33.3	1.3	100.0
Budget constraints	93.0	7.0	0.0	100.0
Achieving balanced regional developments	0.0	76.9	23.1	100.0
Adhering to social partnership agreements	6.7	80.4	12.9	100.0
Availability of appropriately qualified staff	3.6	90.6	5.8	100.0

B. Local Government Regional Bodies / Non-Commercial Semistate				C. Health			
Intense Pressure	Some Pressure	No Pressure	Total	Intense Pressure	Some Pressure	No Pressure	Total
50.8	48.2	1.1	100.0	49.5	50.0	0.4	100.0
38.7	58.5	2.8	100.0	8.7	90.0	1.2	100.0
10.6	71.1	18.3	100.0	21.7	76.9	1.4	100.0
73.5	24.8	1.7	100.0	73.0	26.0	1.0	100.0
74.2	24.7	1.1	100.0	60.9	38.3	0.7	100.0
21.7	49.0	29.3	100.0	27.9	65.2	6.9	100.0
24.9	62.1	13.0	100.0	25.4	71.6	3.0	100.0
33.2	58.8	8.0	100.0	14.7	80.8	4.4	100.0
29.4	55.1	15.5	100.0	38.9	56.4	4.8	100.0
32.8	53.5	13.7	100.0	63.3	32.6	4.1	100.0
8.2	69.6	22.2	100.0	15.6	79.8	4.6	100.0
56.9	33.2	9.9	100.0	44.4	51.0	4.6	100.0
79.2	20.3	0.5	100.0	73.6	25.9	0.4	100.0
5.2	81.6	13.3	100.0	8.4	67.9	23.8	100.0
24.3	62.0	13.7	100.0	18.8	71.2	10.0	100.0
4.5	86.3	9.2	100.0	32.2	66.8	1.0	100.0
E. Gardai Defence / Prison Service				F. Total			
Intense Pressure	Some Pressure	No Pressure	Total	Intense Pressure	Some Pressure	No Pressure	Total
57.0	43.0	0.0	100.0	39.7	59.9	0.4	100.0
0.0	100.0	0.0	100.0	17.1	80.9	2.0	100.0
43.0	44.5	12.5	100.0	16.0	77.1	6.9	100.0
44.5	55.5	0.0	100.0	70.7	28.2	1.1	100.0
87.5	12.5	0.0	100.0	71.8	27.5	0.8	100.0
0.0	87.5	12.5	100.0	15.9	51.2	32.9	100.0
0.0	100.0	0.0	100.0	15.7	78.8	5.5	100.0
44.5	55.5	0.0	100.0	19.9	73.4	6.7	100.0
21.9	78.1	0.0	100.0	29.0	63.0	8.1	100.0
44.5	55.5	0.0	100.0	37.8	52.9	9.3	100.0
0.0	100.0	0.0	100.0	11.1	78.8	10.1	100.0
87.5	12.5	0.0	100.0	59.1	36.5	4.4	100.0
55.5	44.5	0.0	100.0	80.2	19.4	0.4	100.0
0.0	57.0	43.0	100.0	3.9	70.4	25.7	100.0
44.5	55.5	0.0	100.0	23.1	66.0	10.8	100.0
12.5	43.0	44.5	100.0	14.4	77.2	8.4	100.0

Table 5.7 Distribution according to sector and perceptions of factors generating external pressures

	1 – 20 Employees			
	Intense Pressure	Some Pressure	No Pressure	Total
Regulations				
National legislation/regulations	27.1	66.7	6.2	100.0
European/Int'l regulations	17.1	59.6	23.2	100.0
Legislation-equality in workplace	3.5	30.4	66.1	100.0
Service Provision				
Demand- for increased standard of service delivery	18.9	52.8	28.4	100.0
Requirement for efficiency in delivery of services	27.8	49.1	23.1	100.0
Need to change opening/closing times	1.3	16.0	82.6	100.0
Providing new services for users	4.9	64.6	30.5	100.0
Co-ordination with services of other depts, organisations	24.9	47.8	27.3	100.0
Increases in size of target of client base	21.8	45.5	32.8	100.0
Accountability				
Scrutiny by the media	6.4	35.4	58.2	100.0
Freedom of information	3.1	35.8	61.0	100.0
Public Service				
Public Service modernisation agenda PSMA	4.8	35.0	60.2	100.0
Budget constraints	60.7	30.2	9.1	100.0
Achieving balanced regional developments	16.2	29.6	54.2	100.0
Adhering to social partnership agreements	13.6	33.5	52.9	100.0
Availability of appropriately qualified staff	6.4	44.3	49.3	100.0

Gardaí/Defence Forces/Prison Services do other factors assume a relatively more dominant position. Budget constraints appear to be perceived as most problematic in the area of education where 93 per cent of respondents recorded that they generate “intense” pressures. Other issues mentioned on a frequently recurring basis include the PSMA and accountability through media coverage. Social

partnership assumes a relatively high importance in the Civil Service. In contrast, it is notable that pressures to change opening/closing hours to accommodate clients or users is not seen as a source of intense external pressure within the Civil Service.

In Table 5.7 we present details on variations in perceptions of external pressure according to size of organisation. One finds that in respect of 10 of the

21 – 100 Employees				100+ Employees				Total			
Intense Pressure	Some Pressure	No Pressure	Total	Intense Pressure	Some Pressure	No Pressure	Total	Intense Pressure	Some Pressure	No Pressure	Total
36.4	62.2	1.4	100.0	39.8	59.9	0.3	100.0	39.7	59.9	0.4	100.0
8.7	76.1	15.2	100.0	17.3	81.1	1.7	100.0	17.1	80.9	2.0	100.0
9.2	65.4	25.4	100.0	16.2	77.5	6.3	100.0	16.0	77.1	6.9	100.0
41.8	48.6	9.6	100.0	71.4	27.7	0.9	100.0	70.7	28.2	1.1	100.0
30.9	63.6	5.5	100.0	72.7	26.8	0.6	100.0	71.8	27.5	0.8	100.0
7.9	24.3	67.8	100.0	16.1	51.8	32.0	100.0	15.9	51.2	32.9	100.0
9.0	66.3	24.7	100.0	15.9	79.0	5.1	100.0	15.7	78.8	5.5	100.0
16.9	61.8	21.3	100.0	20.0	73.7	6.4	100.0	19.9	73.4	6.7	100.0
15.5	49.6	34.9	100.0	29.2	63.3	7.5	100.0	29.0	63.0	8.1	100.0
16.2	55.1	28.7	100.0	38.3	53.0	8.7	100.0	37.8	52.9	9.3	100.0
5.3	64.1	30.6	100.0	11.2	79.2	9.5	100.0	11.1	78.8	10.1	100.0
19.9	43.9	36.2	100.0	60.0	36.4	3.6	100.0	59.1	36.5	4.4	100.0
66.5	29.9	3.7	100.0	80.5	19.2	0.3	100.0	80.2	19.4	0.4	100.0
3.1	42.1	54.8	100.0	3.9	71.0	25.1	100.0	3.9	70.4	25.7	100.0
6.9	57.6	35.5	100.0	23.5	66.3	10.2	100.0	23.1	66.0	10.8	100.0
20.8	57.9	21.3	100.0	14.3	77.7	8.0	100.0	14.4	77.2	8.4	100.0

16 items the proportion of respondents indicating that they generate “intense” pressure for change increases with size of organisation. The six potential sources of pressure which do not conform to this pattern are:

1. European/International Regulations
2. Co-ordination with the services provided by other departments

3. Increases in the size of the target group or “client-base”

4. Achieving balanced regional development
5. Adhering to social partnership agreements
6. Availability of appropriately qualified staff.

For items 1, 2, 3 and 5 above the smaller and larger organisations indicate that these potential sources may cause more intense pressure than the middle-sized group. Achieving a balanced regional development is most frequently recorded by the smallest organisations and availability of appropriately qualified staff is recorded highest among the middle-sized organisations.

In Table 5.8 we outline a summary measure of external pressure based on the 16 items presented to respondents. In deriving this summary measure we assigned a value of “0” to any given item if the respondent recorded “no pressure”; a value of “1” if the respondent recorded “some pressure” and a value of 2 if the respondent recorded “intense pressure”. In Column A we present a composite index across all 16 items contained in the questionnaire. Columns B to E present details on the individual sub-indices across each of the four relevant domains.

The most important point to note from Column A is the remarkable similarity across sectors in terms of their average score on external pressures. There is some evidence to suggest that the score for the Education sector is somewhat lower, on aggregate, than for others. The differences, however, are at best marginal.

If one considers the average scores on each of the 4 dimensions of external pressures (Columns B to E) one can see that there is relatively little variation from one domain to the other. In relative terms, accountability appears to assume a relatively lower level of importance in Education and Local Government/Regional Development/Non Commercial Semi-States than in other areas of the Public Service. This type of accountability is felt to cause higher levels of pressure in the Civil Service and Health Sectors. The differences, however, are generally small.

An alternative approach to presenting a summary measure of perceived external pressures is to consider the distribution of respondents according to the number of external sources recorded as causing “intense” pressure. The relevant figures, classified by sector, are shown in Table 5.9. From the bottom row in the table one can see, for example, that 2.5 per cent of the Public Service do not record any of the 16 external factors as causing “intense” pressure. One quarter record 1-3 of the 16 factors as generating intense pressure; 41 per cent consider 4-6 of the items as generating intense pressure and so on. One can see that just under 8 per cent record 10 or more of the items as a source of intense pressure for change. Presenting the figures in this way indicates that, in general, the education sector would seem to have the lowest propensity to record intense external pressure – just under 6 per cent record 7 or more items. In contrast, the Health Sector has the highest – 21 per cent record 10 or more items.

Table 5.10 presents details on the summary score for external pressure classified by size of organisation. One can see from the table that perceived intensity of pressure increases progressively with size of organisation. This pattern is apparent not just at an aggregate level for all items grouped together (Column A) but also for each of the 4 dimensions of pressures outlined in the table (Columns B to E).

Table 5.11 outlines information on the number of sources of external pressure mentioned by Public Service organisations classified by size category. Once again, the pattern is apparent. The larger the organisation the more factors it appears to report as generating intense pressure for change. For example, a total of 24 per cent of the smaller organisations report no intense pressure compared to only 2.4 per cent among the largest category.

Table 5.8 Summary score on factors generating external pressures in the Public Service classified by broad sector

	A All Items	B Regulations	C Service Provision	D Accountability	E Public Service
Civil Service	1.3	1.2	1.3	1.3	1.3
Health	1.3	1.3	1.4	1.4	1.3
Local Govt/Regional Bodies/ Non-Commercial Semi-State	1.2	1.3	1.3	1.0	1.2
Education	1.1	1.1	1.2	0.9	1.2
Gardaí/Defence/Prison	1.3	1.3	1.3	1.2	1.2
Total	1.2	1.2	1.3	1.1	1.3

Table 5.9 Distribution of Public Service organisations classified according to sector and number of issues classified as generating “intense” external pressure

	0	1 thru 3	4 thru 6	7 thru 9	10+	Total
Civil Service	3.0	10.4	39.4	44.9	2.4	100.0
Health	0.9	40.7	15.1	22.0	21.4	100.0
Local Govt/Regional Bodies/ Non-Commercial Semi-State	2.5	28.4	23.7	43.5	1.9	100.0
Education	5.1	14.5	74.7	5.7	0.0	100.0
Gardaí/Defence/Prison	0.0	0.0	55.5	44.5	0.0	100.0
Total	2.5	23.6	40.7	25.4	7.7	100.0

Table 5.10 Summary score of external pressures classified according to size of organisation

	A All Items	B Regulations	C Service Provision	D Accountability	E Public Service
1 to 20	0.7	0.8	0.8	0.5	0.8
21 to 100	0.9	1.0	0.9	0.8	0.9
100+	1.3	1.2	1.3	1.2	1.3
Total	1.2	1.2	1.3	1.1	1.3

The 5 indices scored as 2 for “intense pressure”; 1 for “some pressure” and 0 for “no pressure” or “not relevant”.

Table 5.11 Distribution of Public Service organisations classified according to size and number of issues classified as generating “intense” external pressure

	0	1 thru 3	4 thru 6	7 thru 9	10+	Total
1 to 20	23.8	49.5	19.2	5.6	2.0	100.0
21 to 100	7.7	56.0	27.0	9.2		100.0
100+	2.4	23.0	41.0	25.8	7.9	100.0
Total	2.5	23.6	40.7	25.4	7.7	100.0

Table 5.12 Distribution of Public Service organisations classified according to sector and number of internal and external issues classified as generating “intense” pressure

	None	Low (1-7)	Medium (8-11)	High (12+)	Total
Civil Service	2.9	33.8	57.4	5.9	100.0
Health	0.9	56.4	31.2	11.5	100.0
Local Govt/Regional Bodies/ Non-Commercial Semi-State	1.1	57.3	28.3	13.2	100.0
Education	5.1	87.8	4.0	3.1	100.0
Gardaí/Defence/Prison		100.0			100.0
Total	2.3	67.2	22.9	7.6	100.0

Table 5.13 Distribution of Public Service organisations classified according to size and number of internal and external issues classified as generating “intense” pressure

	None	Low (1-7)	Medium (8-11)	High (12+)	Total
1 to 20	22.1	71.6	6.0	0.2	100.0
21 to 100	7.7	79.5	11.6	1.1	100.0
100+	2.1	67.0	23.2	7.7	100.0
Total	2.3	67.2	22.9	7.6	100.0

5.4 Summary measure of intensity of pressures for change

So far we have considered views among Public Service employers initially of sources of internal pressure and then of external pressures for change. We outlined six of the former in Section 5.2 and 16 of the latter in Section 5.3. With a view to summarising all sources of pressure we present details on a distribution of organisations according to the number of all sources (internal as well as external) which are recorded as generating intense pressure for change. Respondents had a total of 22 potential pressure points. The figures in Table 5.12 outline the distribution of the Public Service in terms of the number of items recorded as causing any intense pressure. From the figures we can see that just over 2 per cent record no issues generating intense pressure. Just over two-thirds record that 1-7 of the possible 22 items generate intense pressure; 23 per cent record that 8-11 are a source of intense pressure while the remaining 8 per cent record 12 or more. If one arbitrarily assigns labels of “low”, “medium” and “high” pressure to this distribution one can see that the Education sector as well as Gardai/Defence/Prison. Service account for the highest proportions in the “Low Pressure” category. In contrast, the Health sector and Local Government/Regional Development/Non Commercial Semi-State sectors have the largest proportion in the “High Pressure” category.⁷

Table 5.13 presents comparable information broken down by size category. Here a size effect is clearly evident as the proportions of firms in the medium to high pressure categories increase with size of organisation. The figures for percentage of firms in the medium pressure category rises from 6 per cent among the smallest group of organisations to 12 per cent for the middle-sized category to 23 per cent for the largest organisations.

⁷ The authors would point out that these labels and the associated categorisation are entirely arbitrary.

5.5 Summary

In this chapter we have considered the range of pressures impacting on the public Sector. Both internal and external pressures were examined.

