European Foundation for the Improvement of Living and Working Conditions

Flexibility profiles of European companies

European Company Survey 2009

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Authors: Marcel Kerkhofs, Amelia Román and Peter Ester
Research institute: OSA Institute for Labour Studies, Utrecht, the Netherlands
Research managers: David Foden, Greet Vermeylen and Agnès Parent-Thirion
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Wyattville Road, Loughlinstown, Dublin 18, Ireland - Tel: (+353 1) 204 31 00 - Fax: (+353 1) 282 42 09 / 282 64 56
email: information@eurofound.europa.eu - website: www.eurofound.europa.eu

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Wyattville Road
Loughlinstown
Dublin 18
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Fax: (+353 1) 282 42 09 / 282 64 56
Email: information@eurofound.europa.eu
http://www.eurofound.europa.eu

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Foreword

Improving labour market flexibility was one of the key elements of the Lisbon Strategy in making Europe more dynamic and competitive. Against this background, Eurofound – through its second European Company Survey 2009 (ECS 2009) – examined flexibility practices and social dialogue in 27,000 establishments throughout Europe, finding that the most common type of flexibility in European companies was working time flexibility.

This secondary analysis of the survey findings looks in closer detail at working time flexibility. Working time flexibility, in addition to having the potential to enable European companies to compete better in a globalised economy, can also improve the work–life balance of employees; besides boosting quality of life for these workers and their families, a better resolution of the sometimes conflicting demands of work and home may assist more citizens in entering and remaining in the labour market, another key goal of European policymaking.

In order to examine the broader impacts of working time flexibility, this report draws up a typology of 'clusters', based on both the extent of flexibility demonstrated by surveyed companies and the nature of that flexibility. The analysis then goes on to examine which company characteristics are associated with these clusters, and what are the associated outcomes in terms of corporate performance.

We trust that this report will help further understanding of the phenomenon of working time flexibility, and contribute to the policy debate – for the benefit of European citizens, companies and competitiveness.

Jorma Karppinen
Director

Erika Mezger
Deputy Director

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Executive summary

Introduction

The flexibility practices of European companies were the subject of the European Company Survey (ECS) conducted by Eurofound in 2009. Managers and, where available, employee representatives in 27,000 companies were interviewed to establish what kind of flexibility measures were in place and how they were used. The results showed that the most common type of flexibility in companies across the EU Member States, Croatia, the former Yugoslav Republic of Macedonia and Turkey is working time flexibility. What became apparent is that flexibility measures are not used in isolation but are combined in packages. The aims and objectives behind the use of these clusters of practices diverge as well. In this report, a typology is developed which allows distinguishing between five flexibility profiles – differing in extent as well as focus. The report goes on to examine how the five profiles are linked to certain company characteristics and to company performance.

Policy context

Flexibility is a recurrent subject on the European policy agenda. When the European Employment Strategy was introduced in the mid-1990s, the adaptability of the workforce and of companies was already discussed. Later and especially in recent years, the debate has moved on to examining models and merits of flexicurity. The Lisbon Strategy clearly linked Europe's competitiveness and progress to improved labour market flexibility. And achieving smart, sustainable and inclusive growth – the priorities outlined in the recent Communication *Europe 2020* – is also inconceivable without flexibility. The challenge, recognised in the European debate, lies in finding an appropriate balance between the flexibility needs of the organisation – enabling it to respond to market pressures and the demands of customers – and those of the workforce striving to achieve a balance between work and non-working life.

Key findings

- Five flexibility profiles were constructed based on information about flexible working hours, irregular working hours, overtime, part-time work, temporary agency work and fixed-term contracts, variable elements of pay and autonomous teamwork.
- The five profiles distinguish between both the extent and the focus of the flexibility practices.
  1. Companies belonging to the 'low flexibility' profile use less of all available flexibility options than the average establishment. About 18% of the establishments belong to this category.
  2. About 7% of the establishments have low take-up rates of almost all flexibility options except for working at irregular hours, at night and during the weekend. This is the 'moderate flexibility, long operating hours' profile.
  3. The 'moderate flexibility, agency work' profile is characterised by establishments using agency workers more than other establishments, and being average or below average for use of the other flexibility items. 24% of the establishments belong to this category.
  4. The 'high, HR-based' flexibility profile uses flexibility as an instrument to motivate employees and to be an attractive employer, not because flexibility is dictated by the character of the product or the product market. These companies make above average use of flexible working hours, overtime, temporary agency work and performance-related pay schemes. 24% of establishments belong to this category.

5. Establishments belonging to the 'high, operational' flexibility profile make extensive use of work at irregular hours, part-time work, overtime, fixed-term contracts and autonomous teamwork. These flexibility instruments are used in order to operate during long operating hours as required by the product or the product market.

- Each type of profile is represented in every country and in no country does one of the profiles account for a majority of the establishments. 'Low flexibility' companies are found less often in the northern parts of Europe. 'High flexibility' organisations are underrepresented in the Mediterranean countries.
- It is possible to relate the flexibility profile of a company to the sector of economic activity. The 'high, HR-based' flexibility profile applies most to organisations in the commercial services sector, especially financial intermediation and real estate. The 'moderate flexibility, agency work' profile applies to many organisations in manufacturing and construction. The latter sector also has the highest percentage of 'low flexibility' companies.
- There is a strong correlation between the flexibility profile and the size of the workforce. Larger organisations more often adopt a high-flexibility profile, especially the 'HR-based' high flexibility profile. 31% of organisations with 500 or more employees fall into this category. In organisations with 50 or more employees, the proportion of low-flexibility organisations is below average.
- The flexibility profiles can also be linked to performance indicators. However, it is important to keep in mind that the ECS relies on the subjective response of managers with regard to financial performance of the company, changes in personnel numbers and difficulty in recruiting and retaining staff. Also, the linkages summarised below do not indicate a causal relationship.
- Establishments belonging to the highly flexible 'HR-based' profile are generally doing better financially compared to the other profiles. They have incorporated flexibility and make use of performance-related pay to reward achievement. More establishments with this profile have also experienced an increase in their workforce over the past three years.
  - 'Low-flexibility' establishments have experienced more cutbacks in personnel and report a poorer financial performance.
  - On average, more than half of the establishments indicate that their labour productivity is better than in similar establishments. Based on the assumption that increased productivity is associated with 'working smarter' (including the use of some sort of flexibility, rather than working longer), it is not surprising that establishments belonging to the 'moderately flexible, long operating hours' profile show the least increase in labour productivity.
  - Establishments belonging to the high flexibility profiles with their focus on flexible hours are those performing better. The highest percentage of establishments with an increase in labour productivity belong to the 'highly flexible, HR-based' profile which may indicate that the management strategy for organisations in this cluster is paying off.
  - 'Low flexibility' organisations have the least difficulty in finding and retaining staff. Companies with a 'highly flexible, HR-based' profile have more difficulties than the average establishment to find high skilled staff, whereas those emphasising flexible hours for operational reasons report slightly greater than average difficulties in finding high-skilled and low-skilled staff.

Policy pointers

This report underlines the relative strengths and weaknesses of each of the five flexibility profiles. This information might help managers and employee representatives to focus on these points and address issues relevant to their own circumstances.

Looking to the future, it will remain important to understand:

- how companies behave;
- their reasons for adopting specific workplace practices;
- the ways in which they implement them;
- what impact these choices have.

The actions taken within companies and workplaces will be decisive in securing progress towards smart, inclusive and sustainable growth as outlined in the Europe 2020 strategy. The European Company Survey can make an important contribution to the understanding of company behaviour in this context.

Introduction

The European Company Survey 2009 (ECS 2009) interviewed managers and, where available, independent employee representatives at company level in a representative sample of companies (and public-sector organisations) with 10 or more employees. The survey, for which fieldwork was conducted in the first quarter of 2009, examined both the range of flexibility practices within the company and workplace social dialogue. The survey followed the same design as the European Survey on Working Time and Work-Life Balance (ESWT), which was run in 2004–2005 and focused on working time arrangements in companies.

The survey was undertaken in all EU Member States plus Croatia, the former Yugoslav Republic of Macedonia, and Turkey. When interpreting the results, it is important to bear in mind that at the time of the survey, the recession had started to have a serious impact in some countries and sectors of activity while, for other countries and sectors, the impact at this time was relatively limited.

Two factors provided the background to the survey. The first was the continuing efforts to meet the Lisbon objectives of the European Union, especially those concerning employment rates. For these targets to be met, the employment available must take account of the needs of employees to combine work with their other responsibilities and activities. Flexibility practices are in this context a central focus of debate. They may offer the key to achieving an acceptable work–life balance by permitting individuals to match the times and locations at which they work to their other requirements. But they may also require employees to be available for work at times and in ways that are inimical to their work–life balance.

