

Inequalities at Work, Personal Well-Being and Economic Sustainability

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Summary

Low job control has clear harmful consequences for individual health and well-being. By the same token, high job control is linked to greater well-being and individual satisfaction. These issues have for some time been clearly understood at the level of the individual. EQUALSOC research has now advanced our understanding of the dynamics of job control at national level, and their consequences for economies as well as for individuals. This Policy Brief summarises the key findings of research on job control patterns across EU Member States, and considers the evidence for the links with employee well-being and labour productivity,

Three main country clusters emerge from analysis of national patterns: the Nordic countries, in which job control is highest and most equally distributed among all workers; the continental European countries, in which it is at the EU average level; and the southern and eastern European countries, in which job control is at lower than average levels and very unequally enjoyed between different groups of workers.

There is now strong evidence of the individual benefits of job control for both the psychological and physical well-being of employees. In addition, it seems that countries with high levels of workplace discretion in the performance of work do not pay a productivity penalty. Labour productivity in the Nordic countries has grown faster than in countries with more hierarchical working arrangements and less engaged workforces.

There therefore seems to be a strong case for developing and implementing measures to improve employee engagement in their work performance decisions. Though such measures are principally a matter of organisational and industrial relations policy and practice, there are also opportunities for improving awareness and support through the Europe 2020 Flagship Initiatives and the social dialogue process at all levels. European policy support should focus most strongly on those Member States where job control is currently weak.

Patterns of job control across the EU

Average levels of job control appear to vary greatly across European countries, according to available evidence. There seem to be three main country clusters in relation to job control. The Scandinavian countries have the highest levels. The UK and the continental European countries have near average levels of job control, and the southern and eastern European countries have lower than average levels.

There are also striking country differences in the 'job control gap' between those in managerial and professional work, on the one hand, and those in non-skilled manual work, on the other hand. The Nordic countries are at the most egalitarian end of the spectrum, while many of the former state socialist societies are at the most hierarchical end.

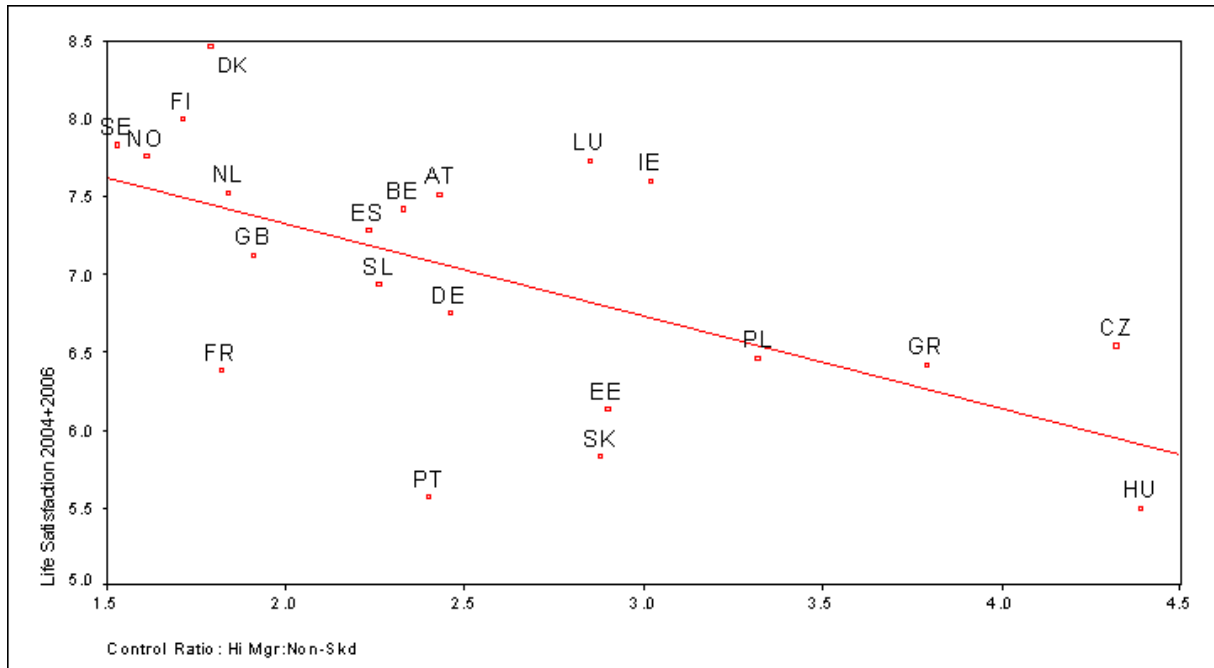
Until recently, we knew little about the patterns of job control in different European countries or about their implications for those countries. Drawing on our analysis of a series of national employee surveys, we now have good comparative information on levels of, and trends in, job control between countries in the European Union, and their link to differences in employee well-being. We have also begun to explore the association between the level of employee job control and a country's economic performance.