We find that in terms of internal pressures the most frequently cited source (36 per cent) was the introduction of new technology. Employee needs and preferences for greater flexibility within the workplace (recorded by 18 per cent) and demands from staff for greater say or involvement in the work (13 per cent) would appear to be the next most frequently cited issues. The introduction of new technology is perceived to be a particularly important pressure point in the Health Sector and Civil Service. Employee needs and preferences for greater flexibility within the workplace are also of greater relevance in these two sectors. In general terms, demands from staff for greater say and involvement in the work are of greater relative importance in the Civil Service than in other sectors.

Overall, it is perceived across the public service that internal pressures will increase over the next 3 years. Employee needs and preferences for greater flexibility are seen as being the most likely area to increase. This is followed by pressures generated as a result of the introduction of new technology. These trends are generally reflected across all sectors of the Service.

In terms of external pressures three main areas stand out as being particularly important viz. budget constraints (80 per cent); a requirement for improved efficiency in the delivery of services (72 per cent) and demands for increasing standards in service delivery (71 per cent).

In broad terms when we generated indices of external pressures we were struck by how little variation there was in the incidence of external pressures across sectors.

Chapter Six

Barriers to Change

This Section looks at barriers to change in the public service. It considers issues linked to management and organisation, human resources, and external constraints such as centralisation and budgets.



6.1 Introduction

In the previous chapter we examined the sources of pressures in the Public Service. In this section we look at the barriers identified in addressing those pressures. We begin by outlining managements' views on the degree to which a range of issues in the Public Service present themselves as barriers to change.

6.2 Perceptions of barriers to change

In the course of the survey a total of 16 pre-coded response categories were presented to respondents and they were asked to indicate the extent to which they considered each item to represent a barrier to addressing pressure. The 16 response categories were grouped into three main types of potential impediments to adaptability as follows:

Management and organisation

- Management structures within the organisation
- Ability and experience of management
- Willingness of management within the organisation to change
- Hierarchical nature of the organisation
- High levels of bureaucracy.

Human resources

- The promotions process
- The level of responsibility devolved to individuals or work teams
- The extent to which one can deal with under-achievement
- The extent to which one can reward high performance
- Willingness of staff within the organisation to change
- Willingness of unions within the organisation to change
- Lack of local flexibility in industrial relations negotiations.

External constraints

- Budget constraints
- Centralisation of Public Service resource allocation and finance decisions
- Centralisation of Public Service human resource systems
- Political considerations.

Management and Organisation refers to five issues related to management structures within the organisation, the hierarchical nature of the organisation and bureaucracy, and the ability, experience and openness of management to change.

Human Resource issues include levels of responsibility, promotions as well as responses to under- and high performance, and the degree of flexibility of staff and unions.

External constraints relate principally to barriers to change that originate outside of the organisation. They include issues such as externally imposed budgetary constraints, the centralisation of Public Service resource allocation and human resource management systems, as well as broader political considerations.

Table 6.1 Percentage of Organisations Indicating the extent to which each of the items represent a barrier to addressing pressures facing the organisation

All Public Service	Major Barrier	Barrier	No Barrier/NA	Total
Management and Organisation				
Management structures within your organisation	4.2	53.6	42.2	100.0
Ability and experience of management	6.5	44.1	49.4	100.0
Willingness of management within the organisation to change	4.4	48.0	47.6	100.0
Hierarchical nature of the organisation	4.0	67.9	28.2	100.0
High levels of bureaucracy	9.8	73.4	16.9	100.0
Human Resources				
The promotions process	6.1	41.5	52.4	100.0
The level of responsibility devolved to individuals or work teams	6.9	46.7	46.4	100.0
The extent to which one can deal with under-achievement	38.5	52.1	9.4	100.0
The extent to which one can award high performance	53.5	38.5	8.1	100.0
Willingness of staff within the organisation to change	8.8	49.4	41.8	100.0
Willingness of unions within the organisation to change	22.7	60.4	16.9	100.0
Lack of local flexibility in industrial relations negotiations	29.4	47.3	23.3	100.0
External Constraints				
Budget constraints	79.0	19.3	1.7	100.0
Centralisation of Public Service resource allocation and finance decisions	60.2	33.7	6.1	100.0
Centralisation of Public Service human resource systems	44.8	33.3	21.9	100.0
Political considerations	19.8	39.0	41.2	100.0

Table 6.1 underlines the extent to which each item acts as a barrier to addressing organisational pressures. The greatest barriers to adaptation to pressures are perceived to be external in origin with financial constraints being particularly prominent. Almost 80 per cent of respondents in Public Service organisations indicate that budget constraints represent a “major barrier” to addressing pressures while another 20 per cent regard this as a “barrier”. In addition, 60 per cent regard centralisation of resource allocation and finance decisions as a “major barrier” to adaptation while another 34 per cent point to this as a “barrier”. Other external constraints are also thought to represent barriers. Approximately 45 per cent of Public Service organisations believe that the centralisation of human resource systems presents a major barrier to adaptation, while political considerations are deemed to be a “major barrier” by 20 per cent and to be a “barrier” by a further 40 per cent.

In general, while management and organisational issues are not considered as major barriers in addressing pressures facing Public Service organisations, these issues are, nonetheless, regarded as “barriers”. Two-thirds or more of Public Service organisations consider the hierarchical nature of their organisation and also the high levels of bureaucracy to represent either “barriers” or “major barriers” in addressing pressures. Moreover, half or more consider that management structures, the ability and experience of management, and the willingness of management to change are either “barriers” or “major barriers” in responding to pressures.

Under the human resources heading the most salient issues are appropriate responses to under- and high performance. Over half of respondents consider that the extent to which one can reward high performance is a “major barrier” to addressing pressures facing the organisation while a further 39 per cent regard this as a “barrier”. Almost 39 per cent regard the extent to which one can deal with under-achievement as a “major barrier”, and another 52 per cent see this as a “barrier”.

Flexibility of staff is not widely thought of as a “major barrier” in responding to pressure – about 42 per cent of respondents regard this as presenting “no barrier”. Over 80 per cent regard the willingness of unions to change as a barrier or major barrier and more than three-quarters see lack of local flexibility in industrial relations as a barrier or major barrier.

In Table 6.2, Sections A through E show details for each sector on perceived barriers to addressing the pressures facing organisations. All of the Gardaí, Defence and Prison Service (GDPS) organisations regard budget constraints as a major barrier to responding to pressure, as do 90 per cent of the Civil Service and 81 per cent of Education. Only 70 per cent of Health sector CEOs regarded budget constraints as a “major barrier” in dealing with pressure.

Centralisation of Public Service resource allocation and centralisation of Public Service human resource systems are both regarded as major barriers to addressing pressure by over three-quarters of the Education Sector. However, these are deemed as “major barriers” by much smaller proportions of other sectors of the Service.

There are also important sectoral differences relating to the perceived importance of Human Resource issues. Civil Service Departments are exceptional: 85 per cent of the Civil Service consider that the extent to which one can deal with under-performance is a major barrier to responding to pressures. None of the respondents in the Gardaí, Defence and Prison Service (GDPS) sectors indicate that dealing with underperformance is a major barrier and only 14 per cent of those in Education.

On the other hand, only about one-quarter of Civil Service respondents regard the extent to which one can reward high performance as a major barrier to responding to pressures, compared to over 80 per cent in the Education sector, 42 per cent in the Health Sector, and 57 per cent in the GDPS sector.

Table 6.2 Barriers to change - percentage of organisations within each sector indicating the extent to which each of the items represent a barrier to addressing pressures facing the organisation

	A. Civil Service			
	Major Barrier	Barrier	No Barrier	Total
Management and Organisation				
Management structures within your organisation	17.9	37.5	44.5	100.0
Ability and experience of management	1.6	81.0	17.4	100.0
Willingness of management within the organisation to change	23.0	29.9	47.0	100.0
Hierarchical nature of the organisation	10.6	55.1	34.3	100.0
High levels of bureaucracy	10.9	55.2	33.9	100.0
The promotions process				
The level of responsibility devolved to individuals or work teams	5.7	73.9	20.4	100.0
The level of responsibility devolved to individuals or work teams	28.0	38.9	33.1	100.0
The extent to which one can deal with under-achievement	85.2	13.5	1.3	100.0
The extent to which one can award high performance	26.6	71.7	1.6	100.0
Willingness of staff within the organisation to change	20.6	70.8	8.6	100.0
Willingness of unions within the organisation to change	49.4	42.4	8.2	100.0
Lack of local flexibility in industrial relations negotiations	48.6	19.7	31.7	100.0
External Constraints				
Budget constraints	89.6	7.1	3.3	100.0
Centralisation of Public Service resource allocation and finance decisions	65.0	31.3	3.7	100.0
Centralisation of Public Service human resource systems	32.8	54.6	12.6	100.0
Political considerations	13.0	30.3	56.7	100.0
	D. Education / VEC			
	Major Barrier	Barrier	No Barrier	Total
Management and Organisation				
Management structures within your organisation	4.2	83.2	12.6	100.0
Ability and experience of management	4.3	69.0	26.7	100.0
Willingness of management within the organisation to change	0.0	72.4	27.6	100.0
Hierarchical nature of the organisation	0.1	84.2	15.8	100.0
High levels of bureaucracy	2.6	87.3	10.2	100.0
The promotions process				
The level of responsibility devolved to individuals or work teams	13.5	14.0	72.6	100.0
The level of responsibility devolved to individuals or work teams	6.8	69.0	24.2	100.0
The extent to which one can deal with under-achievement	13.7	79.2	7.1	100.0
The extent to which one can award high performance	81.5	13.9	4.6	100.0
Willingness of staff within the organisation to change	1.2	24.2	74.6	100.0
Willingness of unions within the organisation to change	8.8	82.1	9.2	100.0
Lack of local flexibility in industrial relations negotiations	13.8	74.7	11.5	100.0
External Constraints				
Budget constraints	81.1	17.0	1.9	100.0
Centralisation of Public Service resource allocation and finance decisions	77.8	15.5	6.6	100.0
Centralisation of Public Service human resource systems	75.9	10.6	13.5	100.0
Political considerations	0.2	22.5	77.2	100.0

**B. Local Government
Regional Bodies / Non-Commercial Semistate**

C. Health

Major Barrier	Barrier	No Barrier	Total	Major Barrier	Barrier	No Barrier	Total
1.4	59.7	38.9	100.0	2.4	22.2	75.4	100.0
14.9	18.3	66.8	100.0	1.6	42.7	55.7	100.0
4.6	41.0	54.4	100.0	3.0	49.0	48.0	100.0
3.3	70.7	26.0	100.0	2.7	54.7	42.6	100.0
5.5	77.1	17.4	100.0	12.0	62.8	25.1	100.0
0.0	59.7	40.3	100.0	8.5	55.7	35.8	100.0
0.9	39.0	60.1	100.0	8.1	29.6	62.4	100.0
55.2	40.5	4.3	100.0	37.9	51.6	10.6	100.0
42.5	53.2	4.3	100.0	42.1	50.9	7.0	100.0
13.9	67.8	18.4	100.0	9.0	63.3	27.7	100.0
31.0	62.7	6.3	100.0	17.1	64.3	18.6	100.0
38.7	44.2	17.1	100.0	17.0	43.9	39.1	100.0
70.6	29.2	0.2	100.0	72.5	23.4	4.1	100.0
43.8	50.4	5.7	100.0	60.4	28.6	11.1	100.0
35.1	48.9	16.0	100.0	17.6	46.5	35.8	100.0
48.1	39.5	12.4	100.0	7.7	71.5	20.8	100.0

**E. Gardaí
Defence / Prison Service**

Major Barrier	Barrier	No Barrier	Total
0.0	12.5	87.5	100.0
0.0	12.5	87.5	100.0
0.0	12.5	87.5	100.0
12.5	44.5	43.0	100.0
43.0	57.0	0.0	100.0
0.0	0.0	100.0	100.0
0.0	43.0	57.0	100.0
0.0	57.0	43.0	100.0
57.0	0.0	43.0	100.0
0.0	12.5	87.5	100.0
12.5	0.0	87.5	100.0
43.0	12.5	44.5	100.0
100.0	0.0	0.0	100.0
55.5	44.5	0.0	100.0
43.0	0.0	57.0	100.0
12.5	43.0	44.5	100.0

Table 6.3 | Summary index of barriers to change by sector

	A All items	B Management/ Organisation	C Human Resources	D External Constraints
Civil Service	1.1	0.8	1.2	1.3
Health	1.0	0.7	1.0	1.4
Local Government, Regional Bodies, Non-com Semi States	0.9	0.5	0.9	1.2
Education and VECs	1.0	0.8	0.9	1.3
Gardai, Defence and Prison	0.7	0.5	0.5	1.3
Total	1.0	0.7	1.0	1.3

The 4 indices scored as "0" for "no barrier"; "1" for "barrier" and "2" for "major barrier".

Sectors also differ on the aspect of whether unions are regarded as a barrier to change. Almost half of respondents in the Civil Service consider that both willingness of unions to change, and the lack of local flexibility in industrial relations represent major barrier to change. About 40 per cent in the Health and GDPS sectors consider the lack of local flexibility in industrial relations to be "major barriers". These relatively high levels contrast with less than 20 per cent in the other sectors who agree with this assessment.

Important differences appear to exist between sectors in the extent to which management and organisational factors represent barriers to responding to pressure. Over 80 per cent of the Civil Service regard the ability and experience of management as either a barrier or a major barrier in addressing pressure. This assessment is shared by almost three-quarters of those in Education but less than half of those in the Local Government, Regional Bodies and Semi-State Organisations, the Health sector, and only 13 per cent in the GDPS sector.

All respondents in GDPS, and 90 per cent of those in Education regard high levels of bureaucracy as a barrier or major barrier to responding to pressure, an assessment that is shared by only two-thirds of those in the Civil Service.

Table 6.3 presents a summary index of perceived barriers to change by sector. Column A presents a composite index across all 16 items, Columns B to D a summary sub-index for each domain. The table confirms that external constraints are widely regarded as the most salient barriers to change across the Public Service. There is little variation in this across sectors, although respondents in the Health sector appear more likely, and those in Local Government, Regional Bodies and Semi-state organisations least likely to consider external resources as major barriers to responding to pressure. Human resource issues are also perceived to be important, with respondents in the Civil Service more likely, and those in the GDPS less likely, to emphasize human resource issues. Management and organisational factors are less likely to be regarded as major barriers in addressing pressure. Respondents in the Civil Service, and Education are more likely than their counterparts in Local Government, Regional Bodies and Semi-state organisations, and in the GDPS to regard management and organisational factors as barriers in responding to change.

Table 6.4 (overleaf) presents details on perceived barriers to addressing pressures facing organisations according to size category. Larger organisations, those employing more than 100 staff, are much more likely than smaller ones to regard budget constraints and centralisation of Public Service resource allocation as major barriers to change. Also, larger organisations appear to have a greater tendency than smaller ones to regard human resource factors as important. Well over half of those in large organisations consider that the extent to which one can reward high performance is a major barrier to change, compared to about one-quarter of those in small organisations, with 1-20 employees, and about one-third of those in medium-sized organisations, with 20-100 employees.