The second background factor was the need for companies to respond to market pressures and the demands of customers (the quality and price of goods and services, timely delivery and responsive service). This need also places flexibility practices at the heart of matters – whether in terms of working time, contractual flexibility, remuneration or how work is organised.

The discussion on flexibility is important for a number of recurrent topics in the policy agenda at European level. The issue of adaptability has featured from the beginning of the European Employment Strategy in the mid-1990s (following ratification of the Amsterdam Treaty) and the theme of flexicurity has been central, especially in recent years. Both imply that success lies in finding an appropriate balance within organisations between the different forms of flexibility (contractual, functional, temporal, etc.) and ensuring that this reflects the needs of the organisation and its workforce. Though couched in different terms, the emphasis in the recent Communication *Europe 2020: A strategy for smart, sustainable and inclusive growth* (European Commission, 2010) can be seen to have very similar implications for practice at local level.

The survey offers the possibility to analyse how in practice these two drivers of flexibility have been addressed in different organisations; this is the focus of the present report. The objective was to build on work carried out in the context of the ESWT where the data were used to derive a typology of establishments in terms of the flexibility practices adopted by European companies. Such a typology is useful in studying how separate practices (such as the use of overtime, working at irregular hours or hiring temporary agency workers) are combined into flexibility strategies or profiles. In addition, the typology can be seen as a form of data compression, which allows a more structured analysis of how flexibility practices are related to company characteristics (such as sector, country or number of employees) and performance measures.

Using ESWT data, a typology was derived that distinguishes between six flexibility profiles, which differ both in the extent and the focus of the flexible practices employed (Chung et al, 2007; Kerkhofs et al, 2008). This result emphasises the fact that flexibility should not be treated as a one-dimensional concept as if it were a bundle of practices from which companies can pick and choose.

For example, two profiles in this typology stand out due to their above-average use of flexibility arrangements while striking a different balance between the company's and the employee's interests. One can be seen as more 'employer-friendly': it makes greater use of night or weekend working; these are generally considered as unsocial working hours, which make it more difficult for workers to combine a paid job with activities in other areas of their life, such as care tasks or schooling. The other might be seen as more 'employee-friendly', leaning more towards flexitime arrangements. However, some employees prefer to work hours that are normally seen as 'unsocial' because such hours better fit their personal circumstances; conversely, some flexitime arrangements might suit the employer, providing an alternative to paying premium rates for overtime, shift or weekend work.

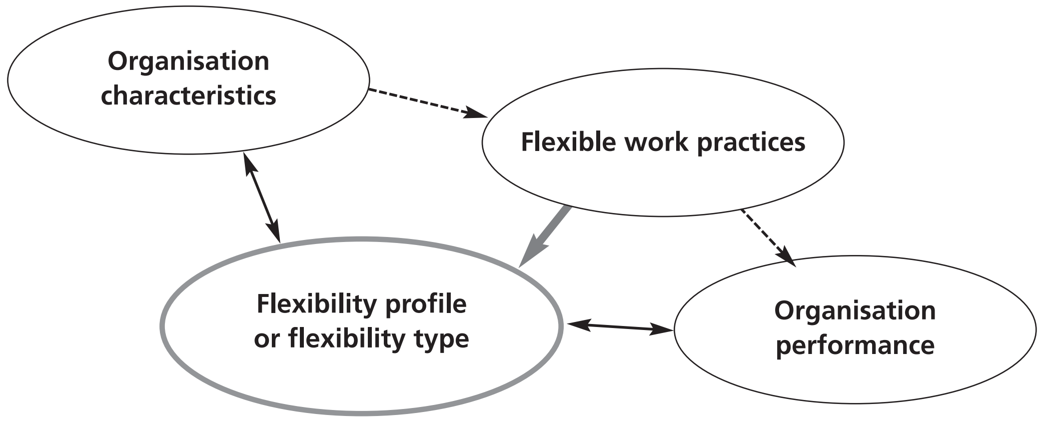
The purpose of this report is to explore the scope for constructing a similar typology based on the new information from the ECS 2009. Some of the indicators used to construct the ESWT typology are also available in the ECS 2009 data but others are not. For example, the information on part-time work or overtime that was used from the ESWT survey is also available in the ECS 2009, but the information on irregular working hours and contract flexibility is slightly different and the information on leave schemes and early retirement options, which was used from ESWT, is not available in the ECS 2009. On the other hand, the ECS 2009 contains additional information on related 'new' topics – such as performance-related pay schemes and the use of autonomous teamwork as indicators of modern, decentralised work practices – which could be very useful for the construction of flexibility profiles.

The report is organised as follows. Chapter 1 describes how the typology is derived and Chapter 2 discusses the resulting flexibility profiles. Chapter 3 looks at how these types of companies are distributed across the 30 countries covered by the ECS 2009. In Chapter 4, the flexibility profiles are related to other company characteristics such as sector and size. Chapter 5 compares how well companies with different flexibility profiles are doing with respect to a range of performance indicators available in the ECS 2009. These indicators relate to various aspects of company performance such as workforce growth, the financial situation and labour productivity, and whether the company needs to reduce its staffing levels, or experiences difficulty in recruiting and retaining staff.

Constructing a flexibility typology 1

The information about various aspects of flexibility in the ECS 2009 can be seen as a measure of company practices. The flexibility typology identifies communalities in these measures and provides insights into the way in which different elements of flexibility are implemented. As well as providing a coherent description of company strategies, the typology also summarises the information to allow a comparison of flexibility strategies between different types of companies or between countries. This analytical framework is shown in Figure 1.

Figure 1: Analytical framework



Assuming that different organisations adopt different practices that may affect their performance, the role of the typology is to summarise the information on a range of flexibility issues such as working time practices. This requires a set of indicators that represent this information at establishment level.

Table 1 lists those indicators available in the ECS 2009 dataset on seven flexibility themes. The first five were also used to derive the typology for ESWT data. The final two (pay flexibility and teamwork) were not covered in the ESWT. Leave arrangements, work–life balance and early retirement options are three themes that were covered in the ESWT but not the ECS 2009. Teamwork is included as it may indicate that work is organised in a less 'top–down' fashion, less hierarchically and with more autonomy left to (teams of) workers.

The typology derived in this report is based on a descriptive statistical analysis of the information in the ECS 2009. The resulting flexibility typology and flexibility profiles are therefore primarily descriptive, not normative. References to these profiles as being 'low flexibility' and 'high flexibility' profiles should not be taken to convey any normative judgement as to the desirability of more or less flexibility.

A similar remark may be made in relation to the individual measures captured by the profiles. Taking the example of part-time work, the advantages and drawbacks of the arrangement for workers and employers, respectively, depend on the context and the details. Part-time arrangements may enable employers to deploy staff at periods of peak demand, but on the other hand, most part-time arrangements are not inherently flexible and may be difficult to manage. From the perspective of employees, part-time work may assist in mitigating pressures on work–life balance for some (though

Table 1: Potential indicators in the ECS 2009 for construction of a flexibility typology

Indicator	Percentage of establishments implementing the indicator	Question in the ECS 2009
Irregular/unsocial hours		
Irregular hours (night or weekend)*	46%	MM200
Work at night	19%	MM200_01
Work on Saturday	42%	MM200_02
Work on Sunday	24%	MM200_03
Shift work*	32%	MM201
Part-time work		
Part-time work	64%	MM250
Part-time work by at least 20% of employees*	27%	MM250
Part-time work offering flexibility according to establishment's needs	23%	MM252_03
Short part-time work (fewer than 15 hours per week)	20%	MM254
Flexible working hours		
Flexible working hours	54%	MM300
Flexible working hours for at least 20% of employees*	42%	MM302
System for accumulating hours (time banking)	37%	MM303
Overtime		
Overtime work	69%	MM350
Overtime work by at least 20% of employees*	48%	MM350
Contract flexibility		
Flexible contracts	65%	MM400
Temporary-agency workers or freelancers*	36%	MM400
Temporary-agency workers	21%	MM400_01
Freelancers	20%	MM400_03
Fixed term contracts	53%	MM400_02
Fixed term contracts for at least 20% of employees*	14%	MM402
Pay flexibility		
Collective wage agreement	64%	MM450
Collective wage agreement for at least 20% of employees*	63%	MM450
Performance pay scheme	35%	MM454
Individual performance pay scheme for at least 25% of employees*	21%	MM455
Individual performance pay scheme for at least 50% of employees	17%	MM455
Collective performance pay scheme for at least 25% of employees*	13%	MM456
Collective performance pay scheme for at least 50% of employees	10%	MM456
Profit sharing scheme	12%	MM460
Share ownership scheme	4%	MM463
Organisation of work		
Work in teams an important characteristic	82%	MM558
Work in autonomous teams*	22%	MM559

Note: The indicators are based on variables from the ECS 2009 and are recoded to indicate whether the specific feature applies to the establishment or not. Asterisks indicate the indicators that have been used to construct the typology.
Source: ECS 2009

for workers with care responsibilities, the attractiveness of part time as a solution can be seen only in the context of the availability or otherwise of affordable support services). But for others, full-time employment would be preferable both for reasons of income and to make full integration in the workplace easier. Thus it is not possible to judge in the abstract whether part-time work is 'good' or 'bad'.

