Good Work, High Performance and Productivity

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This paper examines the concept of ‘good work’ and discusses its role in supporting improvements in employee engagement, wellbeing, performance and productivity as businesses across the EU strive to rebuild market share and profitability.

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1. The meaning of work in a post-recession economy

Since the financial crisis, some of our basic assumptions about how European economies work and the purpose and conduct of business have been fundamentally shaken. There are, of course, immediate economic consequences of the credit crunch and recession. There are higher levels of business failure and unemployment across all developed economies, with severe cuts in public spending and rising taxes to follow. But the significance of the crisis in relation to the workplace reaches still further than that.

It has also exposed issues of business purpose and leadership, and of morality, transparency and trust. The values of work are in the dock. How can work which leads to such consequences be thought of as ‘good’ work? How can the judgement of such leadership be trusted? Is the shaky consensus which has existed around the so-called ‘European Social Model’ finally begun to erode under the pressure of recession?

After decades during which so much economic activity has been driven by the rise of the capital markets worldwide, the primacy of shareholder value as the definition and benchmark of successful companies has been challenged. It’s not yet clear how it will play out, but the collapse of the banking system will have been a watershed moment for this generation: there was one set of assumptions before it and another after it. Some commentators think that everything will return to ‘normal’ as the spectre of recession fades and the desire for a swift return to economic growth intensifies. Others take the view that the rules have changed forever and new standards of public accountability and regulatory oversight need to be applied.

It is the same few years which have seen BP’s environmental disaster in the Gulf of Mexico, scandals among politicians across many western democracies, the loss of confidential data by government bodies, public and shareholder disquiet about some senior executive remuneration packages and apologies from the highest level of church organisations. They have all led the headlines repeatedly, building on each other and reinforcing a common culture of distrust in the leaders of our major institutions. This erosion of confidence goes way beyond cynicism about commercial organisations which are driven by maximising profit. And they illustrate the scale of today’s challenge to re-establish trust, and re-state the purpose and values of the organisations we work in.

The financial crisis has also powerfully demonstrated how the business sector is woven
tightly into a fabric of interdependence around the world. The reality is that many businesses, large and small, are now trying to compete and grow in the context of a global marketplace. For many large companies, customers and investors are now global, but so too are employees and supply chains.

Much has been written about out-sourcing and off-shoring. Though the phenomenon is not as widespread as many people imagine, it creates a new dimension to the context in which people work in the EU. It remains true that for many employees in the EU, and indeed many employers, their own direct connection to a global market is not immediately obvious to them. It may be that the horizon of their workplace and their customers are dependent on the immediate neighbourhood because they are in local service jobs anything, for instance, from hairdressers to nurses. The forces of globalisation are relevant to them, nevertheless. The sustainability of their jobs is ultimately dependent on the ability of people in the local area to pay for those services.

Indeed, the most deprived communities in the EU where many people are trapped in a third generation of worklessness, prove the point. On the surface, these are the most isolated from the influence of the global capital markets, yet the lack of work entrenched in those communities has been caused by a significant shift in traditional industries to elsewhere in the world. Genuine regeneration in these areas is dependent on the creation of new work, often requiring new skills, in businesses and industries which can thrive in today's global markets.

In today's global market place, employers in developed economies cannot compete in low value products and services, and employees on low wages. So sustainable work will need to come from higher value work and higher value skills and from workplaces where the 'social dialogue' dimension of the European Social Model is well-embedded. In many – but not all - EU economies, growth and new jobs will be driven by the 'knowledge' economy. For every new job created in the more traditional industries over the past ten years, twelve have been generated in the knowledge economy, which encompasses sectors such as the creative industries, high-tech manufacturing, professional services and low carbon industry – which indicate where the jobs of the future are likely to come from.

Technology is a driving force behind globalisation and changing the shape of work for many people. Increasing automation is replacing many of the semi-skilled and even skilled roles of the past, from bank tellers to booking agents. And it is increasing the requirement for non-routine skills at work, from analysts to customer service.

For individuals in their day jobs, the arrival of new technological processes can bring
contradictory effects. On one hand, it is expanding the opportunity for autonomy and creativity. On the other, it reduces discretion because it has become possible to monitor jobs and processes with a detail never possible before. In some types of jobs, it can lead to high levels of fulfilment and challenge or greater intensity and stress: the ‘always on technology’ creating ‘always on jobs’, with evening and weekend working, and no license to turn off the Blackberry. Many employees are interacting with wider and wider circles of people – which represents broader horizons, for some or, for others, makes for an unsettling boundaryless world, breaking up a sense of immediate community and leading to insecurity. The constant pressure to take products or services to market ahead of others, and to achieve this with a lower cost base, can create a relentless culture in business, putting pressure on working conditions and rewards.