In general, smaller organisations appear to assign less importance to organisational and management factors in responding to pressure. Thus, for example, 80 per cent of small organisations do not regard management structures as representing any barrier in dealing with pressure. This compares with 64 per cent of those in medium-sized organisations, and 42 per cent of those in large organisations. As might be expected, we find a similar size-related pattern with respect to the influence of organisational hierarchy, whereby the larger the organisation the greater the likelihood that the respondent will regard organisational hierarchy as a barrier to responding to pressure.

Table 6.5, showing the summary index of barriers to change, confirms the general organisational/size related pattern—the larger the organisation the greater the assessment of barriers to change. This pattern is repeated in respect of each of the categories of factors.

Table 6.4 | Barriers to change – percentage of firms in each size

Management and Organisation

Management structures within your organisation

Ability and experience of management

Willingness of management within the organisation to change

Hierarchical nature of the organisation

High levels of bureaucracy

The promotions process

The level of responsibility devolved to individuals or work teams¹.

The extent to which one can deal with under-achievement

The extent to which one can award high performance²

Willingness of staff within the organisation to change

Willingness of unions within the organisation to change

Lack of local flexibility in industrial relations negotiations

External Constraints

Budget constraints

Centralisation of Public Service resource allocation and finance decisions

Centralisation of Public Service human resource systems

Political considerations

category recording extent to which issues are seen as a barrier to change in the Public Service

1 – 20 Employees				21 – 100 Employees				100+ Employees			
Intense Pressure	Some Pressure	No Pressure	Total	Intense Pressure	Some Pressure	No Pressure	Total	Intense Pressure	Some Pressure	No Pressure	Total
4.4	14.9	80.7	100.0	4.6	31.2	64.2	100.0	4.2	54.2	41.6	100.0
3.8	17.3	78.8	100.0	3.4	26.2	70.4	100.0	6.6	44.5	48.9	100.0
3.0	8.6	88.4	100.0	1.1	23.4	75.4	100.0	4.4	48.6	47.0	100.0
3.5	18.8	77.6	100.0	5.8	30.3	63.8	100.0	3.9	68.7	27.4	100.0
13.8	37.8	48.4	100.0	5.5	41.2	53.2	100.0	9.8	74.1	16.1	100.0
7.9	26.7	65.4	100.0	5.7	49.7	44.6	100.0	6.1	41.4	52.5	100.0
9	17.6	80.6	100.0	4.3	37.1	58.6	100.0	6.9	47.0	46.1	100.0
7.2	38.1	54.7	100.0	20.8	54.5	24.8	100.0	39.0	52.1	8.9	100.0
4.1	46.2	29.7	100.0	35.9	50.2	14.0	100.0	53.9	38.2	7.9	100.0
1.6	21.2	77.2	100.0	3.0	47.3	49.7	100.0	9.0	49.6	41.5	100.0
4.0	15.6	80.4	100.0	4.9	39.1	56.0	100.0	23.1	60.9	16.0	100.0
8.7	19.3	72.0	100.0	5.3	34.4	60.2	100.0	29.9	47.6	22.4	100.0
55.6	30.6	13.8	100.0	54.0	33.2	12.7	100.0	79.5	19.1	1.5	100.0
30.5	34.7	34.8	100.0	34.2	43.9	21.9	100.0	60.8	33.5	5.7	100.0
13.1	29.1	57.8	100.0	17.2	41.3	41.5	100.0	45.4	33.2	21.4	100.0
13.3	37.0	49.8	100.0	14.0	52.3	33.7	100.0	20.0	38.7	41.3	100.0

Table 6.5 | Summary index of barriers to change by size of organisation

	A All items	B Management/ Organisation	C Human Resources	D External Constraints
1 to 20 Employees	0.5	0.3	0.4	0.9
21 to 100 Employees	0.7	0.4	0.7	1.0
100+ Employees	1.0	0.7	1.0	1.3
Total	1.0	0.7	1.0	1.3

The 4 indices scored as "0" for "no barrier"; "1" for "barrier" and "2" for "major barrier".

6.3 Summary

This chapter examines perceived barriers to addressing pressures faced by Public Service organisations. In general, the greatest barriers to adaptation to pressures are perceived to be external in origin and financial constraints are particularly prominent. Almost 80 per cent of respondents in Public Service organisations consider that budget constraints act as a “major barrier” in addressing pressures, and another 20 per cent regard this as a “barrier”.

While management and organisational issues are not considered to represent “major barriers” to addressing pressures facing Public Service organisations these issues are, nevertheless, regarded as “barriers”. Two-thirds or more of Public Service organisations consider that the hierarchical nature of the organisation and high levels of bureaucracy represent either “barriers” or “major barriers” to addressing pressures. Moreover, half or more consider that management structures, the ability and experience of management, and the willingness of management to change are either barriers or major barriers in adapting to pressures.

Under the human resources heading the most salient issues are appropriate responses to under- and high performance. Over half of respondents consider that the extent to which one can reward high performance is a “major barrier” to addressing pressures facing the organisation. In contrast, almost 40 per cent regard the extent to which one can deal with under-achievement as a major barrier.

Deriving a summary index of perceived barriers to change across the sub-sectors of the Public Service, confirms the view that external constraints are widely regarded as the most salient barriers to change in Public Service organisations. Little variation is apparent across sectors, although respondents in the Health sector are more likely, and those in Local Government, Regional Bodies and Semi-state organisations least likely to consider external resources as major barriers to responding to pressure. Human resource issues are also perceived to be important, and respondents in the Civil Service are more likely, and those in the Gardaí/Defence/Prison Services to be less likely to emphasize human resource issues. Management and organisational factors are least likely to be regarded as major barriers to responding to pressure. Respondents in the Civil Service, and those in Education are more likely than their counterparts in Local Government, Regional Bodies and Semi-state organisations, and in the GDPS to regard management and organisational factors as barriers to responding to change.

We also find a marked effect of organisational size. In general, the larger the organisation the greater the assessment of barriers in addressing pressures.

Chapter Seven

Instruments for Addressing Pressures

This Chapter looks at how public sector organisations are responding to change. It outlines senior managers' views on structural responses, innovation and standards, human resource policies and the role of partnership and involvement.

7.1 Introduction

This chapter considers the importance attached by Public Service organisations to a series of potential responses to the external pressures which currently face their organisation. A total of 25 pre-coded response categories were presented to respondents. They were asked to indicate first, how important each currently was to their organisation in responding to current pressures and to indicate how important each would be in the next three years in addressing these pressures. Respondents were asked to indicate whether each was “Very Important”, “Important” or “Not Important/Not Applicable”. The 25 response domains were grouped into 5 main categories as follows:

Structural responses

- Public-Private partnerships
- Making the organisation less hierarchical
- Implementing organisational performance measurement
- Benchmarking with other organisations
- Outsourcing
- Creation of new Agencies
- Working on inter-Departmental basis across divisions, other sections of the Public Service etc.

Innovation and standards

- Introducing new technology
- Developing service quality standards
- Developing customer service plans
- Employee-oriented work-practices
- Improving information flows and greater consultation with staff
- Meeting employees’ needs for work-life balance
- Moving to a team-based approach to work
- Allowing individuals discretion in managing and organising their own work
- Explicit policy on equality/diversity in the workplace.

Human resources policies

- Open recruitment in the Public Service for all grades
- Freedom to adjust employee numbers
- Increased use of contract or temporary staff
- Training and development for management
- Training and development for employees
- Introduction of performance-related pay where part or all of an increment is related to annual review of performance.

Partnership and involvement

- Explicit efforts to build trust between staff and management
- Formal Partnership agreement involving unions and employees
- Informal Partnership style arrangements between management, employees and unions
- Arrangements for direct involvement of employees in decision-making and problem solving.

Structural Responses refer to seven individual responses at the level of the overall organisation. This category includes collaborative arrangements with other organisations, including public-private partnerships; outsourcing; working on an inter-Departmental basis; and the creation of new agencies. Other structural responses include benchmarking with other organisations, reducing hierarchies within the organisation, and implementing organisational performance measurement.

Innovation and Standards includes items relating to the introduction of new technology, developing service quality standards and customer service plans.

Employee Oriented Work-Practices include policies directly affecting how work is organised. These include improving information flows and consultation, adopting a team-based approach to work and allowing individuals discretion in managing and organising their own work. They also include policies relating to the worker, rather than the organisation of work, such as meeting employee needs for work-life balance, and explicit policies on equality / diversity in the workplace.

Human Resources Policies encompass conventional range of interventions to adjust staff numbers, skills, and to reward performance. Potential approaches to staff numbers include open recruitment in the Public Service, freedom to adjust employee numbers, and the use of temporary or contract staff. Skills can be addressed through training and development of managers and staff. Finally, performance can be rewarded through the introduction of performance-related pay where part or all of an increment can be related to an annual review of performance.

Partnership and Involvement covers formal and informal partnership arrangements between management, employees and unions. These include explicit efforts to build trust between staff and management as well as arrangements for direct involvement of employees in decision-making and problem solving.

Table 7.1 Percentage of organisations indicating importance of various response to pressures, currently and over next 3 years – all respondents

	Currently			Next 3 Years		
	Very Important	Important	Not Important /NA	Very Important	Important	Not Important /NA
Structural Responses						
Public-Private partnerships	9.6	56.6	33.8	37.9	38.9	23.2
Making the organisation less hierarchical	28.3	44.4	27.4	43.4	31.8	24.7
Implementing organisational performance measurement	52.8	42.0	5.3	72.6	26.8	0.6
Benchmarking with other organisations	43.6	45.6	10.8	58.4	37.0	4.7
Outsourcing	5.4	54.9	39.8	13.5	57.0	29.5
Creation of new Agencies	26.2	16.6	57.2	33.2	15.1	51.7
Working on an inter-Departmental basis.	41.8	51.2	6.9	47.2	49.4	3.3
Innovation and Standards						
Introducing new technology	54.2	41.5	4.3	61.5	35.0	3.5
Developing service quality standards	57.3	41.3	1.4	53.5	46.2	0.3
Developing customer service plans	61.2	34.2	4.6	68.4	28.7	2.9
Employee Oriented Work-practices						
Improving information flows and consultation	46.4	51.9	1.7	59.9	39.4	0.7
Meeting employees' needs for work-life balance	28.8	68.4	2.9	57.3	42.2	0.6
Moving to a team based approach to work	23.2	65.7	11.1	27.4	63.8	8.8
Allowing individuals discretion in managing and organising their own work	13.5	71.1	15.3	27.9	58.5	13.6
Explicit policy on equality /diversity	34.5	59.3	6.2	37.4	57.1	5.4
Human Resource Policies						
Open recruitment in the Public Service, all grades	19.3	45.7	35.0	50.7	25.3	24.0
Freedom to adjust employee numbers	29.4	59.2	11.4	37.1	56.4	6.5
Increased use of contract or temporary staff	5.9	54.0	40.1	40.3	31.1	28.6
Training and development for management	66.2	32.9	1.0	76.6	22.9	0.6
Training and development for employees	70.8	28.0	1.2	81.1	18.7	0.2
Performance related pay, increment is related to annual review of performance	15.6	50.8	33.7	30.4	59.8	9.8
Partnership and Involvement						
Build trust between staff and management	32.7	65.5	1.8	55.6	44.3	0.1
Formal Partnership agreement	39.3	56.0	4.7	38.0	54.9	7.1
Informal Partnership style arrangements	39.5	34.8	25.7	43.7	31.3	25.0
Arrangements for direct involvement of employees in decision-making and problem solving	27.8	65.4	6.8	56.0	40.6	3.4

7.2 Current and future responses to pressures

Table 7.1 summarises the percentage of all organisations which record each of the responses as being “Very Important”, “Important”, or “Not Important” in responding to pressures both currently and over the next three years.

From the table one can see that training and development for both staff and management stand out as the strategies most frequently regarded as very important in responding to pressures. More than two-thirds of all Public Service organisations consider training of both managers and staff as currently “very important” in responding to pressure while approximately 30 per cent consider such training as “important”. Training is also expected to play a large role in the future. Over 80 per cent of Public Service organisations regard training for employees to be very important over the next three years in responding to pressure, and 77 per cent feel that training of managers will be “very important”. Another important strategy identified under the Human Resources heading is freedom to adjust employee numbers: almost 30 per cent of all Public Service organisations currently consider this to be “very important” in responding to pressure with 37 per cent expecting it to be “very important” over the next three years. Open recruitment is expected to become “important” in responding to pressures in the next three years.

7.2.1 Structural responses

One can see from the figures that in terms of structural responses well over half of organisations regard implementation of organisational performance measurement as a “very important” current response to pressures and 73 per cent expect this to be “very important” in the next three years. A total of 44 per cent consider that benchmarking with other organisations is currently “very important” and 58 per cent expect it to become so in the coming years. Working on an inter-departmental basis is seen as a “very important” response by 42 per cent with this increasing to 47 per cent in terms of its perceived importance over the next three years.

7.2.2 Innovations and standards

The over-riding importance of innovations in the area of quality of service, including quality standards and customer service is very clear from the table. Almost all organisations perceive these currently to be either “very important” or ‘important’ and this view looks set to continue, at least into the short-term.

7.2.3 Employee-oriented work practices

Under the heading of Employee Oriented Work-practices improvement of information flows and consultation with staff is regarded as a “very important” current response to pressure by 46 per cent of all Public Service organisations while another 52 per cent consider this “important”. Almost 60 per cent of respondents believe that this will be an important response over the next three years. Another area that is expected to assume greater prominence in the future concerns employees’ needs for work-life balance. About one quarter of Public Service organisations respond that this is currently an “important” response in addressing pressures and 57 per cent expect it to become “very important” over the next three years.

7.2.4 Human resource policies

It is very encouraging to note the almost universal importance assigned to the role of training of both staff and management in addressing pressures – both currently and into the near future. One can see from the table that substantially less enthusiasm is extended to issues such as open recruitment into the Service (35 per cent indicate it is “not important”); the use of temporary staff (40 per cent consider it is not important) and the introduction of performance related pay (34 per cent consider that it is not important in addressing current pressures).

7.2.5 Partnership and involvement

Responses are varied with respect to Partnership and Employee Involvement. Approximately 40 per cent of respondents see partnership, formal or informal, as currently very important in responding to pressure with the percentage expecting partnership to become very important over the next three years being within a few percentage points of the current figures. One quarter of organisations also consider arrangements for direct involvement of employees in decision-making and problem-solving to provide a very important current response to pressure while 56 per cent consider that this will become “very important” over the next three years. Building trust between management and unions is also regarded as salient: one-third consider this to be very important currently while 56 per cent expect it to become very important over the next three years.

7.3 Variations across the public sector

Tables 7.2 (overleaf), Sections A through E, show the replies on responses to pressure for the broad sub-sectors within the Public Service. With regard to Structures, while most respondents in Public Service organisations (three-quarters or more) consider that implementing organisational performance measurement will become very important, only 12 per cent of those in the Gardai/Defence /Prison Services (GDPS) make this assessment. About 70 per cent of those in Civil Service departments and in Education believe that working on an inter-departmental basis will become very important, but less than a quarter of those in the Health sector and 12 per cent of those in GDPS believe this will be “very important”.