The typology was developed as a means of summarising the information in the ECS 2009 on what flexibility options are applied in its representative sample of European companies. It is therefore essentially data-driven. It is not based on theoretical preconceptions and considerations about flexibility, and is effectively shaped by the availability of information on flexibility in the ECS 2009.

In the recent European policy discussions on the labour market and social security reforms, flexibility is treated as a broad and powerful concept covering a heterogeneous collection of instruments and policy measures that are thought to increase a company's potential to adapt to the demands of technological change and increased international competition (for a discussion of the literature on flexibility, see Chung et al, 2007; see also Chung, 2009). In addition, flexibility is often considered to promote better opportunities for employees to combine paid work with activities in other life domains such as care tasks or participation in training and education.

Besides potentially having a positive effect on the work–life balance of employees, flexibility may also be beneficial for employees if employment prospects and employment security are boosted by increasing the adaptability and competitiveness of the companies in an economy, or by implementing accompanying policy initiatives that balance the needs for flexibility and security (Wilthagen, 1998; Houwing, 2010).

In view of the different interests and objectives, the success of a company's flexibility strategy may be expected to depend crucially on how the strategy is implemented – for example, whether the implementation is coordinated with those employees whose working conditions are affected or with their representatives. Raising the degree of flexibility may be more effective if the flexibility measures involved are to a large degree voluntary, or if employees are compensated by a financial reward (for example, for working at unsocial hours). Information on such practical aspects of the implementation could increase understanding of the flexibility strategies of European companies, but requires detailed information that is not available in the ECS 2009 and therefore remains outside the scope of the flexibility typology presented in this report.

Selection of indicators for the typology

The indicators that best represent the seven themes were selected on the basis of a preliminary factor analysis. These indicators are marked with an asterisk in Table 1. Where possible, the indicators selected are based on a threshold level of employees to which the characteristic applies – for example, 'overtime work by at least 20% of employees' rather than whether overtime has been used by the establishment. Such thresholds make the information comparable across establishments of different sizes and also exclude marginal use.

For pay flexibility, three indicators are used:

- whether 20% or more of the employees are covered by a collective wage agreement;

- whether individual performance-related pay schemes are used in the establishment;
- whether collective performance-related pay schemes are used in the establishment.

This choice of indicators allows collective and individual performance pay schemes to be distinguished.

Similarly, the indicators selected for contract flexibility distinguish between agency work and fixed-term contracts.

The fact that the themes and their indicators are not identical to those used in the construction of the ESWT typology will inevitably lead to a typology that is conceptually different and not comparable over time. However, the fact that the first five themes overlap provides some common ground in both typologies. In addition, the method used to derive the typology is exactly the same. This approach is entirely data driven. Neither the types of companies that would be distinguished nor the number of profiles are known beforehand; rather they are determined by the observed patterns of arrangements and practices in the ECS 2009 dataset.

The typology is derived using latent class cluster analysis (Vermunt and Magidson, 2002). This approach constructs groups of establishment that are similar in terms of the arrangements and practices they do and do not use, but differ substantially from the other groups of establishments.[1] Having estimated the model, each latent class defines a flexibility profile and, as a next step, each establishment in the survey can be assigned to its corresponding flexibility profile.

1 The method is based on a statistical model with random effects and tailor-made submodels for each indicator, which makes it possible to use different types of variables. The model was estimated using Latent Gold software (Vermunt and Magidson, 2005). In the analysis, multiple indicators for the same theme are allowed to be correlated within the clusters. Technically, this is achieved by including so-called ‘direct effects’, which allow these indicators to be associated. Additional random errors were included in the submodels for indicators that may have been affected by different wording of the questions in different countries. On the basis of feedback from the fieldwork phase, this was done for temporary agency work in the Netherlands and for the use of temporary contracts in Spain.

Flexibility profiles from the ECS 2009 2

Application of the latent class cluster method using the selected indicators from Table 1 results in an optimal number of five clusters.[2] The three largest of these clusters each account for roughly 25% of the establishments in the 30 the ECS countries.[3] Clusters 4 and 5 are smaller and cover 18 and 9% of the establishments, respectively.

Table 2 presents details of the five clusters. For each cluster, the top line provides the proportion of establishments that it covers and the column below contains the percentage of those establishments for which the specific feature (for example, employees working at irregular hours, or 20% or more of the employees working part time) applies. The second column shows these percentages for the average establishment.

Table 2: The flexibility typology

	All establishments (average)	Clusters				
		1	2	3	4	5
Cluster size		25%	24%	24%	18%	9%
Indicators						
Irregular hours	46%	50%	41%	59%	0%	98%
Shift work	32%	36%	30%	44%	9%	38%
Part time (≥20%)	27%	7%	22%	69%	10%	15%
Flexible hours. (≥20%)	42%	2%	94%	53%	29%	19%
Overtime (≥20%)	48%	54%	66%	56%	15%	31%
Fixed term (≥20%)	14%	11%	9%	28%	10%	9%
Temporary agency/freelance	36%	51%	49%	31%	18%	7%
Collective wage agreement (≥20%)	63%	67%	64%	70%	57%	40%
Individual performance pay (≥25%)	21%	23%	38%	18%	11%	6%
Collective performance pay (≥25%)	13%	14%	22%	11%	6%	1%
Autonomous teams	22%	13%	22%	33%	23%	19%

Note: Shading indicates that the average value within the cluster is at least 25% above or below the average value across all establishments.
Source: ECS 2009

By comparing the percentages for a cluster with those for the average company, the cluster can be characterised as having more or less of each of the components used to construct the typology.

The most clear cut profile is that of Cluster 4. Establishments in this cluster have lower percentages than average for all items except teamwork and coverage by a collective wage agreement. This type of organisation is referred to as having a **low flexibility** profile.

2 The number of clusters is determined by the value of the Bayesian Information Criterion (BIC).
3 Establishment weights have been used for the analysis and for further computations in this report.

Cluster 5 also has low scores on most items, with the notable exception of work at irregular hours. This profile, the smallest (covering only 9% of establishments), is referred to as **moderately flexible** mainly for reason of its **long operating hours.**

Cluster 1 also has low percentages for some items and scores about average for others, but stands out in its above-average use of temporary-agency workers and freelancers. This cluster is also referred to as being **moderately flexible**, but the label **agency work** is added in reference to its extensive use of external numerical flexibility.

This leaves two clusters, the second and third, each accounting for 24% of the establishments. They are referred to as **highly flexible** organisations, although they differ in the focus of their flexibility profile.

Cluster 3 has a high proportion of establishments with irregular working hours (in the weekend or at night) and shift work. Possibly related to this, it also stands out as having a high percentage of firms that employ part-time workers, use fixed-term contracts and organise work in autonomous teams.

The organisations in Cluster 2 are below average for irregular hours, shift work, part-time workers and fixed-term contracts. Their flexibility is shaped by flexible working hours, performance pay schemes, and use of temporary-agency workers and freelancers.

If the organisations in Cluster 3 are characterised as organisations in which a high degree of flexibility is used to adapt to the need to operate during extended opening hours, Cluster 2 would then consist of organisations for which the high level of flexibility is adopted for organisational reasons, to motivate the staff and attract better qualified workers. Stressing this difference, Cluster 3 is referred to as having **high operational flexibility** and Cluster 2 as having **high human resource (HR) based flexibility.** The latter profile, arguably the more worker-friendly one, hardly uses fixed-term contracts at all. To meet its need for numerical flexibility, it instead hires agency workers and freelancers.

Cluster flexibility practices

Table 3 shows how each cluster relates to the whole set of flexibility indicators listed in Table 1. In this table, the clusters are reordered from high flexibility to low, and are referred to by the labels proposed above. These labels are used for easy reference to give some intuitive appeal to the profiles, not to provide a complete and accurate description.

The table shows that the selection of indicators for the construction of the typology has been successful in representing the indicators that were excluded, while providing sufficient room for variation within themes.

