



CRANET SURVEY

ON

COMPARATIVE HUMAN RESOURCE MANAGEMENT

International Executive Report 2017





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Introduction

'Cranet' is an international network of business schools, formed which conducts a regular survey of Human Resource Management (HRM), enquiring into policies and practices in people management through a set of common questions. The survey is undertaken approximately every five years. The purposes of the survey are to provide high quality data for academics, for public and private sector organizations, as well as for students of the field, to inform research and to create new knowledge about Human Resource Management across the world.

This international report discusses the Cranet survey data collected between 2014 and 2016 and follows the previous report that examined the data collected between 2008 and 2011. As a dataset, Cranet is unique in two ways: first it allows for the comparison of HRM policies and practices in a large number of countries across the globe, including, for example, Northern, Western, Eastern and Latin Europe; the USA, Australia and China. Second, as the Network has collected data on a regular basis since 1989, Cranet allows the examination of trends and changes in HRM over a 21-year period.

Cranet data are valuable within each country, where they are collected and disseminated by well-known scholars, who comprise the group which meets regularly to steer the project. The international comparisons countries produce data which are new and interesting, informing debates in many academic fields as well as practice. Such comparisons are not without difficulties. Changes to the political and economic landscape are charted by Cranet, for example the expansion of European Union membership, but make simple comparisons problematic, for example when examining changes to EU averages over time.

These data were gathered over a period of two years (2014-2016). Such a timeframe is inevitable given the needs of different countries and the varying opportunities for funding and for doing the work, the time taken to conduct the survey, to follow-up, and to report. The methodology for Cranet is described in more detail in the next chapter.

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1. Methodology

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Since its inception in 1989, the Cranfield Network on International Strategic Human Resource Management (Cranet) has grown continuously. Today it consists of universities and business schools from over 40 countries worldwide.

The 2014/2015 dataset was collected by 35 countries; a 10% increase on the number of countries participating in the previous survey round from 2008/2010. While many participant countries take part regularly in the survey, this round of data collection was glad to welcome back countries such as Spain, Italy and Turkey who were unable to participate in 2008/10. In addition, new Cranet partners have joined in 2014/15 for the first time: Brazil, China, Croatia, Indonesia, Latvia, and Romania. Table 1 shows the growth of the Cranet network and the participating countries since 1989.

Table 1: Member countries and communities of Cranet and years of survey

Country	Participation in year of survey							
	1989	1990/ 1991	1992/ 1993	1995/ 1996	1999/ 2000	2004/ 2005	2008/ 2009	2014/ 2015
Australia					•	•	•	•
Austria			•		•	•	•	•
Belgium					•	•	•	•
Brazil								•
Bulgaria					•	•	•	
Canada						•	•	
China								•
Croatia								•
Cyprus					•	•	•	•
Czech Republic			•		•	•	•	
Denmark		•	•	•	•	•	•	•
Estonia						•	•	•
Finland			•	•	•	•	•	•
France	•	•	•	•	•	•	•	•
Germany	•	•	•	•	•	•	•	•
Greece			•		•	•	•	•
Hungary						•	•	•
Iceland						•	•	•
Indonesia								•
Ireland			•	•	•		•	
Israel					•	•	•	•
Italy		•		•	•	•		•
Japan					•		•	
Latvia								•
Lithuania							•	•
Nepal						•		
Netherlands		•	•	•	•	•	•	•
New Zealand						•		
Norway		•	•	•	•	•	•	•
Philippines						•	•	•
Portugal			•	•	•			
Romania								•
Russia							•	•
Serbia							•	•
Slovakia						•	•	•
Slovenia					•	•	•	•
South Africa							•	•
Spain	•	•	•	•	•	•		•
Sweden	•	•	•	•	•	•	•	•
Switzerland		•		•	•	•	•	•
Taiwan							•	
Tunisia					•	•		
Turkey			•	•	•	•		•
Turkish Cypriot Community						•	•	
United Kingdom	•	•	•	•	•	•	•	•
USA						•	•	•

In this Cranet report we summarize the 35 participant countries/communities into three categories. First, there are 21 countries that are currently members of the European Union (EU). Second, based on the definition of the European Council, there are six European countries in the sample that are not members of the EU. Third, the remaining non-European countries include Australia, Brazil, China, Indonesia, Israel, The Philippines, South Africa, and the USA. The country categorization is depicted in Table 2.

Table 2: Participant countries by category

European Union (EU)	Europe (European Non-EU) defined by membership of Council of Europe	Non-Europe
Austria	Iceland	Australia
Belgium	Norway	Brazil
Croatia	Russia	China
Cyprus	Serbia	Indonesia
Denmark	Switzerland	Israel
Estonia	Turkey	Philippines
Finland		South Africa
France		USA
Germany		
Greece		
Hungary		
Italy		
Latvia		
Lithuania		
Netherlands		
Romania		
Slovakia		
Slovenia		
Spain		
Sweden		
United Kingdom		

Survey design

All participant countries contacted the most senior HR manager with a standardized questionnaire. The questionnaire underwent significant revision between the 2008/10 and 2014/15 data collection rounds to ensure that the survey instrument was effective in terms of capturing all HRM activities and recent developments. Furthermore, within each section the number of question items was reduced in order to keep the survey more focused and increase the response rate. The result of this process produced the same division of the questionnaire into six sections (as follows):

Section 1: HRM activity in the organization

- Basic information about the organization itself (e.g. number and type of employees) and about the HRM function in an organization (e.g. the structure and activities of the HRM function).

Section 2: Resourcing practices

- The recruitment and selection activities of an organization, an organization's action programmes and working arrangements.

Section 2: Employee development

- Performance appraisal, training needs analysis, training provision and career management.

Section 4: Compensation and benefits

- Wage bargaining and employee financial and non-financial compensation and benefits.

Section 5: Employee relations and communication

- The influence of trade unions and other employee representative bodies, as well as the methods used to communicate with employees within an organization (bottom-up and top-down).

Section 6: Organizational details

- Organizational details such as the age, industry, sector, ownership, performance, markets, and workforce statistics. It also contains questions on the personal details of the respondent, including tenure, gender, and education.

Cranet used translation/back-translation techniques for the standardized questionnaire in order to establish the semantic or linguistic equivalence of the questions across all participant countries.

Methods of data collection

The method of data collection differed across countries. In each country, the local research team chose the method deemed most appropriate and which was most likely to produce the highest response rate in a given country. The survey methodology adopted was predominantly through an online/email survey (sometimes combined with an in-person visit, paper survey, or telephone call), which represents a change from previous rounds of data collection which were more paper-based (see Figure 1).

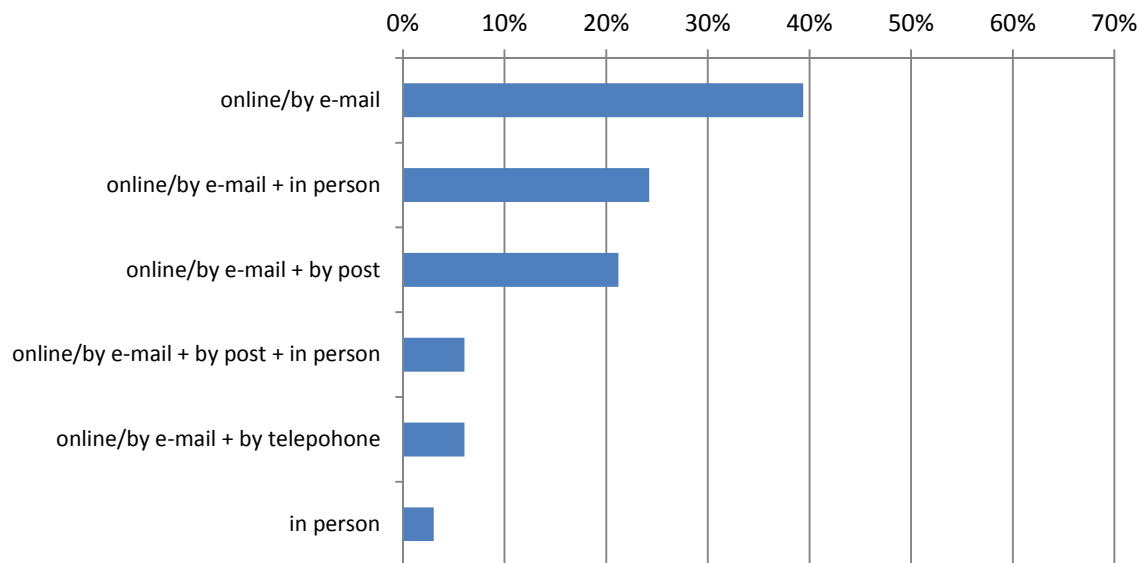


Figure 1: Methods of data collection

Close to 70% of the countries that conducted a paper-based and/or online survey gave the organizations prior notification before sending the questionnaire, primarily through letters in the mail. Over 90% of countries took follow-up actions (reminder by mail and/or telephone) in order to increase the response rate and to ensure that a representative sample was reached. These additional efforts were important due to the length of the questionnaire and the increasing ‘survey-fatigue’ among HR managers in several countries.

Sampling frames

The local research team in each participant country decided which respondent database should be used for the survey, from which they developed their own mailing list of organizational addresses. The vast majority of the countries mailed the questionnaire to all organizations from the lists (i.e., census sampling), whereas others used stratified sampling (based on sector or size) or random sampling.

Cranet dataset 2014/2015

Excluding four countries, for which complete data were not available, the remaining 31 participant countries sent out a total of 59,156 questionnaires and received 6,093 responses, resulting in an overall response rate of 10.3% (after the removal of missing data). Table 3 summarizes the total number of returned questionnaires and the response rates for each country.

Table 3: Response rates and total number of returned questionnaires

Country	Returned questionnaires	Response rate
Australia	395	14.18%
Austria	229	12.23%
Belgium	143	97.28%
Brazil	354	1.61%
China	256	36.57%
Croatia	171	32.88%
Cyprus	87	34.80%
Denmark	206	9.73%
Estonia	83	59.29%
Finland	182	15.60%
France	158	3.95%
Germany	278	4.45%
Greece	188	33.16%
Hungary	273	1.37%
Iceland	119	36.96%
Indonesia	87	na
Israel	119	23.80%
Italy	168	6.08%
Latvia	67	22.33%
Lithuania	145	10.93%
Netherlands	167	3.68%
Norway	196	35.83%
Philippines	138	1.77%
Romania	225	7.76%
Russia	131	44.11%
Serbia	160	17.78%
Slovakia	262	46.45%
Slovenia	218	21.80%
South Africa	121	16.60%
Spain	98	8.60%
Sweden	291	14.36%
Switzerland	212	18.32%
Turkey	154	26.55%
United Kingdom	210	na
USA	509	5.48%

Figure 2 shows the industry classification system and the sample's distribution by country categorization (cf., Table 2). The classification system covers 20 broad divisions from agriculture to manufacturing and from education to public and social services.

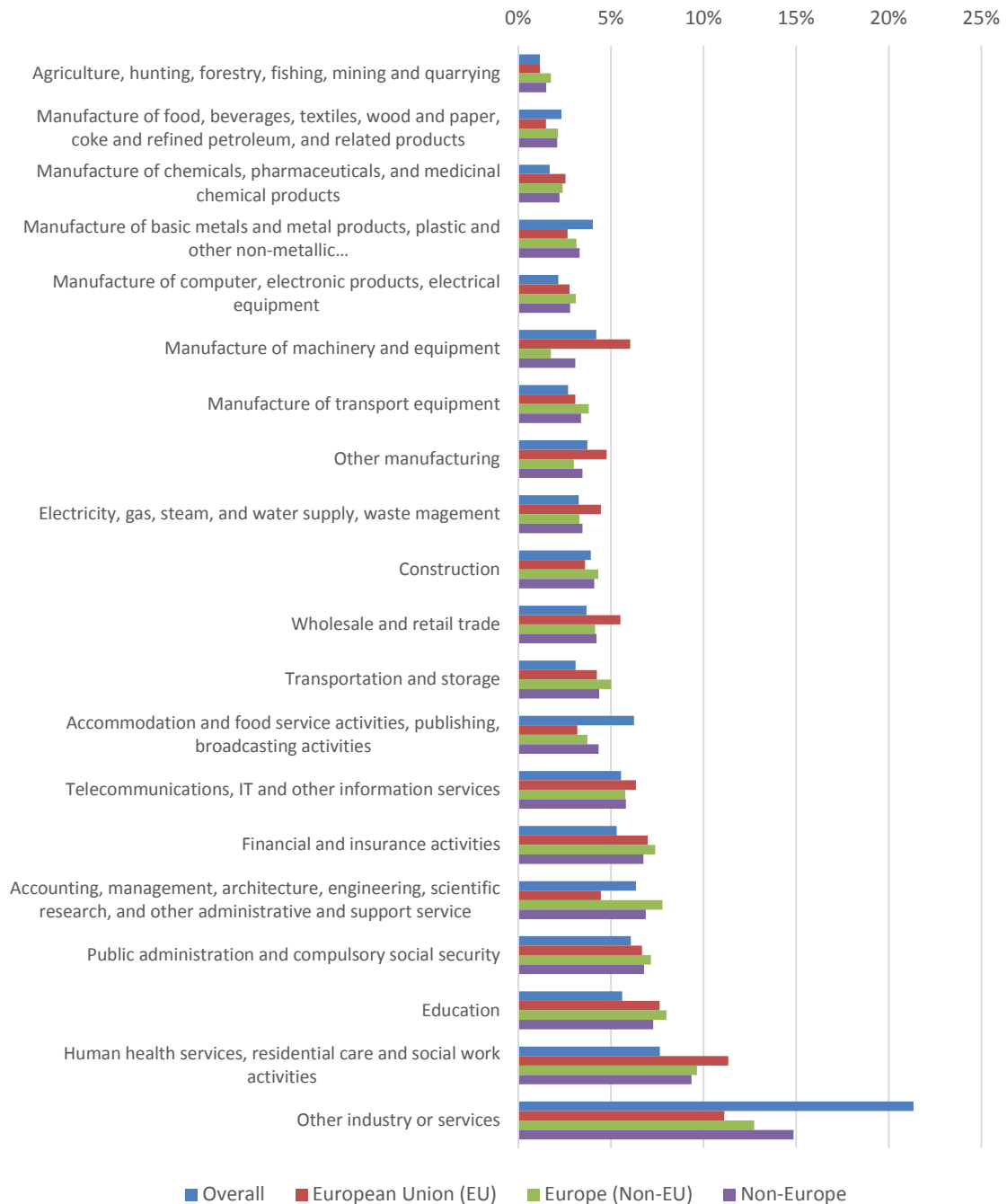


Figure 2: Survey sample industry classification by country categorization (%)

The sample distribution among the industry classifications shows that most of the organizations are in the following industries: public administration, retail, financial services, human services, and consumer goods manufacturing. There are some discrepancies between the European Union (EU), Europe (Non-EU), and the Non-Europe categories, which is to be expected in a large-scale survey. In comparison to previous rounds of Cranet data collection, the sample distribution appears this time to be more focused on services and public administration than on manufacturing and production industries. This could be indicative of the trend in many countries of the shift from a manufacturing to a service-based economy.

The sector distribution is depicted in Figure 3. Around 70% of responses came from private sector organizations and around 20% from the public sector, which is consistent with the 2008/10 round of data collection. In addition, few differences were found among the country categorizations, which is in line with previous data collection rounds.

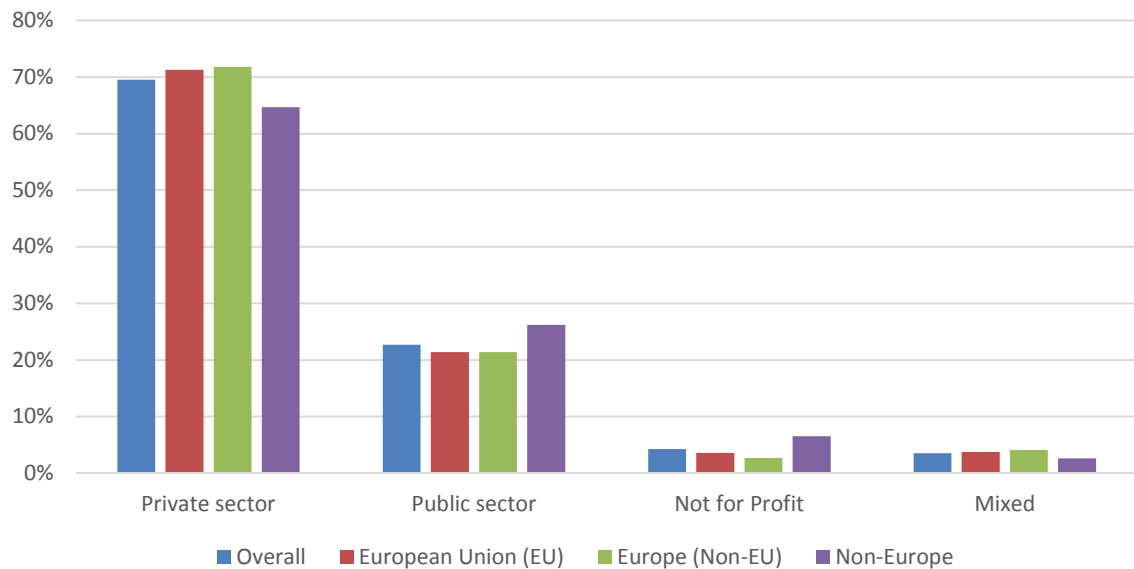


Figure 3: Industry sector distribution by country categorization (%)

The Cranet survey targets larger organizations with at least 100 employees. Figure 4 shows that overall, 30% of the sample had 200-499 employees, 23% had 100-200, 18% had 2,000 or more, 17% had 500-999, and 12% had 1,000-1,999 employees. More ‘small’ organizations (i.e. 100-199 employees) responded to the survey in Europe (Non-EU), more ‘small to medium-sized’ organizations (200-499) responded in the European Union, whereas more ‘large’ organizations (over 2,000 employees) responded to the survey from non-European countries. As we continue to observe over time, the mean organization size in this round of data collection is somewhat larger than in the previous round.

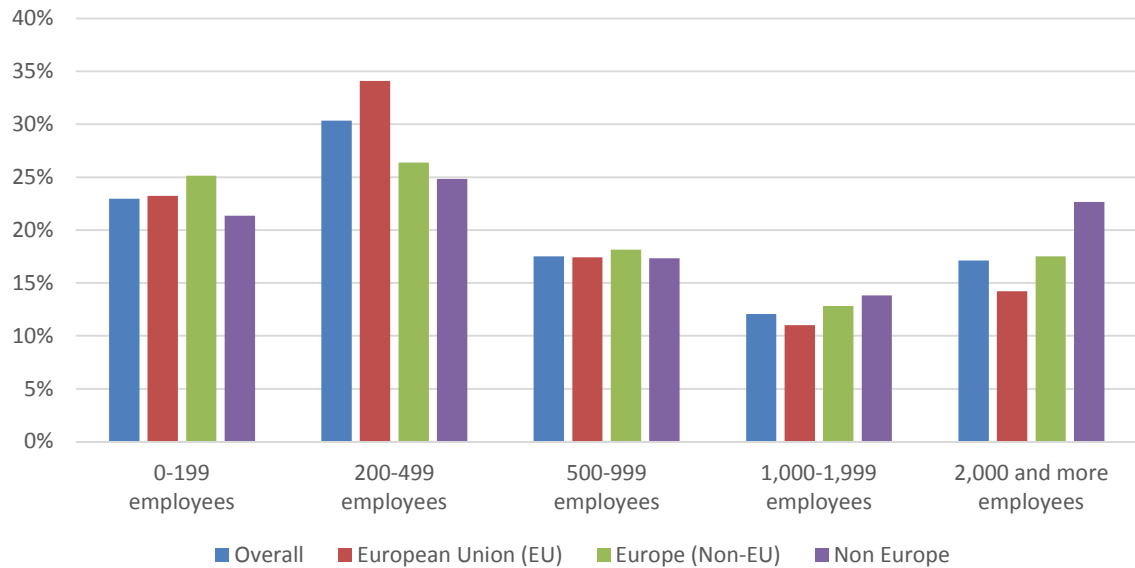


Figure 4: Survey sample size distribution by country categorization (%)

Finally, the main markets for products and services of the participants are depicted in Figure 5. For the majority of the sample the main market is either national or worldwide; this distribution is similar to previous rounds of data collection.

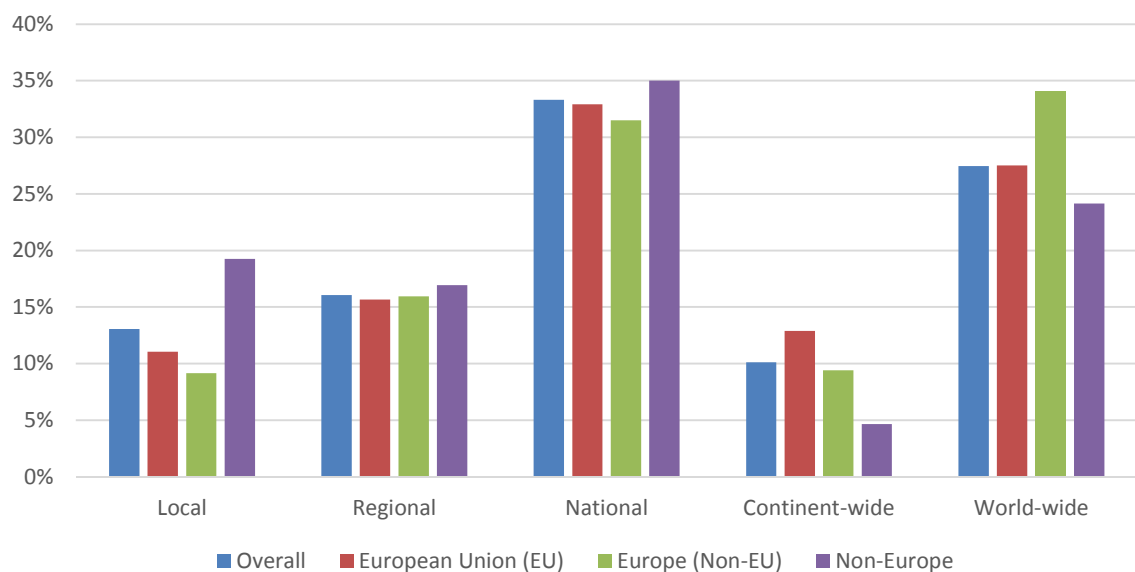


Figure 5: Main markets for products/services by country categorization (%)

In summary, the survey sample of the 2014/2015 dataset is largely comparable to the datasets from previous survey rounds. Perhaps due to some of the implemented amendments to the questionnaire, the overall response rate among all countries has slightly increased.

2. HRM Roles

Andrej Kohont, Nina Pološki Vokić and Liga Peiseniece

In this section of the report we focus on the answers given in the first section of the Cranet questionnaire, which focuses on the HRM function as a whole. Questions in this section attempt to portray the role of HRM for the organizations studied. We will focus on the: presence of an HR department, involvement of HR directors in boards or equivalent top executive team, recruitment of HR directors, the existence of written statements and strategies and the stage at which HR directors are involved in the development of business strategy. In the second part we are focusing on the responsibilities for pay and benefits, for recruitment and selection, for training and development, for major policy decisions on industrial relations, for major policy decisions on workforce expansion/reduction and how these responsibilities are shared among line managers and the HR department. The third part covers data on the use of external providers for various HRM tasks.

Presence of HR department

Most organizations in the EU have an HR department. The highest proportions with an HR department are in Italy (100%), Spain (99.0%) and Germany (98.5%) and much less in Lithuania (73.8%), Croatia (75.4), Cyprus (77.0%) and Slovenia (77.2%). Between the European non-EU countries for the presence of HR departments, Switzerland (99.5%) and Russia stand out (98.5%) and fewer HR departments are in Iceland (67.5%) and in Serbia (72.5%). Among non-European countries regarding the presence of an HR department Brazil (100%), Turkey (97.9%), South Africa and the US (96.2%) stand out positively. Fewer HR departments as separate business functions are in Israel (80.3%).