In relation to innovation and standards, Civil Service departments put great weight on new technology: 80 per cent of respondents in the Civil Service believe that the introduction of new technology will become a “very important” response over the next three years. Three-quarters of those in Education agree, as do half of those in Local Government, Regional Bodies and Non-Commercial Semi-states (LGRBNCS). However, none of the respondents in the GDPS regard new technology as a very important response.

About three-quarters or more of those in the Health Sector and in LGRBNCS consider that developing service quality standards and customer service plans will be a “very important” response to future pressure, while the latter also emphasise the importance of developing customer service plans. Civil Service departments and GDPS are much less likely to regard these service quality and customer oriented responses as very important in the future. The Education sector emphasises the importance of customer service in responding to pressures over the next three years while service quality standards, although considered “important”, is only regarded as “very important” by one quarter of respondents.

Substantial differences between sub-sectors come to light with respect to the perceived importance of employee-oriented Work-practices. It would appear that employee-oriented work-practices are felt to be more important in responding to pressure in the Health sector and LGRBNCS. For example, 90 per cent of Health sector organisations regard improving information flows and greater consultation with staff to be very important in responding to pressures over the next three years. This holds true for 82 per cent of those in Civil Service departments and 71 per cent of LGRBNCS sectors but only 12 per cent of those in GDPS. The Education sector, and to some extent the Health sector, place more importance in meeting employees needs for work-life balance in tackling pressure over the next few years.

Organisations in the Education, LGRBNCS and Civil Service sub-sectors emphasise the importance of human resource policies in responding to pressure. For example, well over 80 per cent of those in these sectors regard training of employees as very important in responding to pressure over the next three years. Similar proportions in all except GDPS regard training of managers as very important in the years ahead. In the health sector, the proportion regarding training as very important is much lower (65 per cent).

Those in Civil Service departments and GDPS are less likely than other sectors to regard open recruitment to all grades as a very important response to pressure, either currently or in the medium-term.

There are also differences across sub-sectors in the importance attached to various modes of employee involvement. In this respect there appear to be two broad blocks. First, in the Civil Service, Health sector and LGRBNCS substantial proportions consider that building trust between staff and management will provide “very important” responses to future pressures. In the Civil Service and the LGRBNCS this is also considered to be currently “very important”. These three sectors display a belief in the importance of formal partnership arrangements in the future, with somewhat greater emphasis on informal partnership arrangements. The second block consists of Education and GDPS, where less than one in five respondents consider any form of partnership or trust building to be currently “very important” and where less than one quarter expect it to be in the future.

The exception to this block pattern concerns arrangements for direct employee involvement. None of the GDPS organisations consider this important in the future. This contrasts with over 80 per cent of those in Education who consider that it will be “very important” in the future as do 66 per cent of those in the Civil Service and in LGRBNCS.

In Table 7.3 (page 106), Sections A to C show the pattern of responses to pressure by size of organisation. There is a clear size related pattern in which respondents in larger organisations are more likely to regard responses as very important, particularly in going forward. For example, 43 per cent of those in small organisations, with 1-20 employees, consider that training of employees will become a very important response to pressure in the next three years as compared to 49 per cent in medium-sized organisations, and 82 per cent in large organisations, with more than 100 employees.

Table 7.2 | Percentage of Public Service indicating importance of various responses to pressures, currently and over next 3 years

	A. Civil Service										B. Health										C. Local Government, Regional Bodies and Non-Commercial Semi-State Organisations									
	Currently					Next 3 years					Currently					Next 3 years					Currently					Next 3 years				
	Very Imp	Imp	Not Imp N/A/	Very Imp	Not Imp N/A/	Very Imp	Imp	Not Imp N/A/	Very Imp	Not Imp N/A/	Very Imp	Imp	Not Imp N/A/	Very Imp	Imp	Not Imp N/A/	Very Imp	Imp	Not Imp N/A/	Very Imp	Imp	Not Imp N/A/	Very Imp	Imp	Not Imp N/A/	Very Imp	Imp	Not Imp N/A/		
Structural Responses																														
Public-Private partnerships	1.8	34.0	64.2			12.0	35.3	52.7			12.6	62.1	25.4			26.2	61.2	12.6			20.4	52.1	27.6			41.4	46.3			12.3
Making the organisation less hierarchical	10.6	56.8	32.7			12.9	75.3	11.8			12.7	66.0	21.3			44.0	33.4	22.6			19.9	47.7	32.4			23.5	46.6			29.8
Implementing organisational performance measurement	68.9	26.2	4.9			76.8	23.1	0.1			38.6	59.7	1.7			80.4	19.6	0.0			50.7	33.5	15.8			72.9	25.5			1.6
Benchmarking with other organisations	42.6	22.2	35.2			44.7	42.0	13.4			23.2	72.0	4.8			56.9	39.3	3.8			38.0	42.0	20.0			47.8	47.6			4.6
Outsourcing	31.0	18.8	50.1			36.6	30.5	32.9			3.4	35.5	61.1			4.2	47.2	48.6			2.7	65.5	31.8			12.1	66.5			21.4
Creation of new Agencies	4.0	5.3	90.7			4.8	5.1	90.2			22.2	32.7	45.0			44.8	16.1	39.1			0.5	24.1	75.4			2.5	37.1			60.5
Working on an inter-Departmental basis	60.7	35.2	4.0			71.9	26.0	2.0			17.7	80.6	1.7			23.8	74.4	1.9			43.8	46.1	10.1			56.1	40.0			3.9
Innovation and Standards																														
Introducing new technology	74.2	16.9	8.9			81.9	16.4	1.7			53.2	43.0	3.8			65.0	30.7	4.3			43.2	50.2	6.5			50.6	43.8			5.6
Developing service quality standards	76.8	23.0	0.2			51.5	48.4	0.1			48.6	51.2	0.2			80.8	19.2	0.0			61.6	36.1	2.3			76.6	22.0			1.3
Developing customer service plans	78.4	16.8	4.9			50.4	44.8	4.8			58.6	36.7	4.7			74.9	21.0	4.2			51.4	42.7	5.9			71.5	23.7			4.7
Employee Oriented Work-practices																														
Improving information flows and consultation	63.4	36.4	0.2			81.5	18.4	0.2			57.4	42.6	0.0			90.7	9.3	0.0			59.8	35.2	5.0			71.0	25.2			3.8
Meeting employees' needs for work-life balance	32.0	51.9	16.1			30.1	69.8	0.1			45.3	54.4	0.3			59.8	39.9	0.3			41.6	54.2	4.3			52.0	45.4			2.6
Moving to a team based approach to work	38.7	58.3	3.0			45.3	51.7	3.0			25.4	65.7	8.9			22.4	68.9	8.8			46.1	42.9	11.0			57.9	33.5			8.6
Allowing individuals discretion in managing and organising their own work	10.2	56.9	32.9			14.8	68.5	16.7			6.7	86.9	6.4			35.0	59.0	6.0			39.4	54.0	6.6			54.6	38.9			6.5
Explicit policy on equality /diversity	49.0	38.5	12.4			54.0	39.2	6.8			43.1	51.8	5.2			42.0	49.3	8.7			38.6	50.5	10.9			46.6	42.3			11.1
Human Resource Policies																														
Open recruitment in the Public Service, all grades	7.1	26.0	66.9			10.0	42.0	48.0			38.9	34.6	26.5			69.6	22.4	8.0			11.6	49.9	38.5			24.8	52.6			22.6
Freedom to adjust employee numbers	37.9	37.7	24.4			58.9	37.3	3.8			46.9	50.5	2.6			47.3	50.8	1.8			34.6	52.8	12.6			47.3	50.8			1.9
Increased use of contract or temporary staff	3.2	66.8	30.0			33.7	39.8	26.5			0.7	41.0	58.3			13.4	40.4	46.2			29.5	37.0	33.5			45.8	33.5			20.7
Training and development for management	67.6	26.8	5.6			89.1	10.8	0.1			60.1	39.6	0.3			64.6	35.1	0.3			61.5	37.6	0.9			78.7	18.6			2.7
Training and development for employees	65.0	30.2	4.8			85.0	14.9	0.1			60.2	39.6	0.3			64.6	35.0	0.3			64.9	32.4	2.7			83.7	16.1			0.2
Performance related pay, increment is related to annual review of performance	11.6	8.7	79.7			45.6	28.1	26.3			15.3	41.9	42.8			44.1	47.8	8.2			38.7	41.4	19.9			52.5	40.6			6.9
Partnership and Involvement																														
Build trust between staff and management	59.3	40.6	0.1			83.5	16.4	0.1			33.3	66.7	0.0			81.3	18.7	0.0			62.9	35.7	1.4			76.0	23.4			0.6
Formal Partnership agreement	58.5	31.6	9.9			51.9	41.4	6.8			43.2	54.8	2.1			47.4	50.7	1.9			53.7	36.5	9.8			57.6	34.5			7.9
Informal Partnership style arrangements	70.6	23.8	5.6			74.3	24.8	0.9			49.5	47.6	3.0			48.4	48.7	2.9			53.9	36.7	9.4			63.7	27.8			8.6
Arrangements for direct involvement of employees in decision-making and problem solving	28.1	47.4	24.5			65.6	29.2	5.2			35.1	59.2	5.8			38.5	53.3	8.2			53.9	42.2	3.9			65.9	32.8			1.3

E. Gardai, Defence and Prison Services

D. Education and VECs

	Currently			Next 3 years			Currently			Next 3 years		
	Very Imp	Imp	Not Imp N/A/	Very Imp	Imp	Not Imp N/A/	Very Imp	Imp	Not Imp N/A/	Very Imp	Imp	Not Imp N/A/
Structural Responses												
Public-Private partnerships	2.8	65.9	31.3	66.3	12.0	21.7	12.5	44.5	43.0	12.5	44.5	43.0
Making the organisation less hierarchical	62.6	27.0	10.4	75.4	14.9	9.7	12.5	0.0	87.5	12.5	0.0	87.5
Implementing organisational performance measurement	75.9	18.8	5.3	81.5	17.4	1.1	12.5	87.5	0.0	12.5	87.5	0.0
Benchmarking with other organisations	69.9	23.9	6.2	75.5	21.0	3.5	44.5	55.5	0.0	44.5	55.5	0.0
Outsourcing	0.5	70.9	28.6	4.9	73.2	21.9	0.0	100.0	0.0	44.5	55.5	0.0
Creation of new Agencies	61.0	7.6	31.4	62.6	11.0	26.5	0.0	0.0	100.0	0.0	0.0	100.0
Working on an inter-Departmental basis	69.6	15.9	14.5	68.0	26.0	6.1	12.5	87.5	0.0	12.5	87.5	0.0
Innovation and Standards												
Introducing new technology	70.0	26.8	3.2	75.0	21.8	3.2	0.0	100.0	0.0	0.0	100.0	0.0
Developing service quality standards	71.0	25.8	3.2	25.8	74.0	0.2	12.5	87.5	0.0	12.5	87.5	0.0
Developing customer service plans	77.6	17.1	5.2	85.2	14.3	0.6	12.5	87.5	0.0	12.5	87.5	0.0
Employee Oriented Work-practices												
Improving information flows and consultation	16.7	80.4	2.9	28.1	71.9	0.0	57.0	43.0	0.0	12.5	87.5	0.0
Meeting employees' needs for work-life balance	7.0	92.4	0.6	82.5	17.4	0.1	12.5	87.5	0.0	12.5	87.5	0.0
Moving to a team based approach to work	5.3	87.7	6.9	13.4	86.1	0.5	12.5	44.5	43.0	12.5	44.5	43.0
Allowing individuals discretion in managing and organising their own work	8.8	90.6	0.7	16.0	83.1	1.0	12.5	0.0	87.5	12.5	0.0	87.5
Explicit policy on equality /diversity	10.5	85.2	4.3	15.6	84.3	0.1	55.5	44.5	0.0	55.5	44.5	0.0
Human Resource Policies												
Open recruitment in the Public Service, all grades	12.1	78.3	9.6	77.7	14.5	7.8	0.0	0.0	100.0	0.0	0.0	100.0
Freedom to adjust employee numbers	12.7	81.5	5.8	23.6	72.7	3.7	0.0	57.0	43.0	0.0	57.0	43.0
Increased use of contract or temporary staff	1.0	90.0	9.0	66.5	26.4	7.1	0.0	0.0	100.0	44.5	0.0	55.5
Training and development for management	78.3	21.5	0.2	89.5	10.5	0.0	55.5	44.5	0.0	55.5	44.5	0.0
Training and development for employees	79.2	20.6	0.2	89.5	10.5	0.0	100.0	0.0	0.0	100.0	0.0	0.0
Performance related pay, increment is related to annual review of performance	9.6	67.2	23.2	7.8	82.8	9.4	0.0	100.0	0.0	0.0	100.0	0.0
Partnership and Involvement												
Build trust between staff and management	11.2	83.6	5.2	20.3	79.7	0.0	12.5	87.5	0.0	12.5	87.5	0.0
Formal Partnership agreement	13.7	82.0	4.3	19.8	79.9	0.3	57.0	43.0	0.0	12.5	43.0	44.5
Informal Partnership style arrangements	16.6	20.9	62.5	25.5	13.5	61.0	12.5	44.5	43.0	12.5	44.5	43.0
Arrangements for direct involvement of employees in decision-making and problem solving	13.8	81.4	4.8	82.4	17.6	0.0	0.0	100.0	0.0	0.0	100.0	0.0

Table 7.3 Percentage of Public Service indicating importance of various responses to pressures, currently and over next 3 years classified by size

	A. 1 – 20 employees					
	Currently			Next 3 years		
	Very Imp	Imp	Not Imp N/A	Very Imp	Imp	Not Imp N/A
Structural Responses						
Public-Private partnerships	12.0	20.5	67.4	21.1	30.2	48.7
Making the organisation less hierarchical	4.9	22.7	72.4	7.3	22.9	69.8
Implementing organisational performance measurement	18.0	49.8	32.2	29.5	51.8	18.7
Benchmarking with other organisations	12.5	57.6	29.9	21.0	52.7	26.3
Outsourcing	8.2	32.0	59.8	14.0	31.2	54.8
Creation of new Agencies	7.5	15.8	76.7	12.0	15.2	72.8
Working on an inter-Departmental basis	24.6	40.3	35.2	30.9	37.2	31.9
Innovation / Standards						
Introducing new technology	19.9	48.1	32.0	28.0	47.3	24.6
Developing service quality standards	18.6	54.2	27.2	22.8	55.1	22.1
Developing customer service plans	14.7	47.8	37.5	19.0	53.3	27.7
Employee Oriented Work-practices						
Improving information flows and consultation	23.2	56.7	20.1	34.7	42.5	22.8
Meeting employees' needs for work-life balance	24.9	53.2	21.9	37.4	44.5	18.0
Moving to a team based approach to work	18.0	48.1	33.9	30.5	38.4	31.1
Allowing individuals discretion in managing and organising their own work	18.8	51.5	29.7	28.0	42.1	29.9
Explicit policy on equality /diversity	19.5	45.3	35.2	23.3	46.9	29.8
Human Resource Policies						
Open recruitment in the Public Service, all grades	14.3	23.5	62.3	17.9	23.5	58.6
Freedom to adjust employee numbers	17.3	41.5	41.2	26.1	40.9	33.0
Increased use of contract or temporary staff	5.0	42.4	52.5	10.4	47.7	41.9
Training and development for management	36.1	52.0	11.9	44.3	43.9	11.8
Training and development for employees	33.5	55.8	10.8	42.7	45.9	11.4
Performance related pay, increment is related to annual review of performance	12.2	42.2	45.6	19.3	43.4	37.3
Partnership and Involvement						
Build trust between staff and management	25.3	54.5	20.2	31.3	48.5	20.2
Formal Partnership agreement	10.7	32.0	57.3	12.4	35.0	52.5
Informal Partnership style arrangements	10.8	35.3	53.9	12.0	37.3	50.7
Arrangements for direct involvement of employees in decision-making and problem solving	21.3	58.8	19.9	30.9	49.6	19.5