For example, an indicator was used for irregular working hours that did not differentiate between working at night and during Saturday and Sunday, and additionally one indicator for shift work. From Table 3, it is clear that the different types of irregular working hours are distributed across the clusters in the same way as the overall indicator for irregular working hours used to derive the typology.

For contractual flexibility, Table 3 shows that it is important to treat agency work and freelancers differently from fixed-term contracts. When comparing the high-flexibility and the low-flexibility profiles

Table 3: Prevalence of flexibility practices within each cluster

	High flexibility		Moderate flexibility		Low flexibility
	HR-based	Operational	Agency work	Long operating hours	
Cluster number	2	3	1	5	4
Cluster size	24%	24%	25%	9%	18%
Irregular/unsocial hours					
Irregular hours*	–	+	+	+	–
Work at night	–	+	+	+	–
Work on Saturday	–	+		+	–
Work on Sunday	–	+		+	–
Shift work*		+	+	+	–
Part-time work					
Part-time work		+	–	–	–
Part-time work (≥20%)*	–	+	–	–	–
Part-time work for flexibility	+	+	–	–	–
Short part-time work	–	+	–	–	–
Flexible hours					
Flexible working hours	+	+	–	–	–
Flexible working hours (≥20%)*	+	+	–	–	–
System for accumulating hours	+	+	–	–	–
Overtime					
Overtime work	+			–	–
Overtime work (≥20%)*	+	+	+	–	–
Contract flexibility					
Flexible contracts			+	–	–
Temp agency or freelancers*	+	–	+	–	–
Temp agency workers	+	–	+	–	–
Freelancers	+		+	–	–
Fixed term contracts		+		–	–
Fixed term contracts (≥20%)*	–	+	–	–	–
Pay flexibility					
Collective wage agreement		+		–	
Collective wage agreement (≥20%)*		+		–	
Performance pay scheme	+			–	–
Individual performance pay (≥25%)*	+	–		–	–
Individual performance pay (≥50%)	+	–		–	–
Collective performance pay (≥25%)*	+	–		–	–
Collective performance pay (≥50%)	+	–		–	–
Profit sharing scheme	+			–	–
Share ownership scheme	+	–		–	–
Organisation of work					
Work in teams					
Work in autonomous teams*		+	–	–	

Note: See Table 1 for a description of the indicators.

+ indicates values at least 10% above the overall average; – indicates values at least 10% below the overall average. Shading denotes that the proportion is at least 25% higher or lower than in the average establishment.

Asterisks mark the indicators used in the construction of the typology.

Source: ECS 2009

they seem to go together, but when distinguishing between the focus of the two high flexibility profiles, they seem rather to be substitutes.

Individual and collective performance pay go together in the definition of the clusters, although a preliminary factor analysis indicated that they were not strongly related. The presence of performance-related pay schemes shows a different distribution across the flexibility profiles than the indicator for coverage by a collective wage agreement. The latter indicator is therefore included as a separate indicator in the process of constructing the flexibility typology (that is, in the latent class analysis).

In each cluster, working in teams is a characteristic of how work is organised for four out of five establishments. However, there is a considerable difference as to whether these teams can operate with some degree of autonomy. In fact, this variable distinguishes between the flexibility strategy of the high ‘operational’ flexibility profile in response to external requirements (such as long operating hours) and that of the moderate flexibility profiles.

Comparison with ESWT typology

A direct comparison to the ESWT typology would only be possible if the analysis had been based on the same establishments and the assigned profiles could be compared for each establishment. As mentioned above, the use of different themes and indicators makes both typologies conceptually different; nevertheless some of the themes (overtime, flexible hours, irregular hours, contractual flexibility and part-time work) overlap.

For the ESWT, six clusters were found – two high flexibility clusters, three moderately flexible clusters and one low flexibility cluster. One of the intermediately flexible clusters was characterised as ‘life-course oriented’ due to its provision of leave schemes and early retirement options. These facilities are not measured in the ECS 2009 and this profile would seem to be the most important difference. However, it would be reasonable to assume that such establishments are now in the HR-based high-flexibility cluster.

In the ESWT typology, 21% of the organisations were characterised as having low flexibility; in the ECS 2009 typology, this is the case for 18% of the organisations. In countries with a relatively high proportion of low-flexibility organisations according to the ESWT typology, a high percentage of organisations are also found that are identified as having a low-flexibility profile in the ECS 2009 typology.

Qualitatively, the distinction between the two high-flexibility profiles in the ECS 2009 typology seems similar to the distinction between worker-oriented and employer-oriented flexibility in the ESWT typology. High-flexibility clusters accounted for 36% of the organisations in the ESWT and for 48% of the organisations in the ECS 2009.

The higher proportion of high-flexibility organisations and lower proportion of low-flexibility organisations can be interpreted as evidence of a trend towards more flexibility in Europe – though it is necessary to bear in mind that the typologies are conceptually different and were constructed under very different economic conditions.

Flexibility of companies across Europe 3

Country distribution

Table 4 shows the distribution of the five flexibility profiles by country. Each line contains the proportions of the establishments in that country belonging to the cluster referred to at the top of each column. The profile with the highest proportion (that is, the modal type) of companies in that country is indicated by shading.

Table 4: Distribution of flexibility profiles by country

	High flexibility		Moderate flexibility		Low flexibility
	HR-based	Operational	Temporary agency	Long operating hours	
Cluster number	2	3	1	5	4
All countries	24%	24%	25%	9%	18%
Austria	25%	24%	23%	8%	21%
Belgium	25%	30%	26%	5%	13%
Bulgaria	11%	10%	32%	20%	28%
Croatia	12%	11%	33%	15%	29%
Cyprus	12%	12%	31%	22%	21%
Czech Republic	29%	17%	28%	8%	18%
Denmark	41%	16%	22%	5%	15%
Estonia	17%	15%	19%	16%	33%
Finland	48%	23%	13%	3%	13%
France	22%	25%	30%	8%	14%
Former Yugoslav Republic of Macedonia	12%	16%	34%	19%	19%
Germany	29%	33%	22%	6%	10%
Greece	16%	15%	33%	10%	27%
Hungary	12%	12%	25%	12%	39%
Ireland	22%	30%	23%	12%	12%
Italy	23%	19%	32%	6%	21%
Latvia	19%	19%	19%	20%	23%
Lithuania	19%	16%	20%	13%	32%
Luxembourg	26%	18%	26%	13%	17%
Malta	15%	21%	25%	22%	17%
Netherlands	24%	40%	17%	5%	15%
Poland	20%	21%	30%	7%	22%
Portugal	17%	12%	31%	10%	30%
Romania	19%	13%	25%	10%	34%
Slovakia	26%	12%	28%	6%	28%
Slovenia	30%	13%	33%	6%	19%
Spain	23%	18%	28%	6%	26%
Sweden	31%	33%	15%	5%	16%
Turkey	12%	14%	24%	36%	14%
United Kingdom	30%	31%	19%	9%	11%

Note: Shading indicates the flexibility profile with the largest proportion of companies in that country.
Source: ECS 2009

Although the percentages differ considerably across countries, it should be noted that:

- each type of establishment exists in each country;
- in no country does one of the profiles account for a majority of the organisations.

The greatest concentration of any profile is found for the 'HR-based' high-flexibility profile (Cluster 2) in Finland, at 48%. The least is for the moderately flexible 'long operating hours' profile (Cluster 5), again in Finland, at 3%. This latter profile accounts overall for 9% of establishments and is therefore one of the smaller types in most countries – except in Turkey.

When comparing the profiles between countries it is therefore important to note that no country can be meaningfully associated with one specific profile.

Regional distribution

The regional distribution of the five clusters from Table 4 is shown in Figures 2 to 6. These indicate for each profile where large proportions of such establishments are found. The maps show that:

- 'low flexibility' companies are found less often in the northern parts of Europe;
- 'high flexibility' organisations are underrepresented in the Mediterranean countries.