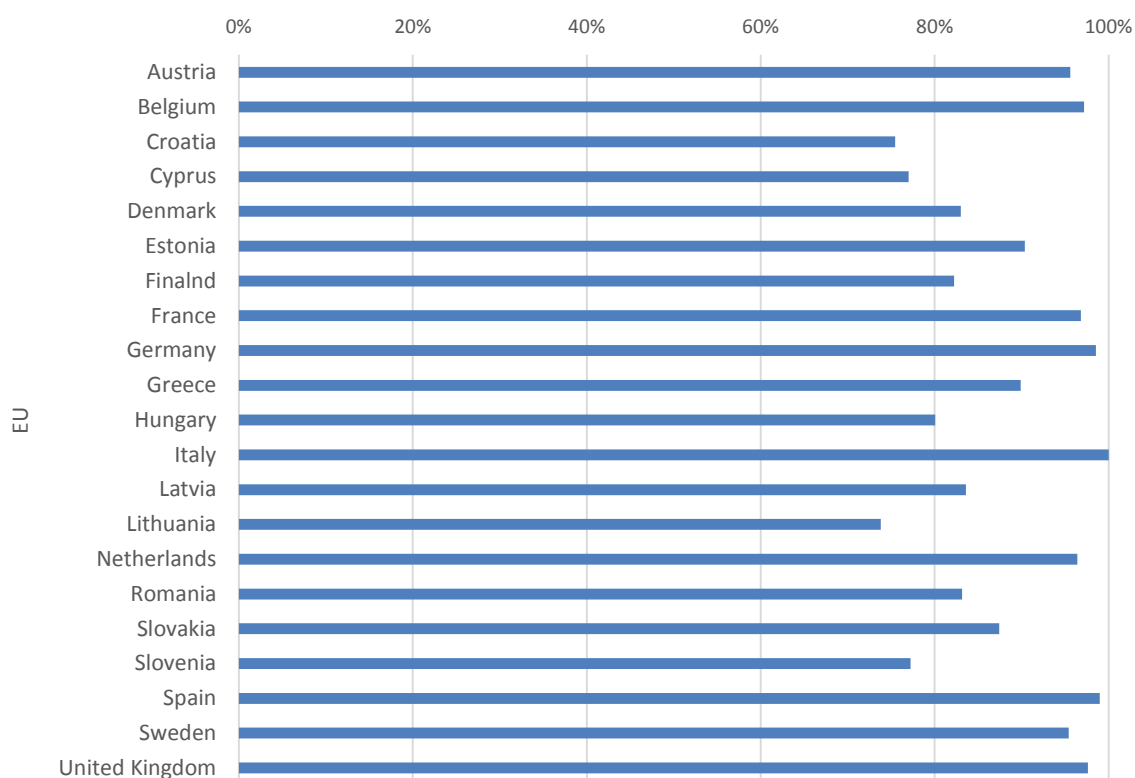


Figure 6a: Countries that have an HR Department (EU)

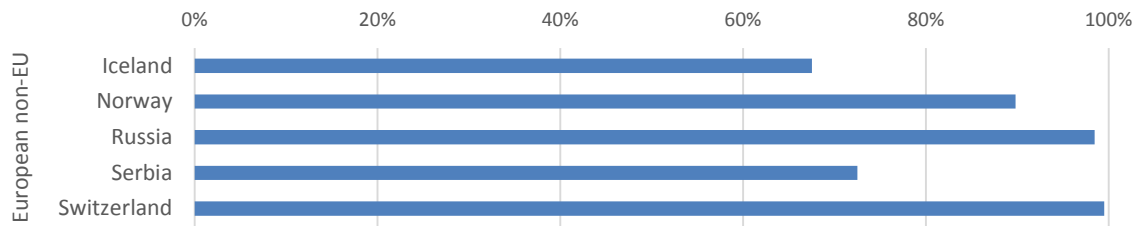


Figure 6b: Countries which have an HR Department (Non-EU)

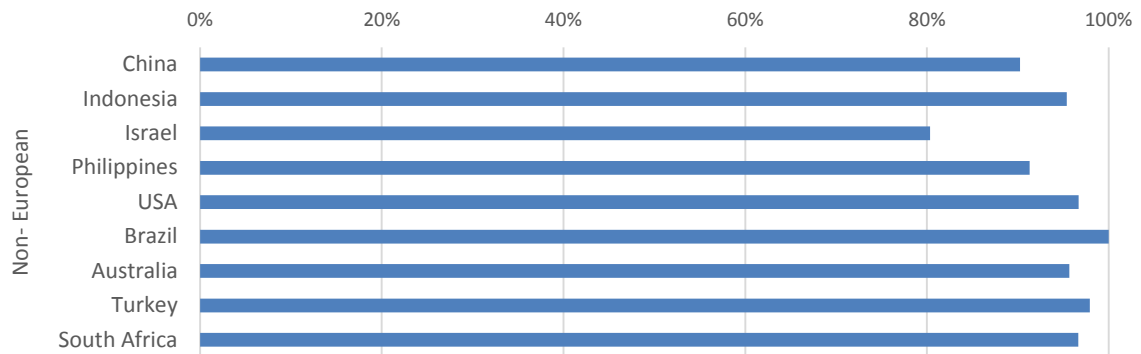


Figure 6c: Countries which have an HR Department (non-Europe)

Place of HR manager on the board or equivalent top executive team

The situation concerning the position of HR directors on the board or equivalent top executive team is quite diverse among the countries. In EU member states, Sweden with 89.0% and Spain with 84.7% of HR managers on the board or equivalent stand out. Less than half of this proportion of HR managers have a position on the Board or equivalent in Latvia (29.9%) and in Cyprus (34.5%). In line with the previous data presented on the presence of HR departments, where Russia stands out, the situation concerning HR’s position on the Board in this country is very different. Only 38.6% of Russian HR managers have a place on the board or equivalent. In other non-EU countries the average is between 60 and 70%. In Non-European countries the averages concerning HR presence on the board are from 52.5% in South Africa to 75.2% in China.

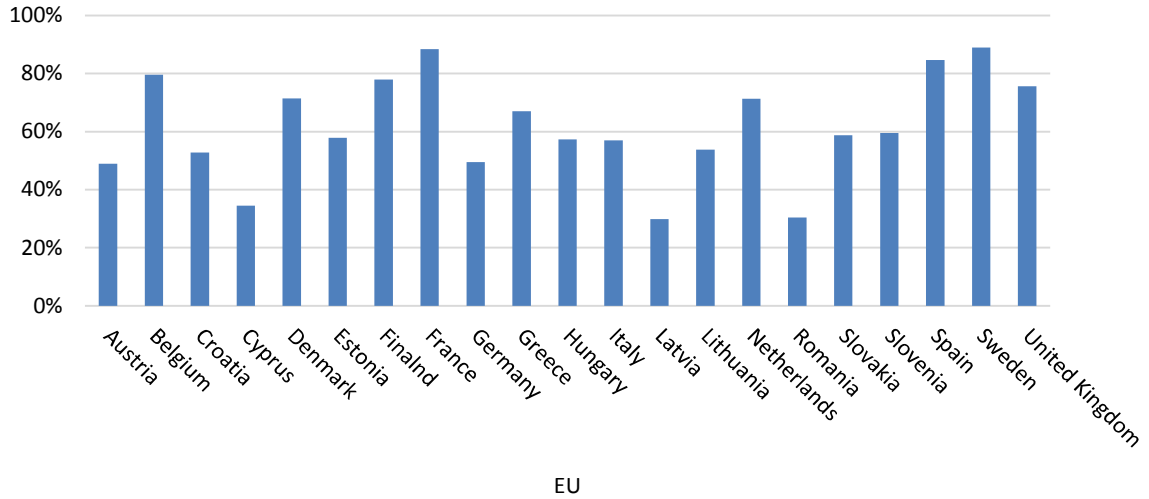


Figure 7a: Place of person responsible for HR on the board or equivalent top executive team (EU)

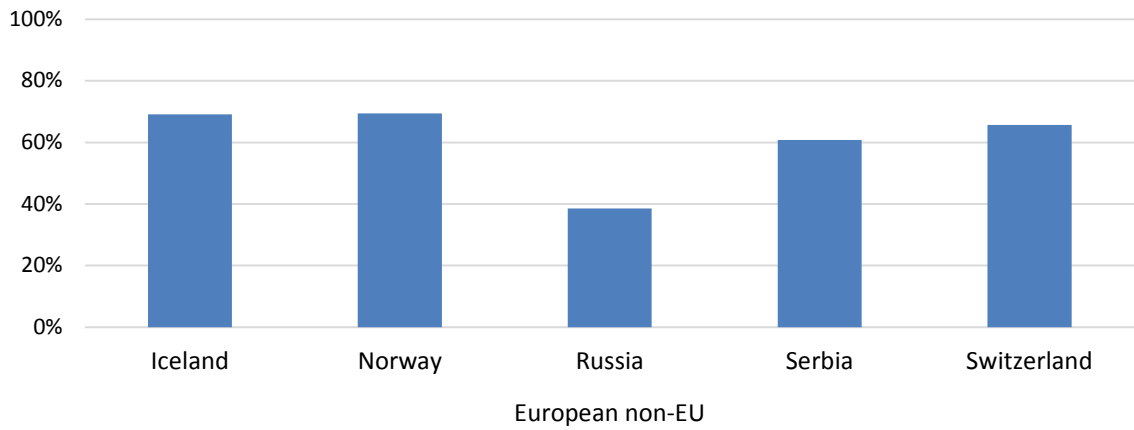


Figure 7b: Place of person responsible for HR on the board or equivalent top executive team (non-EU)

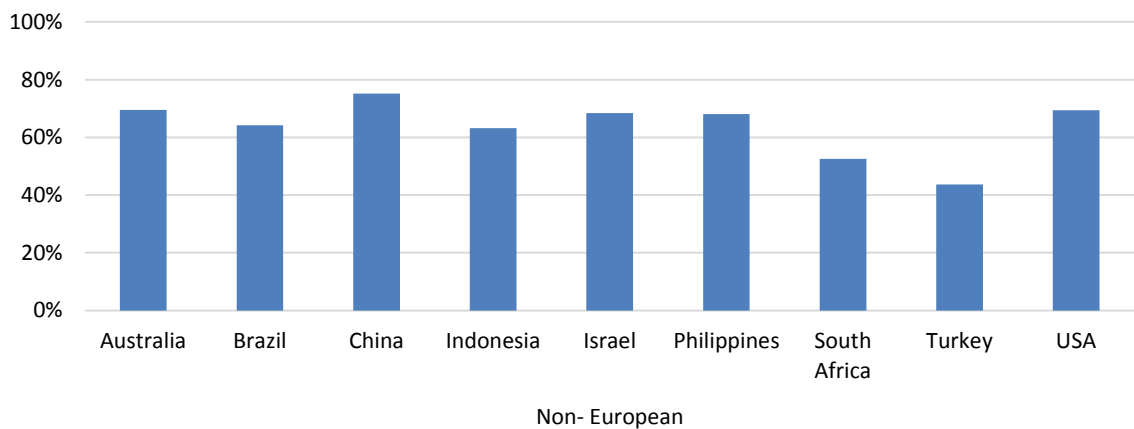


Figure 7c: Place of person responsible for HR on the board or equivalent top executive team (non-Europe)

Recruitment of HR Directors

In relation to the recruitment of HR managers there are large differences between countries and it cannot be said that this activity is dominated by a common pattern. Among the EU Member States Sweden (59.7%) and the UK (58.4%) stand out in relation to recruitment of HR specialists on the external market. On the other side this is very seldom used in Croatia (16.8%). In Croatia and Greece recruitment from the HR department in the organization prevails (44.1%), on the other hand this recruitment channel is rarely used in Denmark (13.9%) and in Finland (14.3%). Fewer HR managers are recruited from non-HR specialists in the organization: the most in Cyprus (37.7%) and in Croatia (31.5%), and to a lesser extent in Sweden (10.8%) and the UK (11.5%). Recruitment from non-HR professionals from outside the organization is the least used channel. The exception is Finland, where this channel is more widely used (20.6%) for the recruitment of HR within the organization (14.3%). External recruitment from non-HR specialists is extremely rarely used in Greece (0.6%) and in Cyprus (2.6%).

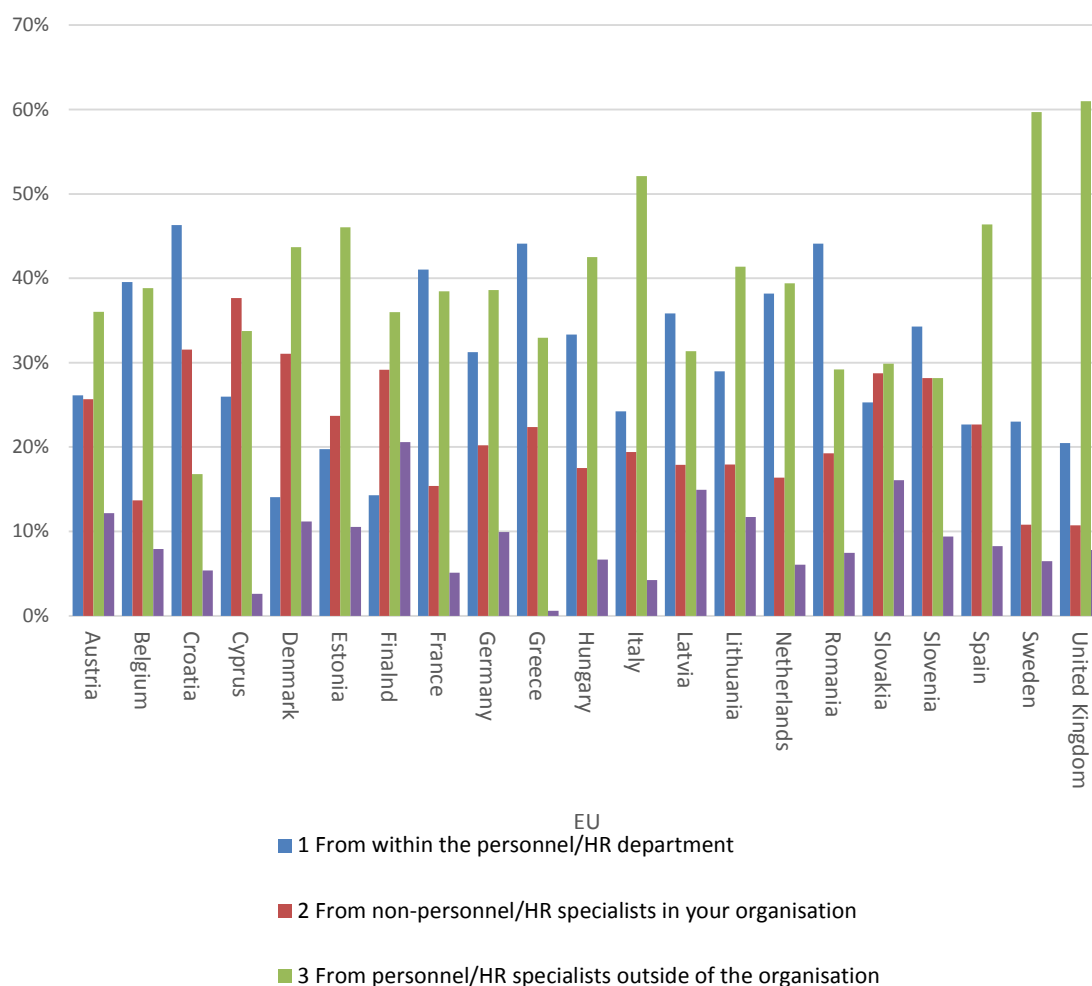


Figure 8a: Recruitment of HR Directors (EU)

Among the non-EU European countries, recruitment from within the personnel/HR department is the most used in Russia (40.3%) and in Serbia (36.9%), but much less commonly in Iceland (16.7%). Internal recruitment of non-HR managers is the most used channel in Serbia (40.1%), while recruitment from personnel/HR specialists outside of the

organization is the most used in Switzerland (58.5%), and much less in Serbia (15.3%). On average, recruitment from non-personnel/HR specialists from outside the HR department is the least used for HR Directors` recruitment.

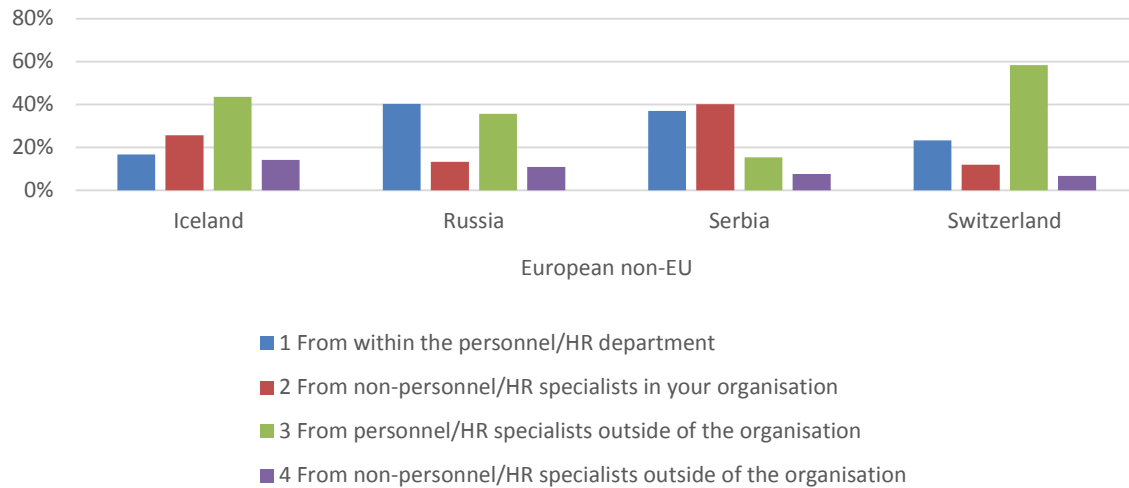


Figure 8b: Recruitment of HR Directors (non-EU)

Among the countries outside Europe external recruitment of HR Directors from personnel/HR specialists is mostly used in Australia (65.2%), China (46.4%), Turkey (44.1%) and the USA (41.5%). Recruitment from within the personnel /HR department is the most commonly used method in Indonesia (50.6%) and in South Africa (46.4%). Recruitment from non-personnel /HR specialists in the organization and outside it is the least used. Thus, recruitment of non-personnel/HR specialists from outside of the organization is mostly used in Brazil (20.1%) and the Philippines (13.9%).

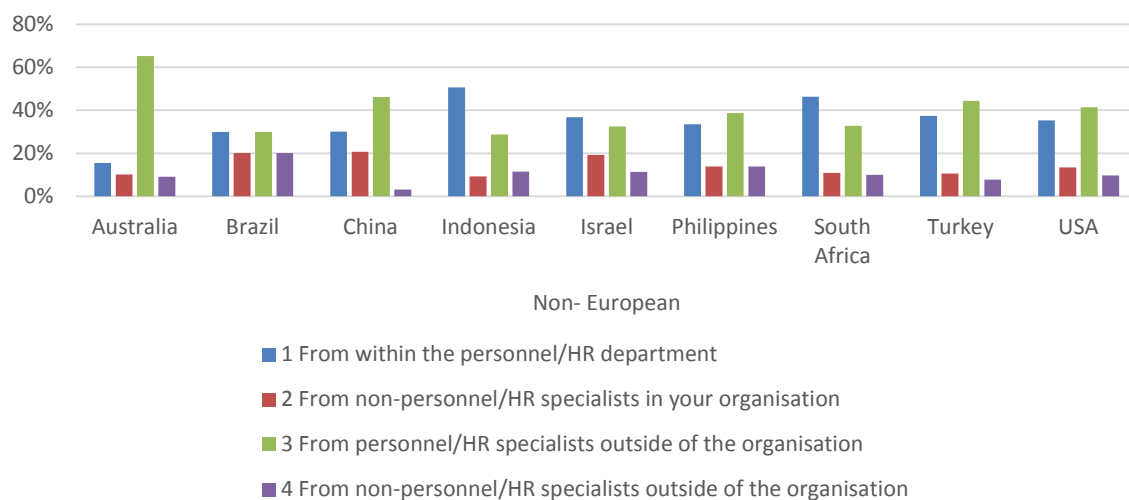


Figure 8c: Recruitment of HR Directors (non-Europe)

Existence of written statements and strategies

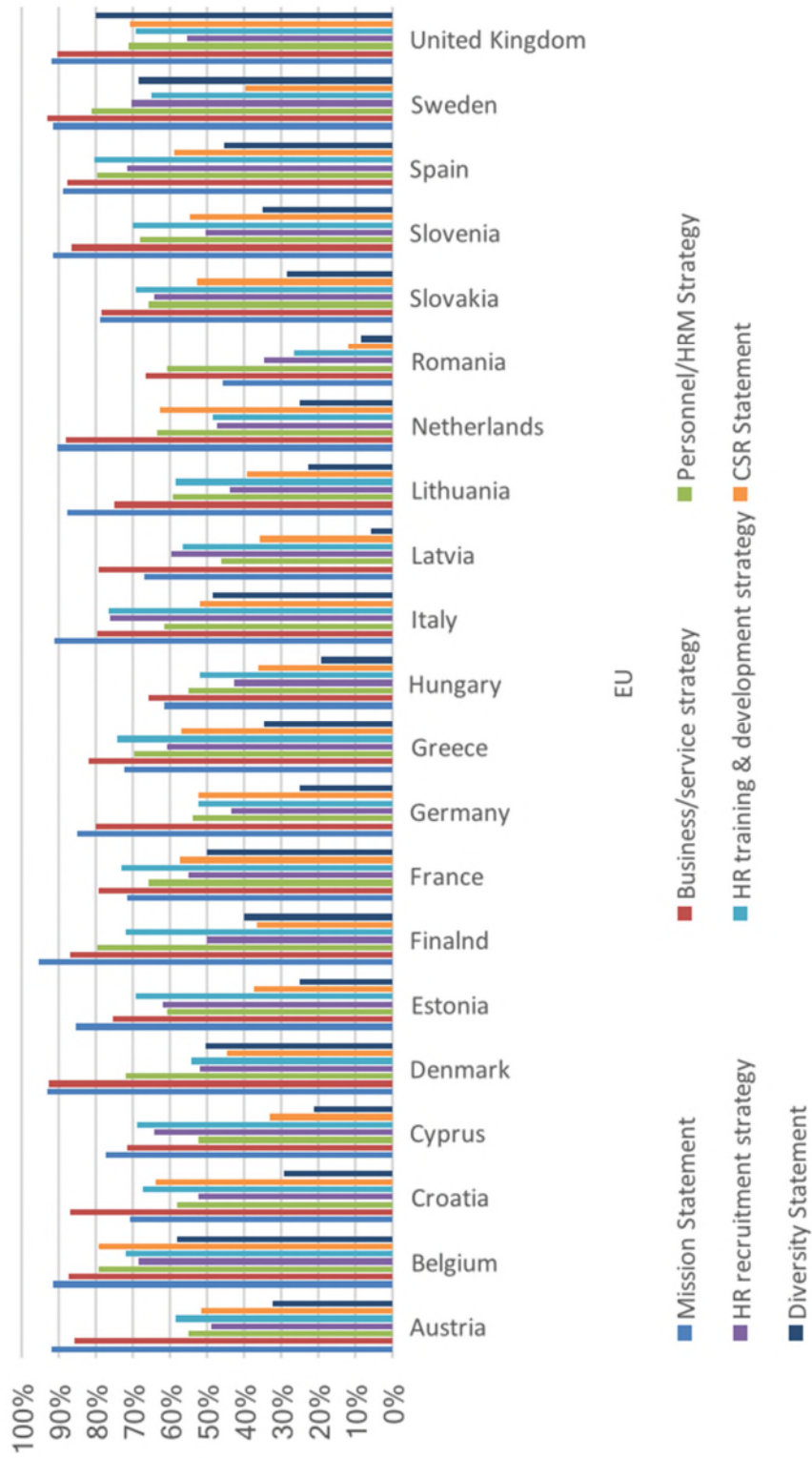
On average, 85.8% of companies in the sample possess a written mission statement and 83.7% of them a written business/service strategy. However, written HRM documents are

less prevalent on average – 67.1% of companies' worldwide have a personnel/HRM strategy, 59.9% have a HR recruitment strategy, 64.9% have a HR training & development strategy, 50.5% have a corporate social responsibility (CSR) statement, and only 45.0% have a diversity statement.

In EU European countries, the formalization of mission statements is present in more than 90% of companies in Finland, Slovenia, Denmark, Sweden, Austria, Italy and the UK (ranked by value), while a written business/service strategy is present in more than 90% of companies in Sweden, Denmark and the UK. The formalization of a personnel/HRM strategy is mostly present in Sweden, Finland and Spain (in around 80% of organizations), HR recruitment strategy in Italy, Spain and Sweden (in around 70% of organizations), HR T&D strategy in Spain, Italy and Greece (in around 75% of organizations), CSR statements in UK and Croatia (in more than 60% of organizations), and diversity statements in the UK and Sweden (in around 70% of organizations).

Among non-EU European countries, written mission statements are mostly present in Norway, Iceland and Switzerland, and written business/service strategies in Norway, Switzerland and Serbia. Written HRM statements/strategies are common in Iceland and Switzerland, written HR recruitment strategies in Russia and Iceland, written HR T&D strategies in Russia and Switzerland, CSR statements in Switzerland and Serbia, and diversity statements in Serbia.

Figure 9a: Existence of written statements and strategies (EU)



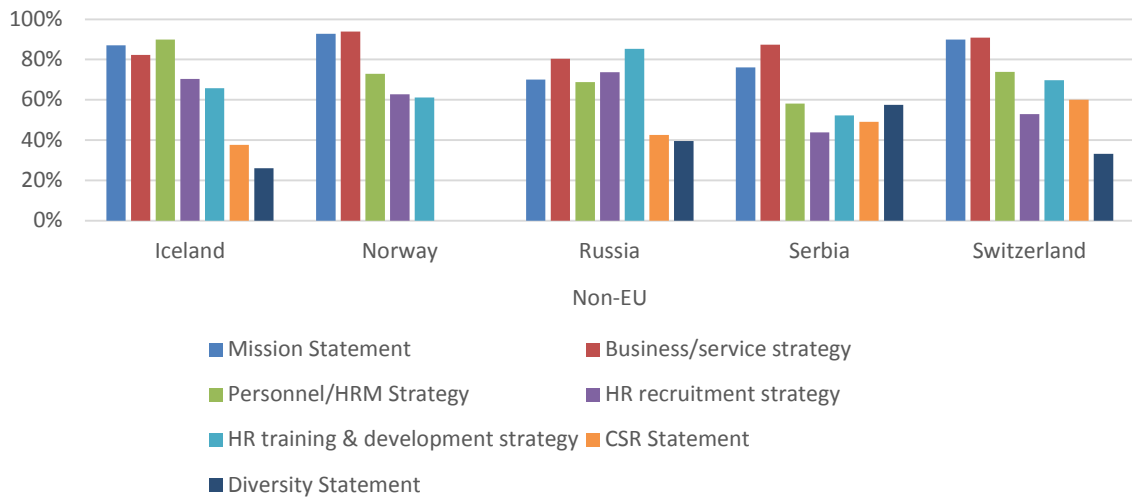


Figure 9b: Existence of written statements and strategies (non-EU)

In non-European countries, written mission statements are mostly present in the Philippines, Turkey, South Africa and Indonesia. Written business/service strategies in Turkey, the Philippines, Indonesia and Australia. Personnel/HRM strategy and HR recruitment strategy are mostly present in Indonesia, Turkey, and the Philippines and HR training and development strategy in Indonesia, South Africa and Turkey. CSR statements are present in most organisations in China and Turkey, and diversity statements in the USA and Australia.