Table 1: Percentage of employees who are satisfied with their pay												
B. 21 – 100 employees						C. 101 or more employees						
Currently			Next 3 years			Currently			Next 3 years			
Very Imp	Imp	Not Imp N/A	Very Imp	Imp	Not Imp N/A	Very Imp	Imp	Not Imp N/A	Very Imp	Imp	Not Imp N/A	
16.2	30.3	53.4	26.6	37.4	36.1	9.5	57.2	33.3	38.2	38.9	22.9	
3.7	43.9	52.4	15.6	42.7	41.7	28.8	44.5	26.7	44.0	31.7	24.3	
27.8	52.4	19.9	31.5	62.0	6.5	53.3	41.8	4.9	73.5	26.1	0.4	
22.5	53.4	24.1	27.3	58.0	14.8	44.1	45.4	10.5	59.0	36.6	4.4	
6.8	34.3	58.9	9.1	46.3	44.6	5.3	55.3	39.3	13.6	57.3	29.1	
3.0	16.4	80.6	9.1	24.2	66.7	26.8	16.6	56.6	33.7	14.9	51.4	
17.3	49.4	33.3	35.0	38.6	26.4	42.3	51.3	6.4	47.5	49.7	2.8	
23.0	53.3	23.7	34.0	57.2	8.8	54.8	41.3	3.9	62.1	34.6	3.3	
28.4	64.0	7.6	36.8	60.0	3.2	58.0	40.8	1.2	53.9	45.9	0.2	
29.9	52.0	18.1	43.4	48.8	7.8	61.9	33.8	4.3	69.1	28.2	2.7	
42.8	50.9	6.3	49.3	49.9	0.7	46.6	51.9	1.5	60.2	39.2	0.6	
22.4	70.2	7.3	38.9	58.4	2.7	28.9	68.4	2.7	57.7	41.9	0.4	
32.9	54.0	13.2	38.2	56.9	5.0	23.0	66.0	11.0	27.2	64.0	8.8	
24.7	66.3	9.0	26.5	69.7	3.9	13.3	71.3	15.4	27.9	58.4	13.7	
18.9	64.3	16.8	31.2	58.1	10.7	34.9	59.3	5.9	37.6	57.2	5.2	
17.2	37.2	45.6	21.2	38.1	40.7	19.3	45.9	34.7	51.4	25.1	23.6	
36.1	50.8	13.1	41.6	49.9	8.4	29.4	59.4	11.3	37.1	56.5	6.4	
12.7	55.6	31.7	19.2	54.3	26.5	5.7	54.1	40.2	40.8	30.6	28.6	
43.5	53.2	3.3	48.4	51.6	0.0	66.7	32.4	0.9	77.2	22.3	0.5	
42.9	53.8	3.3	49.0	51.0	0.0	71.4	27.5	1.1	81.9	18.0	0.1	
18.3	39.8	41.9	28.9	52.2	18.9	15.5	51.0	33.5	30.5	60.0	9.5	
48.8	44.9	6.3	51.5	45.9	2.6	32.4	65.9	1.6	55.7	44.3	0.0	
14.9	55.0	30.1	22.7	51.5	25.8	39.9	56.1	4.0	38.4	55.0	6.6	
20.2	47.6	32.2	27.7	45.7	26.6	40.0	34.6	25.4	44.1	31.0	24.9	
27.1	60.1	12.7	38.1	55.5	6.4	27.8	65.5	6.7	56.4	40.3	3.3	

7.4 Summary

In this chapter we consider the importance attached by Public Service organisations to a series of potential responses to external pressures currently facing their organisation.

Training and development for both staff and management stand out as the strategies most frequently regarded as very important in responding to pressures. More than two-thirds of all Public Service organisations consider training of both managers and staff as currently “very important” in responding to pressure. Training is also expected to play a large role in the future. Over 80 per cent of Public Service organisations record that training for employees will be very important over the next three years in responding to pressure with 77 per cent saying that training of managers will be “very important”.

Well over half of organisations regard implementation of organisational performance measurement as a very important current response to pressure and almost three-quarters expect this to be very important in the next three years.

About 60 per cent of all Public Service organisations report that innovations in the area of quality of service, including quality standards and customer service, are currently very important in responding to pressures, and almost all consider that these responses will be either “important” or “very important” over the next three years.

Responses are varied with respect to partnership and employee involvement. About 40 per cent of respondents see partnership (formal or informal) as currently representing a “very important” response to pressure and expectations for the future suggest substantial continuity with present practice. About a quarter of organisations also consider arrangements for direct involvement of employees in decision-making and problem-solving to be currently “very important” in responding to pressure. Well over one half consider that it will become very important over the next three years. Building trust between management and unions is also regarded as salient: one-third consider this to be currently “very important” and over one half expect it to become “very important” over the next three years.

Responses to pressures, particularly future responses, are strongly influenced by organisational size: respondents in larger organisations are more likely than those in smaller organisations to indicate that responses to pressures will become very important over the next three years. This may reflect either greater capacity or greater optimism among CEOs of larger organisations to respond actively to pressures.

Chapter Eight

Attitudes Towards Reform of the Public Service

This Chapter looks at the views and attitudes of senior managers towards reform. It considers general reforms, reforms linked to cost management and employment practices and organisational structures.

8.1 Introduction

In this chapter we consider managements' attitudes towards aspects of general reform of the Public Service. A set of 10 pre-coded areas of reform was presented to respondents who were asked to indicate how strongly they agreed or disagreed with each. The 10 items covered a range of potential reforms as follows:

A. General Reforms

- Reform of the Public Service is essential
- Quality of service should be the most important aspect of the Public Service
- Innovation and introduction of new ideas is critical to any reform of the Public Service.

B. Public Service Cost Management/ Employment Practices

- Cost containment is the single most important aspect of planning for the Public Service
- Greater flexibility in payments structures is critical to any reform of the Public Service
- Ability of management to hire and fire is critical to any reform of the Public Service
- Removing permanency as a feature of Public Service jobs is critical to any reform of the Public Service.

C. Organisational Structures

- Efficient use of resources should always be the most important consideration in delivering services for my organisation
- Ability of management to recruit and promote professional grades within the organisation is necessary to improve organisational performance
- A partnership approach is important to achieving organisation change in the Public Service.

8.2 Management Views of Public Service Reform

Table 8.1 presents the results of management attitudes towards Public Service reform. Very high levels of agreement across all sectors on the need to reform the Public Service is evident from Section F of the table. From the top row of Section F one can see that a total of 26 per cent “strongly agree” and a further 67 per cent “agree” that reform is essential. Only a trivial 0.5 per cent disagree. In terms of the specifics of reform it is clear that the need for innovation and introduction of new ideas is seen as being particularly important. There is almost universal acceptance of the need for new ideas in the Public Service. Just over 80 per cent “Strongly Agree” and 19 per cent “Agree” that this is so.

Views would seem to be most divided in terms of attitudes towards the issue of cost containment. Approximately one-third agrees; one-third neither agrees nor disagrees and one-third disagrees that cost containment is the single most important aspect of planning for the Public Service.

Highest levels of disagreement are found in regard to removal of permanency as a feature of Public Service employment. Almost 61 per cent disagreed that permanency of employment should be removed.

In terms of employment practices a comfortable majority appears to agree that greater flexibility in payment structures (63 per cent) and ability of management to hire and fire (58 per cent) are critical to reform measures. This is very consistent with the trends identified in Chapter 5 above regarding the high percentages which felt that the extent to which one could deal with underachievement and award high performance were barriers to change in the Public Service. These HR/employment practice issues are clearly of substantial relevance to management and their implementation of reform.

As regards organisational or structural issues within the Public Service there is very widespread agreement on the need to ensure efficient use of resources (72 per cent); on the ability of management to recruit and promote professional grades (83 per cent) and on partnership approaches (94 per cent) to change in the Public Service.

In general, there is clearly an overall acceptance of the need for reform and the importance of quality of service delivery, innovation, efficiency in the use of resources and the role of partnership. There are, however, some sectoral variations as outlined in Sections A to E of Table 8.1.

One can see, for example, that the percentage within the Civil Service which “Strongly” agree with the need for reform is above the aggregate average figure for the Public Service as a whole. The need for cost containment as a reform priority would appear to be a more widely held view in the Civil Service than in any other area of the Service. Similarly, a higher percentage of those in the Civil Service (54 per cent) strongly agree that efficient use of resources should always be the most important consideration in service delivery.

The view that general reforms are necessary may be less strongly held in Health, Local Government/-Regional Bodies/Non Commercial Semi States and Education than in the Civil Service and the Gardai/-Defence/Prison sectors. Almost 50 per cent in the Civil Service and 44 per cent in the Gardai/-Defence/Prison service strongly agree that reform is essential. Comparable figures for Health; Local Government/Regional Bodies/Non-commercial Semi States and Education sectors are 26 per cent, 18 per cent and 15 per cent respectively.

Lower percentages within Health and the Local Government/Regional Bodies/Non-Commercial Semi-States sectors strongly agree with the need for keeping the efficient use of resources as the most important consideration in delivering services.

Table 8.1 | Management attitudes towards various aspects of Public Service reform

	A. Civil Service										B. Health					C. Local Government, Regional Bodies and Non-Commercial Semi-State Organisations									
	Strongly Agree		Neither Agree nor Disagree		Strongly Disagree		Total		Strongly Agree		Neither Agree nor Disagree		Strongly Disagree		Total		Strongly Agree		Neither Agree nor Disagree		Strongly Disagree		Total		
	Agree	Disagree	Agree	Disagree	Agree	Disagree	Agree	Disagree	Agree	Disagree	Agree	Disagree	Agree	Disagree	Agree	Disagree	Agree	Disagree	Agree	Disagree	Agree	Disagree	Agree	Disagree	Total
General Reforms																									
Reform of the Public Service is essential																									
Quality of service should be the most important aspect of the Public Service																									
Innovation and introduction of new ideas is critical to any reform of the Public Service																									
Cost Management/Employment Practices																									
Cost containment is the single most important aspect of planning for the Public Service																									
Greater flexibility in payments structures is critical to any reform of the Public Service																									
Ability of management to hire and fire is critical to any reform of the Public Service																									
Removing permanency as a feature of Public Service jobs is critical to any reform of the Public Service																									
Organisational Structures																									
Efficient use of resources should always be the most important consideration in delivering services for my organisation.																									
Ability of management to recruit and promote professional grades within the organisation is necessary to improve organisational performance																									
A Partnership Approach is important to achieving organisational change in the Public Service																									

	D. Education / VECs						E. Gardai / Defence / Prison						F. Total					
	Strongly Agree		Neither Agree nor Disagree		Strongly Disagree		Strongly Agree		Neither Agree nor Disagree		Strongly Disagree		Strongly Agree		Neither Agree nor Disagree		Strongly Disagree	
	Agree	Disagree	Agree	Disagree	Agree	Disagree	Agree	Disagree	Agree	Disagree	Agree	Disagree	Agree	Disagree	Agree	Disagree	Agree	Disagree
	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total
General Reforms																		
Reform of the Public Service is essential	15.0	73.5	11.4	0.2	0.0	100.0	44.5	55.5	0.0	0.0	0.0	100.0	26.0	67.0	6.4	0.4	0.1	100.0
Quality of service should be the most important aspect of the Public Service	29.0	70.3	0.2	0.5	0.0	100.0	12.5	87.5	0.0	0.0	0.0	100.0	48.2	47.9	2.8	0.8	0.3	100.0
Innovation and introduction of new ideas is critical to any reform of the Public Service	90.9	8.9	0.2	0.0	0.0	100.0	57.0	43.0	0.0	0.0	0.0	100.0	79.7	19.4	0.8	0.1	0.0	100.0
Cost Management/Employment Practices																		
Cost containment is the single most important aspect of planning for the Public Service	1.2	67.1	16.8	13.6	1.2	100.0	0.0	44.5	0.0	55.5	0.0	100.0	2.8	34.3	31.9	29.9	1.1	100.0
Greater flexibility in payments structures is critical to any reform of the Public Service	20.9	14.8	62.1	2.2	0.0	100.0	0.0	44.5	12.5	43.0	0.0	100.0	21.3	41.2	28.9	8.5	0.1	100.0
Ability of management to hire and fire is critical to any reform of the Public Service	18.6	16.5	59.9	4.8	0.2	100.0	44.5	0.0	0.0	55.5	0.0	100.0	24.6	33.5	25.4	16.4	0.1	100.0
Removing permanency as a feature of Public Service jobs is critical to any reform of the Public Service	4.8	15.5	6.6	68.0	5.1	100.0	0.0	0.0	12.5	87.5	0.0	100.0	3.8	19.7	16.0	55.1	5.5	100.0
Organisational Structures																		
Efficient use of resources should always be the most important consideration in delivering services for my organisation.	71.0	15.5	6.6	6.3	0.6	100.0	0.0	57.0	0.0	43.0	0.0	100.0	44.4	28.1	15.4	11.4	0.7	100.0
Ability of management to recruit and promote professional grades within the organisation is necessary to improve organisational performance	21.5	74.1	4.3	0.0	0.0	100.0	44.5	12.5	0.0	43.0	0.0	100.0	28.9	53.9	11.9	5.3	0.0	100.0
A Partnership Approach is important to achieving organisational change in the Public Service	20.6	78.3	0.7	0.4	0.0	100.0	57.0	43.0	0.0	0.0	0.0	100.0	36.7	57.7	4.8	0.8	0.0	100.0

Table 8.2 | Attitudes towards various aspects of Public Service reform classified by size of organisation