Figure 2: Distribution of highly flexible (HR-based) companies (Cluster 2)

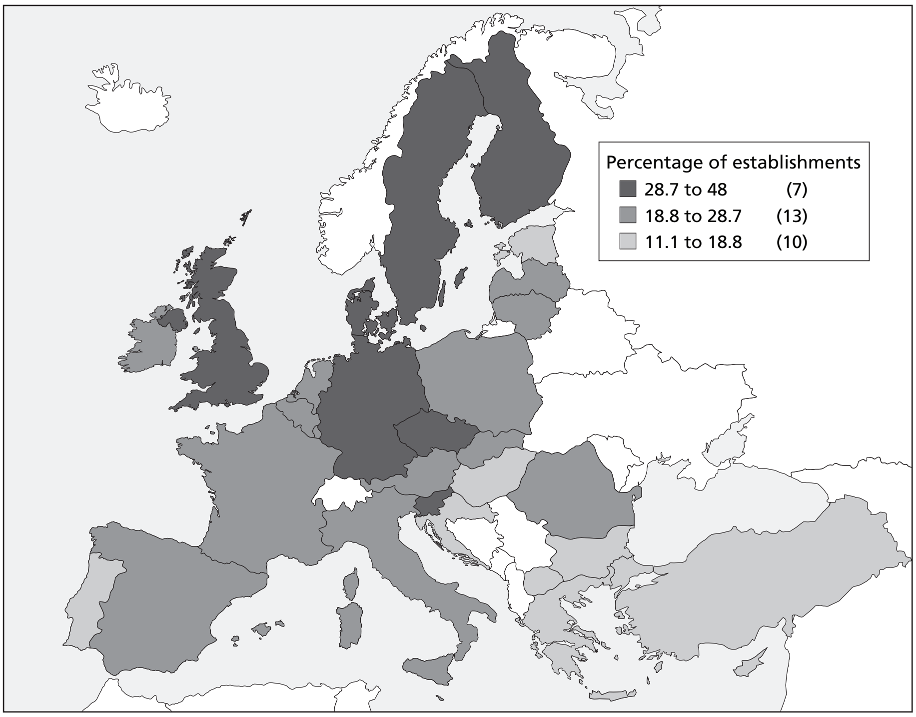


Figure 3: Distribution of highly flexible (operational) companies (Cluster 3)

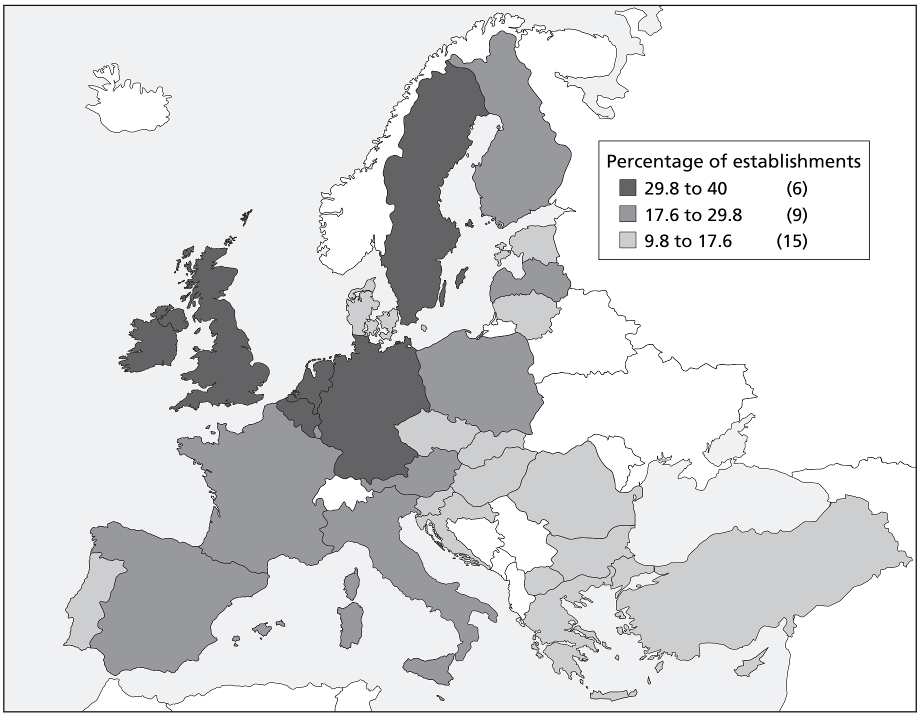


Figure 4: Distribution of moderately flexible (temporary agency) companies (Cluster 1)

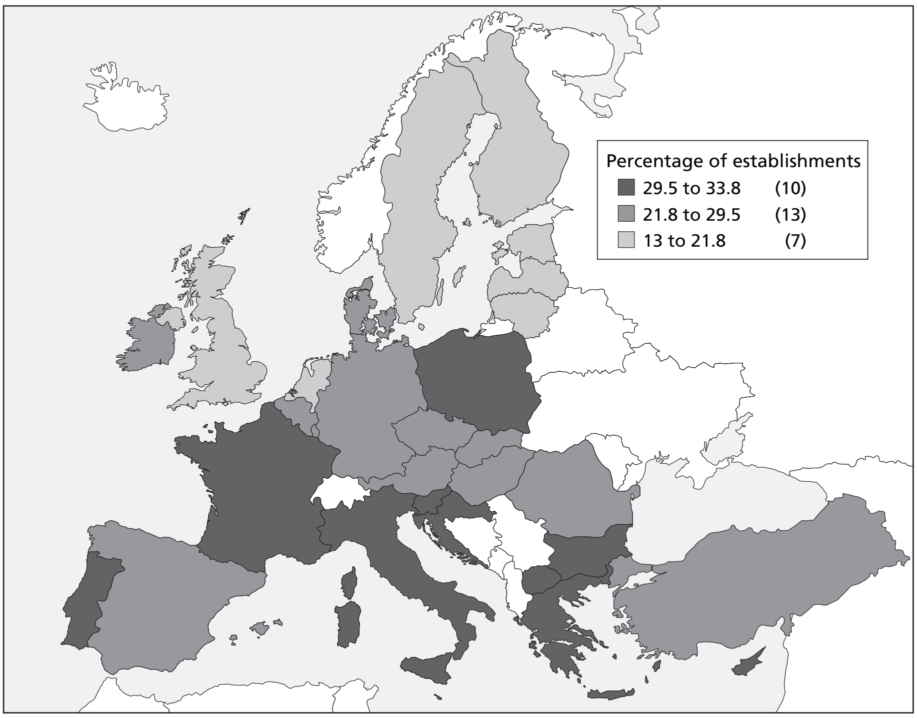


Figure 5: Distribution of moderately flexible (long operating hours) companies (Cluster 5)

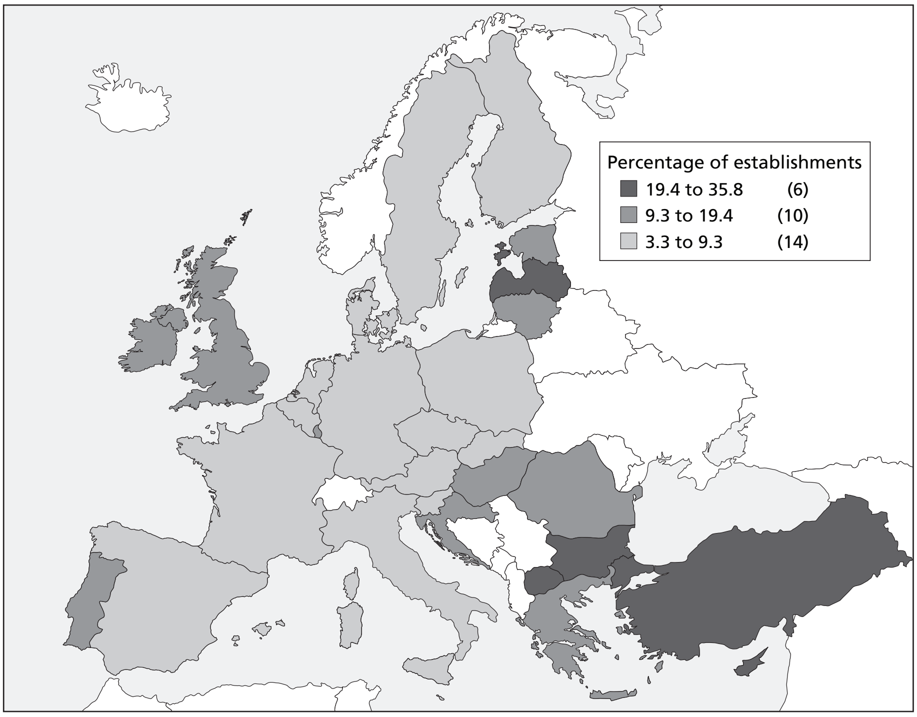
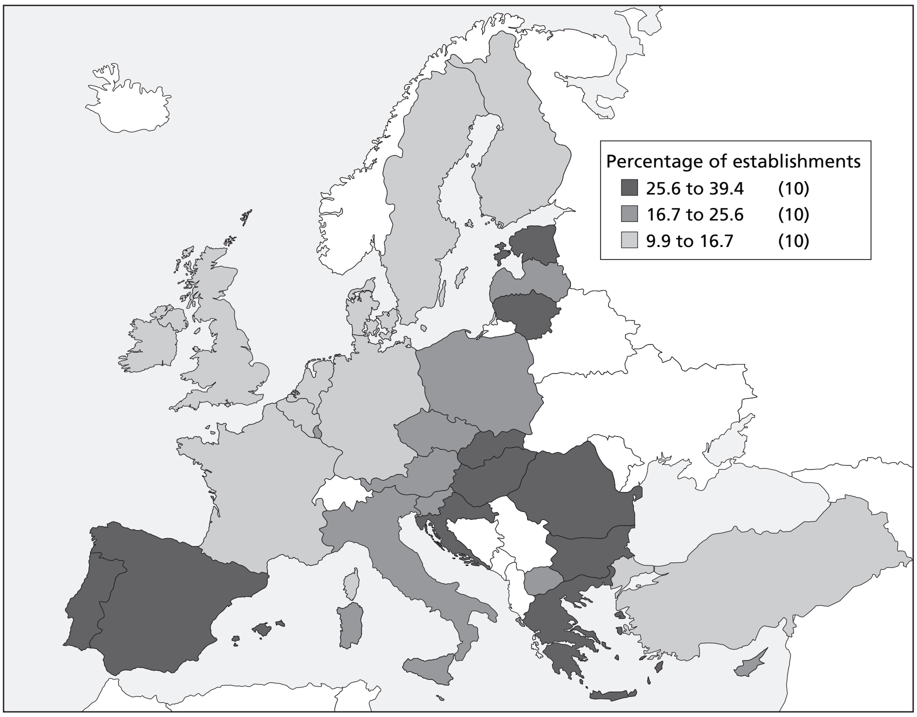