Technology has also altered how individuals communicate, entertain themselves and access information outside the workplace in the past 10 years. Through search engines and blogs, social networking and open access tools, people have access to an enormous wealth of information – and increasingly they expect to access it free and on the move. As important, they know they can author and publish content themselves, which is accessible worldwide. It has created a much more outspoken culture than in the past. People expect to be able to make their voice heard, to innovate directly themselves - all of which has implications for their expectations as employees.

The arrival of new technologies has created a new literacy in the workplace. Employees require basic ICT skills, even in jobs which are not traditionally associated with technology – from waiters to shop assistants to drivers. From the rise of online commerce and services, to 24 hour clock working patterns, patterns of work are changing. From advanced manufacturing to filmmaking, from banking to healthcare, technological innovations are changing how things are done and what it possible. New technologies are driving consumer markets too - and consumers are increasingly in the driving seat. Indeed, the way society engages its citizens today is as consumers, rather than producers. And as consumers, we are continuously demanding higher quality goods and services, we expect to shift provider when unsatisfied, and we have - because of globalisation - got used to lower prices. Companies’ constant push for innovation to win the hearts and minds of consumers drives the need for higher levels of skills from employees, and a culture of customer responsiveness and speed in organisations.

Against this background, the intrinsic quality of work in modern organisations, the extent to which employees are able to find a genuine and believable connection with the purpose of their organisation and the capacity of business leaders to convince their stakeholders that they are exercising good, sustainable and ethical ‘stewardship’ of their businesses are all
under very close scrutiny.
2. Towards a conception of ‘good work’

There have been various attempts to think about the link between ‘good work’, employee health and wellbeing, business performance and productivity. The first such concerted attempted can be seen in the work of the Swedish Metal Workers Federation, which in the mid-1980s launched ‘good work’ as a generic policy concept. In their definition, ‘good work’ was seen as an infrastructure for work, welfare and life quality. This broader definition comprised not only working conditions and employment relations, but also the social infrastructure for health, welfare and gender equality. It had nine dimensions:

1. Job security
2. Equal and fair share of production results
3. Worker co-determination
4. Collaborative work organisation
5. Skills and competence development at all levels
6. Recurrent education/lifelong learning
7. Flexible and employee-friendly working hours
8. Work place equality and social inclusion
9. A healthy and risk-reducing work environment

The EU’s Lisbon strategy (European Commission, 2000) provided additional dimensions to its conception of ‘good’ working environments. Here, it suggests, Europe’s approach to work employment:

“...not only involves focusing on more jobs, but also on better jobs. Increased efforts should be made to promote a good working environment for all including equal opportunities for the disabled, gender equality, good and flexible work organisation permitting better reconciliation of working and personal life, lifelong learning, health and safety at work, employee involvement and diversity in working life.”

Building on this definition is the matrix of work quality developed by European Foundation for the Improvement of Living and Working Conditions (Eurofound, 2002). The framework developed here distinguishes four key dimensions for the promotion of good work:
1. Ensuring career and employment security
2. Maintaining and promoting the health and well-being of workers
3. Developing skills and competences
4. Reconciling working and non-working life

In addition, the International Labour Organisation (1999) has sought to advance the notion of **decent work**, embedded in an industrial relations and human rights perspective:

> "Decent work means productive work in which rights are protected, which generates an adequate income, with adequate social protection. It also means sufficient work, in the sense that all should have full access to income earning opportunities. It marks the high road to economic and social development, a road in which employment, income and social protection can be achieved without compromising workers’ rights and social standards."