	A. 1 – 20 employees						B. 21 – 100 employees					
	Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree	Total	Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree	Total
General Reforms												
Reform of the Public Service is essential	25.6	48.4	25.6	0.4	0.0	100.0	34.0	55.5	10.5	0.0	0.0	100.0
Quality of service should be the most important aspect of the Public Service	44.2	43.5	8.5	3.7	0.0	100.0	52.7	37.9	8.9	0.5	0.0	100.0
Innovation and introduction of new ideas is critical to any reform of the Public Service	44.1	47.5	6.2	2.2	0.0	100.0	47.6	46.7	2.7	3.0	0.0	100.0
Cost Management/Employment Practices												
Cost containment is the single most important aspect of planning for the Public Service	8.8	27.8	27.8	30.6	4.9	100.0	4.0	27.1	27.5	34.8	6.6	100.0
Greater flexibility in payments structures is critical to any reform of the Public Service	25.9	42.4	27.8	3.4	0.5	100.0	23.8	43.8	27.1	5.3	0.0	100.0
Ability of management to hire and fire is critical to any reform of the Public Service	21.4	38.8	28.6	8.2	3.0	100.0	15.9	51.3	25.3	6.7	0.9	100.0
Removing permanency as a feature of Public Service jobs is critical to any reform of the Public Service	11.1	23.3	32.0	25.1	8.5	100.0	11.4	19.0	31.4	30.0	8.2	100.0
Organisational Structures												
Efficient use of resources should always be the most important consideration in delivering services for my organisation.	34.2	41.4	14.2	9.9	0.2	100.0	36.2	27.9	16.2	19.8	0.0	100.0
Ability of management to recruit and promote professional grades within the organisation is necessary to improve organisational performance	19.3	54.5	16.3	7.1	2.8	100.0	27.0	47.6	21.1	4.3	0.0	100.0
A Partnership Approach is important to achieving organisational change in the Public Service	29.6	54.6	12.8	2.5	0.5	100.0	31.9	57.3	7.8	3.0	0.0	100.0

C. 101 or more employees

D. Total

	Strongly Agree				Neither Agree nor Disagree				Strongly Disagree				Total
	Strongly Agree	Agree	Neither Agree nor Disagree	Strongly Disagree	Strongly Agree	Agree	Neither Agree nor Disagree	Strongly Disagree	Strongly Agree	Agree	Neither Agree nor Disagree	Strongly Disagree	Total
General Reforms													
Reform of the Public Service is essential	25.9	67.3	6.3	0.4	0.1	26.0	67.0	6.4	0.4	0.1	26.0	67.0	100.0
Quality of service should be the most important aspect of the Public Service	48.1	48.1	2.7	0.8	0.3	48.2	47.9	2.8	0.8	0.3	48.2	47.9	100.0
Innovation and introduction of new ideas is critical to any reform of the Public Service	80.4	18.8	0.8	0.0	0.0	79.7	19.4	0.8	0.1	0.0	79.7	19.4	100.0
Cost Management/Employment Practices													
Cost containment is the single most important aspect of planning for the Public Service	2.8	34.5	32.0	29.8	1.0	2.8	34.3	31.9	29.9	1.1	2.8	31.9	100.0
Greater flexibility in payments structures is critical to any reform of the Public Service	21.2	41.2	29.0	8.5	0.1	21.3	41.2	28.9	8.5	0.1	21.3	41.2	100.0
Ability of management to hire and fire is critical to any reform of the Public Service	24.7	33.2	25.4	16.7	0.1	24.6	33.5	25.4	16.4	0.1	24.6	33.5	100.0
Removing permanency as a feature of Public Service jobs is critical to any reform of the Public Service	3.6	19.7	15.7	55.6	5.4	3.8	19.7	16.0	55.1	5.5	3.8	19.7	100.0
Organisational Structures													
Efficient use of resources should always be the most important consideration in delivering services for my organisation.	44.5	28.0	15.4	11.3	0.7	44.4	28.1	15.4	11.4	0.7	44.4	28.1	100.0
Ability of management to recruit and promote professional grades within the organisation is necessary to improve organisational performance	28.9	54.0	11.8	5.3	0.0	28.9	53.9	11.9	5.3	0.0	28.9	53.9	100.0
A Partnership Approach is important to achieving organisational change in the Public Service	36.8	57.7	4.8	0.7	0.0	36.7	57.7	4.8	0.8	0.0	36.7	57.7	100.0

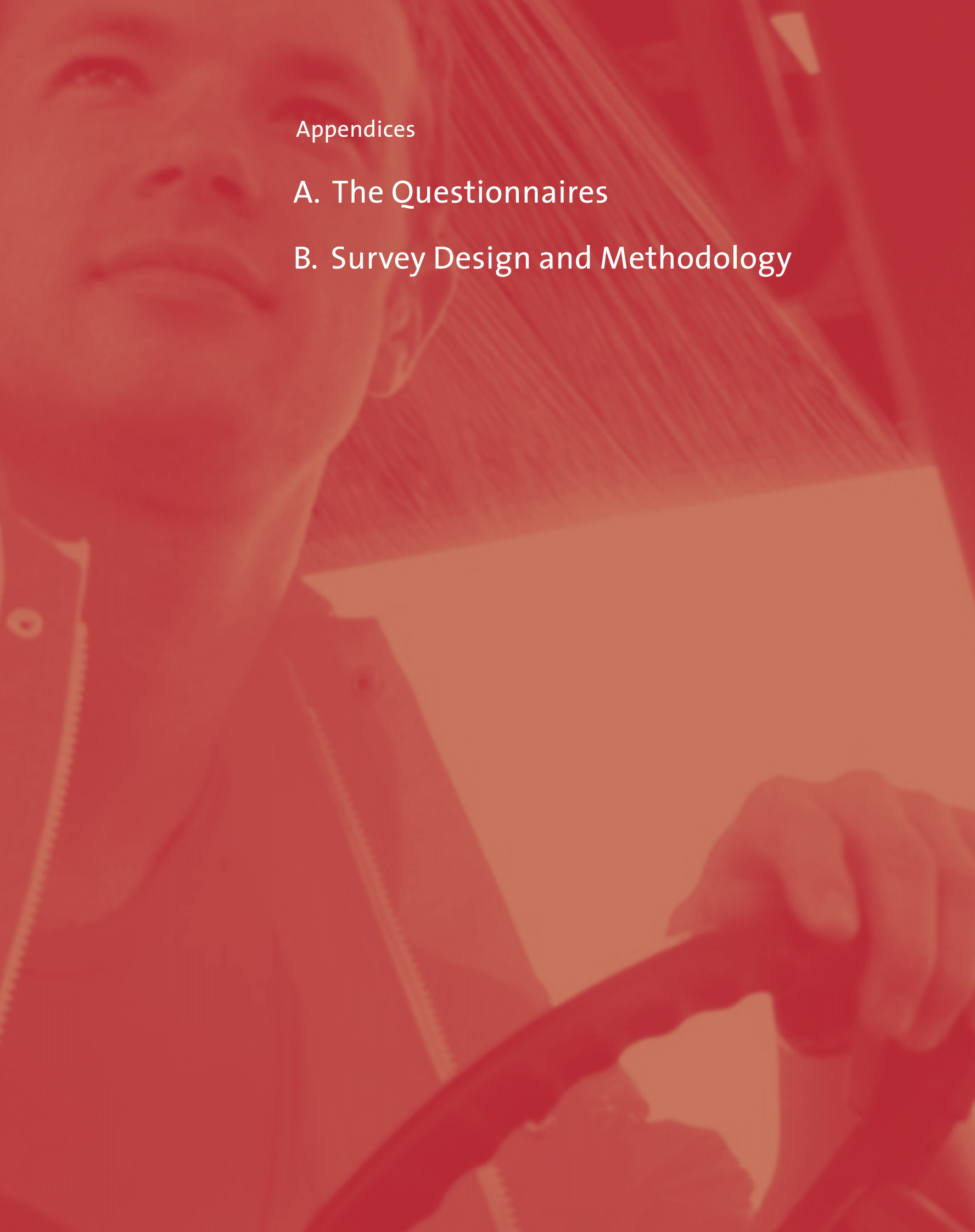
The need for a partnership approach in achieving reform is clearly seen to be of greater importance within Local Government/Regional Bodies/Non-commercial Semi States (57 per cent) than, for example, in Education (21 per cent). In contrast, Education seems to place a very high priority on the need for innovative thinking and the introduction of new ideas.

Quality of Service provision is given a very high premium in the Health sector - 73 per cent strongly agreeing that quality issues are the most important aspect of reforms. This compares with 46 per cent in the Civil Service; 54 per cent in Local Government/Regional Bodies/Non-Commercial Service Semi States; 29 per cent in Education and 12 per cent in the Gardaí/Defence/Prison Service.

Table 8.2 (page 106) outlines details on attitudes towards reform classified according to size of organisation. In overall terms there is clearly no simple or systematic relationship between size of organisation and agreement or otherwise with suggested reforms. Only in respect of the three items included under organisational/structural issues do we find a clear relationship which suggests increasing agreement with increases in size of organisation.

8.3 Summary

In this chapter we saw that, in broad terms, there would appear to be strong acceptance of the basic principle of the need for Public Service reform (26 per cent in aggregate “strongly agree” and 67 per cent “agree” that this is so). Higher levels of agreement are found in the Civil Service (50 per cent “strongly agree” and 42 per cent “agree”) with relatively lower levels in Education and Local Government/Regional Bodies/Non Commercial Semi-States. Efficiency in the use of resources, the importance of quality of service delivery and partnership approaches are all seen as being of substantial importance. Only in areas such as the role of cost containment and also the removal of permanency as a feature of Public Service employment would there appear to be any significant level of disagreement among respondents. Overall, however, the story told by the figures is of a Public Service which is largely receptive to the general principle of the need for change across a broad range of areas from quality of services to cost containment to organisational or structural issues.



Appendices

A. The Questionnaires

B. Survey Design and Methodology

Appendix A: The Questionnaires

Monthly survey of the retail sector in Ireland July 2003

The Economic and Social Research Institute

4 Burlington Road, Dublin 4, Ireland T +353 1 6671525 F +353 1 6686231

Conducted on behalf of the European Commission and the
National Centre for Partnership and Performance (NCPPI)

Q.1 How many outlets do you have in the Republic of Ireland? outlets

PLEASE ANSWER THE REMAINDER OF THE QUESTIONNAIRE IN RESPECT OF ALL
OF YOUR BUSINESS THROUGHOUT ALL OF YOUR OUTLETS

Q.2 In general, do you consider your current business (sales) position to be: (tick one only)

Good ☐ 1 Satisfactory/normal for time of year ☐ 2 Bad ☐ 3

Q.3 Do you consider your current stock levels to be: (tick one only)

Too small ☐ 1 Adequate/normal for time of year ☐ 2 Too large ☐ 3

Q.4 Excluding purely seasonal fluctuations, compared to your present situation do you expect that your orders placed on your suppliers during the next three months will be: (tick one only)

Up ☐ 1 Unchanged ☐ 2 Down ☐ 3

Q.5 Excluding purely seasonal fluctuations, compared to your present situation do you expect that your business trend over the next six months will: (tick one only)

Improve ☐ 1 Remained unchanged ☐ 2 Deteriorate ☐ 3

Q.6 Compared to your present situation, do you expect that the number of people you employ over the next three months will: (tick one only)

Increase ☐ 1 Remained unchanged ☐ 2 Decline ☐ 3

Q.6a Compared to your present situation, how do you expect the prices you charge to change over the next 3 months? (tick one only)

Increase ☐ 1 Remained unchanged ☐ 2 Decrease ☐ 3

Q.7 How many people are currently engaged on a full-time and part-time basis in all branches or outlets of your business throughout the Republic of Ireland? (Note: Please include managers, proprietors etc. If no-one is engaged on a part-time basis please write NONE)

Persons engaged on a FULL-TIME basis

Persons engaged on a PART-TIME basis

Q.8 Please give a brief description of the nature of your business:

Q.9 For the time of year, the number of people employed by our firm in the past month compared with the previous months was: (tick one only)

Higher ☐ 1 The same ☐ 2 Lower ☐ 3

Q.10 Which of the following best describes your company? [Tick one box only]

Irish owned ☐ 1 Foreign owned ☐ 2 Other (specify) ☐ 3

Q.11 Compared with this time two years ago would you say your workforce today is:

Larger ☐ 1 The Same ☐ 2 Smaller ☐ 3

Q.12 Has the volume of your business increased, stayed the same or decreased in the last 2 years?

Increased ☐ 1 Stayed the Same ☐ 2 Decreased ☐ 3

Q.13 Thinking back over the last 2 years, in terms of the overall profits of your company would you say your business has shown:

A Substantial Loss	☐ 1	A Moderate Profit	☐ 4
A Moderate Loss	☐ 2	A Substantial Profit	☐ 5
Broken Even	☐ 3		

Q.14 We would like you to think about factors which are generating **PRESSURE FOR CHANGE** in your company. Please tick (✓) one box on each line to indicate how much pressure for change each of the items below cause for your company?

	Amount of Pressure for Change: (Tick (✓) one box on each line)			
	Intense Pressure	Some Pressure	No Pressure	Not Applicable
1. Competition from other companies	☐ 1	☐ 2	☐ 3	☐ 4
2. Competition from independent subsidiaries within your group	☐ 1	☐ 2	☐ 3	☐ 4
3. Difficulty in recruiting appropriate staff	☐ 1	☐ 2	☐ 3	☐ 4
4. Increasing demands of your customers	☐ 1	☐ 2	☐ 3	☐ 4
5. Changes in production technology in your line of business	☐ 1	☐ 2	☐ 3	☐ 4
6. Increasing demands for changes in the workplace from your employees	☐ 1	☐ 2	☐ 3	☐ 4
7. Product and production regulation and legislation (e.g. environmental, safety, sustainability)	☐ 1	☐ 2	☐ 3	☐ 4
8. Fluctuations in exchange rates	☐ 1	☐ 2	☐ 3	☐ 4
9. Contracting market for your goods or services	☐ 1	☐ 2	☐ 3	☐ 4
10. Labour costs and benefits (incl. Social Insurance)	☐ 1	☐ 2	☐ 3	☐ 4
11. Labour regulation and legislation	☐ 1	☐ 2	☐ 3	☐ 4
12. Insurance costs	☐ 1	☐ 2	☐ 3	☐ 4
13. Other Operating costs	☐ 1	☐ 2	☐ 3	☐ 4
14. Product innovation in your line of business	☐ 1	☐ 2	☐ 3	☐ 4
15. Other (specify)	☐ 1	☐ 2	☐ 3	☐ 4

Q.15 Companies have a number of different responses to the types of pressures outlined above.

A. In Column A below please tick (3) one box on each line to indicate how important each of the following **CURRENTLY** is to your company in responding to the external pressures your company is facing today.

B. In Column B below please tick (3) one box on each line to indicate how important you think each **SHOULD BE** over the next 3 years in responding to the external pressures your company will face.