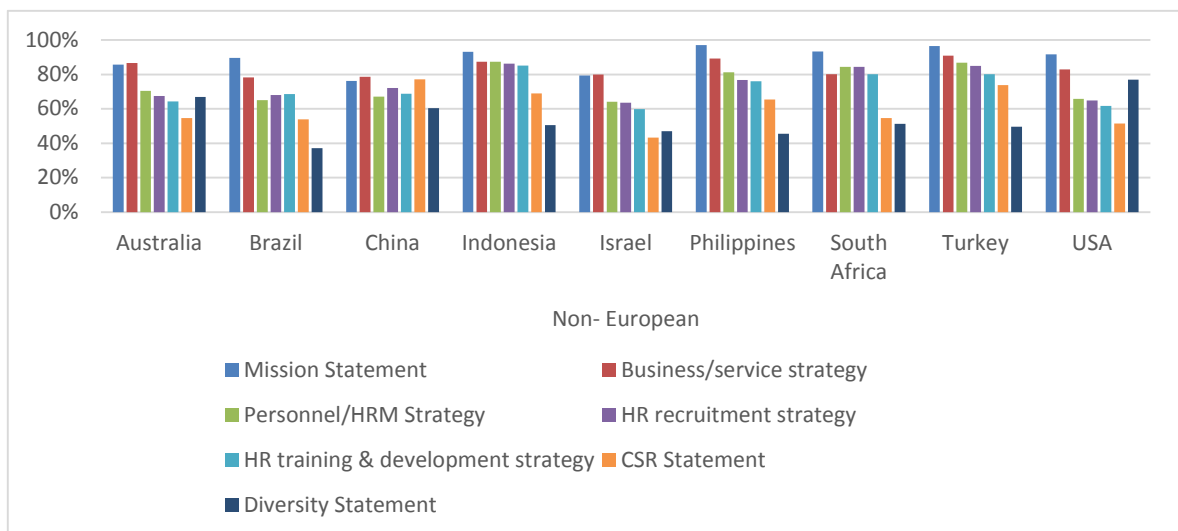


Figure 9c: Existence of written statements and strategies (non-Europe)

Stage at which the person responsible for personnel/HR is involved in the development of business strategy

In EU European countries, the person responsible for personnel/HR is not consulted or only consulted on implementation of business strategy in more than 40% of organizations in Lithuania, Cyprus and Latvia, while more than 60% of organizations in Sweden, Spain and Finland have a practice of involving personnel/HR heads in that process from the outset.

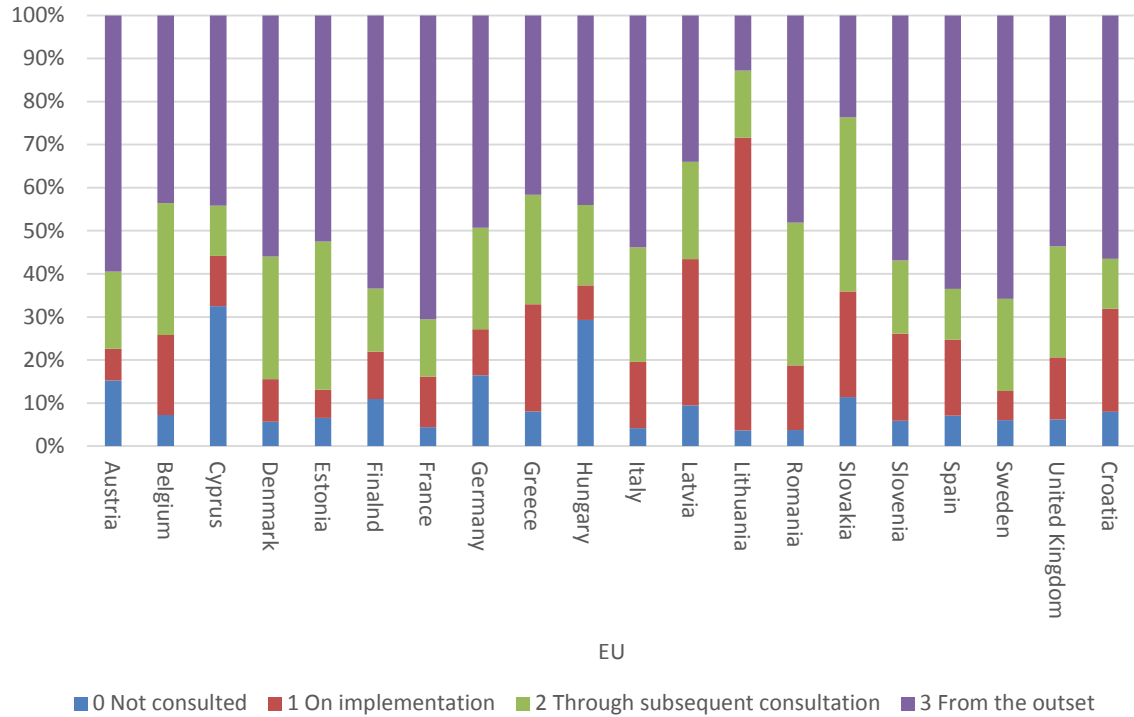


Figure 10a: Stage at which the person responsible for personnel/HR is involved in development of business strategy (EU)

Non-EU European countries that involve personnel/HR heads in business strategy development in almost 70% of cases are Iceland and Norway, while in non-European countries this practice is mostly common in South Africa, Indonesia and Brazil where around 60% of companies do involve those experts in this process from the outset.

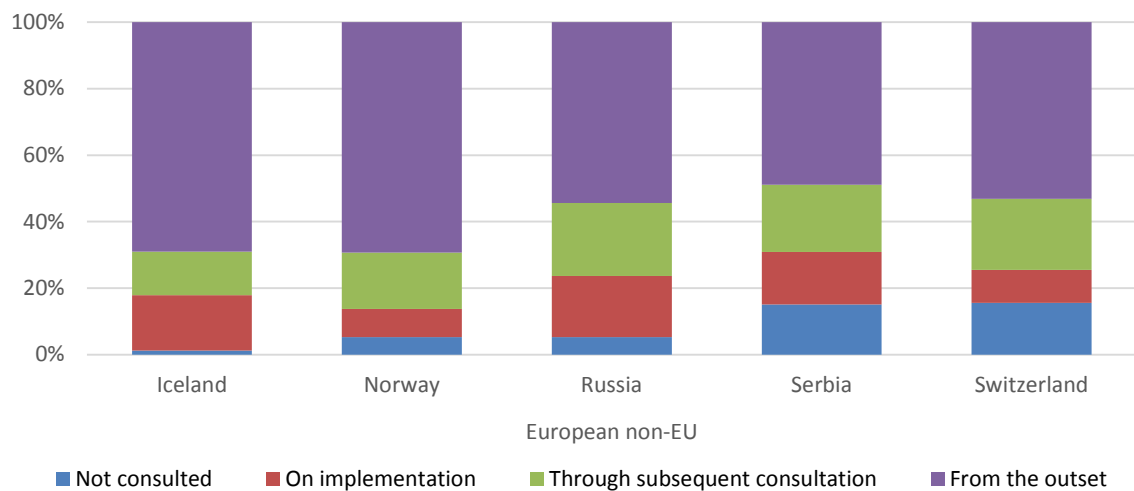


Figure 10b: Stage at which the person responsible for personnel/HR is involved in development of business strategy (non-EU)

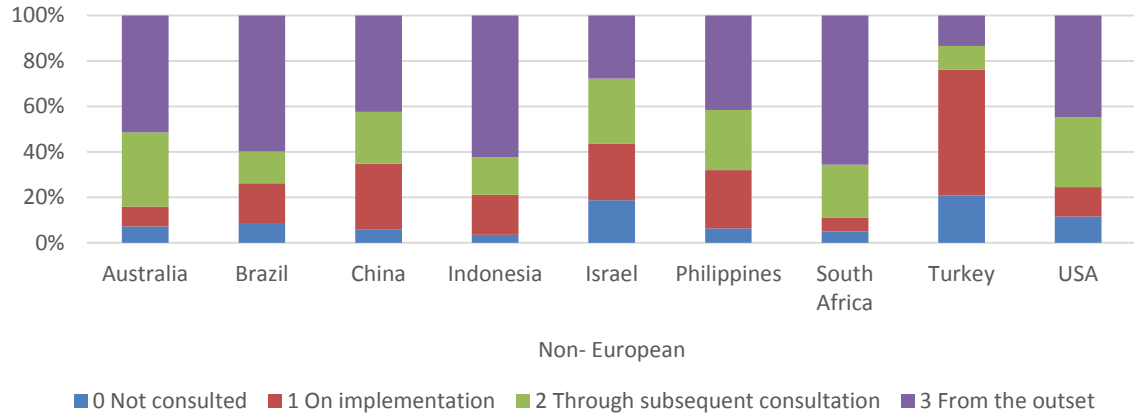


Figure 10c: Stage at which the person responsible for personnel/HR is involved in development of business strategy (non-Europe)

Primary responsibility for pay and benefits

In relation to remuneration, the primary responsibility for employee pay and benefits is shared by the line and HR managers. The most common practice is that HR managers take the responsibility with assistance of the line management. In some countries it is more common for the line management to have the main responsibility for pay and benefits [Romania (56.9%); Latvia (56.7%); Slovakia (49%), Hungary (46%)].

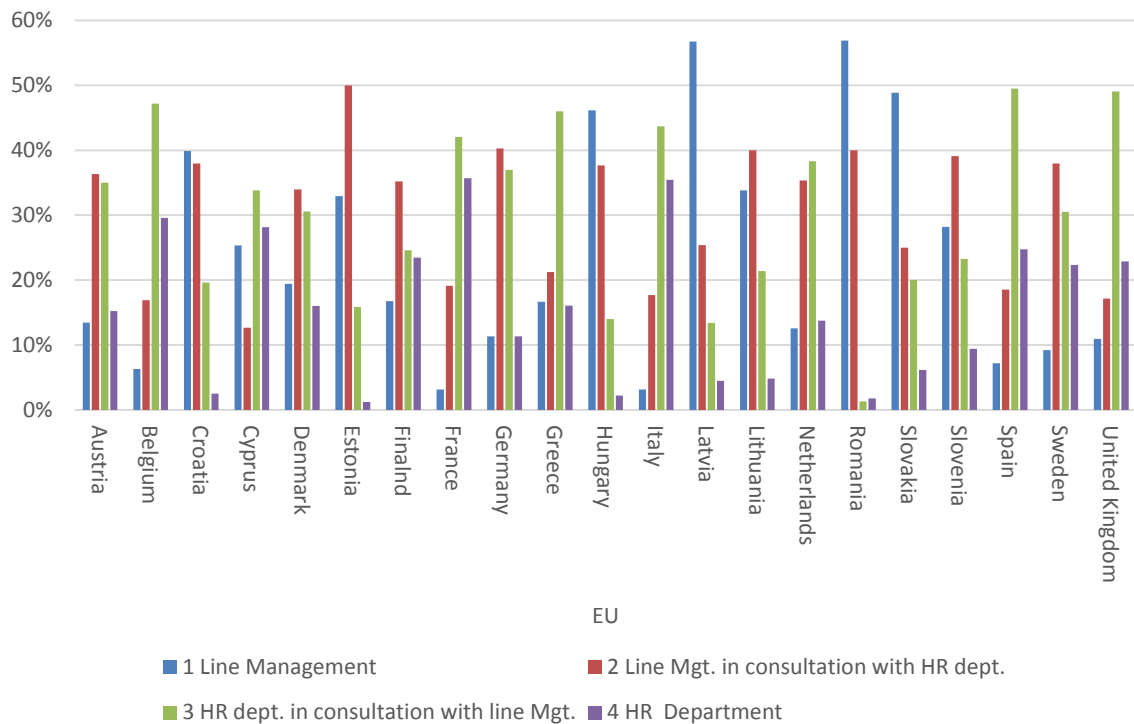


Figure 11a: Primary responsibility for pay and benefits (EU)

In non-European countries the situation is similar, only in Serbia (57%) the line management has the main responsibility for pay and benefits.

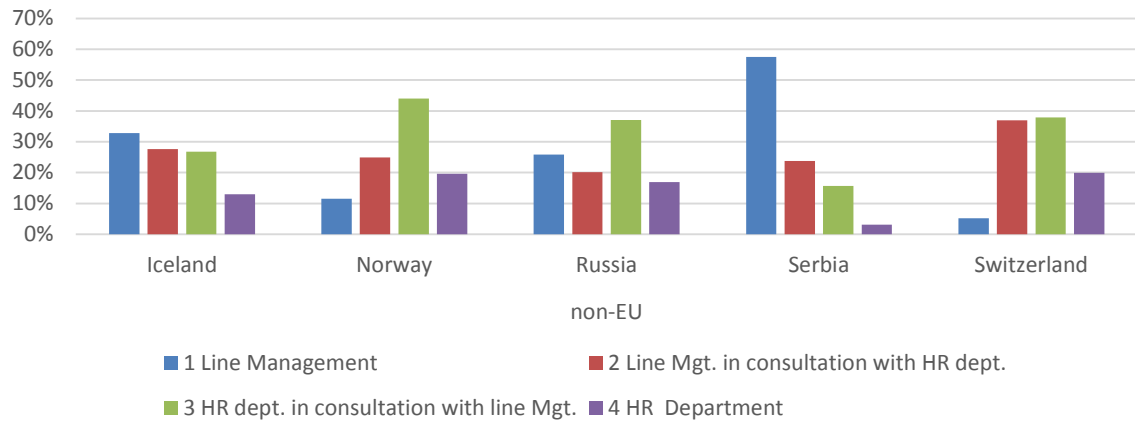


Figure 11b: Primary responsibility for pay and benefits (non-EU)

HR plays the main role in decision-making on pay and benefits in Brazil (45%), South Africa (39%) and USA (40%).

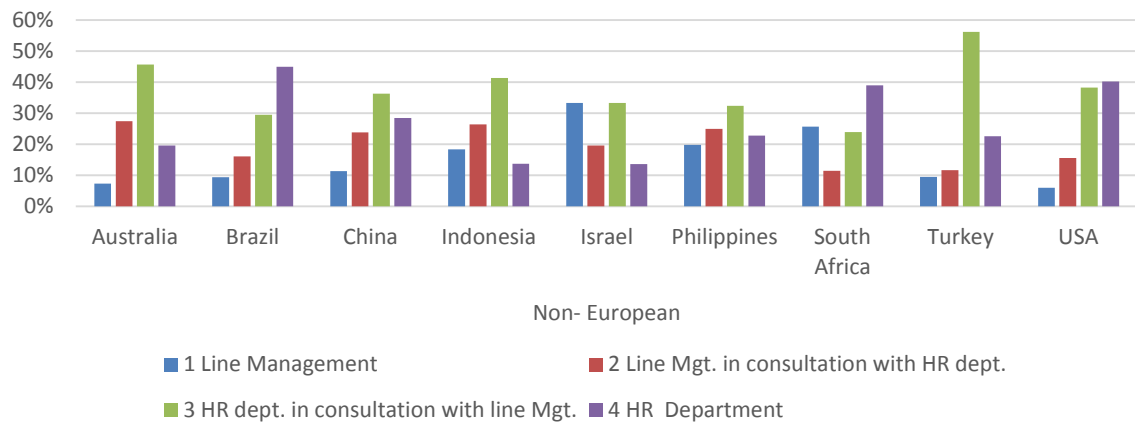


Figure 11c: Primary responsibility for pay and benefits (non-Europe)

Primary responsibility for recruitment and selection

It seems common for HR and line management to share the responsibility for recruitment and selection. In some countries it is more common for HR to have an assisting role to the line, while in others it is the other way round. The survey demonstrates that in all EU countries that participated, good cooperation exists between HR and line managers in making policy decisions on recruitment and selection.

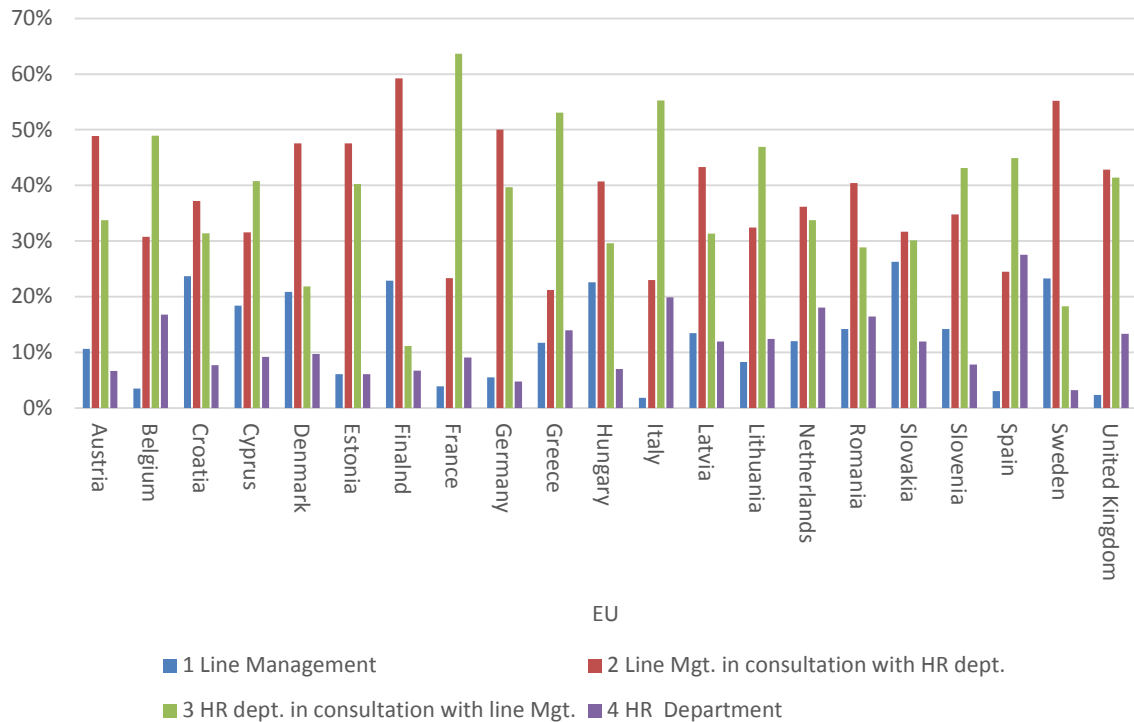


Figure 12a: Primary responsibility for recruitment and selection (EU)

When looking at non-European countries the situation is similar - HR and line management share the responsibility for recruitment and selection more or less equally, only in Russia (62%) and Turkey (67.2%), Indonesia (51.7%) and the Philippines (47%) HR is the department responsible for recruitment and selection; however, at the same time there is a consultation with line management. In Switzerland (59%) the line manager makes decisions after consulting with the HR department.

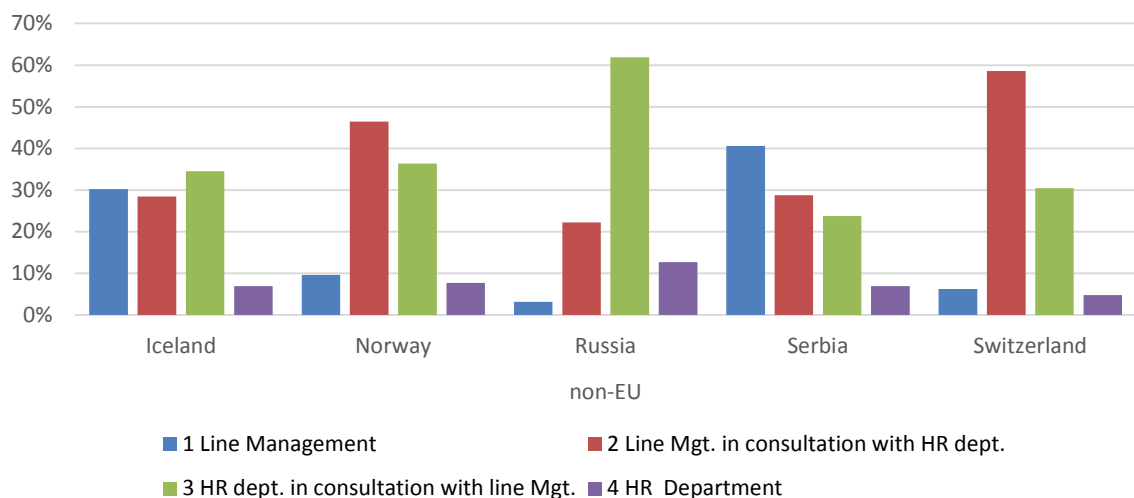


Figure 12b: Primary responsibility for recruitment and selection (non-EU)

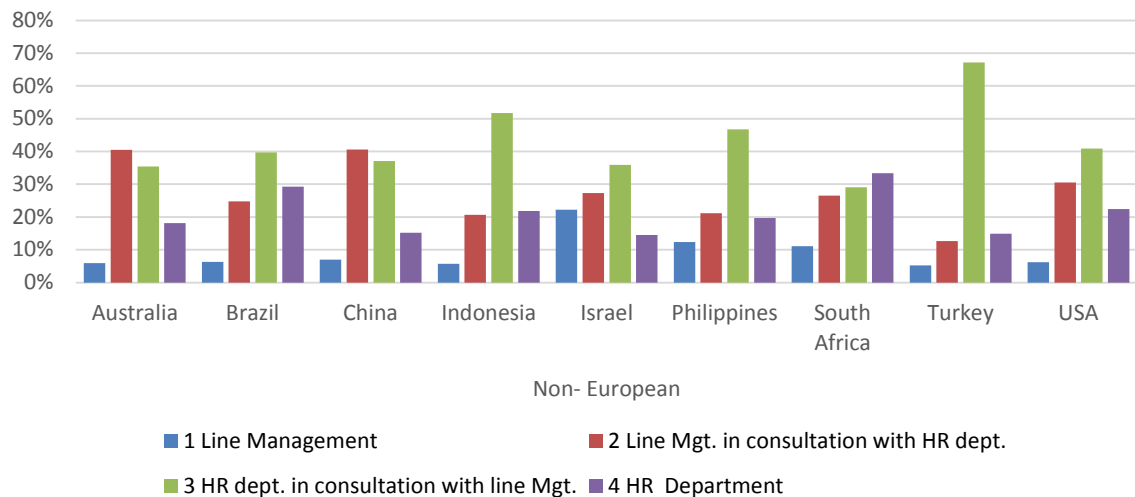


Figure 12c: Primary responsibility for recruitment and selection (non-Europe)

Primary responsibility for major policy decisions on training and development

In training and development, the responsibility is shared between the line and HR managers. In most EU countries it is common that HR managers are responsible for taking the decision; the line manager assists in this process: Austria, Finland, Sweden and Estonia are the only countries in which it is common that the line management arranges the training and development in consultation with the HR department.

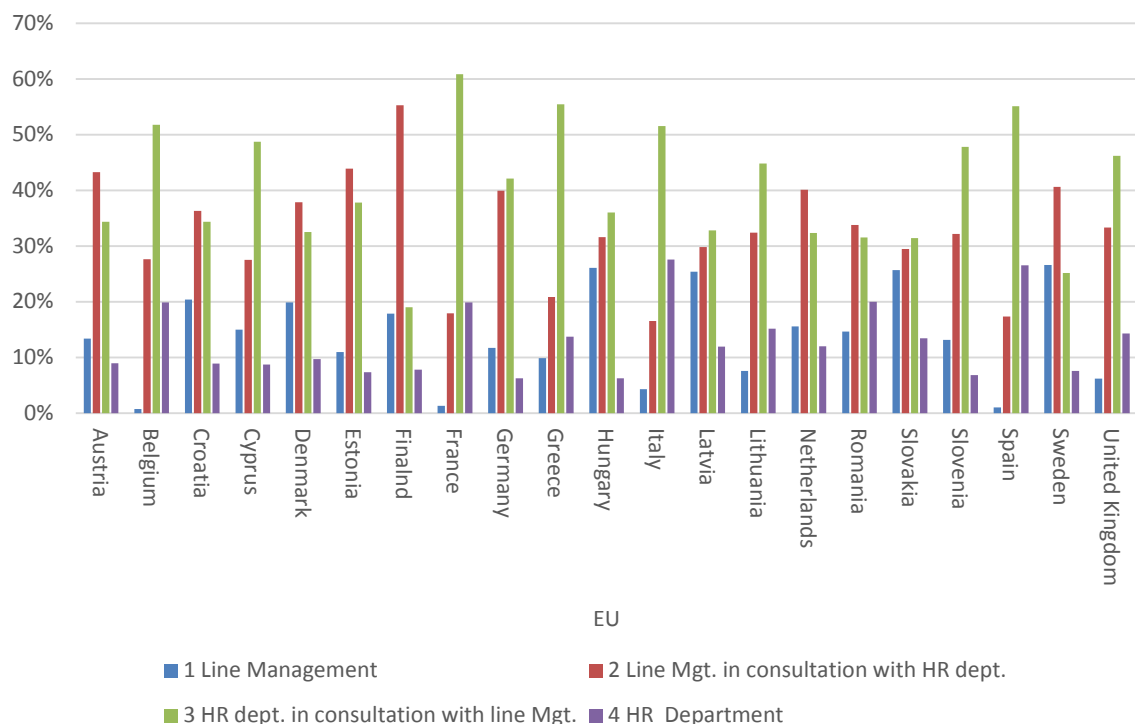


Figure 13a: Primary responsibility for training and development (EU)

In almost all non-European countries which participated in the survey the HR department makes decisions on training and development but with the assistance of the line management, especially in Turkey (57.4%) and Indonesia (51.7). However, in Switzerland

line managers make decisions on training and development after having consulted with the HR department. Line management is more independent in making decisions on training and development in Serbia (42% respondents answered that the line manager is the sole decision maker without the assistance of the HR department).