These attempts to generate a coherent model for the promotion of improved quality of work provide some sense of the difficulties in attaining conceptual clarity. Coats (2006) suggests that instead of demanding a water-tight definition that all can agree upon, we might advance conceptual clarity by juxtaposing good jobs with the rather clearer idea of ‘bad jobs’. What we know about bad jobs, Coats argues, is that they have a damaging effect on health, well-being and productivity. In addition to exposure to hazardous substances or technologies, bad work organisation and job design can lead to time off for sick leave. Workers are more
likely to suffer from a variety of ailments, including mental illness, coronary heart disease, musculoskeletal and gastro-intestinal disorders. They are also less likely to be productive. The factors that encourage the development of these medical conditions and lower productivity are also well understood, and include:

- A lack of control over the pace and order of work and key decisions that affect the workplace
- Limited task discretion and monotonous or repetitive work
- Inadequate levels of skill to cope with periods of intense pressure
- An imbalance between effort and reward
- Limited "social capital": whether informal friendship networks or formal associations like trade unions make workers more resilient

What, then, might a vision of 'good work' look like? For Coats, the elements oriented to the positive development of work quality and effective work organisation include:

- Secure and interesting jobs that employees find fulfilling, which contribute to the achievement of high performance and sustainable business success
- A style and ethos of management that is based on high levels of trust and recognises that managing people fairly and effectively is crucial to skilled work and high performance
- Choice, flexibility and control over working hours
- Autonomy and control over the pace of work and the working environment
- Voice for employees in the critical employer decisions that affect their futures

Data from across all EU member states (Parent-Thirion et al, 2007) suggests that there is considerable variability in self-reported autonomy in European workplaces. The Figure below shows the levels of autonomy at work reported by workers in each member state. It indicates that employees in Nordic countries, for example, report higher levels of autonomy than their counterparts in Eastern Europe.
Clearly, looking after a firm’s human capital is not just a physical concern with developing a safe, high quality working environment. It is also a matter of making employees feel trusted, appreciated and valuable. Grzywacz & Dooley (2003) suggest that it is healthier for people to be in jobs that are “psychologically good” but which may lack certain economic benefits, than to be in jobs that are economically good but lack psychological benefits. People in “psychologically good” jobs showed no difference in health from those in “optimal” jobs (jobs which were both psychologically and economically good) but those in jobs that were only economically good were less healthy than those in optimal jobs (though still healthier than those in inadequate jobs). Therefore, poor health in the workplace does not only mean unsafe working practices and long hours, but also may be caused by a failure to allocate...
control or responsibility to an employee, or aggressive management practices such as downsizing and frequent change imposed on workforces rather than introduced by consent and consultation (Kivimäki et al, 2000; Woodward et al, 1999).
3. Work organisation, rising skill levels and work intensification

One major influence on the quantity of ‘Good Jobs’ in modern organisations is the growing intensity of work. Michael White (White et al, 2004) has explored the impact of so-called high performance work systems and the implementation of family friendly policies and has found evidence of both work intensification and declining flexibility. In some ways this is surprising because it has often been assumed that “high performance work systems” are in their very nature better for employees. It is said that multi-skilling, multi-tasking, flatter hierarchies, more team working and more joint problem solving are all associated with better health and higher levels of job satisfaction. “High performance jobs” are by definition richer and more fulfilling jobs and the quality of employment will inevitably improve as the knowledge economy develops and as market forces push more jobs up the value chain.

These studies are important because they make clear that this process is not automatic. New forms of work organisation can be associated with a deterioration of the working environment as well as improvement. Francis Green (Green, 2006) has suggested that rising skill levels have also been matched by a process of work intensification, with an increasing number of workers saying that they are “working under a great deal of tension” and agreeing strongly with the statement that “my job requires me to work very hard”. However, he notes that in some countries the phenomenon seems to have peaked in 1997 and there has been no deterioration since that time. Nevertheless, it is reasonable to conclude the employees really do believe that they are working harder than they were fifteen years ago. Furthermore, there is some evidence that the pace of work and the rate of change have accelerated. Combined with Gallie’s findings on declining task discretion it also seems reasonable to infer a significant decline in control in the workplace (Gallie, 2007).

Figure 2 shows how, between 1991 and 2005, self-reported work intensity has changed in the EU 15 countries.
Green has also located some of the rising dissatisfaction with work in a mismatch between employee skill and the nature of the jobs they are doing. While employers’ skill requirements...
may have risen, workers’ levels of formal qualification have risen faster so that an increasing proportion of employees are overqualified for the jobs that they do. Inevitably this feeds through into lower levels of job satisfaction. Employees get frustrated that they are unable fully to deploy their skills. Boredom is of course one of the factors that produces adverse health effects and it is reasonable to suggest that employees who are both overqualified and underutilised will have a profound sense of their status.