	A. How important CURRENTLY in addressing pressures				B. How important SHOULD BE in NEXT 3 YEARS in addressing pressures			
	Very Important	Important	Not Important	N.A.	Very Important	Important	Not Important	N.A.
Introducing new products or services	☐ 1	☐ 2	☐ 3	☐ 4	☐ 1	☐ 2	☐ 3	☐ 4
Introducing new production technology	☐ 1	☐ 2	☐ 3	☐ 4	☐ 1	☐ 2	☐ 3	☐ 4
Improving the quality of the goods or services you produce	☐ 1	☐ 2	☐ 3	☐ 4	☐ 1	☐ 2	☐ 3	☐ 4
Customising your goods or services to the needs of your customer(s)	☐ 1	☐ 2	☐ 3	☐ 4	☐ 1	☐ 2	☐ 3	☐ 4
Reducing the number of employees	☐ 1	☐ 2	☐ 3	☐ 4	☐ 1	☐ 2	☐ 3	☐ 4
Reducing other production costs	☐ 1	☐ 2	☐ 3	☐ 4	☐ 1	☐ 2	☐ 3	☐ 4
Relocation of some or all of your operation abroad	☐ 1	☐ 2	☐ 3	☐ 4	☐ 1	☐ 2	☐ 3	☐ 4
Outsourcing	☐ 1	☐ 2	☐ 3	☐ 4	☐ 1	☐ 2	☐ 3	☐ 4
Increased marketing or promotion	☐ 1	☐ 2	☐ 3	☐ 4	☐ 1	☐ 2	☐ 3	☐ 4
Training and development	☐ 1	☐ 2	☐ 3	☐ 4	☐ 1	☐ 2	☐ 3	☐ 4
Mergers or de-mergers	☐ 1	☐ 2	☐ 3	☐ 4	☐ 1	☐ 2	☐ 3	☐ 4
Flattening management structures- reducing managerial/supervisory control	☐ 1	☐ 2	☐ 3	☐ 4	☐ 1	☐ 2	☐ 3	☐ 4
Reconfiguring departments/ divisional structures	☐ 1	☐ 2	☐ 3	☐ 4	☐ 1	☐ 2	☐ 3	☐ 4
Introducing new work practices e.g. team-working; multi-tasking etc.	☐ 1	☐ 2	☐ 3	☐ 4	☐ 1	☐ 2	☐ 3	☐ 4

continued opposite →

Q.15 continued →

	A. How important CURRENTLY in addressing pressures				B. How important SHOULD BE in NEXT 3 YEARS in addressing pressures			
	Very Important	Important	Not Important	N.A.	Very Important	Important	Not Important	N.A.
Freedom to adjust employee numbers	☐ 1	☐ 2	☐ 3	☐ 4	☐ 1	☐ 2	☐ 3	☐ 4
Increase staff involvement in decision making and problem solving	☐ 1	☐ 2	☐ 3	☐ 4	☐ 1	☐ 2	☐ 3	☐ 4
Other (specify)	☐ 1	☐ 2	☐ 3	☐ 4	☐ 1	☐ 2	☐ 3	☐ 4

Q.16 Finally we would like you to think about employment practices which are currently being implemented in your organisation. Please tick (✓) one box on each line to indicate:

- (a) whether or not it is being implemented in your organisation and
- (b) if it is being implemented, how important each of these currently is to the efficient running of your company?

Employment Practice	(A) Implemented in your company?		If "Yes" in (A): How important currently to the efficient running of company		
	Yes	No	Very Important	Important	Not Important
Arrangements for direct involvement of employees in decision making & problem solving	☐ 1	☐ 2	☐ 1	☐ 2	☐ 3
Employee discretion in the way their work is organised or carried out	☐ 1	☐ 2	☐ 1	☐ 2	☐ 3
Profit sharing/share options/gain sharing for employees	☐ 1	☐ 2	☐ 1	☐ 2	☐ 3
Formal Partnership agreement involving unions and employees	☐ 1	☐ 2	☐ 1	☐ 2	☐ 3
Informal Partnership style arrangements between management & employee representatives	☐ 1	☐ 2	☐ 1	☐ 2	☐ 3

continued overleaf →

Q.16 continued →

Employment Practice	(A) Implemented in your company?		If "Yes" in (A): How important currently to the efficient running of company		
	Yes	No	Very Important	Important	Not Important
Use of part-time staff	☐ 1	☐ 2	☐ 1	☐ 2	☐ 3
Use of temporary labour/contract staff	☐ 1	☐ 2	☐ 1	☐ 2	☐ 3
Explicit policy on equality/diversity in the workplace	☐ 1	☐ 2	☐ 1	☐ 2	☐ 3
Arrangements for work-life balance for employees	☐ 1	☐ 2	☐ 1	☐ 2	☐ 3
Information to and consultation with staff on change in the company	☐ 1	☐ 2	☐ 1	☐ 2	☐ 3
Formal dispute resolution procedures	☐ 1	☐ 2	☐ 1	☐ 2	☐ 3
Temporary layoffs/reduced working time, when necessary	☐ 1	☐ 2	☐ 1	☐ 2	☐ 3
Annualised hours where working hours are customised to meet the needs of both management and employees	☐ 1	☐ 2	☐ 1	☐ 2	☐ 3
Staff training and development for managers	☐ 1	☐ 2	☐ 1	☐ 2	☐ 3
Staff training and development for employees	☐ 1	☐ 2	☐ 1	☐ 2	☐ 3
Formal staff performance review	☐ 1	☐ 2	☐ 1	☐ 2	☐ 3
New work practices such as Teamworking/ Multi-tasking/Quality Circles	☐ 1	☐ 2	☐ 1	☐ 2	☐ 3
Other (specify)	☐ 1	☐ 2	☐ 1	☐ 2	☐ 3

Q.17 Are there any employment practices, not currently implemented in your company which you believe will become important to the efficient running of the company? Please specify.

Q.18 Does management in your company recognise any Trade Union?

Yes ☐ 1 No ☐ 2

THANK YOU FOR YOUR ASSISTANCE. PLEASE RETURN IN THE ENCLOSED ENVELOPE

National Survey of the Changes in the Public Service Workplace

The Economic and Social Research Institute

4 Burlington Road, Dublin 4, Ireland T +353 1 6671525 F +353 1 6686231

The Economic and Social Research Institute has been commissioned by the National Centre for Partnership and Performance (NCP) to carry out a survey into the current situation regarding the nature and structure of the Public Service workplace as well as likely future changes therein over the next few years.

This is a national census of all Public Service organisations throughout the country. The information collected will be treated in the strictest confidence. The report which we will prepare will contain only aggregate details, percentages etc. It will not be possible to identify individual organisations or their responses from this report.

The results will be used to inform policy makers on the problems which individual Public Service organisations are facing in carrying out their work and in attempting to reform the Public Service. It is the experience and views of your organisation on such issues that we want to record in this survey.

The information recorded by you in the questionnaire should relate to all offices or branches of your organisation throughout the country. For example, if you are answering in respect of a Government Department (Civil Service) the figures should relate to all offices throughout the country belonging to your Department. Similarly, if your organisation is a semi-State body; Health Board; a Hospital; an Educational establishment; a Corporation or County Council etc. the figures which you provide should relate to all branches or offices of your particular organisation throughout Ireland.

Q.1 **Name of Organisation/Body etc**

Q.2 **Name of person completing the questionnaire**

Q.3 **What is your own position within the organisation?**

Q.4 **Please describe as fully as possible the nature of your organisation, what it does etc.**

Q.5 **How many people currently work in your organisation in all its branches throughout the Republic of Ireland? (Please give the total of full-time and part-time workers (or persons engaged) including managers, owners, proprietors etc. and also including transient staff. If a Civil Service department please record figures in respect of your department only.)**

Full-time Part-time Total

Q.6 What is the current level of total employment in your organisation as agreed with the Department of Finance? [If not applicable please tick box 1 – otherwise, please record the agreed employment levels]

Not applicable ☐ 1 Agreed levels persons

Q.7 We would like you to think about factors outside your organisation which are generating PRESSURE FOR CHANGE in your organisation. Please tick one box on each line to indicate how much pressure for change each of the items below currently causes for your organisation.

	Level of CURRENT Pressure for change in organisation		
	Intense Pressure	Some Pressure	No Pressure
1. National regulations, legislation or policy in your area of work	☐ 1	☐ 2	☐ 3
2. European or International regulations, legislation or policy in your area of work	☐ 1	☐ 2	☐ 3
3. Demand for an increase in the standard or quality of service delivered	☐ 1	☐ 2	☐ 3
4. Requirement for efficiency and productivity in the delivery of services	☐ 1	☐ 2	☐ 3
5. Need to change opening/closing times to suit your clients or users	☐ 1	☐ 2	☐ 3
6. Providing new services for users	☐ 1	☐ 2	☐ 3
7. Co-ordination with the services provided by other departments or other divisions in the Public Service	☐ 1	☐ 2	☐ 3
8. Scrutiny by the media	☐ 1	☐ 2	☐ 3
9. Freedom of Information	☐ 1	☐ 2	☐ 3
10. Legislation on equality or diversity in the workplace	☐ 1	☐ 2	☐ 3
11. Public Service Modernisation Agenda (PSMA)	☐ 1	☐ 2	☐ 3
12. Budget Constraints	☐ 1	☐ 2	☐ 3
13. Availability of appropriately qualified staff	☐ 1	☐ 2	☐ 3
14. Achieving balanced regional development	☐ 1	☐ 2	☐ 3
15. Adhering to Social Partnership agreements	☐ 1	☐ 2	☐ 3
16. Increases in the size of your target group or client base (e.g. number of users of your service)	☐ 1	☐ 2	☐ 3
17. Other (please specify)	☐ 1	☐ 2	☐ 3

Q.8 Many Public Service organisations experience a range of INTERNAL pressures which result in changes in their workplace. Please tick one box on each line to indicate

A. how much pressure for change each of the items below currently causes for your organisation

B. do you think this pressure will increase; remain the same or decrease over the next 3 years?

	A. level of CURRENT INTERNAL pressures for change in organisation			B. Likely CHANGE in internal pressure OVER NEXT 3 YEARS		
	Intense Pressure	Some Pressure	None	Increase	Stay the Same	Decrease
1. Employee needs and preferences for greater flexibility in the workplace	☐ 1	☐ 2	☐ 3	☐ 1	☐ 2	☐ 3
2. Demands by staff for greater say and involvement in work	☐ 1	☐ 2	☐ 3	☐ 1	☐ 2	☐ 3
3. Demands for better pay and conditions	☐ 1	☐ 2	☐ 3	☐ 1	☐ 2	☐ 3
4. Demands for new reward systems e.g gain sharing etc.	☐ 1	☐ 2	☐ 3	☐ 1	☐ 2	☐ 3
5. Introduction of new technology.	☐ 1	☐ 2	☐ 3	☐ 1	☐ 2	☐ 3
6. Equality and diversity in the workplace.	☐ 1	☐ 2	☐ 3	☐ 1	☐ 2	☐ 3

Q.9 Listed below is a set of issues each of which could potentially be seen as a barrier to addressing the pressures faced by your organisation. For each one, please tick one box on each line to indicate how much you feel the issue actually represents a barrier to you in addressing the pressures currently experienced by your organisation.

	Major Barrier	Barrier	Not a Barrier	Not Applicable
Management structures within your organisation	☐ 1	☐ 2	☐ 3	☐ 1
Ability and experience of management	☐ 1	☐ 2	☐ 3	☐ 1
Political considerations	☐ 1	☐ 2	☐ 3	☐ 1
Willingness of management within the organisation to change	☐ 1	☐ 2	☐ 3	☐ 1
Willingness of staff within the organisation to change	☐ 1	☐ 2	☐ 3	☐ 1
Willingness of unions within the organisation to change	☐ 1	☐ 2	☐ 3	☐ 1
Hierarchical nature of the organisation	☐ 1	☐ 2	☐ 3	☐ 1

continued overleaf →

Q.9	continued →	Major Barrier	Barrier	Not a Barrier	Not Applicable
	High levels of bureaucracy	☐ 1	☐ 2	☐ 3	☐ 1
	The promotions process	☐ 1	☐ 2	☐ 3	☐ 1
	The level of responsibility devolved to individuals or work teams	☐ 1	☐ 2	☐ 3	☐ 1
	The extent to which one can deal with under-achievement	☐ 1	☐ 2	☐ 3	☐ 1
	The extent to which one can award high performance	☐ 1	☐ 2	☐ 3	☐ 1
	Budget constraints				
	Centralisation of Public Service resource allocation and finance decisions	☐ 1	☐ 2	☐ 3	☐ 1
	Centralisation of Public Service human resource systems	☐ 1	☐ 2	☐ 3	☐ 1
	Lack of local flexibility in industrial relations negotiations	☐ 1	☐ 2	☐ 3	☐ 1

Q.10 Other than those listed above, are there any other barriers to addressing the pressures faced by your organisation which you consider to be of particular importance? Please specify as fully as possible.

Q.11 A. Could you please tick one box on each line to indicate how important each of the following is in **ACTUALLY** addressing the pressures which your organisation is currently facing

B. how important you feel it **SHOULD BE** over the next 3 years in addressing these pressures.

	A. How important CURRENTLY in addressing pressures				B. How important SHOULD BE in NEXT 3 YEARS in addressing pressures			
	Very Important	Important	Not Important	N.A.	Very Important	Important	Not Important	N.A.
Public-Private partnerships	☐ 1	☐ 2	☐ 3	☐ 4	☐ 1	☐ 2	☐ 3	☐ 4
Making the organisation less hierarchical	☐ 1	☐ 2	☐ 3	☐ 4	☐ 1	☐ 2	☐ 3	☐ 4
Introducing new technology	☐ 1	☐ 2	☐ 3	☐ 4	☐ 1	☐ 2	☐ 3	☐ 4
Implementing organisational performance measurement	☐ 1	☐ 2	☐ 3	☐ 4	☐ 1	☐ 2	☐ 3	☐ 4
Benchmarking with other organisations	☐ 1	☐ 2	☐ 3	☐ 4	☐ 1	☐ 2	☐ 3	☐ 4
Outsourcing	☐ 1	☐ 2	☐ 3	☐ 4	☐ 1	☐ 2	☐ 3	☐ 4
Creation of new Agencies	☐ 1	☐ 2	☐ 3	☐ 4	☐ 1	☐ 2	☐ 3	☐ 4
Developing service quality standards	☐ 1	☐ 2	☐ 3	☐ 4	☐ 1	☐ 2	☐ 3	☐ 4
Developing customer service plans	☐ 1	☐ 2	☐ 3	☐ 4	☐ 1	☐ 2	☐ 3	☐ 4
Improving information flows and greater consultation with staff	☐ 1	☐ 2	☐ 3	☐ 4	☐ 1	☐ 2	☐ 3	☐ 4
Meeting employees' needs for work-life balances.	☐ 1	☐ 2	☐ 3	☐ 4	☐ 1	☐ 2	☐ 3	☐ 4
Moving to a team based approach to work	☐ 1	☐ 2	☐ 3	☐ 4	☐ 1	☐ 2	☐ 3	☐ 4
Allowing individuals discretion in managing and organising their own work	☐ 1	☐ 2	☐ 3	☐ 4	☐ 1	☐ 2	☐ 3	☐ 4
Open recruitment in the Public Service for all grades	☐ 1	☐ 2	☐ 3	☐ 4	☐ 1	☐ 2	☐ 3	☐ 4
Freedom to adjust employee numbers	☐ 1	☐ 2	☐ 3	☐ 4	☐ 1	☐ 2	☐ 3	☐ 4
Training and development for management	☐ 1	☐ 2	☐ 3	☐ 4	☐ 1	☐ 2	☐ 3	☐ 4

continued overleaf →

Q.11 continued →

	A. How important CURRENTLY in addressing pressures				B. How important SHOULD BE in NEXT 3 YEARS in addressing pressures			
	Very Important	Important	Not Important	N.A.	Very Important	Important	Not Important	N.A.
Training and development for employees	☐ 1	☐ 2	☐ 3	☐ 4	☐ 1	☐ 2	☐ 3	☐ 4
Working on an inter-Departmental basis across divisions, other sections of the Public Service etc.	☐ 1	☐ 2	☐ 3	☐ 4	☐ 1	☐ 2	☐ 3	☐ 4
Introduction of performance related pay where part or all of an increment is related to annual review of performance	☐ 1	☐ 2	☐ 3	☐ 4	☐ 1	☐ 2	☐ 3	☐ 4
Explicit efforts to build trust between staff and management	☐ 1	☐ 2	☐ 3	☐ 4	☐ 1	☐ 2	☐ 3	☐ 4
Increased use of contract or temporary staff	☐ 1	☐ 2	☐ 3	☐ 4	☐ 1	☐ 2	☐ 3	☐ 4
Explicit policy on equality/diversity in the workplace	☐ 1	☐ 2	☐ 3	☐ 4	☐ 1	☐ 2	☐ 3	☐ 4
Formal Partnership agreement involving unions and employees	☐ 1	☐ 2	☐ 3	☐ 4	☐ 1	☐ 2	☐ 3	☐ 4
Informal Partnership style arrangements between management, employees and unions	☐ 1	☐ 2	☐ 3	☐ 4	☐ 1	☐ 2	☐ 3	☐ 4
Arrangements for direct involvement of employees in decision-making and problem solving	☐ 1	☐ 2	☐ 3	☐ 4	☐ 1	☐ 2	☐ 3	☐ 4

Q.12 Please tick (✓) one box on each line to indicate how strongly you agree or disagree with each of the following statements.