Figure 6: Distribution of low flexibility companies (Cluster 4)



Cluster prevalence by index number

It is often more informative when making statements about the high or low proportions in a profile to look at the proportions relative to those in the average establishment in all 30 countries covered by the ECS 2009. Table 5 presents the proportion for each country by index number; countries are grouped and arranged according to the most prevalent index number for the profile in the country.

- If the percentage of establishments having that specific profile in a country is the same as the average across all 30 countries, the index number is 100.

Table 5: Prevalence of flexibility profiles, by country

	High flexibility		Moderate flexibility		Low flexibility
	HR-based	Operational	Temporary agency	Long operating hours	
Cluster number	2	3	1	5	4
All countries	24%	24%	25%	9%	18%
Finland	201	97	52	36	71
Denmark	171	67	89	58	85
Czech Republic	121	71	112	83	103
Netherlands	99	169	67	52	82
Germany	120	141	87	64	56
Sweden	132	138	60	53	89
UK	124	132	76	99	60
Belgium	105	127	104	57	74
Slovenia	124	55	130	61	106
Italy	96	78	125	69	115
France	92	107	120	88	80
Turkey	51	57	96	379	81
Cyprus	52	52	125	238	120
Malta	64	89	98	236	94
Bulgaria	46	42	125	210	156
Latvia	79	80	76	209	130
Former Yugoslav Republic of Macedonia	52	66	134	206	106
Croatia	49	48	132	162	161
Luxembourg	109	78	102	137	95
Ireland	94	126	91	131	69
Hungary	50	51	99	125	221
Romania	80	54	99	101	189
Estonia	70	64	76	172	184
Lithuania	80	69	81	136	177
Portugal	71	50	122	109	169
Slovakia	107	52	112	62	158
Greece	65	63	130	108	151
Spain	95	74	111	63	144
Poland	83	90	118	79	123
Austria	103	101	90	84	118

Note: (100=average for all countries); shading indicates the most prevalent profile in a country relative to the average proportion in all 30 countries.

Source: ECS 2009

- If the proportion of companies with that profile is 50% higher, the index number is 150.
- If the proportion of companies with that profile is 30% lower, the index number is 70.

Representing the regional distribution in this way makes it easier not only to identify groups of countries with a similar composition, but also to spot deviations from such a cluster.

For example, countries with a high proportion of companies with the high operational flexibility profile (Cluster 3) also have high percentages of the high HR-based flexibility profile (Cluster 2), but not the other way round. In addition, those countries in which the low flexibility profile (Cluster 4) is relatively the largest usually have a below-average proportion of highly flexible companies (Clusters 2 and 3). However, Slovenia – for instance – defies this taxonomy by having above-average percentages of the high HR-based profile (Cluster 2), the moderately flexible temporary-agency profile (Cluster 1) and the low-flexibility profile (Cluster 4).

High HR-based flexibility organisations (Cluster 2) are overrepresented in Denmark, Finland and Sweden. The percentage of high 'operational' flexibility (Cluster 3) organisations is also relatively high in Sweden and this is why it is grouped with Belgium, Germany, the Netherlands and the United Kingdom (UK), which also have relatively high proportions of this type of organisations.

France, Italy and Slovenia stand out as countries having a high percentage of organisations in which the use of temporary-agency work (Cluster 1) is the dominant characteristic of their flexibility profile. Companies in which flexibility is practised mainly to facilitate long operating hours (Cluster 5) are overrepresented in Cyprus, Malta and Turkey.

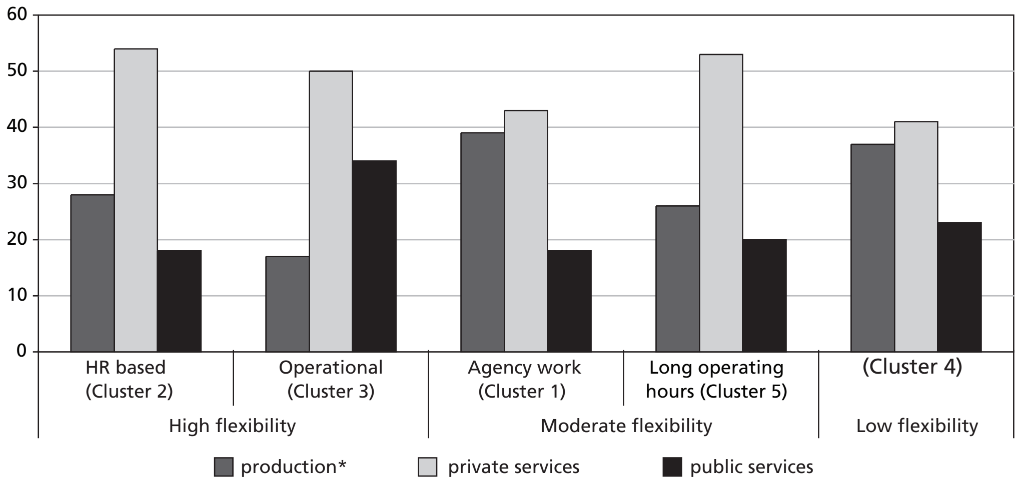
Estonia, Hungary, Lithuania, Romania and Portugal have large proportions of low-flexibility organisations (Cluster 4) as well as organisations with some flexibility for long operating hours (Cluster 5).

Flexibility profiles and company characteristics 4

Sector

It is possible to relate the flexibility profile of an establishment to other characteristics – for example, the sector of economic activity to which the establishment belongs and the size of its workforce.

Figure 7: Sector of economic activity within each cluster



Note: 'Production' includes the sectors of mining and quarrying, manufacturing, energy and water supply, and construction (NACE B–F)

The HR-based high flexibility profile (Cluster 2) applies most to organisations in the commercial service sectors (Figure 7), but especially in financial intermediation and real estate (Table 6).

Table 6: Distribution of flexibility profiles, by sector

	High flexibility		Moderate flexibility		Low flexibility
	HR-based	Operational	Temp agency	Long operating hours	
Cluster number	**2**	**3**	**1**	**5**	**4**
All sectors	24%	24%	25%	9%	18%
Mining and quarrying	22%	12%	34%	9%	23%
Manufacturing	24%	14%	32%	9%	21%
Electricity, gas and water supply	29%	13%	37%	13%	9%
Construction	20%	11%	35%	7%	26%
Wholesale and retail trade and repair	24%	21%	25%	14%	16%
Hotels and restaurants	19%	42%	19%	15%	5%
Transport, storage and communication	23%	20%	30%	13%	15%
Financial intermediation	34%	22%	20%	3%	21%
Real estate, renting and business activities	36%	20%	20%	6%	18%
Public administration and defence	26%	24%	21%	11%	19%
Education	14%	37%	19%	5%	24%
Health and social work	18%	41%	21%	10%	10%
Other services	28%	38%	17%	8%	10%

Note: Shading indicates that the figure deviates at least 25%
below ▭ or above ▭ the average value across all establishments.
Source: ECS 2009

The other highly flexible profile, in which flexibility practices are mainly used to accommodate long operating hours (Cluster 3), is prevalent in the public sector – specifically in the education and health and social work sectors, as well as in hotels and restaurants. (Table 6)

Hotels and restaurants are also highly represented in the less flexible counterpart of this profile, Cluster 5, along with sectors such as the wholesale and retail trade in which long operating hours are also customary.