This raises some interesting questions about the ability of employers to make the best use of a highly skilled workforce. In other words, Green’s phenomenon of skills mismatching could intensify as levels of formal education rise and employers continue to offer routine and rather unrewarding jobs. Ewart Keep and Ken Mayhew have suggested that little will change until regulation forces employers to adopt “high road” rather than “low road” product market strategies. In other words, only government intervention can require employers to think innovatively about how they unlock the talents of all their employees. If nothing is done then employers will be able to continue to make the otherwise rational choice that good profits can be made from low quality, undifferentiated, mass-market products, produced by a low productivity workforce – and such organisations will be offering the kind of “bad jobs” associated with the deepest experience of the “status syndrome” described by Michael Marmot and colleagues (Marmot, 2006).

Clearly recessionary pressures have shifted the focus of policy-makers, employers and workers away from ‘good jobs’ to ‘any jobs’ and there has been an understandable emphasis on the quantity rather than the quality of work. In such times it might be argued that some elements of the European Social Model are luxuries which cannot be afforded and that compromises need to be made on aspects of social protection and employment rights. If labour markets are to be made more flexible, the argument goes, – and thereby support job creation and wage flexibility – it will be important to suspend some of the employment practices which work better during periods of sustained growth. The counter argument is put by, among others, the ETUC:

“Otherwise, this is the recipe for a ‘race to the bottom’, with workers paying the price of increased competition through declining standards and working conditions, and firms competing by lowering working conditions instead of by investing in innovation and knowledge.” (ETUC, 2007)

These are important considerations as we examine the role of public policy in creating an environment that enables employers in their turn to create and sustain more “good jobs”
Conceptions of ‘good work’, of new and emerging forms of work organization and of the creative management of human capital come together in the notion of a ‘high performance workplace’. The term both describes the outcomes achieved through new forms of work organization and provides a shorthand for particular sets of human resource practices that are said to contribute to those outcomes. A number of other terms have been used to describe workplaces that draw on these practices including “high commitment management, high-involvement systems, transformed workplaces [and] flexible production systems” (Wood, 1999). However, the high performance workplace receives its most systematic exposition in the development of the idea of High Performance Work Systems (HPWS).

Originating in the United States, and building on Human Resource Management’s insights into the importance of “bundling” policies and processes, HPWS identifies an interacting series of human resource practices. Huselid (1995) in particular seeks to articulate the link between bundles of practices and organisational performance and Guthrie (2001) further develops the idea that HPWS are composed of a set of interrelated and coherently implemented HRM practices rather than a single policy.

As an example, HPWS attend to concerns over employee participation, and they do so at multiple levels. They seek to provide employees with the opportunity to participate; the skills and capacity to participate; and the incentive to participate (Appelbaum et al., 2000; Osterman, 1994). The overall intention of HPWS, according to Guthrie (2001), is to recruit, develop, motivate and retain an engaged and productive workforce:

- that possesses superior abilities in problem-solving, work- and task-related behaviour and initiative;
- that can apply these abilities in their work;
- that this results in the organisation achieving superior performance (in those areas over which the workforce has control) and thus competitive advantage;
- and that these performance gains be sustainable.

Elements of a HPWS thus include:
Staff selection procedures: using multiple modes of selection such as tests, simulated practice, as well as interviews, to screen recruits in multiple ways and, in theory, ensure high quality (see Dessler, 2000; Way & Thacker, 2001).

Competitive compensation rates, achieved particularly through group-related performance pay: these help retention and also align employee interests with those of the firm. (Blasi et al., 2000; Guthrie, 2001).

Communication: providing formal, and visible, processes by which employees can express opinions (e.g. Huselid, 1995).

Job rotation/flexible work assignments;

Training;

Organising employees into self-directed teams.

The last three of these are believed to broaden the range of skills and “behavioural scripts” (ways of working) in a workforce and to increase motivation (e.g. Noe et al., 1997; Elmuti, 1996; Becker & Huselid, 1998).

The suggested reasons why HPWS work - that is, why they can increase company performance, quality of working life and employee commitment - are similar to those given to justify the raising of the quality of the work environment and other forms of work-based participation. Appelbaum et al. (2000) specifically cite improvements in the abilities of staff, motivation and opportunity to participate, all of which can result in higher productivity and better organisational performance (see also Wood, 1999). The organisation which adopts HPWS is better able to attend to rapid technological (and other environmental) changes, and withstand competitive pressures from other organisations and economies (Osterman, 1994).

Huczynski & Buchanan (2001) claim that organisations with HPWS have higher levels of productivity and lower employee turnover. They claim a figure of almost $4,000 per employee in increased profits. Becker & Huselid (1998) studied the relationship between HPWS and financial performance in approximately 4,000 firms and those which adopted a significantly greater number of HPWS practices reported higher values of shareholder equity (24%) and higher accounting profits (25%).