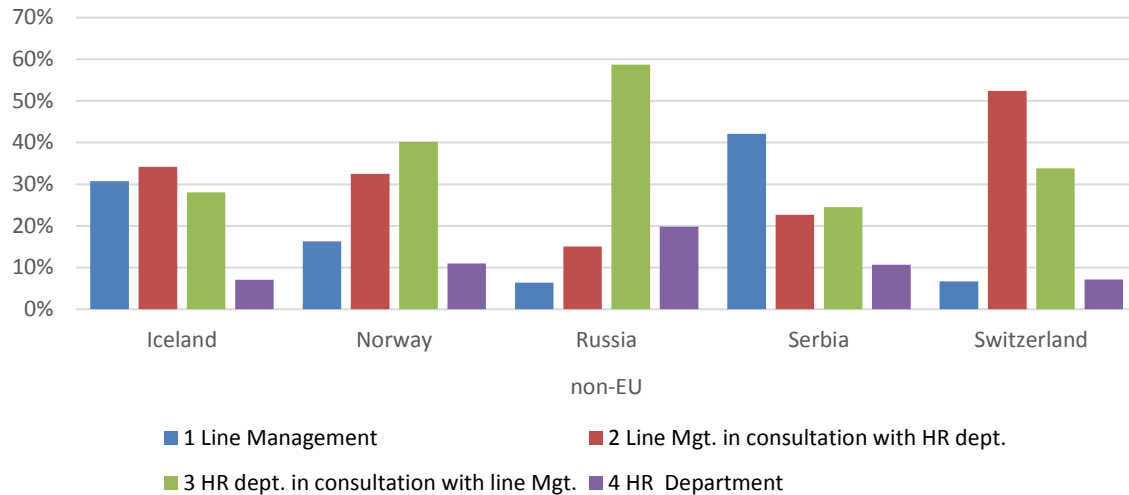


Figure 13b: Primary responsibility for training and development (non-EU)

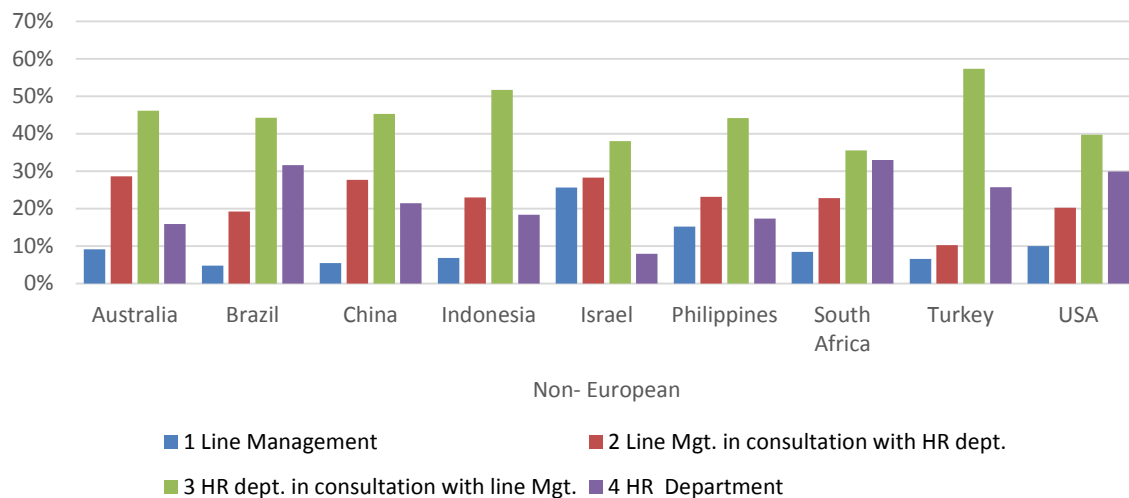


Figure 13c: Primary responsibility for training and development (non-Europe)

Primary responsibility for major policy decisions on industrial relations

The survey results show that industrial relations in European countries are considered most commonly as a shared responsibility under the guidance of the HR department; except in Italy (72%), France (65.6%), Spain (54%), Belgium (48.4%) and Lithuania (47%), where the HR department is mainly responsible for industrial relations. In Slovakia (50%) line management is mainly responsible for industrial relations without the assistance of the HR department.

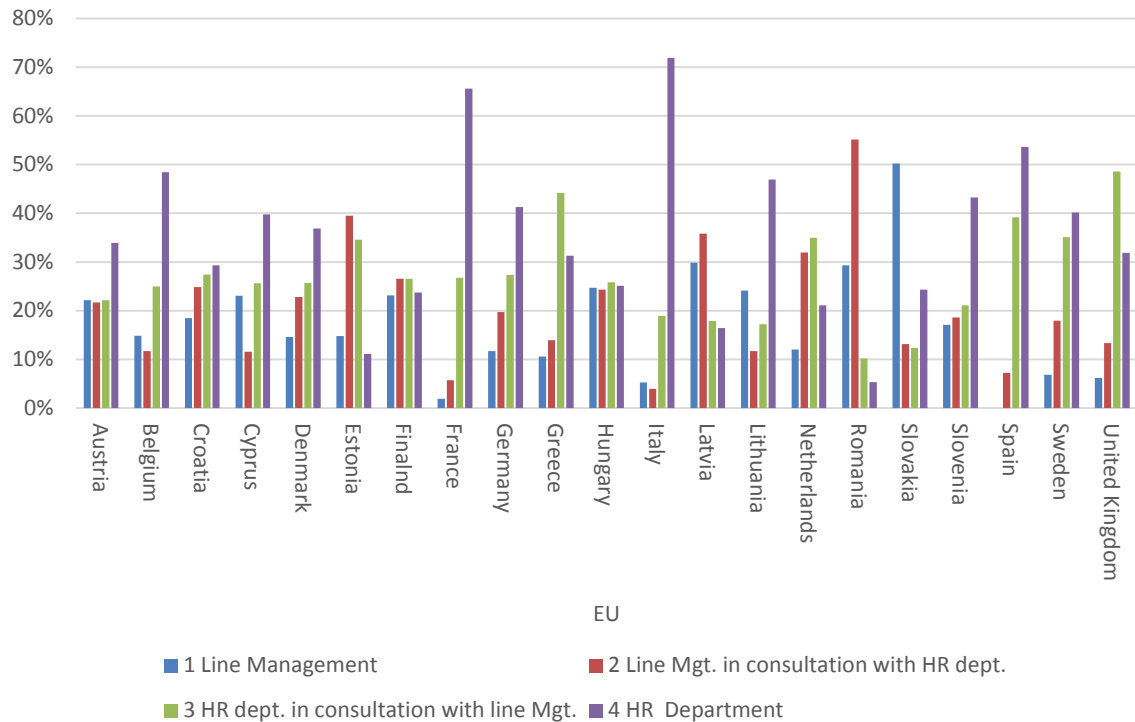


Figure 14a: Primary responsibility on industrial relations (EU)

In almost all non-European countries that participated in the survey (Iceland, Norway, Russia, Switzerland, Australia, Brazil, South Africa, and USA) industrial relations were considered to be the job of a HR manager. The exception was are Serbia where it is most common for the line manager to take on the responsibility for industrial relations, without the support of the HR manager.

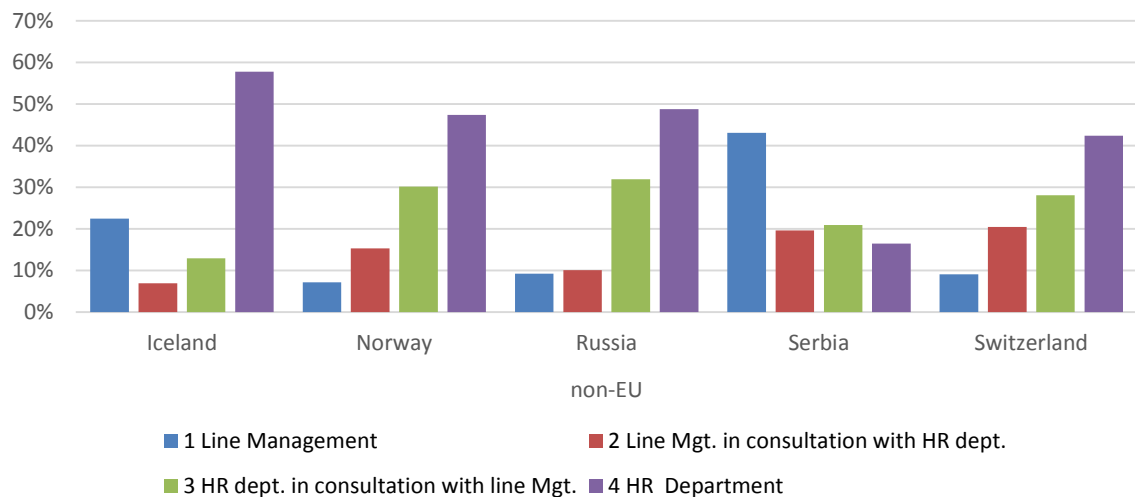


Figure 14b: Primary responsibility on industrial relations (non-EU)

In other non-European countries industrial relations are considered as a shared responsibility.

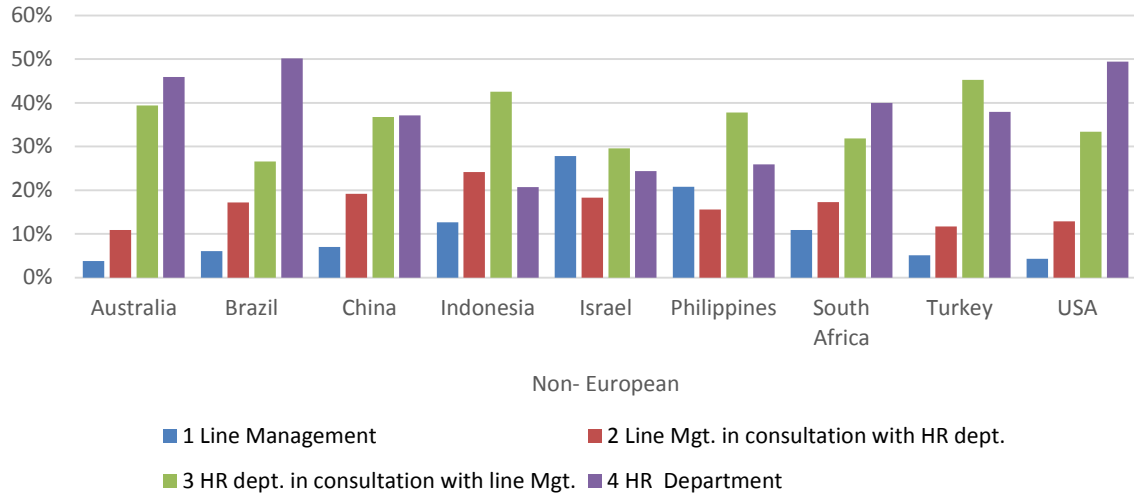


Figure 14c: Primary responsibility on industrial relations (non-Europe)

Primary responsibility for major policy decisions on workforce expansion/reduction

In most countries the primary responsibility for workforce expansion/reduction resides with the line manager with assistance from the HR department. However, in some countries, it is the HR department that has the primary responsibility for workforce expansion/reduction but with the assistance from the line manager (Cyprus, Italy and Greece). In some countries it is more common for the line manager to take on responsibility for deciding on workforce expansion/reduction, for example in Hungary (49%) and in Slovakia (42%).

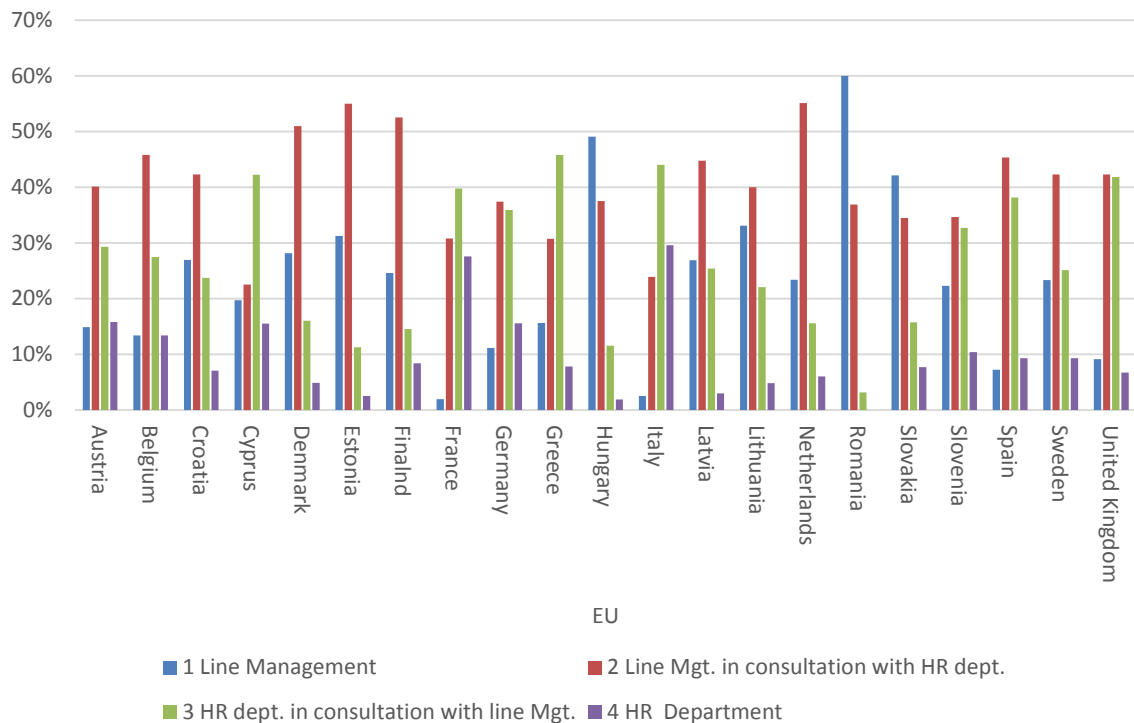


Figure 15a: Primary responsibility for workforce expansion/reduction (EU)

Taken together the data suggest that in all non-European countries which participated in the survey the primary responsibility for workforce expansion/reduction is shared between

the line and HR managers, except Serbia (51%) where line management is mainly responsible for workforce expansion/reduction without the assistance of HR department.

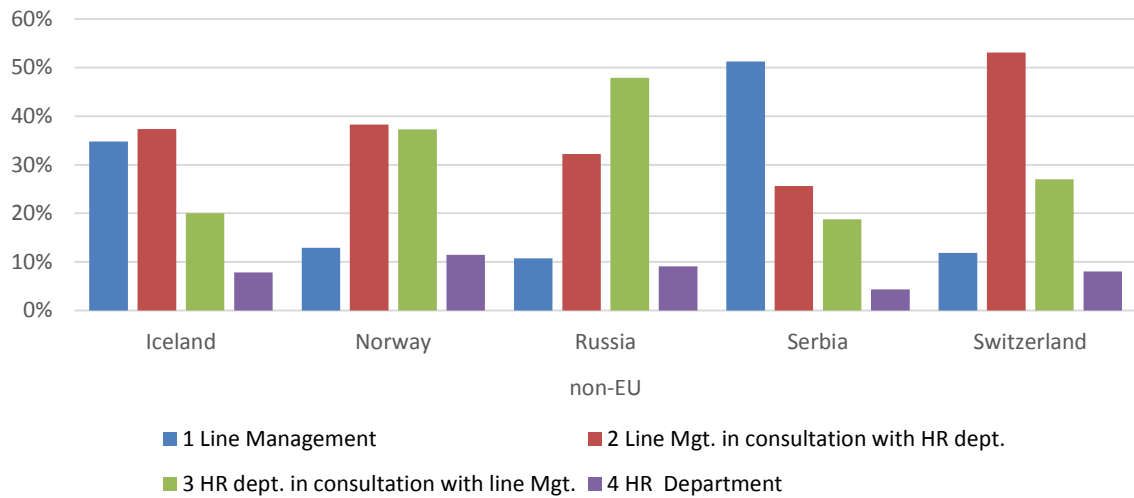


Figure 15b: Primary responsibility for workforce expansion/reduction (non-EU)

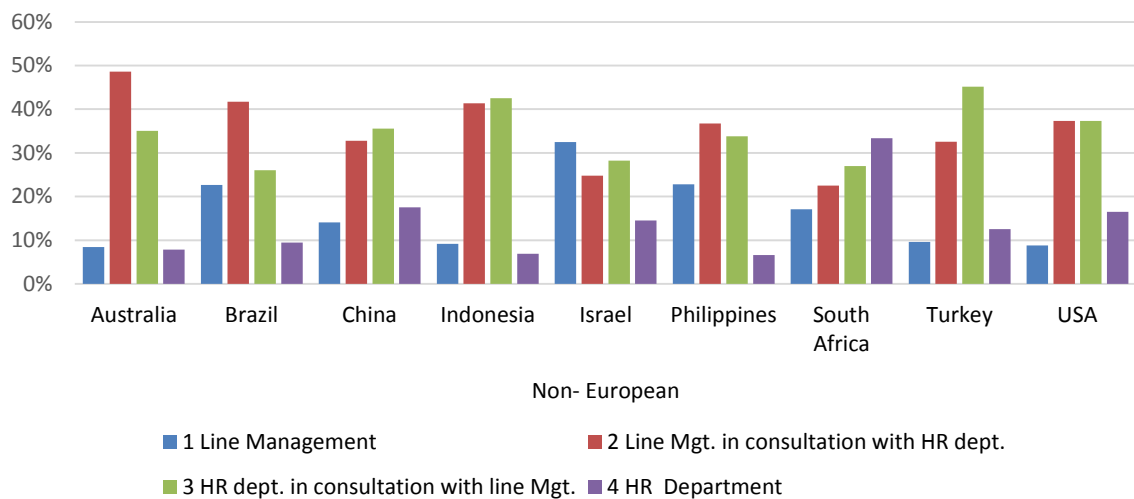


Figure 15c: Primary responsibility for workforce expansion/reduction (non-Europe)

Use of external providers in payroll

The use of external providers in payroll is not common in countries which participated in the survey (except Hungary and Finland).

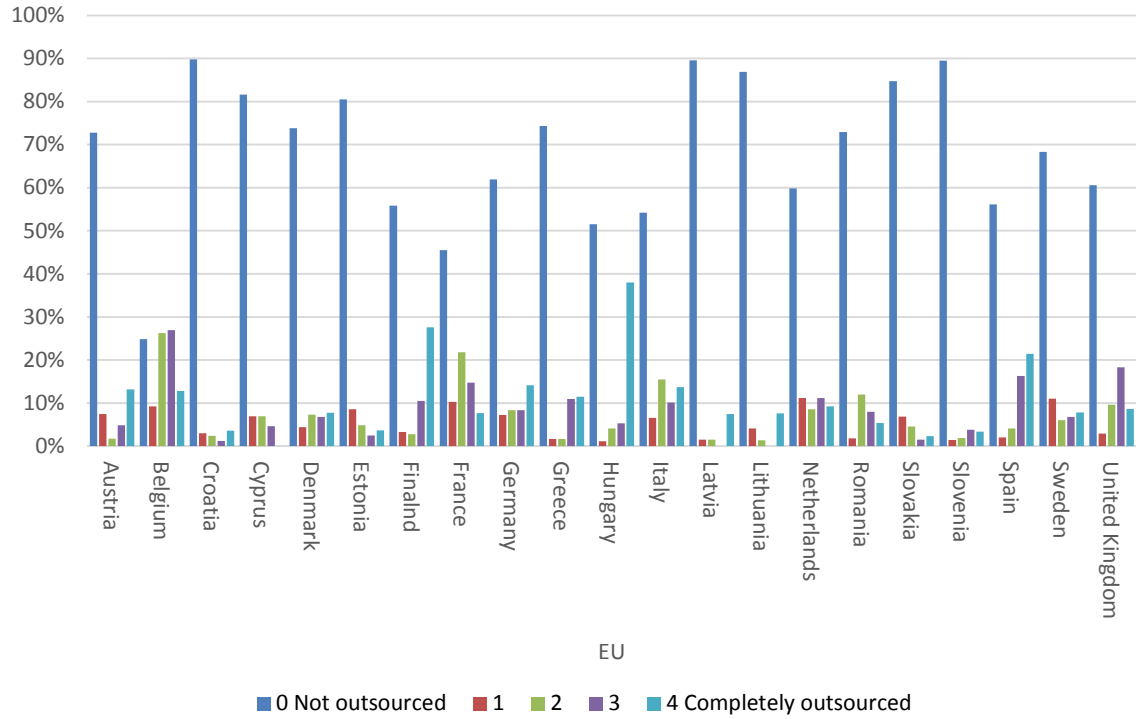


Figure 16a: Use of external providers in payroll (EU)

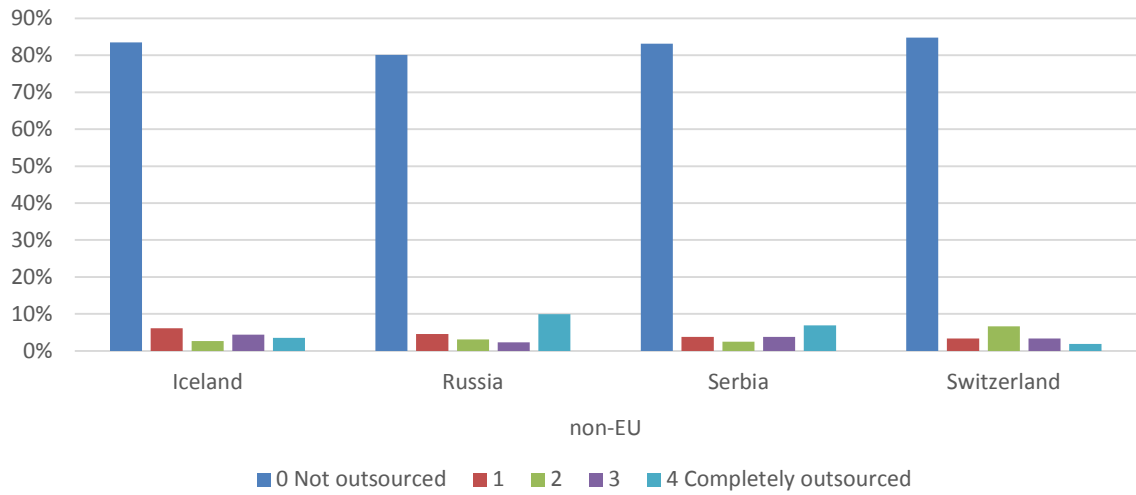


Figure 16b: Use of external providers in payroll (non-EU)

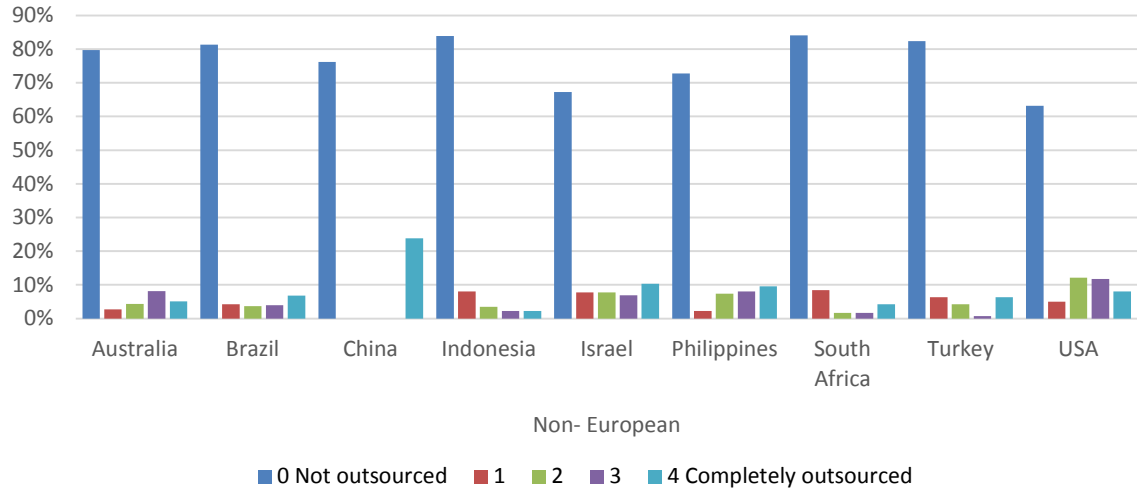


Figure 16c: Use of external providers in payroll (non-Europe)

Use of external providers in pensions

The use of external providers in pensions is also not very pronounced in many countries. Some exceptions are in Finland, Spain, Switzerland, and South Africa.