The moderately flexible profile characterised by the use of agency work (Cluster 1) applies to many organisations in manufacturing and construction. The latter sector also has the highest percentage of low flexibility companies (Cluster 4).

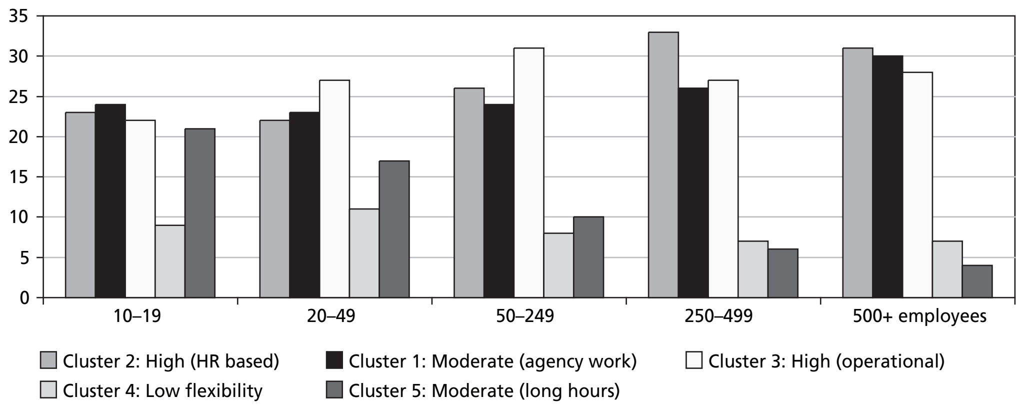
Company size

As shown in Figure 8, there is a strong correlation between the flexibility profile and the size of the workforce.

Larger organisations more often adopt a high-flexibility profile. This is especially true for the 'HR-based' high flexibility profile (Cluster 2), which accounts for 31% of organisations with 500 or more employees.

In organisations with 50 or more employees, the proportion of low-flexibility organisations (Cluster 4) is below average.

Figure 8: Distribution of flexibility profiles by size of establishment (%)



Other characteristics

Organisational characteristics such as variation in the workload, the extent of gender segregation, or the skills level of its staff can also be seen to shape flexibility strategies.

Organisations that regularly experience unforeseen fluctuations in their daily or weekly workload often adopt the moderately flexible 'temporary agency' profile (Cluster 1). On the other hand, low-flexibility organisations (Cluster 4) have fewer fluctuations in their workload.

Organisations with a high percentage of highly skilled workers often have a 'HR-based' high-flexibility profile (Cluster 2).

Table 7 summarises further characteristics of the establishments in the five profiles.

Table 7: Further characteristics of establishments

Profile	High flexibility		Moderate flexibility		Low flexibility
	HR-based	Operational	Temp agency	Long opening hours	
Cluster number	2	3	1	5	4
Share of establishments	24%	24%	25%	9%	18%
Country (top five)	Finland	Netherlands	Former Yugoslav Republic of Macedonia	Turkey	Hungary
	Denmark	Germany	Croatia	Cyprus	Romania
	Sweden	Sweden	Slovenia	Malta	Estonia
	UK	UK	Greece	Bulgaria	Lithuania
	Slovenia	Belgium	Italy	Latvia	Portugal
Sector (top two)	Real estate, renting and business activities	Hotels and restaurants	Electricity, gas and water supply	Hotels and restaurants	Construction
	Financial intermediation	Health and social work	Construction	Wholesale and retail trade and repair	Education
Size of workforce	250–499	500+	50–49	20–49	10–19
Workload fluctuation	Unforeseeable short run	Seasonal, across year	Within day or week	No	No
Gender makeup		High proportion of employees are women		Low proportion of employees are women	Low proportion of employees are women
Skills level of workforce	High	High			High
Multi-site/single site	Multi-site organisation	Multi-site organisation		Single-site organisation	Single-site organisation
Private/public	Private	Public	Private	Public	Private

Flexibility profiles and performance 5

In the ECS 2009 questionnaire, managers were asked to assess several different aspects of their company's performance. The survey thus relies on the subjective responses of managers within the workplace. These responses provide important performance measures, which allow an insight into the use of human resource instruments and management techniques as well as the subjective assessment of the work climate and labour productivity. Managers report on any changes in personnel numbers and human resource bottlenecks such as absenteeism, motivational problems and difficulty in recruiting and retaining staff. In addition, questions on management systems and organisational processes provide information that can be linked to the overall performance of companies.

An extensive discussion of the performance indicators can be found in the overview report on the ECS 2009 (Riedman et al, 2010). This section relates the performance indicators to the flexibility profile of companies: which types of establishment are reporting better performance in terms of their current financial situation, labour productivity, staffing and general work climate?

Financial situation

Table 8 provides an overview of the financial performance of organisations, in terms of the establishment profile.

Table 8: Financial situation and workforce growth, by establishment profile (%)

	Financial situation					Workforce (over three-year period)		
	Very good	Quite good	Neither good nor bad	Quite bad	Very bad	Increased	Stayed about the same	Decreased
All establishments	12	43	34	9	2	32	44	24
Cluster 1: Moderate flexibility (temporary agency)	10	41	36	10	2	32	43	26
Cluster 2: High flexibility (HR based)	12	47	31	8	2	38	38	23
Cluster 3: High flexibility (operational)	13	43	33	9	2	35	47	18
Cluster 4: Low flexibility	9	42	36	10	3	24	46	30
Cluster 5: Moderate flexibility (long operating hours)	14	33	39	11	3	24	49	27

Source: ECS 2009

- Establishments in Cluster 2 (highly flexible, 'HR-based') are generally doing better financially than those from other clusters. The establishments in this cluster have incorporated flexibility and make use of performance-related pay to reward achievement. More establishments in this cluster have also experienced an increase in their workforce over the past three years.
- Establishments in Cluster 5 have a more traditional character, being less flexible and working irregular, longer hours; 12% fewer establishments in this cluster reported a 'quite good' or 'very good' financial situation than the overall average. These establishments are more often an average performer (that is, 'neither good nor bad') in terms of their current financial situation than establishments belonging to any other cluster.

- 'Low-flexibility' establishments in Cluster 4 have experienced more cutbacks in personnel and report a poorer financial performance.
- Establishments from Cluster 1 (the moderately flexible profile, which stands out through its use of temporary agency workers and freelancers to facilitate numerical flexibility), are just about average in relation to financial performance and workforce growth.
- Establishments in Cluster 3 (characterised as being highly flexible to meet 'operational needs') are also pretty much average, but because they do not use temporary staff as do the establishments in Cluster 4 (low-flexibility profile), they do exhibit a slight increase in personnel growth.

The differences between the clusters observed in Table 8 are not due to the differences between the flexibility strategies they characterise, but may also be due to the clusters having a different composition with respect to other establishment characteristics, such as country of location, or their sector.

Checks were made to see whether the observed differences could be attributed to compositional differences between the clusters. These checks involved using multivariate descriptive analyses of these indicators to correct for the impact of the main background characteristics on the performance indicators.[4]

These analyses demonstrate that:

- compositional differences between the clusters have a limited affect on the comparisons made in this section;
- the observed differences can be attributed to the flexibility profile adopted by the establishments.[5]

Labour productivity

Figure 9 illustrates how the five types of establishment performed over the three years prior to the survey in terms of their relative labour productivity and the increase in labour productivity.