Over the last decade, numerous further empirical studies and development projects have indicated that some workplaces are indeed adopting new forms of work organisation and other advanced HRM practices, and that this is occurring across the globe (Antila & Ylöstalo, 1999; Appelbaum et al., 2000; Cully et al., 1999; Gustavsen et al., 1996; Huselid, 1995;
MacDuffie, 1995; Ramstad, 2005; Whittington et al., 1999). Examples from around the EU (as summarised from Brodner & Latniak, 2002a) include:

- **Sweden**: A survey of 2000 operating units found that 25 per cent had a flexible organisation with decentralised responsibilities. These practices are most commonly found in finance, trade and manufacturing sectors, while traditional work organisation patterns were still widespread in areas such as construction and communication. The findings indicated that flexible organisations were between 20 and 60 per cent more productive, had a much lower rate of personnel turnover, and had lower rates of illness and absenteeism than units operating along traditional lines. Additionally, use of information and computer technology was more effective in flexible organisations, reducing lead times and delivery times. A second study covering operational units with more than 20 employees has confirmed this increased productivity.

- **Finland**: Within the framework of the National Workplace Development Programme, interviews were conducted with 1384 private sector management representatives to examine the economic implications of “functionally flexible enterprises” in comparison with traditionally organised ones. The two features of functional flexibility were opportunities for employee participation in decision-making, and elements of continuous learning in work. The study showed that flexible businesses were 50 per cent more productive than traditional firms, and paid their employees on average 30 per cent higher wages.

- **Germany**: A process innovation survey in the investment goods industry, utilising data from more than 1300 organisations, yielded similar results. Flexible enterprises using various new forms of work organisation enjoyed greater productivity, especially if several of these new practices were implemented together. These new forms of work were also found to have a positive impact on product quality and lead times.

- **Europe-wide**: The Employee Participation in Organisational Change (EPOC) survey, encompassing more than 6000 businesses within EU member states, again confirmed these findings. Among firms which have implemented semi-autonomous groups as part of their flexible organisation, 68 per cent enjoyed reductions in costs, 87 per cent reported reduced throughput times, 98 per cent improved products and services, and 85 per cent increased sales.

Although there has been a great deal of support from policymakers for new HRM and organisational practices, and empirical evidence of the sort reviewed above indicates that such innovations are accompanied by gains in productivity and efficiency, many commentators have noted that businesses making use of such techniques are still very
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much in the minority (see Edwards et al., 2002; Lloyd and Payne, 2002). Across both Europe and the US, take-up of the more advanced versions of semi-autonomous team working, as well as the full-blown high performance work model, remains extremely limited (see EEF and CIPD, 2003; Sung and Aston, 2005; Cully et al., 1999; Milkman, 1998). Many firms continue to make use of standardised, low skill strategies of production and neo-Taylorist forms of work organisation focused on cost minimisation (Pruijt, 2000; Warhurst & Thompson, 1998).

There is evidence also that certain national institutional arrangements exacerbate this problem of shifting from ‘low’ to ‘high’ road strategies of work organisation and quality. For example, it has been argued that in the UK and the US, many businesses are forced to follow low value-added, low skills, low innovation strategies due to a combination of regulated labour markets, weak trade unions, and pressure on companies to maximise short-term shareholder returns (Keep, 2000; Lloyd & Payne, 2002; Geary, 2003). This is an example of the inherent tensions between the European Social Model and the so-called Anglo-Saxon model which favours deregulation of labour markets.

Whatever the specific drivers, however, further research conducted in the EU and Nordic states (and again summarised below from Brodner & Latniak, 2002) indicates that although many workplaces have tried out various individual practices, very few have attempted to implement these in a comprehensive or systematic way:

- The EPOC survey data of 5768 organisations in ten EU member states demonstrates that 33 per cent of enterprises made use of group delegation, in which ‘rights and responsibilities are granted to groups of employees to carry out their common tasks without constant reference back to managers’. However only 4 per cent of all workplaces could be characterised as proper ‘team based organisations’ with high coverage and intensity of group delegation (Benders et al., 1999).
- The spread of flexible working practices across Denmark, Finland, Norway and Sweden was studied in the Nordflex project, gathering data from roughly 6000 organisations. Workplaces were identified as ‘front-runners’ if they displayed a high degree of decentralised responsibility and systems of organised human capital development, and made use of teams, job rotation and compensation linked to results or quality. Only 13 per cent of private sector workplaces in Denmark, Finland and Sweden fulfilled all criteria, and in Norway this proportion was as low as 5 per cent (NUTEK, 1999).
- In the UK, the 1998 Workplace Employee Relations Survey studied 2191 firms and found that although some form of team working was widespread, only 3 per cent of organisations could be described as using a model of ‘fully autonomous team
working’ where teams make decisions about how work is to be done, as well as appointing their own leaders (Cully et al., 1999).