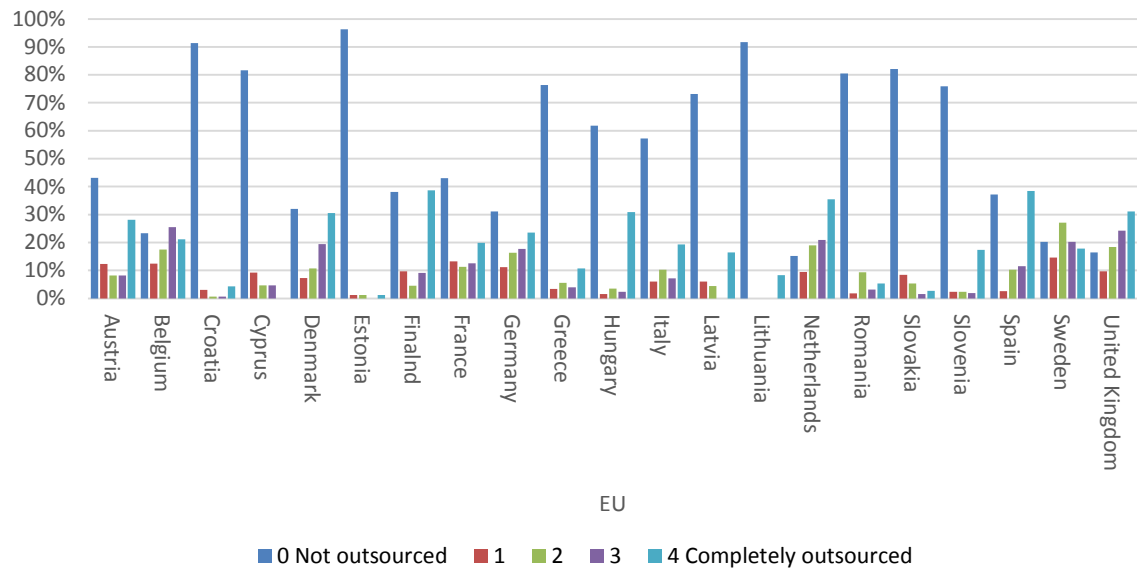


Figure 17a: Use of external providers in pensions (EU)

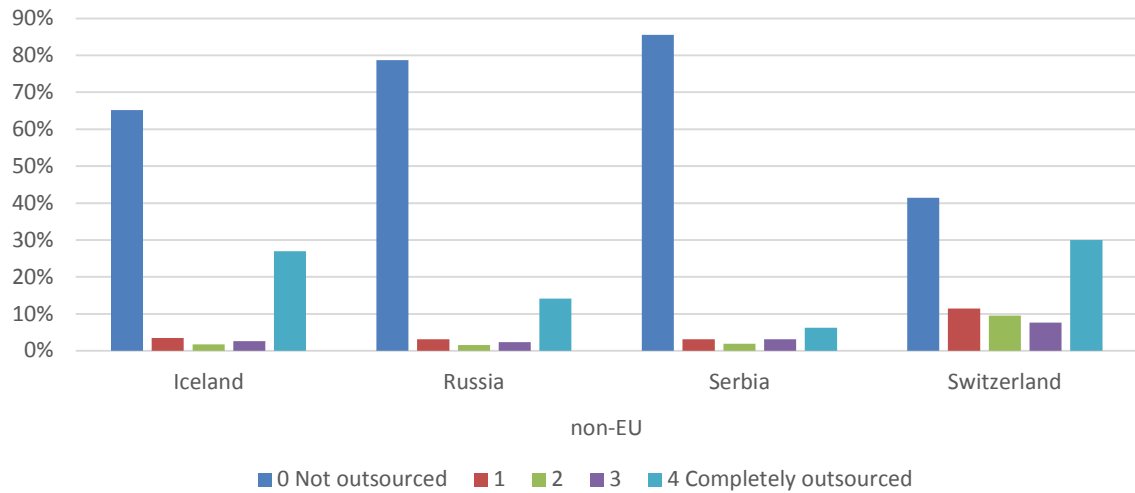


Figure 17b: Use of external providers in pensions (non-EU)

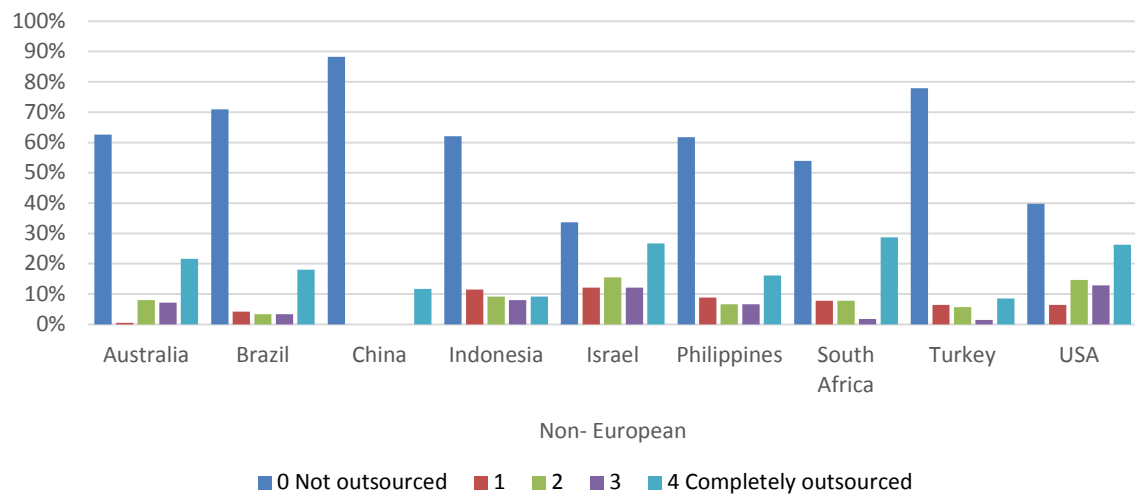


Figure 17c: Use of external providers in pensions (non-Europe)

Use of external providers in benefits

The use of external providers in benefits is not common in countries which participated in the survey. Some exceptions exist in Belgium, Spain, Hungary, and USA.

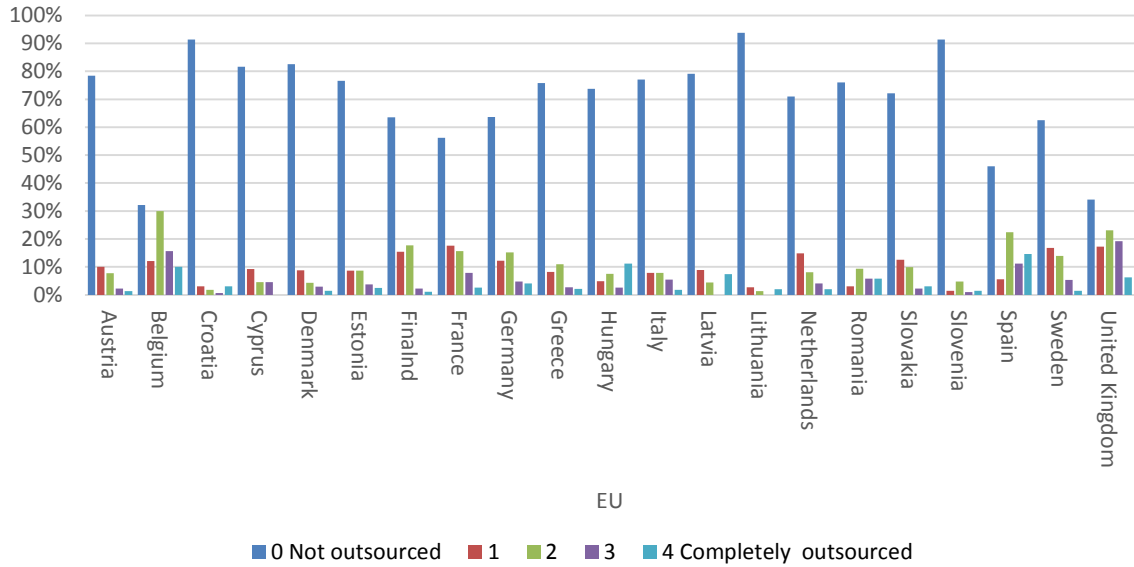


Figure 18a: Use of external providers in benefits (EU)

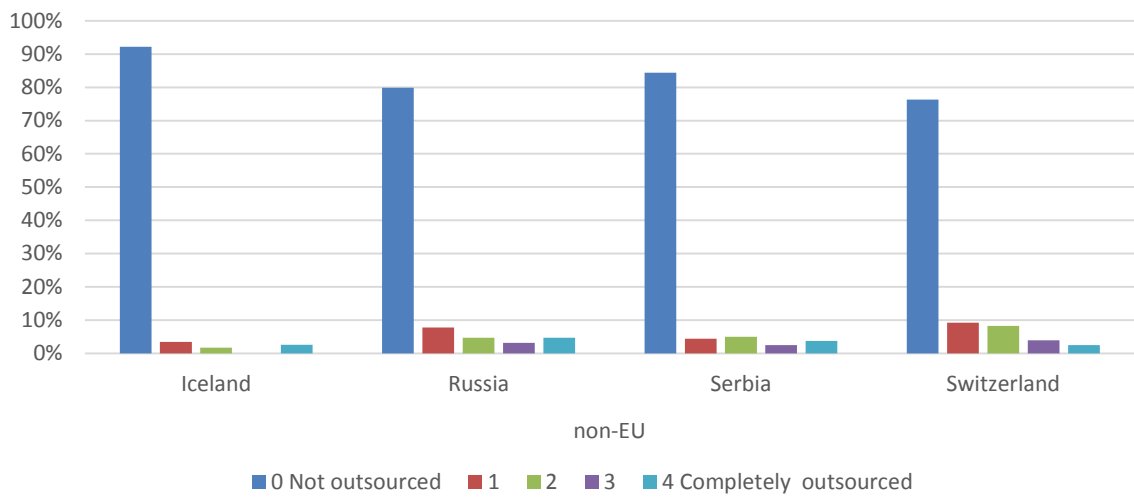


Figure 18b: Use of external providers in benefits (non-EU)

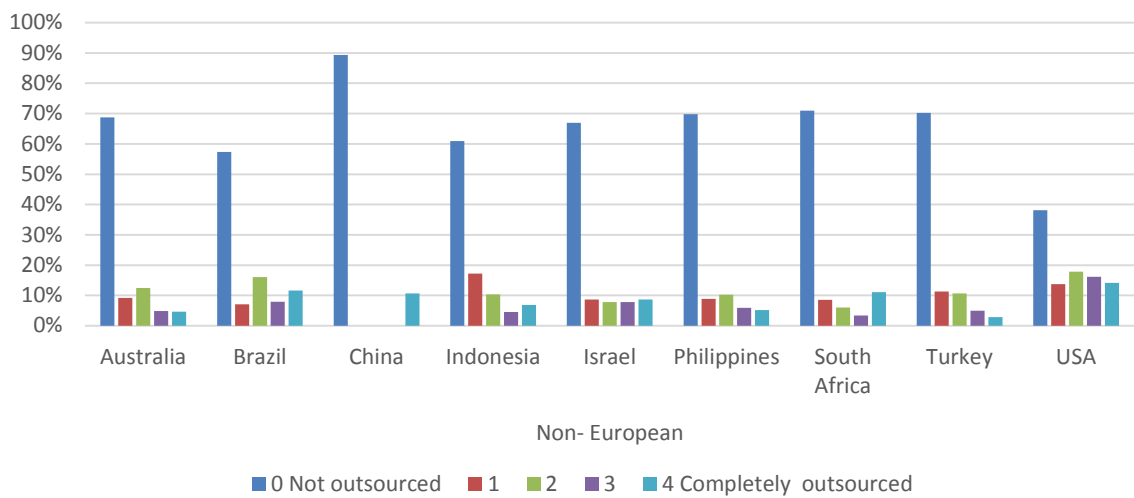


Figure 18c: Use of external providers in benefits (non-Europe)

Use of external providers in training and development

The training and development is most often provided externally. Only in Croatia, Denmark, Hungary, Iceland, Serbia, China, South Africa and USA a large proportion of companies answered that they do not outsource training and development.

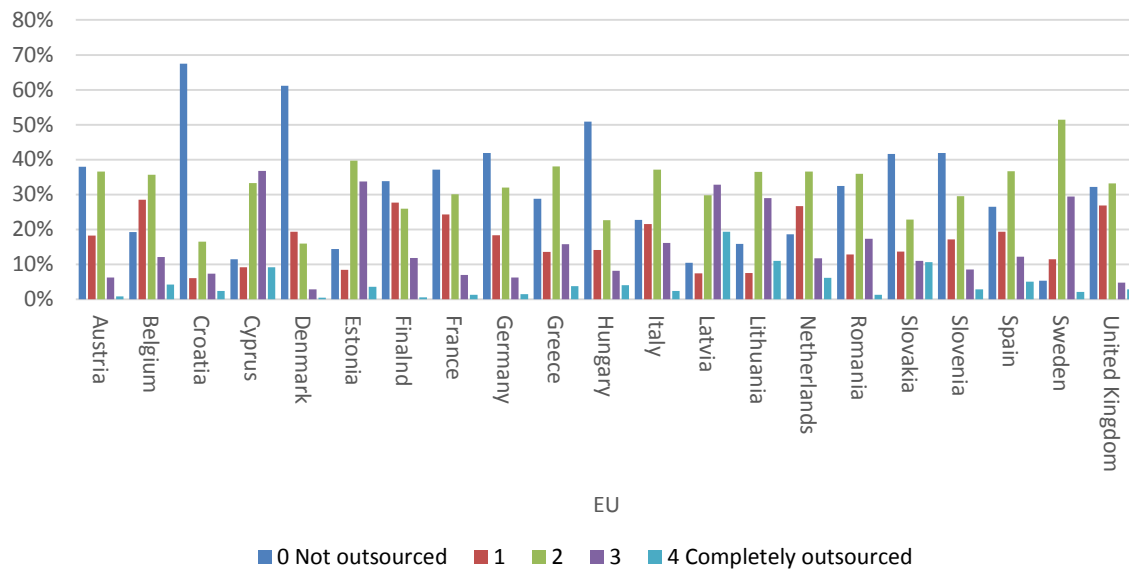


Figure 19a: Use of external providers in training and development (EU)

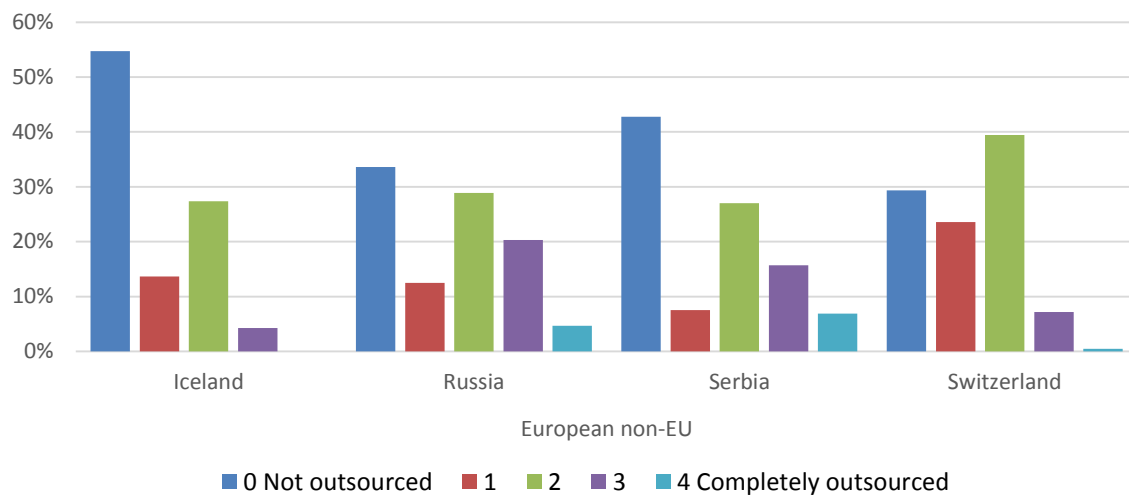


Figure 19b: Use of external providers in training and development (non-EU)

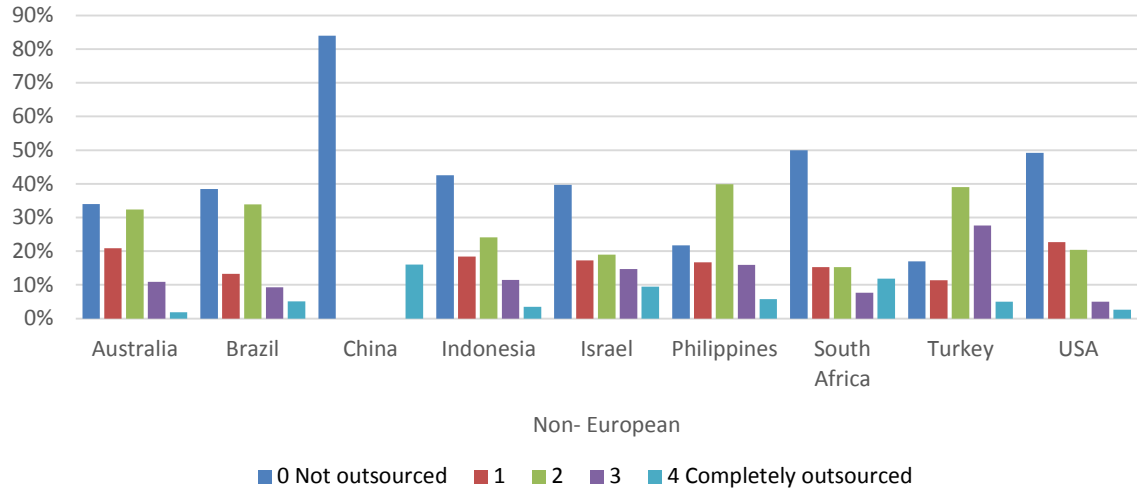


Figure 19c: Use of external providers in training and development (non-Europe)

Use of external providers in workforce outplacement/reduction

The use of external providers in workforce outplacement/reduction is also not common in countries which participated in the survey (except Belgium, Spain and the UK).

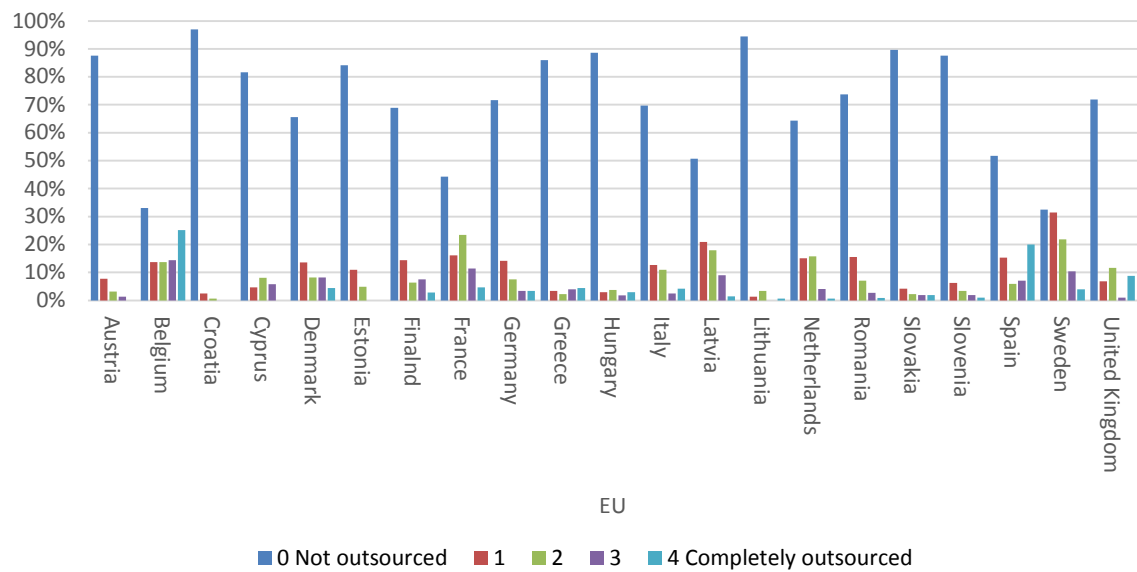


Figure 20a: Use of external providers in workforce outplacement/reduction (EU)

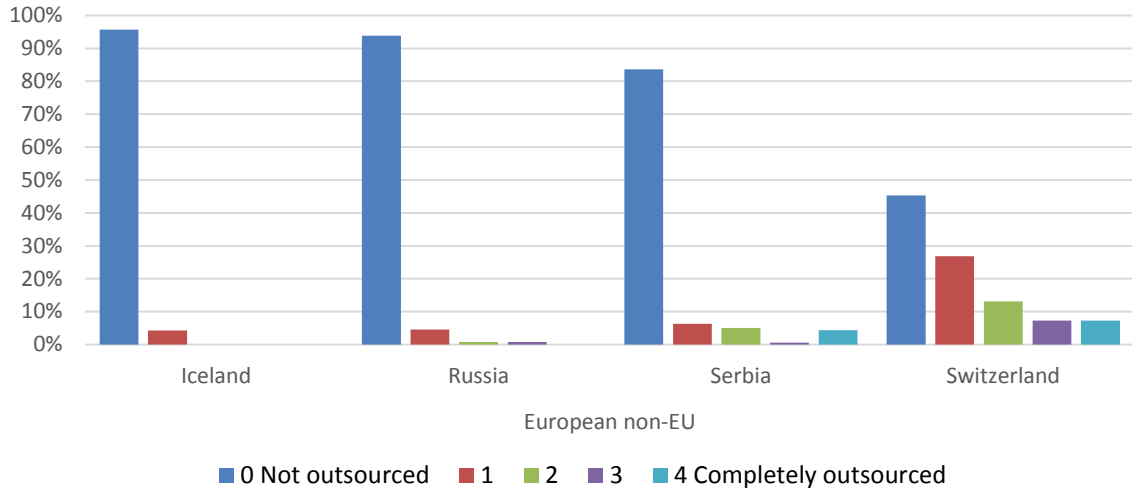


Figure 20b: Use of external providers in workforce outplacement/reduction (non-EU)

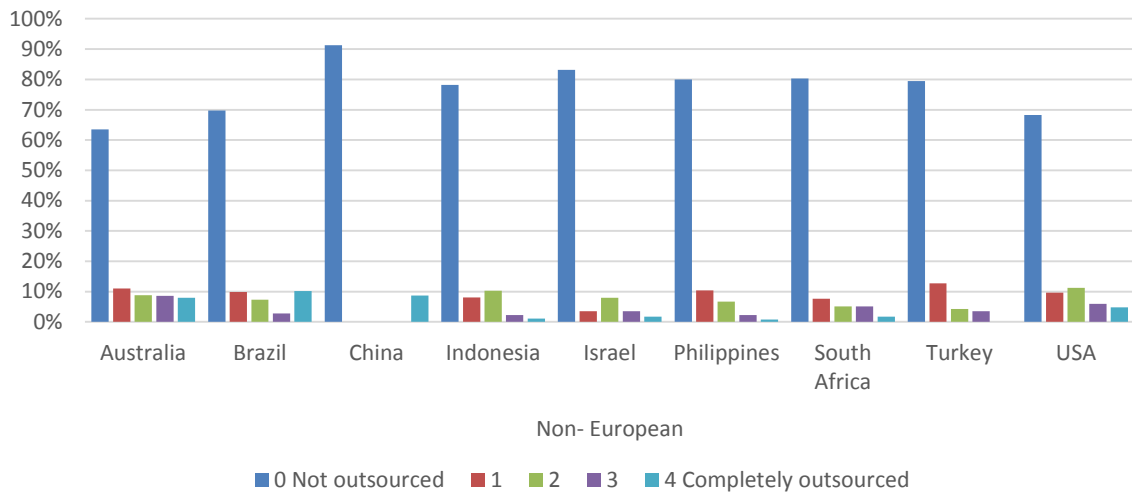


Figure 20c: Use of external providers in workforce outplacement/reduction (non-Europe)

Use of external providers for HR information systems

In the majority of EU and other European countries, HRIS is not outsourced. Belgium (30%), Cyprus, Estonia (27%), and Sweden (28%) reported that HRIS was outsourced in less than 30% of organisations.

This may be attributed to the advancement of internal knowledge in relation to the technological aspects of HRM, which allows companies to develop their HRIS in-house.

Summary

Most organizations in the EU have an HR department. The situation concerning the position of HR directors on the board or equivalent top executive team is quite diverse among the countries. In EU member states, Sweden with 89.0% and Spain with 84.7% of HR managers on the board or equivalent stand out. In relation to the recruitment of HR managers there

are large differences between countries and it cannot be said that this activity is dominated by a common pattern.

On average, 85.8% of companies in the sample possess a written mission statement and 83.7% of them a written business/service strategy. However, written HRM documents are on average less prevalent – 67.1% of companies' worldwide benefit from having a personnel/HRM strategy, 59.9% from having an HR recruitment strategy, 64.9% from having an HR training & development strategy, 50.5% from having a corporate social responsibility (CSR) statement, and only 45.0% from having a diversity statement.

In EU European countries, the person responsible for personnel/HR is not consulted or only consulted on implementation of business strategy in more than 40% of organizations in Lithuania, Cyprus and Latvia, while more than 60% of organizations in France, Sweden, Spain and Finland have a practice of involving personnel/HR heads in that process from the outset. In relation to remuneration, recruitment and selection, and training and development, the primary responsibility for policy decisions is shared by the line and HR managers. The most common practice is that HR managers take the responsibility with the assistance of line management. The survey results show that industrial relations in European countries are most commonly a shared responsibility under the guidance of the HR department. In most countries the primary responsibility for workforce expansion/reduction resides with the line manager with assistance from the HR department. Taken together the data suggest that in all non-European countries which participated in the survey the primary responsibility for workforce expansion/reduction is shared between the line and HR managers, except Serbia (51%) where line management is mainly responsible for workforce expansion/reduction without the assistance of HR department.

The use of external providers in payroll, in benefits, in workforce outplacement/reduction and pensions is not common in most countries, which participated in the survey. In the majority of EU and other European countries, HRIS is not outsourced. Training and development is most often provided externally. Only in Croatia, Denmark, Iceland, Serbia, China, Hungary, South Africa and USA a large proportion of companies answered that they do not outsource training and development.

3. Staffing: Practices for building and reducing the workforce across the globe

Arney Einarsdottir, Fulya Aydinli Kulak, Agnes Slavic and V. Lale Tüzüner

In this chapter, we focus on resourcing practices of the Cranet survey participating countries on a regional basis. The main topics covered are recruitment and selection practices, action programmes for minority groups, change in number of employees in the last three years and downsizing practices. This includes therefore staffing, from resourcing to termination, or how organizations across the world resource, select and attract their workforce and methods used to decrease or downsize the workforce.

How HR built the workforce

In the first part of this chapter, we look into recruitment and selection practices based on different levels of employees, classified as managers, professionals, clericals and/or manuals across the world. We will examine the preferences of recruitment and selection methods first in “EU” countries, then in “European-Non-EU” countries and then in “Non-Europe” countries.

Recruitment practices

Examining Figures 21a, b and c, we see that companies recruit their managers mainly through internal sources. The second mostly preferred recruitment method for managers is company websites. The other popular methods in recruitment of managers are commercial job websites and recruitment agencies. It can be noted that the method “word of mouth” is highly preferred, especially in the UK, Austria, Germany, France, Switzerland, the Philippines and the USA beside the use of technological tools such as company websites and commercial job websites. On the other hand, social media is much more preferred when sourcing for managers in EU countries such as the UK, Belgium and the Netherlands, compared to “Non-Europe” and “European–Non-EU” countries.