	Strongly Agree	Agree	Neither agree / disagree	Disagree	Strongly Disagree	Don't Know
Efficient use of resources should always be the most important consideration in delivering services for my organisation.	☐ 1	☐ 2	☐ 3	☐ 1	☐ 2	☐ 3
Reform of the Public Service is essential	☐ 1	☐ 2	☐ 3	☐ 1	☐ 2	☐ 3
Cost containment is the single most important aspect of planning for the Public Service	☐ 1	☐ 2	☐ 3	☐ 1	☐ 2	☐ 3
Quality of service should be the most important aspect of the Public Service	☐ 1	☐ 2	☐ 3	☐ 1	☐ 2	☐ 3
Innovation and introduction of new ideas is critical to any reform of the Public Service	☐ 1	☐ 2	☐ 3	☐ 1	☐ 2	☐ 3
A Partnership Approach is important to achieving organisational change in the Public Service	☐ 1	☐ 2	☐ 3	☐ 1	☐ 2	☐ 3
Greater flexibility in payments structures is critical to any reform of the Public Service	☐ 1	☐ 2	☐ 3	☐ 1	☐ 2	☐ 3
Ability of management to hire and fire is critical to any reform of the Public Service	☐ 1	☐ 2	☐ 3	☐ 1	☐ 2	☐ 3
Removing permanency as a feature of Public Service jobs is critical to any reform of the Public Service	☐ 1	☐ 2	☐ 3	☐ 1	☐ 2	☐ 3
Ability of management to recruit and promote professional grades within the organisation is necessary to improve organisational performance	☐ 1	☐ 2	☐ 3	☐ 1	☐ 2	☐ 3

THANK-YOU FOR HAVING COMPLETED THIS QUESTIONNAIRE
PLEASE RETURN TO THE ESRI IN THE ENCLOSED PRE-PAID ENVELOPE

Appendix B: Survey Design and Methodology

B.1 Methodology

The private sector survey was administered on a postal basis. The Public Service survey was implemented on a so-called mixed-mode basis which involved mailshots combined with intensive phone follow-up.

B1.1 Methodology – Private Sector Survey

All questionnaires were filled out on a self-completion postal basis by respondents. The Economic and Social Research Institute undertake regular monthly surveys in the retail, services and construction sectors on behalf of the European Commission (DG-EC FIN). These principally record details on performance, trends and outlook in the sectors in question. The survey on private sector employers' attitudes was included as a module to that survey for these three sectors. In addition, a dedicated postal survey of the manufacturing sector was carried out as part of this project with two postal shots – an initial survey and a reminder. All fieldwork was undertaken throughout the month of July 2003. In all cases the survey was filled out by the owner/managing director of the company or a person nominated by him/her.

B1.2 Methodology – Public Service Survey

The Public Service survey was implemented on a so-called mixed-mode postal/telephone basis. This involved initially sending the questionnaire to the respondent in the post, followed by a postal reminder two weeks later. There then followed an extended period of very intensive postal and phone follow-up in which all respondents were repeatedly contacted by phone with a view to securing a completed questionnaire or other definitive outcome. Interviews among Public Service employers were completed from June 2003 through September 2003.

B.2 Sample Design and Response Rates

The objective of both surveys was to provide representative pictures of the perceptions of senior management in the public and private sectors in Ireland today towards the issues outlined above. To ensure that one records information from a representative cross-section one must have a population or comprehensive list of businesses, enterprises and relevant organisations from which to select the sample. Sample design for both sectors is considered below.

B.2.1 Design and Response Levels in the Private Sector

As noted in Section 1.3 above the private sector survey was appended as a module to the ESRI's on-going monthly surveys of the retail, services and construction sectors. In addition, the survey of the manufacturing sector was implemented as a dedicated (single purpose) sample selected specifically for the NCPP project. Samples of private businesses in all 4 sectors were selected at random from lists of relevant enterprises collated and maintained by the ESRI from a number of sources.

B.2.2 Design and Response Levels in the Public Service

In the Public Service the survey was administered to a comprehensive list of all Public Service organisations which is maintained in the ESRI. A total of six broad categories of Public Service organisation is recognised within the ESRI list. These are: Civil Service; Gardaí/Defence; Education; Regional Bodies; Non-Commercial Semi-State Bodies; and Health. As noted in the previous section, in the private sector counterpart of this survey we administered the questionnaire only to a random sample of selected companies and, *ex post*, statistically re-adjusted the data to take account of design (sample selection) and also response/non-response effects. In contrast, in the Public Service survey we targeted *all* organisations identified as being in the Public Service organisations. *Ex post* statistical adjustment of the completed questionnaires was implemented to account for non-response of certain organisations, bodies etc.

Table B1 | Total Sample Response Outcomes from 2003 Public Service Survey

	No. of Cases	Per Cent
Successfully Completed	392	66.9
Partially completed but unusable	11	1.9
Non response	141	24.0
Refusal	4	0.7
Other	38	6.5
Total	586	100.0

In interpreting the results of a survey of Public Service employers it is important to note that some of the broad areas of the Public Service are represented only by a single reporting body. The best examples of this would be An Garda Síochána and the Defence Forces. A single questionnaire in respect of the former covers approximately 11,400 employees, the latter approximately 11,600. In order to ensure that the individual responses of Public Service organisations cannot be identified we have had to aggregate results across several sectors in some of the chapters throughout the report.

The reader should also note that for reasons of administrative or institutional convenience several Public Service organisations opted to have their figures returned along with other related bodies. This was common in respect of, for example, Urban District Councils (UDCs) which often had their figures returned with their relevant County Council. In organisations such as UDCs the number of employees involved were generally small. One area where this was an important issue, however, was in first and second level education; figures in respect of these two sectors were collated centrally from the relevant sectors in the Department of Education.

Accordingly, the reader should note that the figures for the 3,000 or so national level schools in the country were returned on a single questionnaire as were those in respect of about 750 second level schools. Third level institutions and VEC's (Universities, IT's and related Institutes of Education) were returned individually from their respective organisations.

A total of 586 valid non-commercial Public Service organisations were targeted for interview. The response outcomes are as outlined in Table B1 below. From this one can see that a total of 392 organisations successfully completed the questionnaire and the report is based on the analysis of their responses. This means that the overall effective sample response rate is 67 per cent. Just under 1 per cent of all relevant organisation explicitly refused to participate in the survey. A total of 24 per cent of organisations, however, did not respond to the survey and their non-responses could be interpreted as a *de facto* refusal.

Table B2 | Structure of Population of Public Service Organisations as Derived from Annual Report on Public Service Employment and the Labour Force Survey

Sector	No. captured in the sample	Population of employees	Percentage population captured
Civil Service	30,627	33,800	90.6
Defence	11,400	11,400	100.0
Gardaí	11,800	11,800	100.0
Primary & Second level education (excl VEC+itS)	25,597	50,000	51.2
VECs/ITs/ 3rd level	33,886	35,100	76.5
Regional Bodies	31,035	36,200	85.7
Non-Commercial Semi-State	10,195	10,200	99.9
Health	87,566	95,700	91.5
Prison Service	3,300	3,300	100.0
Total Public Service	245,407	287,500	85.3

In Table B2 we present details on the proportion of Public Service employees who were included in the completed sample. From this one can see that the 392 Public Service organisations which successfully completed questionnaires contained a total of 245,400 employees. This represents 85 per cent of the total number of employees in the Public Service. In other words, the response rate of 67 per cent of organisations which responded to the survey translates to an employee-based response rate of 85 per cent.

The reader should note that these response rates measured both in terms of organisations (67 per cent) and also employees (85 per cent) are extremely high relative to the standards which one would normally expect from surveys of this nature.

B.3 Re-weighting the data

All sample surveys should be statistically adjusted (also referred to as “re-weighted”) prior to analysis. To derive the set of weights one has to establish the structure of the population from which the effective sample has been selected. The sample is then adjusted or re-weighted to this population total. This was undertaken for both the public and private sector surveys presented in this report.

The reader is cautioned that, although weighted, the grossed estimates presented in the report are subject to standard statistical sampling variances. These variances will be especially pronounced in the analysis of sub-groups based on a small number of respondents.

Table B3 | Population structure used for re-weight the survey.

Size/Sector/Stratum	Size Categories	No of Enterprises	NACE Sectors
Traditional Manufacture	0-9 employees	1145	10; 11; 12; 13; 14; 15; 16; 17; 18; 19; 20; 21; 22; 36; 37; 40; 41
	10+ employees	1658	
Hi Tech Manufacture	0-9 employee	825	23; 24; 25; 26; 27; 28; 29; 30; 31; 32; 33; 34; 35
	10+ employees	1667	
Construction	0-9 employees	12000	45
	10+ employees	2000	
Distribution Services	0-9 employees	29462	50; 51; 52
	10+ employees	4218	
Financial/Insurance/Business	0-9 employees	19429	65; 66; 67; 70; 71; 72; 73; 74
	10+ employees	2349	
Hotel/Restaurant/Other Services/Transport	0-9 employees	26964	55; 60; 61; 62; 63; 64; 92; 93
	10+ employees	4092	
Total		105809	

As noted above the data collected in both surveys was statistically adjusted or re-weighted to ensure that it was as representative as possible of the relevant populations from which they were selected – i.e. population of private sector enterprises and Public Service organisations.

B3.1 Reweighting the Private Sector

The structure used for the private sector was based on the distribution of private sector enterprises according to sector and size within sector. A total of 6 sectors and two size categories was used as outlined in Table A3 below. This is derived from the most recently available Census of Industrial Production and Annual Services Enquiry, including special runs of the latter prepared by the Central Statistics Office as well as various business registers maintained by the ESRI.

The classification in the table was used to re-weight the data using a standard ratio re-weighting technique in which each of the 1491 respondent firms used in the analysis was assigned a weight corresponding to the ratio of the population total to the sample total in the relevant cell. In other words the weight is given as

$$W_i = P_i / S_i$$

where the i 's refer to the size/sector cells in Table 1.4. P_i is the total number of firms in each cell and S_i the corresponding number of completed surveys. The W_i 's are the weights associated with each unit in the sample and it is these which ensure that the sample figures are adequately grossed to population totals.

B3.2 The Public Service

In the Public Service survey, the information from the 392 respondents was also statistically adjusted prior to analysis

In deriving the grossing factors or adjustment weights used throughout this report we calculated a statistical weight which was directly proportional to the size of the organisation in question. Each respondent is assigned a weight based on sectoral *employment* totals. The population structure of Public Service employment used in re-weighting procedures is as outlined in Appendix Table A4 below. This contains a total of ten sectors set out in the Central Statistics Office (CSO) report on *Public Service Employment and Earnings* and also the *Quarterly National Household Survey*. The table shows the number of employees in each sub-sector who were “captured” by the survey. The statistical weights were calculated in such a way that the larger the organisation the larger the weight which it got within its sector and, accordingly, within the aggregate figures. This is analogous to giving each respondent a “voice” or “vote” which is directly

related to the number of employees in the organisation in question. Accordingly, a Municipal Borough with, for example, only 10 employees will receive a much lower weight that would Dublin Corporation. Even though both organisations fall within the same sector of the Public Service it seems appropriate to assign the larger weight to the larger organisation. We would point out to the reader that within very large sections of the Public Service the concept of separate, discrete organisations has very little real meaning. By using an employee-based weight such as that used in the current report one can largely overcome this difficulty. One interpretation which one could put on the derivation of the weights use in the analysis is to think of each respondent organisation as a cluster of employees rather than as a separate establishment. The larger the cluster of employees the larger the voice or weight assigned to the organisation in the analysis.

One can see from Table B4 that, in aggregate, the completed sample accounted for 85 per cent of total relevant non-commercial Public Service

Appendix Table B4 | Structure of Population of Public Service Organisations as Derived from Annual Report on Public Service Employment and the Labour Force Survey

Sector	No. captured in the sample	Population of employees	Percentage population captured
Civil Service	30,627	33,800	90.6
Defence	11,400	11,400	100.0
Gardaí	11,800	11,800	100.0
Primary & Second level education (excl VEC+its)	25,597	50,000	51.2
VECs/ITs/3rd level	33,886	35,100	76.5
Regional Bodies	31,035	36,200	85.7
Non-Commercial Semi-State	10,195	10,200	99.9
Health	87,566	95,700	91.5
Prison Service	3,300	3,300	100.0
Total Public Service	245,407	287,500	85.3

employment. In some sectors, like the Gardaí, the figures reconcile exactly with those published in the CSOs series on Public Service employment. In most others they are well in excess of 90 per cent.

All of the figures presented in this report are based on this *employee-based* weight. The authors feel that interpretationally this is the preferred option as the concept of a Public Service “organisation” or “employing entity” is often a rather loose and ill-defined one. For example, in the Civil Service there is some ambiguity in deciding if the employer is the individual civil service department or some larger centralised employing entity. The latter is probably closer to the reality of the situation. This type of ambiguity in the definition of organisations underlines the interpretational justification for use of the *employee-based* weighting scheme.