- The INNFORM project conducted a survey of 459 large and medium-sized companies in the UK, Germany and other Western European nations. While many companies were found to have changed their organisational structures, processes or boundaries, very few exhibited change across all three dimensions, leading the report’s authors to conclude that holistic or systemic transformation is still very rare, involving fewer than one in twenty European firms’ (Whittington et al., 1999: 594).

- A study of the extent of organisational decentralisation in the German capital goods producing industry was carried out by Brödner & Latniak, (2002). Their findings indicated that strategic decentralisation, in the form of reduction of hierarchy levels, use of production segments, reorganization of central departments into customer or product-related units, occurred far more frequently than operative decentralization, such as the dissemination of group work, task integration and decentralization of planning and control functions. Only 11 per cent of companies surveyed had applied both types of decentralisation, while 46 per cent had not introduced significant changes at either level.

Current research into the distribution of new forms of work organisation has established a diversity - if not polarisation - of working arrangements (Appelbaum & Batt, 1994; Pruijt, 2000). Bosch (2000) distinguishes three patterns: ‘Taylorist’ (individual and group work determined by others), ‘participative’ (average characteristics of autonomy and participation) and ‘post-Taylorist’ work organisation (autonomous individual work and semi-autonomous group work). Meanwhile, Lorenz & Valeyre (2005) distinguished four forms of work organisation labelled the ‘learning’ (learning dynamics with high autonomy in decision-making), ‘lean production’ (learning dynamics with average and controlled autonomy), ‘Taylorist’ and ‘simple structure’ forms (see below).

The suggestion of a general shift towards a post-Taylorist form of work organization is open to further doubt in the face of evidence that new forms of bureaucratic control and repetitive tasks have even been extended within the advanced sectors of economies oriented to knowledge production (Altieri, 2002). Brödner & Latniak conclude that the overwhelming majority of companies prefer the low road, i.e. utilise more or less classical cost-cutting strategies, while a minority of companies, although often highly successful ones, take the high road of innovation (Brödner & Latniak, 2002).

Despite the very real impact of the HPWS concept on debates around work quality and work organisation, there remain many who are sceptical of its coherence as an idea and the empirical realities of its application as the ‘high road’ to the development of work and
employment. For example, opinions differ on how the various group-work designs on offer in HPWS actually contribute to organisational performance and thereby competitiveness. Moreover, as Innoflex (2003: 21) points out, ‘each country in Europe has different institutional, cultural and employment traditions’ and such differences are reflected in how the ‘quality of working life’ in high performance workplaces might be defined:

“In France, for example, quality of life is understood in terms of the relationship between remuneration and working hours on the one hand and learning and achievement in organisations on the other. In Scandinavia, debates on ‘good work’ have tended to focus more on objective parameters of work organisation. The debate in Spain has focused more on occupational health and participation. In Italy, although moves to more flexible working are widespread and have been designed to give workers more autonomy and responsibility, they have only been accompanied by minimal skills development.’

Some have disputed whether the HPWS approach really constitutes a distinguishable “system” at all or whether any evidence for its positive impact merely reflects the effective deployment of various standard elements of HRM (Danford et al., 2004). Despite Sung & Ashton’s (2005) emphasis on “synergy”, these assumptions remain basically untested (Ramsay et al., 2000: 504). It may also be the case that a HPWS cannot be engineered within an organisation as, in the way good HRM has been suggested to be, it may be the product of context-specific circumstances which have become embedded in a firm over a long period (see above).