Figure 21a: Recruitment methods for Managers (Europe EU)

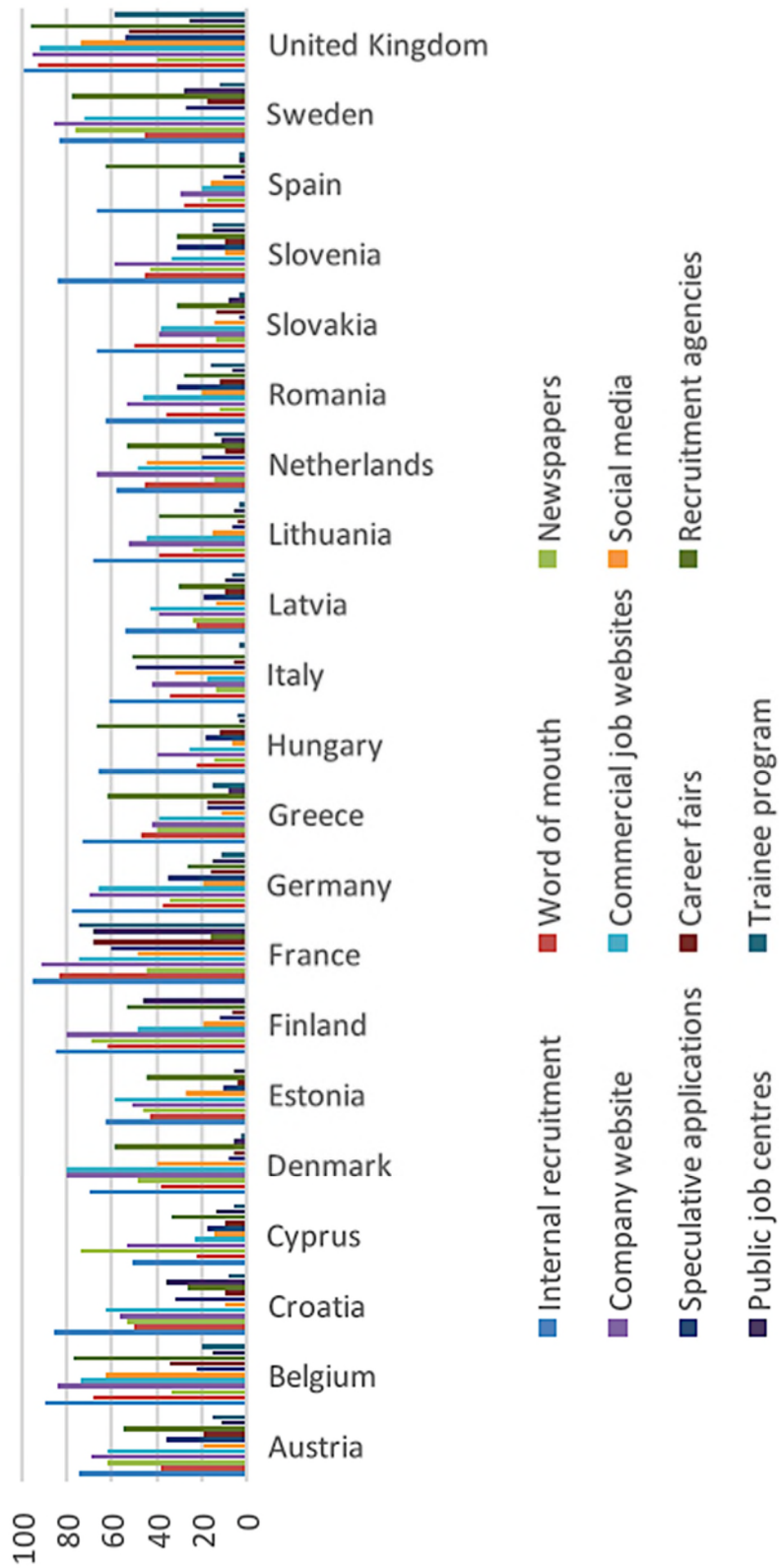
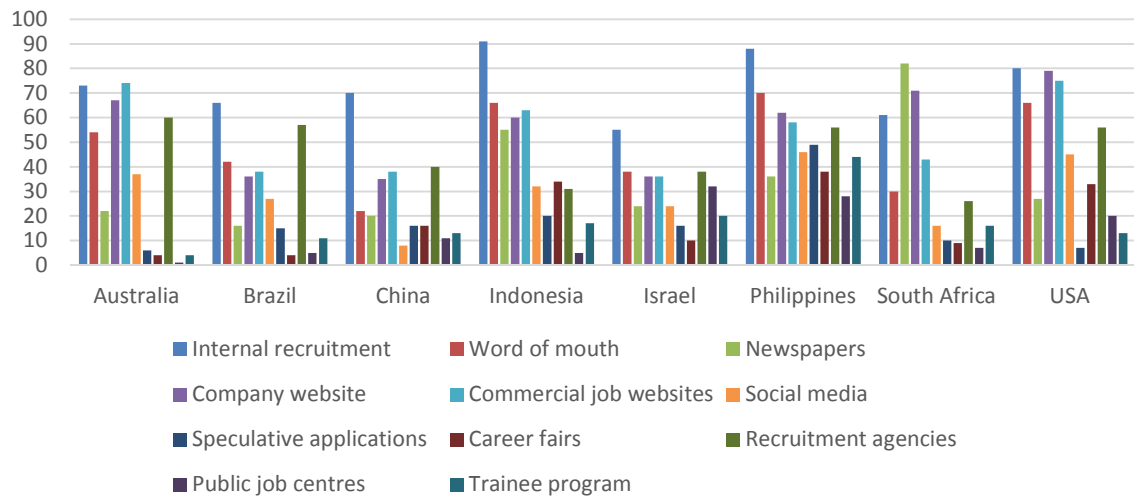




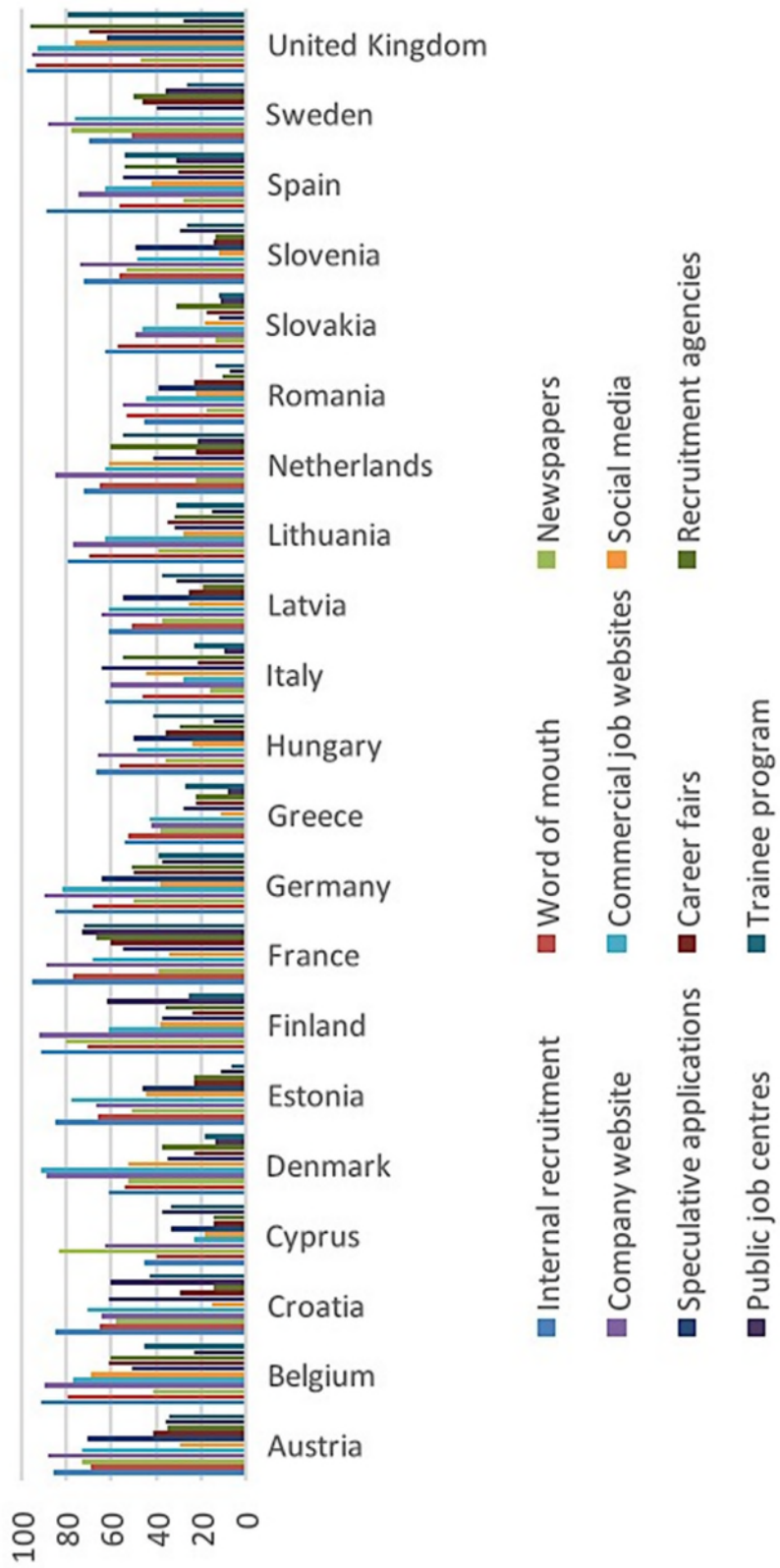
Figure 21b: Recruitment methods for Managers (Europe Non-EU)



21c: Recruitment methods for managers (Non-Europe)

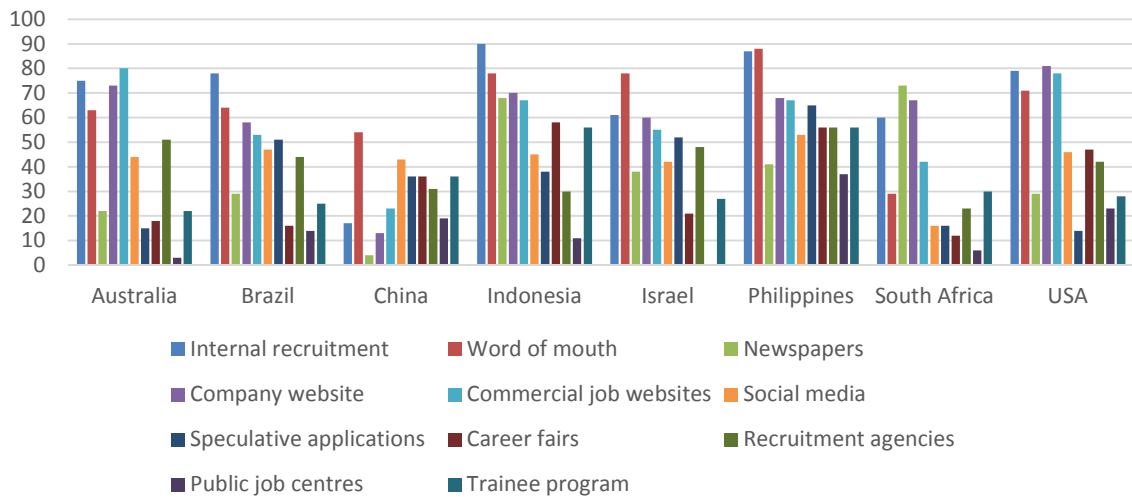
For professionals, the picture seems to be more diversified as companies prefer to use newspapers, word of mouth and speculative applications in addition to the mostly preferred methods such as internal recruitment, company websites and commercial job websites. Social media is apparently increasingly used in recruitment. In majority of the countries participating in the study, social media is used by more than 20% of participating organizations when recruiting professionals. The five countries where it is used to a lesser extent are South Africa, Serbia, Croatia, Cyprus and Greece (Figures 22a, b and c).

22a: Recruitment methods for professionals (Europe EU)





22b: Recruitment methods for professionals (Europe Non-EU)

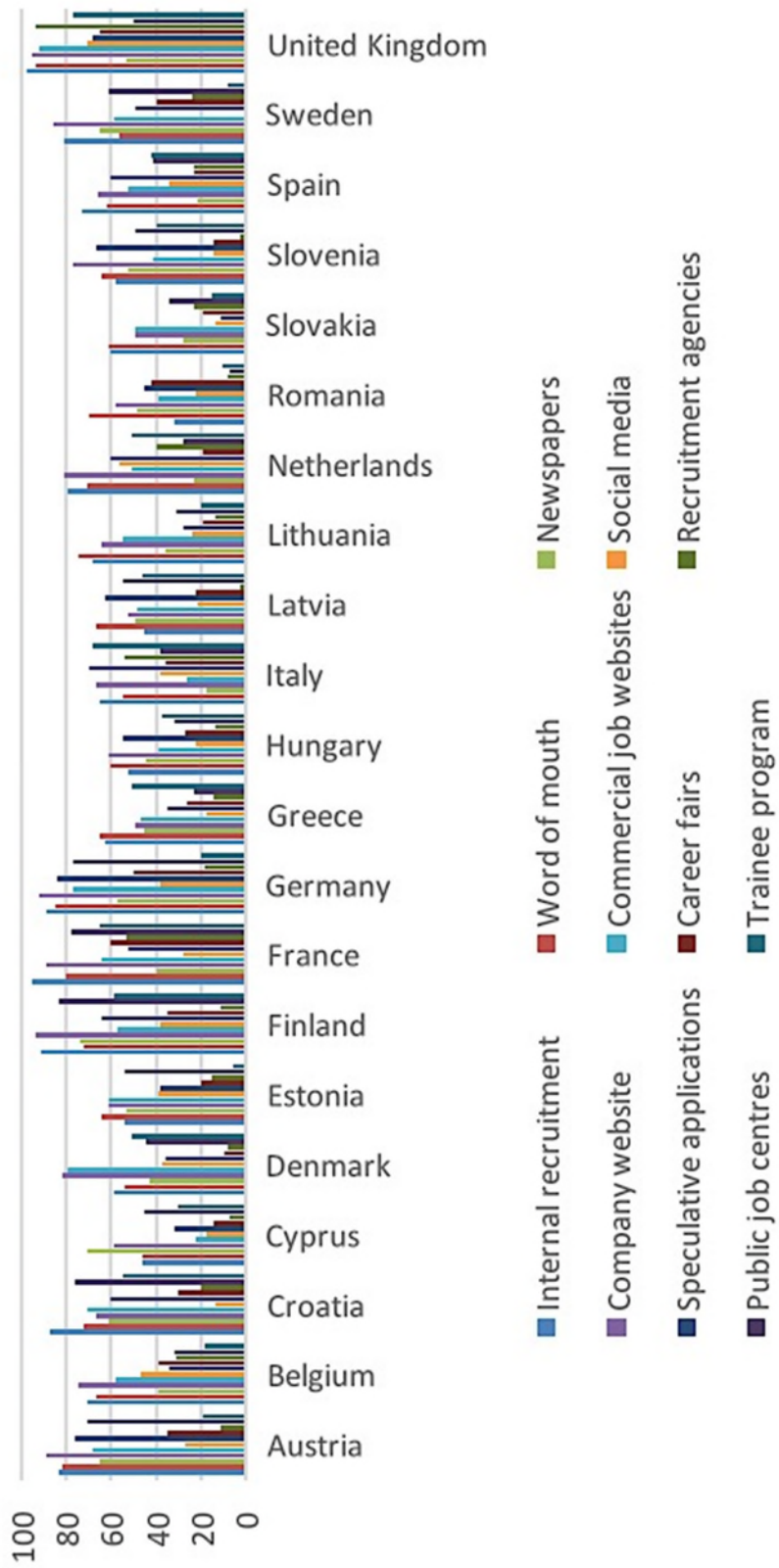


22c: Recruitment methods for professionals (Non-Europe)

For clericals and manual workers, the recruitment methods vary more widely than for managers and professionals. Both internal recruitment and word of mouth methods are mostly preferred for this particular group of employees. The other widely used methods for recruitment of clericals and manual workers are company websites and commercial job websites (See Figures 23a, b and c).

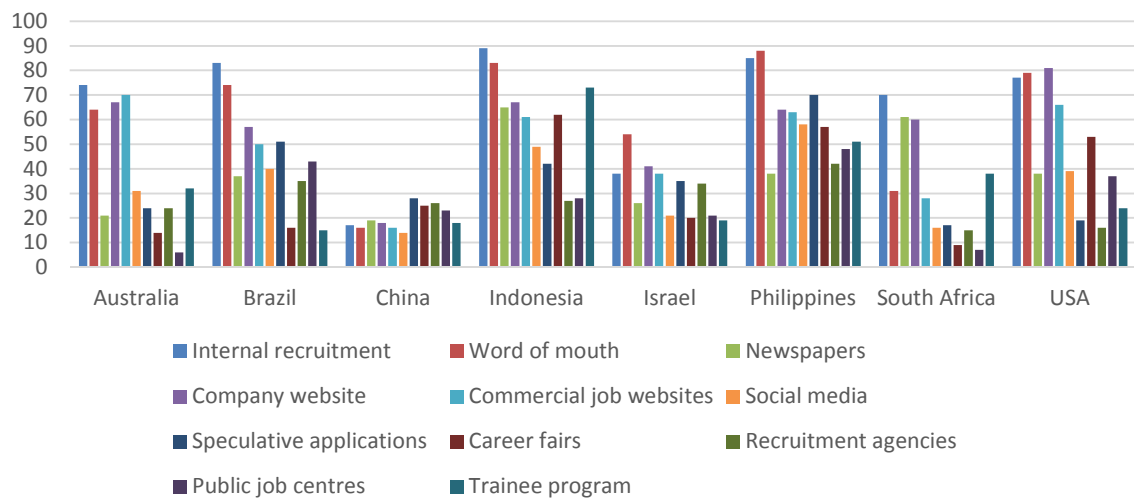
It can be mentioned that several countries like the UK, Switzerland, France and the Philippines are using a wider range of recruitment methods than most other countries, probably in an attempt to enlarge the pool of candidates and provide person-job fit.

23a: Recruitment methods for clericals/manuals (Europe EU)





23b: Recruitment methods for clericals/manuals (Europe Non-EU)



23c: Recruitment methods for clericals/manuals (Non-Europe)

Selection practices

In Europe, the preferred selection methods for managers are references, one-to-one and panel interviews (See Figure 24a and Figure 24b). Regarding selection practices, the results seem to be similar for managerial levels in the other participating countries (See Figure 24c).

Examining Figure 24a, it can be noted that numeracy and online selection tests are the least preferred methods in the selection of managers in EU countries. Social media is used in the selection process in all the countries, but seems to be more prevalent in Northern European countries, or Belgium, France, Netherlands and Sweden. If organizations around the world are increasingly using informal and personal sources such as the social media profiles of applicants, it raises pressing questions about how they use it, and about validity and reliability.

24a: Selection methods for managers (Europe EU)

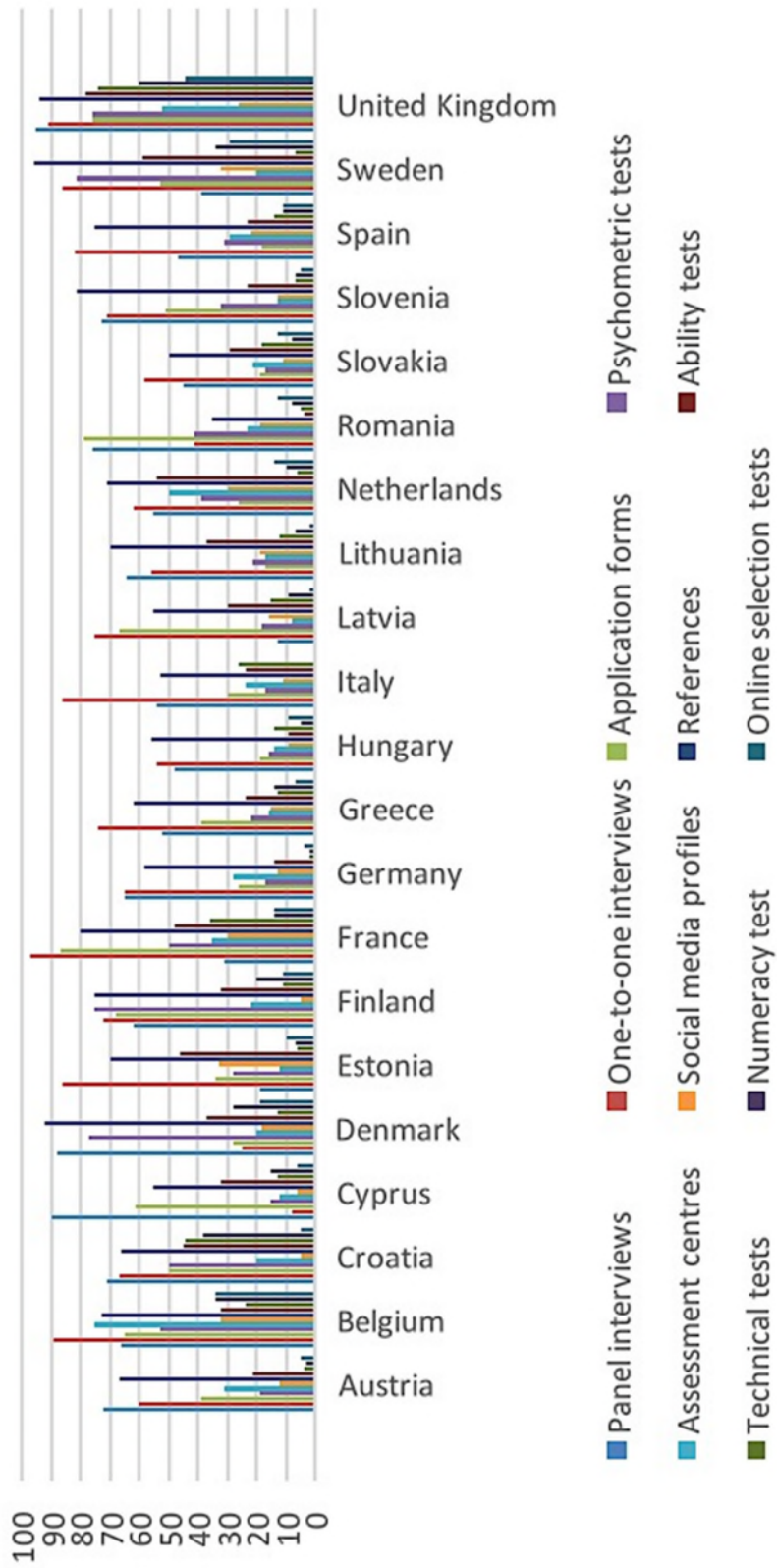
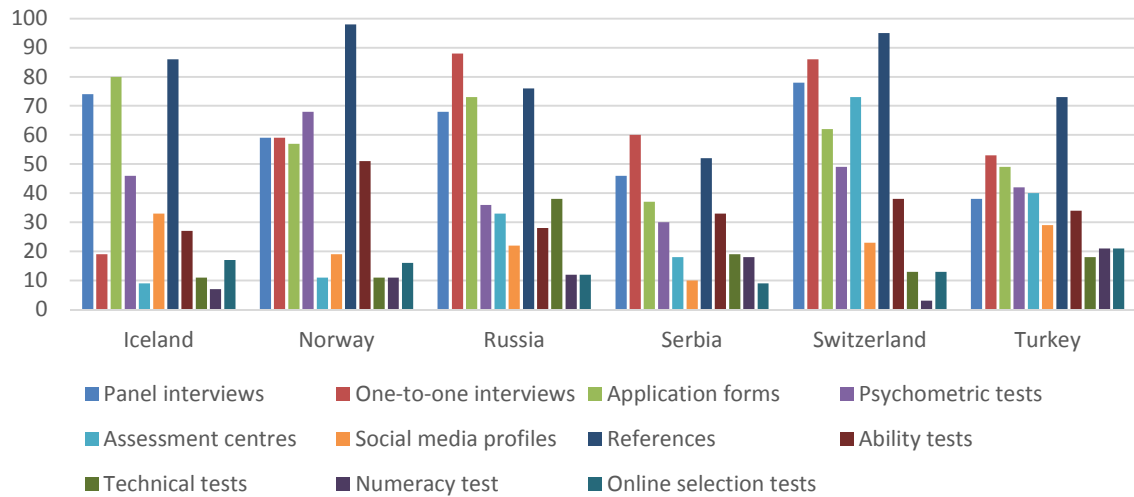
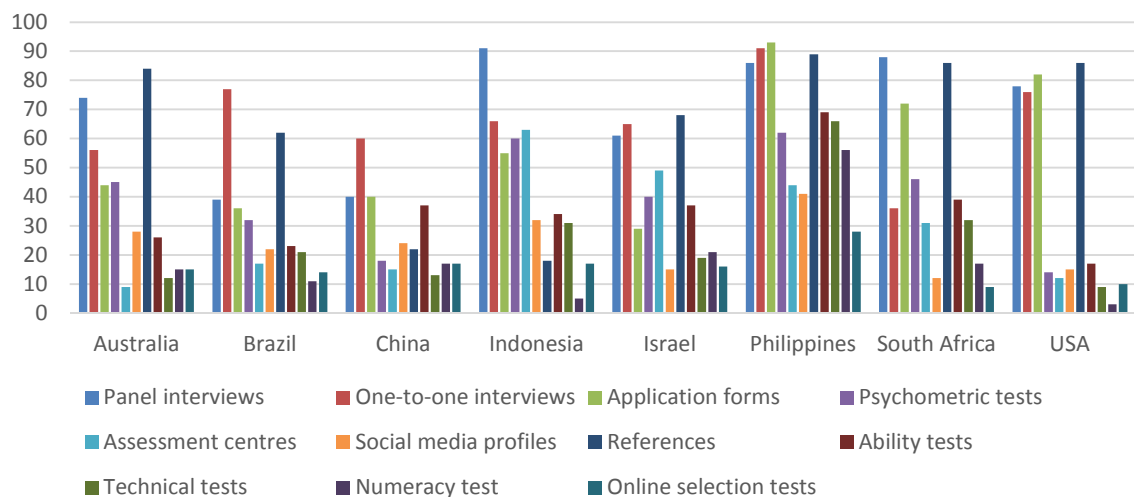


Figure 24b indicates that most of the European non-EU countries do not prefer to use ability, technical, numeracy and online selection tests for managerial levels. Similarly, assessment centres are not used to great extent in European non-EU countries except Switzerland. Psychometric tests are used by more than 30% of participating organizations in all the European non-EU countries. Social media is used in all the countries to evaluate managers in the application process, and to the greatest extent in Iceland and Turkey.