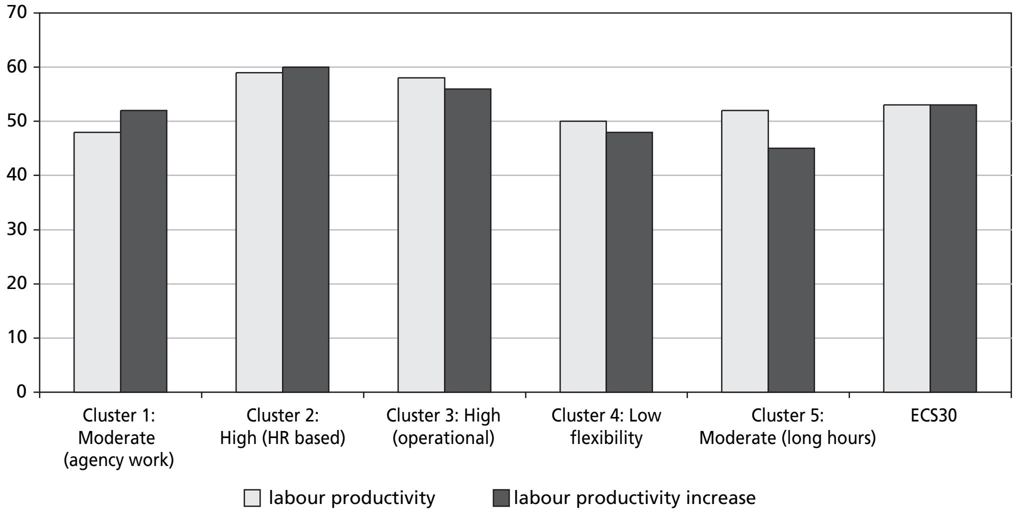
On average, more than half of the establishments indicate that their labour productivity is better than in similar establishments. This conclusion should be treated with caution, as responses might be influenced by the social desirability of reporting relatively good performance. But, by giving this response, managers are also indicating that their company's labour productivity increased in the three years prior to the survey.

Based on the assumption that increased productivity is associated with 'working smarter' (including the use of some sort of flexibility, rather than working longer), it is not surprising that establishments from Cluster 5 (moderately flexible, with emphasis on long operating hours) show the least increase in labour productivity.

4 In these analyses, logistic regression models were estimated, which relate the performance indicators to the flexibility profile of a company, accounting for differences in the company's sector of economic activity, workload variations and workforce size. The differences between the flexibility profiles can be computed as the marginal effects of the profiles in these logistic regressions.

5 As another complication, the observed relationship between the flexibility profile and performance may also reflect reverse causation – for example, if bad performance triggers a policy response involving flexibility options. It is not possible to control for such an alternative interpretation on the basis of survey data only; instead, it is necessary to bear in mind the possibility of reverse causation when interpreting observed differences as the causal effect of different flexibility strategies.

Figure 9: Relative labour productivity and labour productivity increase, by establishment type (%)



Notes: 'Relative labour productivity' means 'a lot better or somewhat better than in similar establishments', while labour productivity increase is over the three years prior to the survey.
'ECS30' is the average for the 30 countries participating in the survey.
Source: ECS 2009

Establishments belonging to Cluster 1 and Cluster 4 (with moderate and low flexibility respectively) are performing below average in terms of their reported labour productivity.

Establishments from Cluster 2 and from Cluster 3, with their focus on flexible hours are those performing better, the highest percentage of establishments with an increase in labour productivity being in Cluster 2 (highly flexible, HR-based), which may indicate that the management strategy for organisations in this cluster is paying off.

Staffing and general work climate

The ECS 2009 also contains information on the degree to which establishments encounter specific problems relating to personnel such as high levels of sickness absenteeism, or difficulties in finding or retaining staff. This information can be used as additional performance measures, referred to here as 'HR bottlenecks' or 'obstacles'.

Although it might be expected that training and pay flexibility would demonstrate a negative correlation with the indicators for HR bottlenecks, no correlation is in fact found.[6] (Nevertheless, the obstacles are associated more with some profiles than others.)

As shown in Table 9, the establishment typologies have strong correlations with these indicators.

6 See Riedmann et al (2010, pp. 71–86).

Table 9: HR obstacles by establishment type (%)

	Difficulties finding staff for skilled jobs	Difficulties finding staff for low-skilled jobs	Difficulties retaining staff	Need to reduce staffing levels	Poor staff motivation
All establishments	36	10	10	24	17
Cluster 1: Moderate (agency work)	41	11	10	27	21
Cluster 2: High (HR based)	41	10	10	23	17
Cluster 3: High (operational)	38	13	12	21	15
Cluster 4: Low flexibility	28	8	9	25	16
Cluster 5: Moderate (long operating hours)	30	11	12	25	24

Source: ECS 2009

Establishments from Cluster 4 (low flexibility) have the least difficulty in finding staff for either high- or low-skilled jobs. They also report the least difficulty in retaining staff. They are at the average in their need to reduce staff levels and do not tend to have staff with motivational problems. The establishments in this more traditional type of organisation simply experience fewer staffing obstacles.

Establishments from Cluster 5 also have fewer staffing problems, with only one exception – motivation. The irregular work hours appear to affect this quite strongly.

Establishments from Cluster 1 have difficulties in finding staff (particularly highly skilled staff), need to reduce staff levels (even though they make more use of temporary-agency workers) and have a higher percentage of staff with poor motivation.

Clusters 2 and 3, the ‘high flexibility’ types of establishments, both have somewhat more trouble finding staff than the average establishment. In the case of establishments in Cluster 2 (which emphasise HR practices) this applies to finding highly skilled staff, whereas those from Cluster 3 (which emphasise flexible hours for operational reasons) report slightly greater than average difficulty in finding both high-skilled and low-skilled staff. Establishments in this cluster also have slightly more difficulty retaining staff. Neither cluster has a greater than average need to reduce staff levels or poorer than average staff motivation.

The correlation with the overall working climate, as reported by managers, is minimal.

Conclusions

Information about flexibility and related topics in the ECS 2009 was used to construct a typology, which distinguishes between five flexibility profiles. The typology is based on information about flexible working hours, irregular working hours, overtime, part-time work, agency work and fixed-term contracts, variable elements of pay and autonomous teamwork.

The five profiles distinguish between both the extent and the focus of the flexibility practices in the establishments participating in the survey. This study sought to step beyond the measurement of specific flexibility measures in order to look at how they are combined in different workplaces.

About 18% of the establishments use less of all flexibility options than the average establishment; this is the 'low flexibility' profile.

About 7% of the establishments have low take-up rates of almost all flexibility options except for working at irregular hours, at night and during the weekend. This is the 'moderate flexibility, long operating hours' profile.

Another moderately flexible profile is characteristic of 24% of the establishments. This type of establishment uses agency workers more than other establishments, and is at or below the average for its use of the other flexibility items. This is the 'moderate flexibility, agency work' profile.

The two remaining profiles are 'high flexibility' profiles. Both account for 24% of the establishments. One makes above average use of flexible working hours, overtime, temporary agency work and performance-related pay schemes. This profile is called 'high, HR-based' flexibility. It uses flexibility as an instrument to motivate employees and to make it an attractive employer, not because flexibility is dictated by the character of the product or the product market. This, however, is the case for the other highly flexible profile, which makes extensive use of work at irregular hours, part-time work, overtime, fixed-term contracts and autonomous teamwork. This type of establishment uses a range of flexibility instruments in order to operate during long operating hours and is referred to as the 'high, operational' flexibility profile.

Such a typology could be useful in order to understand the packages used by companies to combine different forms of flexibility. These packages are not neutral and might be related to financial performance or human resource problems (such as finding or retaining staff). For instance, companies with more HR-based and operation-based flexibility enjoy the best financial performance; on the other hand, 'low flexibility' organisations have the least difficulty in finding and retaining staff. However, linkages with a cross-sectional survey do not indicate causal relationships. In order to understand this better, it is necessary to use panel data.

This report underlines the relative strengths and weaknesses of each of the five clusters. This information might help managers and employee representatives to focus on these points and address issues relevant to their own circumstances.

Looking to the future, it will remain important to understand:

- how companies behave;
- their reasons for adopting specific workplace practices;

- the ways in which they implement them;
- what impact these choices have.

And especially in the context of debate on the Europe 2020 strategy with its call for smart, inclusive and sustainable growth (where the actions taken within companies and workplaces will be decisive in securing progress), a survey such as the European Company Survey can make an important contribution to such an understanding of company behaviour.

There is, therefore, a potential for Eurofound to contribute. This implies that the design of future waves of the survey should ensure that it measures meaningful indicators of the relevant topics to be addressed.

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Flexibility in working time is a central aspect of ongoing debates regarding boosting employment in the EU. Enabling employees to better balance their working time and domestic reponsibilities is seen as a key way of encouraging more citizens to enter and remain in the workforce. At the same time, greater working time flexibility on the part of companies – and hence, employees – can enable European enterprises to be more responsive to market demands, so boosting the Union's competitiveness.

This report analyses European corporate practices in terms of working time flexibility as revealed by the European Company Survey 2009 (ECS 2009), to determine how these two drivers of flexibility have been addressed in different organisations. It builds a typology of different approaches, looking at how different practices are bundled together; it also examines how flexibility practices are related to company characteristics and measures of performance.

The European Foundation for the Improvement of Living and Working Conditions (Eurofound) is a tripartite EU body, whose role is to provide key actors in social policymaking with findings, knowledge and advice drawn from comparative research. Eurofound was established in 1975 by Council Regulation EEC No 1365/75 of 26 May 1975.

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