A further note of caution about the benefits of HPWS is raised by a number of commentators in regard to its impacts on work intensity (Green, 2004a; Green and Tsitsianis, 2004). While HPWS can be seen to deliver benefits in the form of variety in (and flexibility of) work, the flip side of this move toward greater autonomy for employees can be an intensification of work where, for example, forms of self-organisation like trust-based working hours can easily lead to the ‘self-organised extension of working time’ (Voss-Dahm, 2006). Likewise, increased responsibility as a result of high performance work practices may lead to ‘higher stress, mental strain and job dissatisfaction’ (Bauer, 2004; Berg and Kalleberg, 2002; Askenazy and Caroli, 2003; Conti and Gill, 1998). These findings coincide with those of White et.al. (2003) who examine national survey data on the impacts of high-performance work practices on UK employees between 1992 and 2000. They argue that certain high-performance practices have become strongly related to negative spillover from work-to-home during this period and are likely to conflict with the aims of work-life balance policies.
Most studies suggest that a rising work effort can have a detrimental effect on work quality and the well-being of the workforce. Everything else being equal, work intensity is associated with physical and psychological ill-health and with increased vulnerability to occupational hazards (Danford et al., 2004; Boisard et al., 2003). In addition, it is also clear that individual resilience to work pressure varies. For example, some people are able to withstand high work intensity while others are not, and this simply results in a polarisation between those experiencing a high level of well-being in HPWS' and others suffering often severe psychological distress (Baudelot et al., 2003).

Finally, as high performance work practices can also increase labour costs, it is often the case that practical commitments to them are shaky, particularly in times of adverse economic conditions. Taylor (2002) reports that that “high-commitment” practices are more often spoken about by employers than actually practiced, particularly if senior management support is not forthcoming (see also Guest, 1989). Training and development are frequently neglected by companies focussed on cost-centred strategies to maintain their competitive advantage (Keep & Rainbird, 2003). HPWS may also increase the “cost” of labour from the point of view of the employee: this can be deleterious to other aspects of the work environment of individuals, particularly work-life balance (White et al., 2003). For Godard (2004), the logic of rising costs associated with high performance work practices may ultimately make the entre approach a self-defeating one. He argues that employers simply respond to these rising costs through an intensification of work and as a result employees lose faith in the practices, withhold discretionary effort and employers soon become convinced that the business benefits of high performance practices are, at best, limited (see also Konzelman et al, 2004 and Coats, 2006).

In 2009 a group of business and trades union leaders came together as The Good Work Commission to examine the evidence for and against the adoption of such practices and the contribution they can make, not just to performance and productivity, but to the societal and ethical standing of business. The Commission concluded (Parker and Bevan, 2011) that, not only was the weight of evidence strongly in favour of ‘good work’, but that business had a moral imperative to embrace its principles, especially in a post-recessionary environment. In the final section of the Commission’s final report focuses on some of the areas on which the Commissioners suggested that employers should focus if they want to weave ‘good work’ into the fabric of their organisations. It is to these themes that we turn in the final section of this paper.
5. A framework for creating more ‘good work’

If businesses are to harness the productive capacity of a more highly qualified workforce in an era of high unemployment and high job insecurity they will need to provide some of the core dimensions of ‘good work’. In this final section I set out some of the areas of policy and practice which organisations need to review if they are to make progress here.

**Meaning and purpose**

Finding meaning in their work is becoming a bigger priority for people and a key factor in employees’ commitment to an organisation – and must therefore form a significant part of employers’ strategic understanding of the employment relationship:

> What work means is personal to each individual and is made up of a range of factors which change over a working lifetime so, as an employer, you cannot assume you know what those are: you need to ask.

Leaders cannot provide meaning for people because it is subjective, but they have a vital role in providing clarity about the purpose of the organisation - this is, in turn, central to enabling employees to find meaning in their work:

> The current climate of public distrust in big organisations and business makes it particularly important for leaders to step up to this responsibility, conveying organisational purpose in a way that goes beyond financial value to encompass customers and social value as well. Don’t leave it too long to repeat these messages.

Job design can be a powerful way to improve employees’ experience of work, at the same time as delivering benefits to the organisation – and it applies to everyone in the workplace including, and possibly especially, those who do not have what the world may call ‘a good job’:

> Shaping workflow imaginatively to give people greater variety and autonomy, and a clear line of sight to how their contribution fits into the broader organisation and what value it gives the customer, helps to makes their job more purposeful and meaningful. Challenge your managers to approach job design with imagination.
**The explicit employment ‘deal’**

Pay is at the heart of the explicit employment contract – yet, a sense of fairness about how pay is allocated is as important to employee motivation as absolute levels of pay:

> The powerful and growing trend towards greater transparency of rewards offers the opportunity to establish what is considered fair within the organisation, create clarity about pay structures and set out shared values, in a way which builds trust. Pay structure transparency must be assessed regularly.