24b: Selection methods for managers (Europe Non-EU)

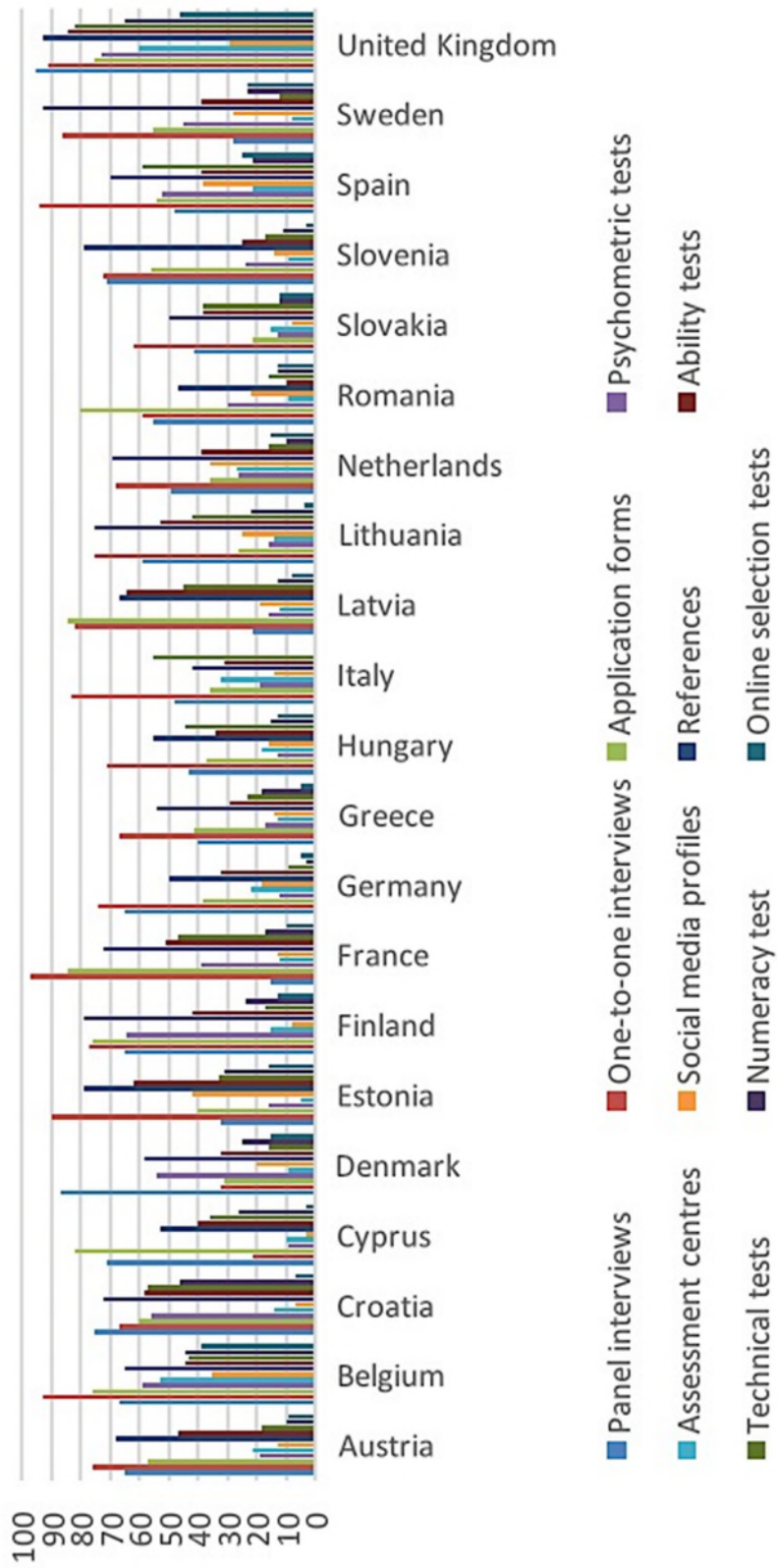
Figure 24c illustrates that the more formal selection tests are rarely used in the hiring process for managers in Non-European countries, except for the Philippines. Psychometric tests are not extensively used when evaluating managers for jobs in the US and China, or in fewer than 20% instances.



24c: Selection methods for managers (Non-Europe)

Figures 25a, b and c indicate that, together with references; both one-to-one and panel interviews are widely used for professionals in most of the participating countries. Social media is also used for evaluation purposes in the selection process for professionals by

Figure 25a: Selection methods for professionals (Europe EU)



organizations in all the countries. It is used most of all by organizations in the Philippines (47%), Indonesia (45%), Estonia (42%), Spain (38%), Netherlands (36%), Iceland (34%), Turkey (29%), UK (29%), Australia and Sweden (28%).

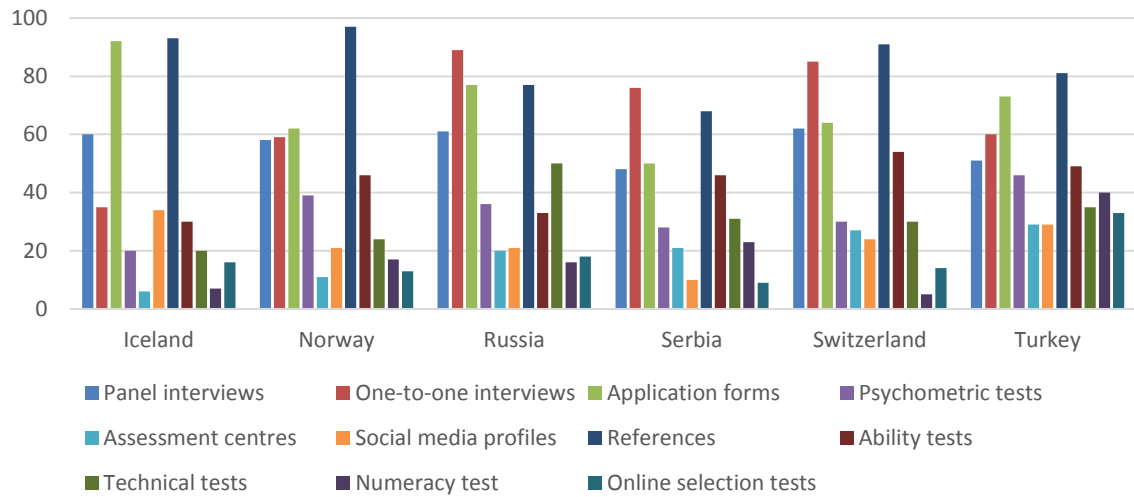


Figure 25b: Selection methods for professionals (Europe Non-EU)

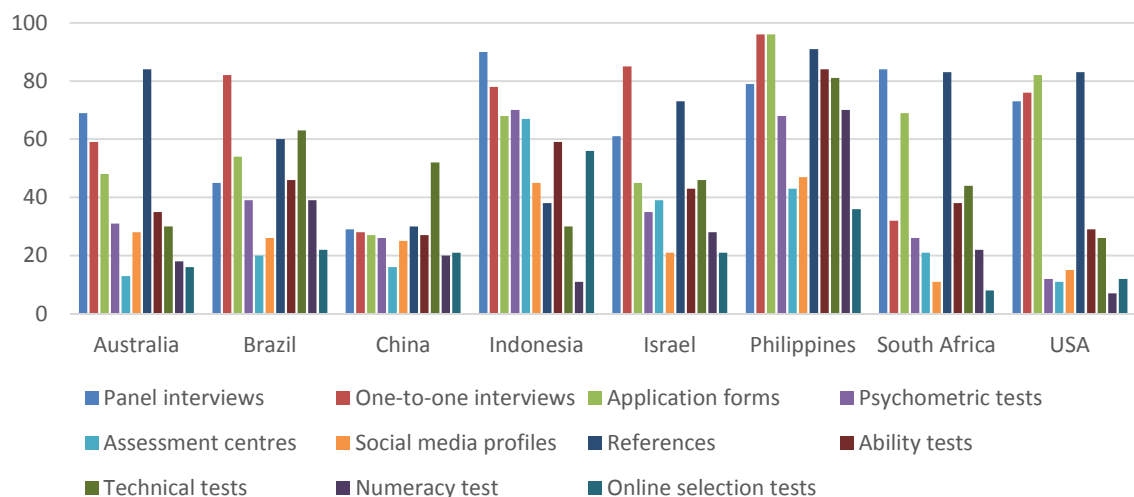
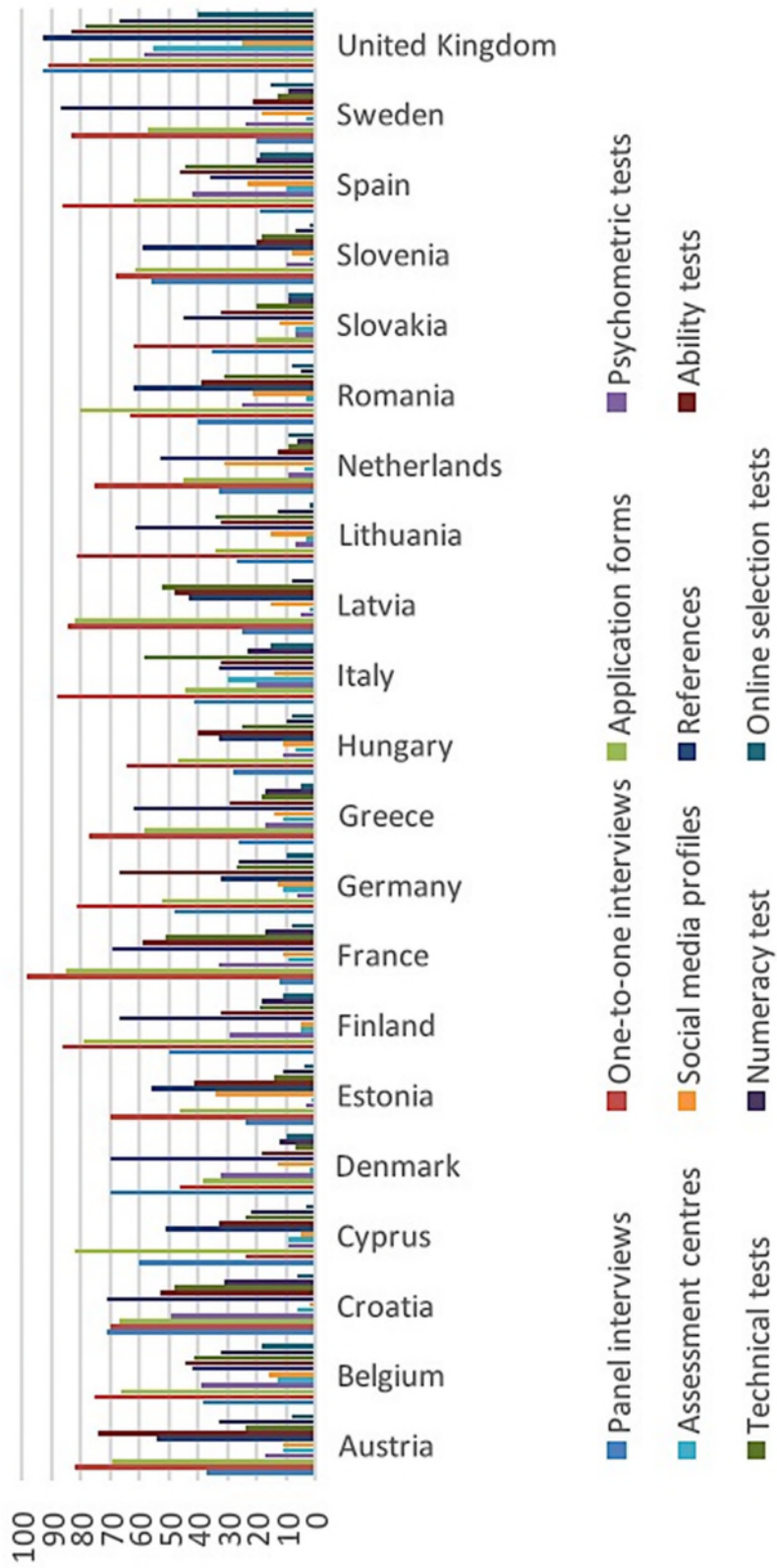


Figure 25c: Selection methods for professionals (Non-Europe)

For clerical and manual workers, selection methods such as one-to-one interviews, references and application forms are used extensively. It is obvious that for selection of clerical and manual workers, ability and technical tests are generally used in several countries like Austria, Brazil, Germany and Italy.

Application forms are used together with interviews and references in most of the EU countries (for example, France, Latvia and Romania), in several other European countries (Iceland, Russia, Serbia and Turkey) and in other countries (USA, the Philippines and South Africa).

Figure 26a: Selection methods for clericals/manuals (Europe EU)



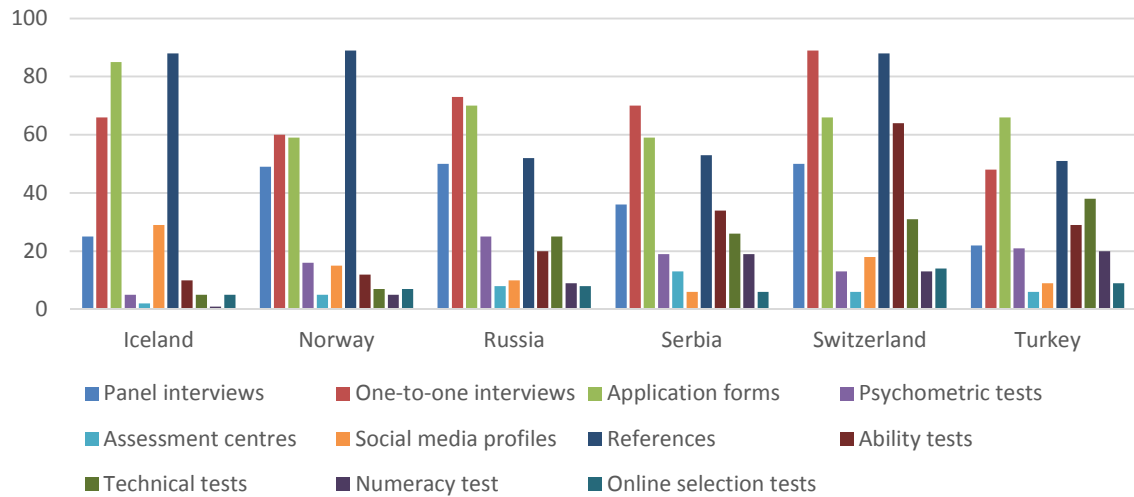


Figure 26b: Selection methods for clericals/manuals (Europe Non-EU)

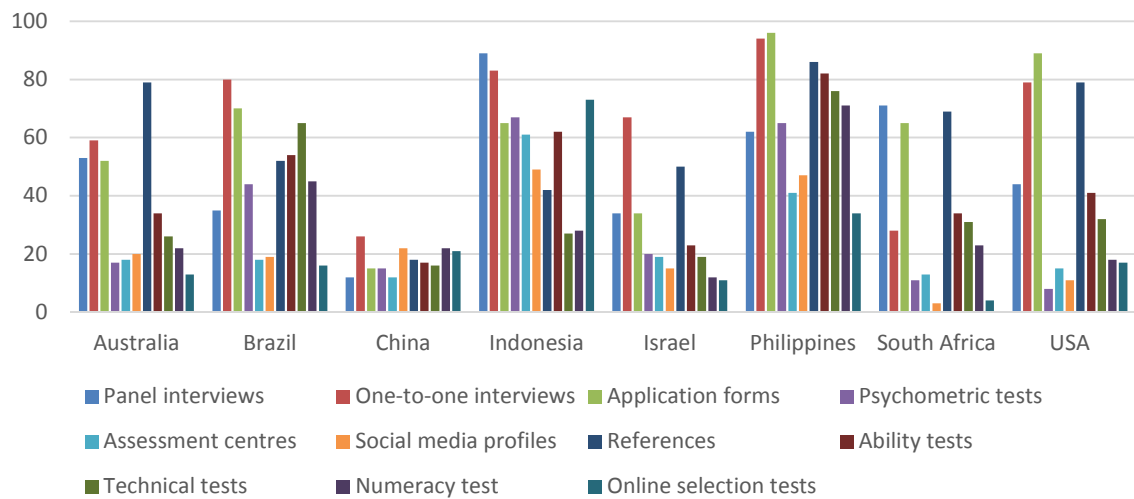


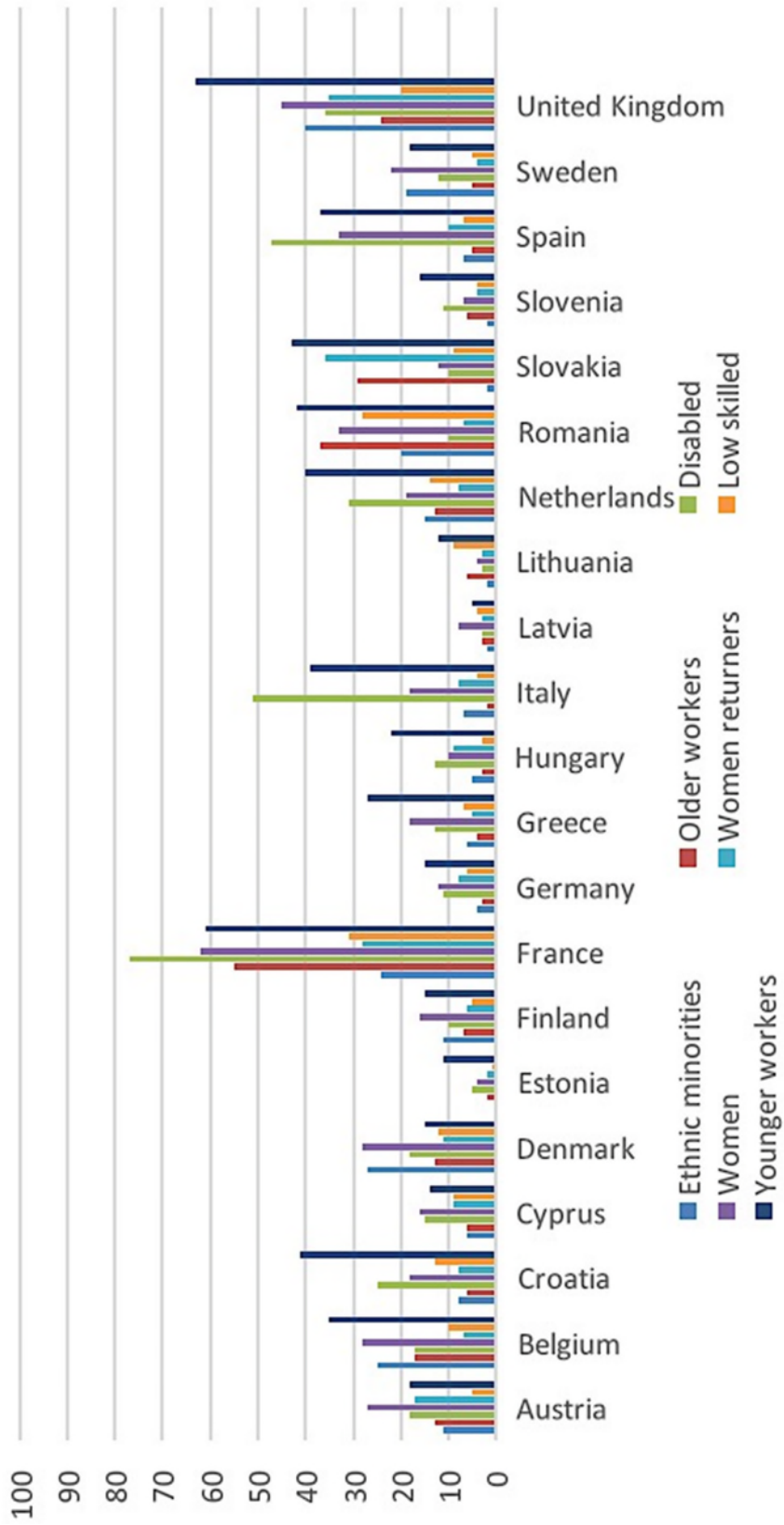
Figure 26c: Selection methods for clericals/manuals (Non-Europe)

Action programmes for minority groups

The Cranet research included questions regarding the specific programmes employers use to improve the participation of various minority groups in the workforce. The focus of our research was ethnic minorities, older workers, disabled people, women, women returners to the labour market, low skilled workers and younger workers. Among specific action programmes we analysed the implementation of recruitment programmes, training programmes and career development programmes.

The following three figures show the usage of specific recruiting programmes for different minority groups across the countries of European Union, among European but non-EU countries and non-European countries.

Figure 27a: Recruitment programmes for minority groups (Europe EU)



In the EU significant differences exist across national contexts regarding the use of specific recruiting programmes for various minority groups. The countries with the most developed recruiting programmes to target minorities are France, United Kingdom, Romania and Spain. In most of the EU countries, organizations mainly have recruitment programmes for younger workers, women and disabled people.

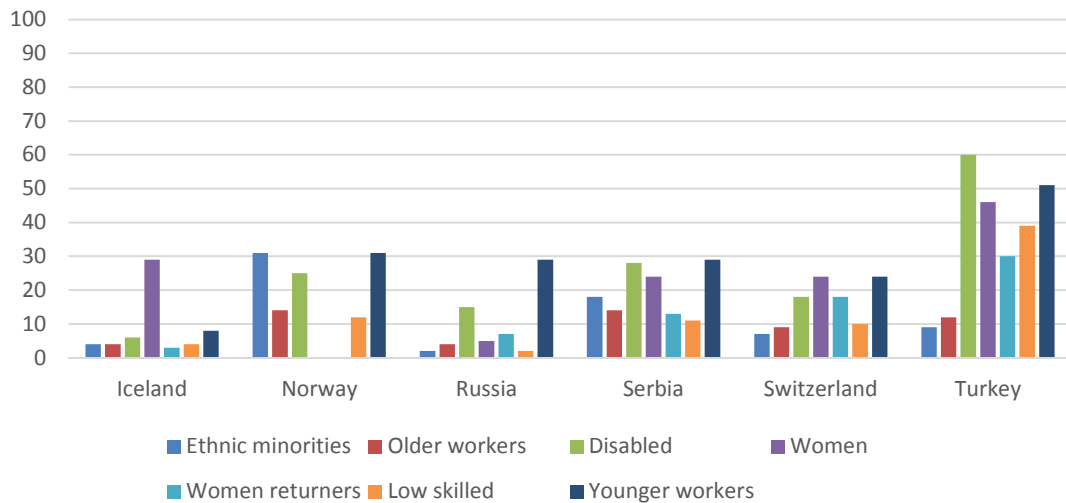


Figure 27b: Recruitment programmes for minority groups (Europe Non-EU)

In the non-EU European countries organizations focus less on minorities in the recruitment process than in the EU member countries. In this group Turkey and Serbia have the most developed recruitment programmes for minorities, followed by Norway and Switzerland, while in Iceland the primary focus is on women and in Russia on younger workers. Among the minority groups, younger workers, disabled people and women get the most help in finding employment possibilities.

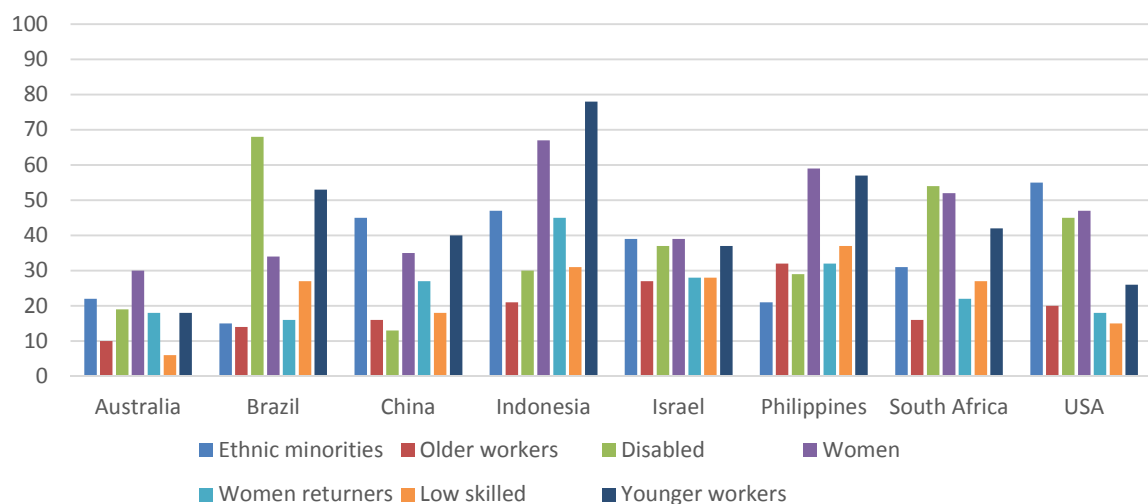


Figure 27c: Recruitment programmes for minority groups (Non-Europe)

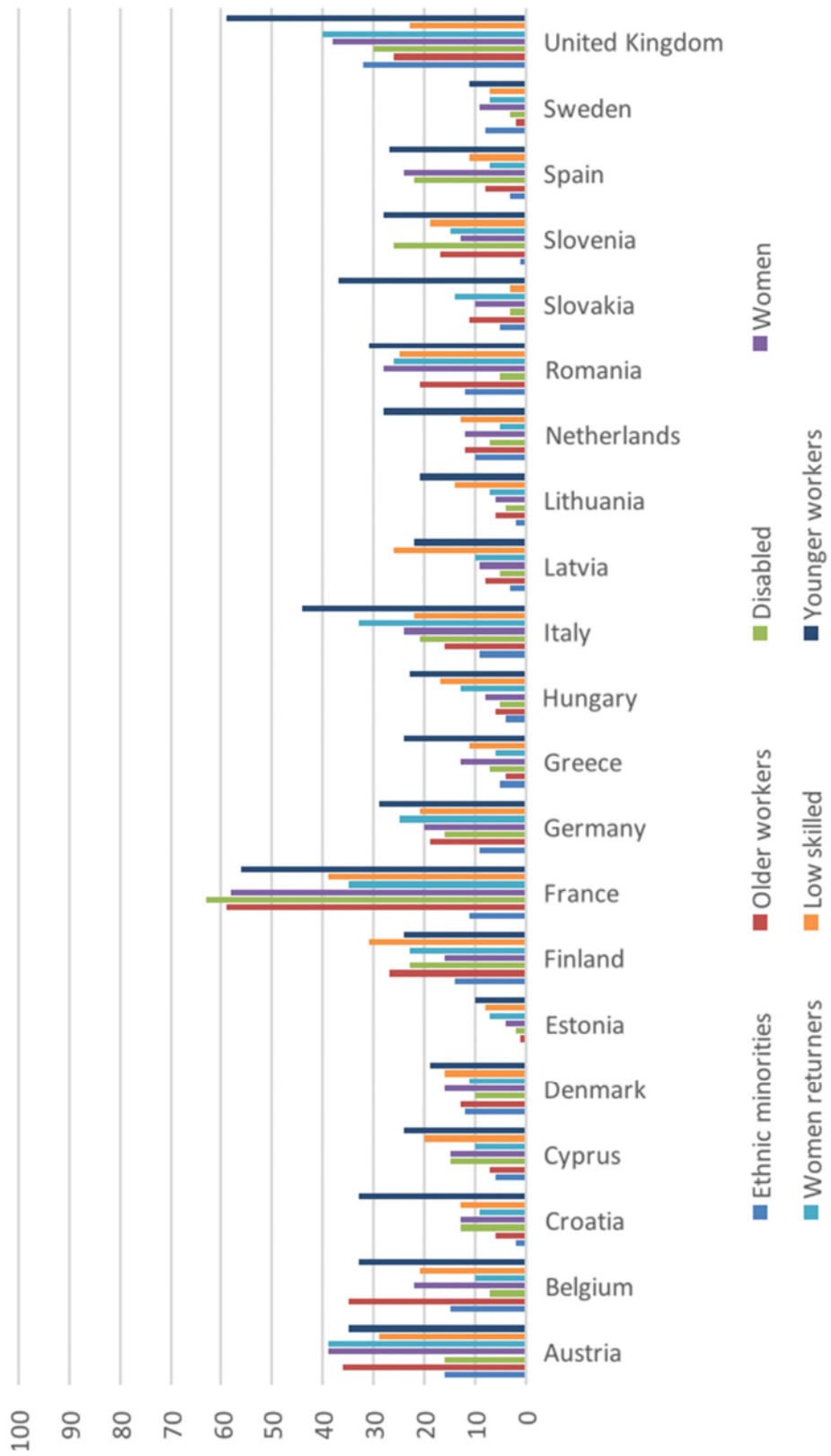
In the non-European countries there are different practices concerning recruitment action programmes but they have a more developed system than European non-EU member

countries. The countries with the most developed recruiting programmes targeting minorities in this group are Indonesia, the Philippines, South Africa, Brazil and the USA. In the non-European countries organizations mainly have recruitment programmes for women, younger workers and the disabled people.