The importance of job control for employee well-being

'Job control' refers to the discretion exercised by a worker over the pace and manner in which work tasks are performed. The existence and level of job control may be important for several reasons. We know that it contributes to the psychological and physical health of employees, because it mediates between work demands (or work pressure) and subjective distress. When work demands are high, people with control over their work situation will experience less severe psychological and biological consequences than those who have low levels of control over their work. The combination of high work demands and low job control is the most problematic one, as it is associated with higher psychological distress, heightened blood pressure and increased risk of cardiovascular disease. The persistence of the physiological stress responses becomes harmful, and the longer the time people spend in low control jobs, the higher the risks. So the consequences of low job control for individuals are clear, but it may be that its implications for societies and economies also need attention.

Job control is more strongly related to life satisfaction than either income inequality or poverty rates. The following figure shows the association between levels of life satisfaction and national inequalities in job control (taken as the average difference between professionals/managers and non-skilled employees). It suggests that personal well-being is lower in countries with greater inequalities of control. This implies that inequalities of control are damaging to individual well-being, and therefore that societies that do not allow greater participation in decision-making create conditions conducive to lower levels of personal well-being.

Country differences in levels of job control inequality and their association with individual life satisfaction



Job control and economic sustainability

There is also a strong negative association between high inequality of job control and labour productivity, i.e. countries with less equal distributions of control tend to have lower levels of productivity. By the same token, countries with more equal levels of job control between different groups of workers appear to have stronger, and growing levels of labour productivity overall.

As with inequalities of income and opportunity, the Nordic countries have been particularly successful in reducing inequalities of job control. There were substantial variations in economic performance between the Nordic countries, measured through labour productivity growth, between 1995 and 2004. However, Finland and Sweden (though not Denmark) had higher labour productivity growth than the great majority of other countries with more hierarchical patterns of control. By contrast, three of the four high inequality countries (Germany, Portugal and Luxembourg) had relatively low levels of productivity growth.

This, as yet tentative, evidence suggests that there is no economic performance penalty associated with lower levels of inequality in job control at work. It appears to be possible to combine the benefits of low levels of job control inequality for individual well-being with above average levels of economic performance. In policy terms, it also implies that there is no offsetting risk to individual well-being from longer-term reductions in economic performance brought about by policies and practices designed to reduce job control inequalities.

In summary, national workplace studies show that higher levels of job control are generally positive for work motivation and performance. Country level data shows that the countries with high and even levels of job control, such as those in the Nordic countries, can have labour productivity growth at least as good, if not better, than that of much less participative societies.

Policies for participative work organisation

These findings raise a fundamental question about the place of work organisation as a matter for national-level economic policy and practice. Given the well-established negative effects of low levels of control for individual well-being and health, and, at the level of the economy, the positive link to stronger economic performance, there seem to be strong grounds for a policy agenda which promotes more participative work organisation.

In terms of the current EU policy framework, there are several opportunities for doing so:

- In the context of the renewed Lisbon Strategy and the Europe 2020 Strategy, the 'Industrial policy for the globalisation era' Flagship Initiative, could include Commission and Member State actions to promote the benefits of more discretionary forms of work organisation and greater employee involvement in innovatory workplace initiatives.
- The social dialogue process should be used to strengthen support for these forms of organisation. This should be done at all levels of the social dialogue process, and particularly in the Member States where job control and employee participation in decision-taking is currently low.
- Through the Flagship Initiative 'Agenda for New Skills and Jobs', in-work employee development schemes which emphasise initiative and innovation in the performance of work could be developed and supported.
- The European Employment Strategy could also include guidelines for the promotion of increased levels of job control linked to organisational adaptability.