Gender, and other, inequalities persist in the workplace – but the underlying causes are as likely to be in processes and culture that set expectations which perpetuate disadvantage, as in the pay structures:

> Tackling inequality means exploring whether the design of recruitment, assessment and promotion processes and procedures, often unintentionally, mitigate against equal chances of progressing through the organisation. A CEO asking tough questions about the causes and consequences of inequality sends a powerful message.

The focus in union negotiations today is increasingly on mutuality, i.e.: how to make the contract work for both employee and employer – which represents a big shift away from the ‘win-lose’, adversarial assumptions of the past:

> A new and broader agenda has emerged for the unions, encompassing a range of issues, including flexibility, diversity, skills and employability, which address the contemporary issues of concern to today’s employees, whether or not they are union members. If you are trapped in win: lose, have frank discussions with staff representatives about both the easy and hard win: wins you can jointly achieve.

**The implicit employment ‘deal’**

The experience of work on a day-to-day basis is not what is captured in the formal contract, but is implicit in the expectations, processes, values and relationships in the workplace - and the effective management of these factors is what can create a good experience of work for individuals, and committed and an engaged workforce:

> Making the connection to the purpose of the organisation, and their part in it, is the basis of engaging employees’ best efforts - i.e.: elevating it above a
mechanistic set of processes designed to deliver ‘employee engagement’, to focus on what makes the whole enterprise meaningful. Make engagement mean something more than just a staff survey score.

The established business case for employee engagement is a win: win, resulting in improved performance and productivity for employers and a better experience of for work employees – and creating a committed and engaged workforce requires being honest about the time and resources you invest in managing a complex mix of factors, including:

- **Flexibility** – giving employees scope to manage their time better, including the balance between life at home and at work.
- **Autonomy** – providing a level of discretion and self-governance over how they do their job.
- **Employee voice** – involving employees in decisions which affect them, and in how they can improve their work and the effectiveness of the organisation.
- **Development and personal growth** – offering the opportunity to learn new things and pathways to progress in their working life.

To a large extent, front line and local management define employees’ day-to-day experience of the workplace – so they are instrumental in the organisation’s ability to offer ‘good work’, as well as to ensuring an engaged workforce and business results:

*How line managers are selected, trained, equipped and measured is a critical success factor for any organisation. It is essential to send clear and frequent messages about what is expected of them and the importance of their contribution to making your organisation a great place to work.*

**Coping with job loss**

Redundancy is a recognised reality of the modern labour market, so an organisation’s ability to handle job losses well should be seen as a test of its claim to be a good place to work, rather than a negation of it – the key issue is how it is managed:

*The same principles that can help create ‘good work’ apply to managing redundancy effectively, from establishing transparency and fairness in terms and conditions, to involving employees in the solutions and investing in skills for the long term - and ensuring the leadership, from senior management to the front line, are able to communicate with authenticity. You need your Senior managers to do this consistently.*
In recent years, employers and employees have worked together to find innovative solutions to mitigating the most damaging effects of redundancy; on occasion, with the involvement of the unions - with the goal of protecting jobs for the long term:

The new approaches devised under pressure in the face of large scale redundancy programmes can provide the basis of new collaborative ways of working for the longer term. Make sure you are open to constructive dialogue about this.

In a world where employers cannot guarantee a job for life, they can help equip people with employability skills for life – which is fast becoming an individual’s best security in a dynamically changing market place:

This involves the employer in providing training and development opportunities while people are still in employment to ensure they have transferable skills and capabilities and, if people’s posts are being made redundant, actively supporting them in their search to find new, high quality, work.

As businesses across Europe strive to rebuild their market share, their profitability and their reputations, they will need to embrace new ways of working and to forge new ‘deals’ with their workforces and other stakeholders. Approaching this challenge by adopting the principles of ‘good work’ is the progressive way forward. Approaching this challenge by adopting the principles of ‘Good Work’ is the progressive way forward which builds on some of the wider principles of the European Social Model. In the words of the Good Work Commission Chairman:

“The recent financial crisis crystallised a lot of profound concerns about how we do business…but the bigger trend is how ‘good work’ can be at the heart of high performance organisations. Whether as an individual or as an organisation, it is a key ingredient in creating the winners of tomorrow.”

Alan Parker, Chairman, Brunswick Group
Chairman, The Good Work Commission

Good Work, High Performance and Productivity
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