The next three figures show data on the implementation of specific training programmes for different minority groups across the countries of the European Union, among non-EU countries in Europe and Non-European countries.

In the EU companies from France, United Kingdom and Austria have the most developed action programme system regarding employee training, while in Sweden, Estonia and Latvia they are hardly used. The target groups of these action programmes are mainly younger workers, women and low skilled workers.

Figure 28a: Training programmes for minority groups (EU)



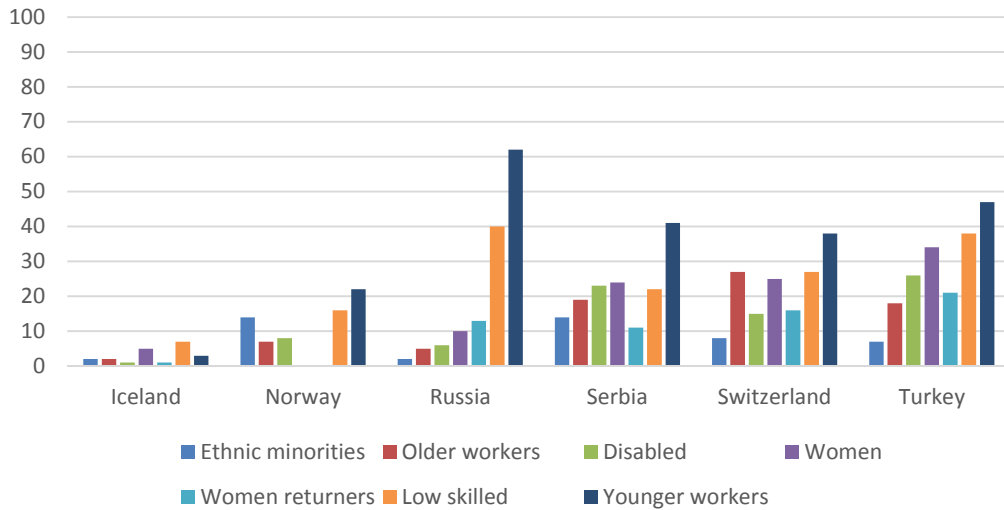


Figure 28b: Training programmes for minority groups (Europe Non-EU)

In the European but non-EU member countries minorities have less help than in EU member countries concerning organizational training programmes (see Figure 28b). In this group Turkey, Serbia and Switzerland have the most developed training programmes for minorities. Among the minority groups, younger workers, low skilled workers and women receive the greatest assistance in developing their knowledge and skills.

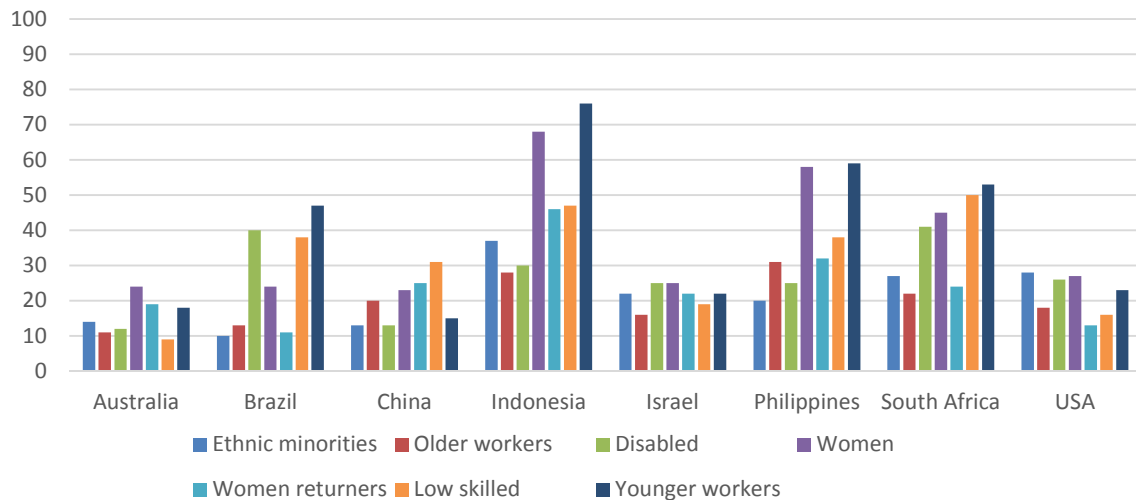


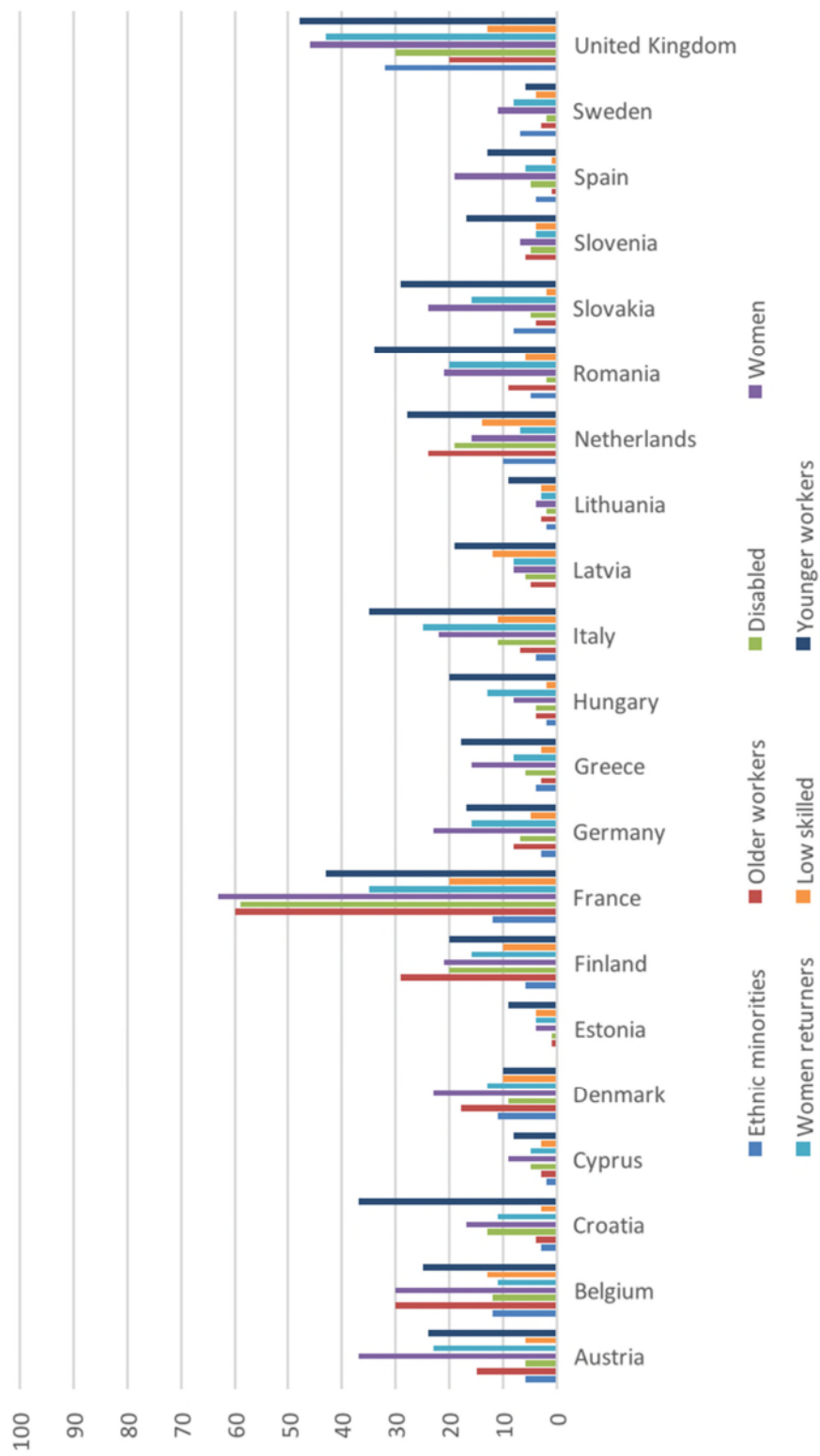
Figure 28c: Training programmes for minority groups (Non-Europe)

In the non-European countries organizations have a more developed training programme system than European non-EU member countries. The countries with the most developed recruiting programmes targeting minorities in this group are Indonesia, the Philippines and South Africa. In the non-European countries organizations primarily have recruitment programmes for younger workers, women and low-skilled workers.

The following three figures (29a, b and c) present research data on the implementation of specific career-development programmes for different minority groups across the countries

of the European Union (EU), among non-EU countries in Europe and non-European countries.

Figure 29a: Career programmes for minority groups (EU)



As can be seen in Figure 29b, in the non-EU European countries organizations have a less developed action programme practice regarding career development than in EU member countries. Turkey and Switzerland pay greatest attention to the career development of various minority groups.



Figure 29b: Career programmes for minority groups (Europe Non-EU)

In the analysed non-European countries (Figure 29c) organizations have a more developed career development programme system for minority groups than organizations in European non-EU member countries. The country with the most developed action programmes in the field of career management is Indonesia, followed by the Philippines and South Africa. In most of the non-European countries organizations primarily implement special career development programmes for women and younger workers.

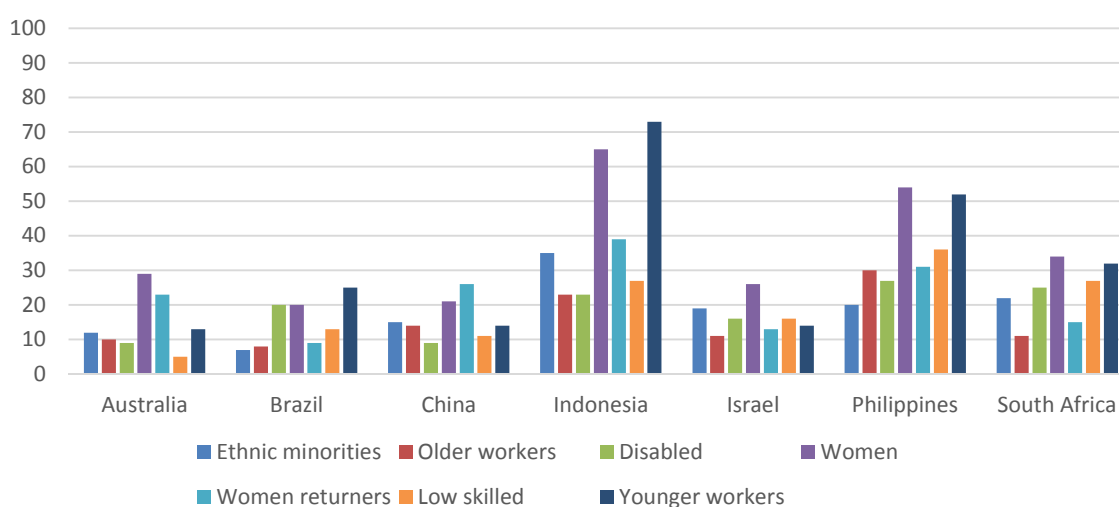


Figure 29c: Career programmes for minority groups (Non-Europe)

Among the analysed countries, organizations in the European Union have the most developed action programme practices regarding different minority groups, especially France and United Kingdom. Non-European countries pay special attention to the development of action programmes, too, especially Indonesia, the Philippines and South Africa. The organizations from European but non-EU member countries have the less developed action programme system, excluding though Turkey and Serbia. On average analysed organizations implement action programmes in the field of recruiting, training and career development for younger workers, women and women returners, while the majority of them do not use action programmes attracting ethnic minorities.

Organizational upscaling or downsizing

As the impact of the global financial crisis starting in 2008 is still having an impact around the world, here (Figure 30a, b and c) we look at whether organizations in different countries have been changing the size of their workforce.

In Cyprus, Romania, Finland, Spain, Greece and Italy fewer than 30% of organizations have increased their number of employees in the last three years (see Figure 30a). On the other hand, the countries with greatest increase, in this order, are UK, Belgium, Germany, Austria, Hungary, Latvia, Netherland and France or primarily Mid- and Northern Europe countries.

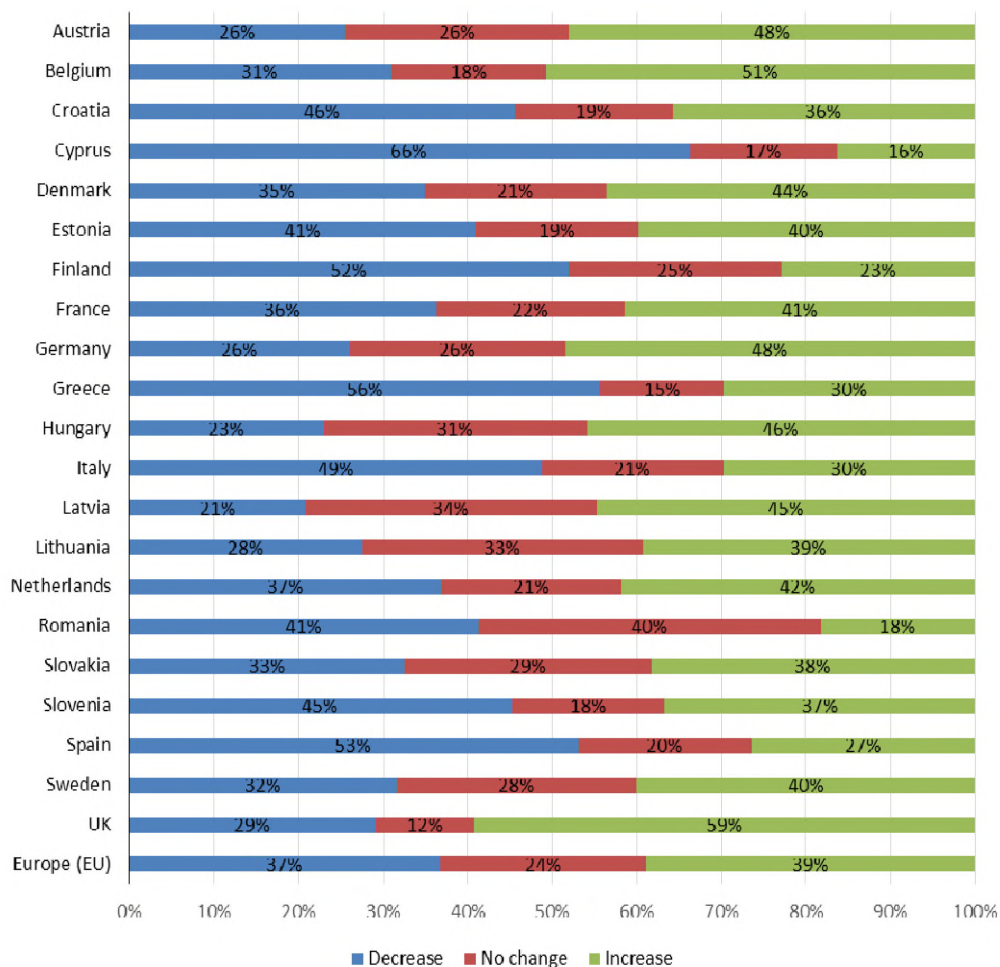


Figure 30a: The change in total number of employees (FTE) in the last three years.

Looking at Figure 30b, we see that in the non-EU European countries, Iceland, Serbia and Russia, less than 30% of organizations had increased their employees, while in the other three, Turkey, Norway and Switzerland, 50% or more had increased their number of FTE in the last three years.

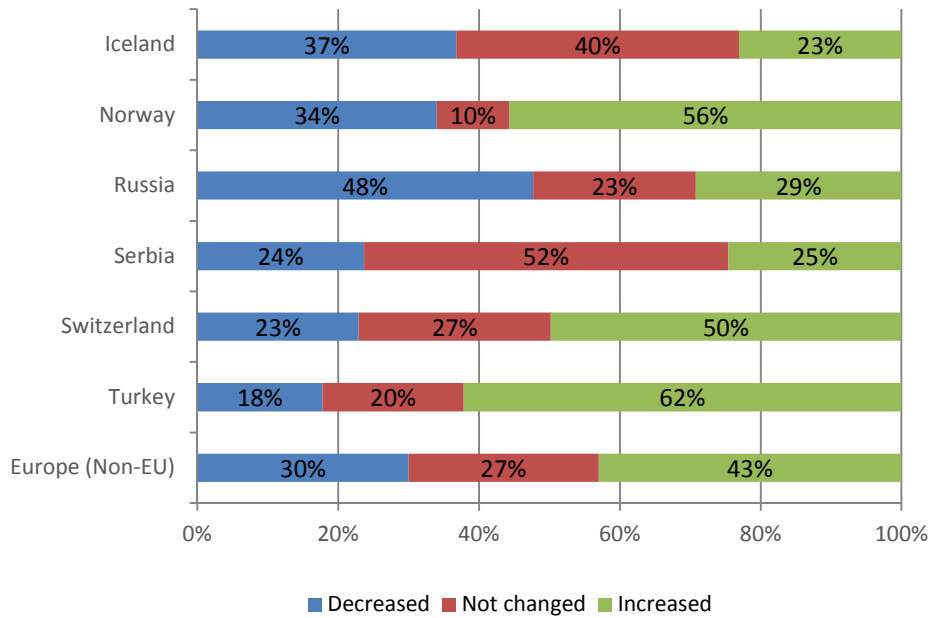


Figure 30b: The change in total number of employees (FTE) in the last three years (Non-EU countries)

Overall countries outside Europe (Figure 30c) seem less affected by the global financial crisis than the European countries. Only in US, Australia and China 30% or more decreased their workforce in the three year time period before data collection took place.

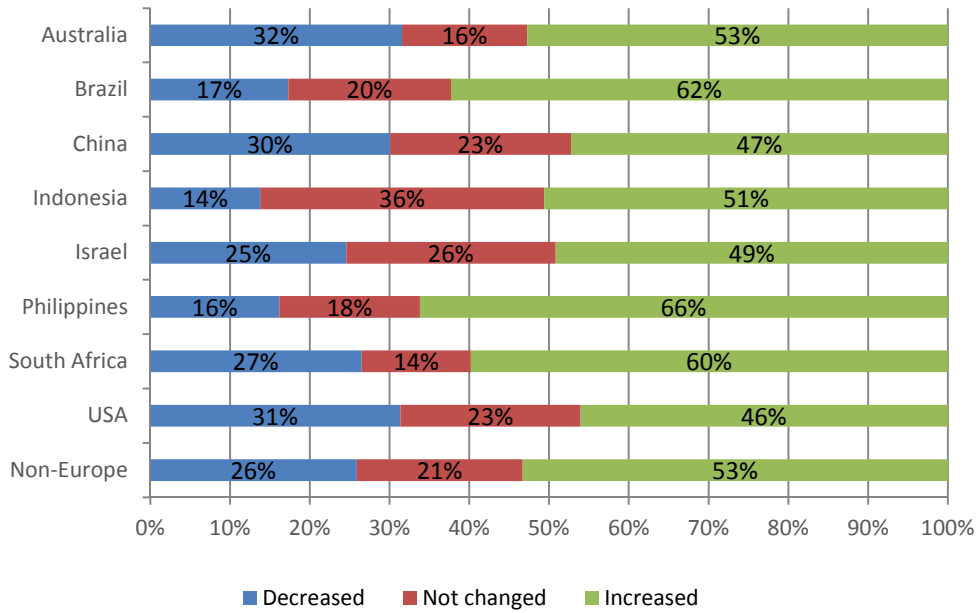


Figure 30c: The change in total number of employees (FTE) in the last three years (Non-Europe)

Workforce reduction across the globe

In the survey, we differentiated between several methods to reduce or downsize the workforce. They are classified here according to their implied severity. We start with the ones that can be considered softer on employees, or recruitment freeze, early retirement, internal transfer (redeployment), voluntary redundancies/attrition, no renewal of contracts, unpaid study leaves/vacations, outsourcing and management pay-cuts. Then the following methods that can be classified as harder on the workforce are reported on: ban on overtime, wage freeze, reduced job proportions, job sharing, reduced benefits, employee pay-cuts, individual layoffs (1-4% of workforce laid off in 12 months period), concentrated layoffs (5-9% laid off in 12 months period) and mass layoffs/compulsory redundancies ($\geq 10\%$ laid off in 1-3 months period) are reported on.

The findings are presented in Figures 31 - 39 (a for softer methods and b for the harder ones).

Figure 31a: Softer methods to downsize - Managers (Europe EU)

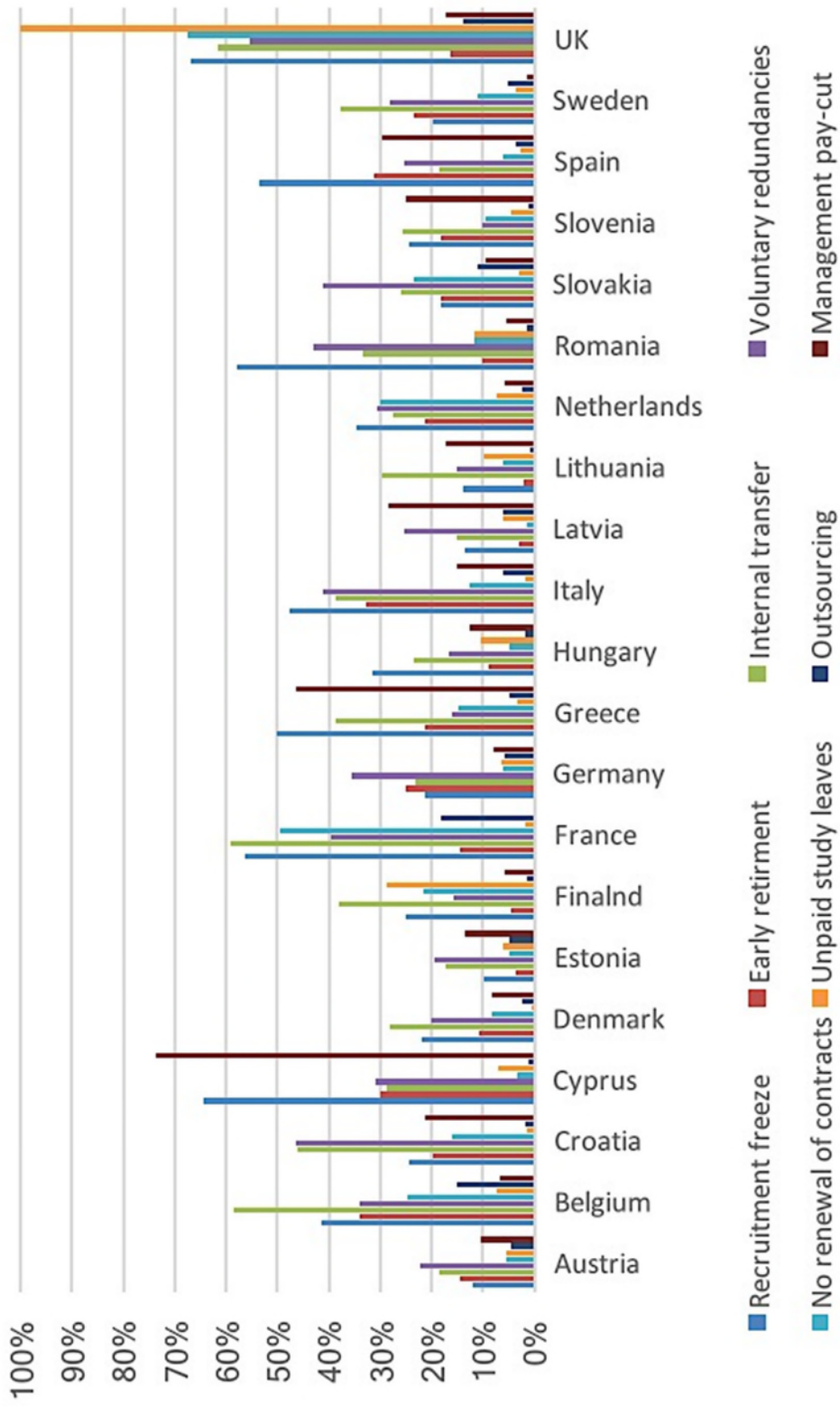
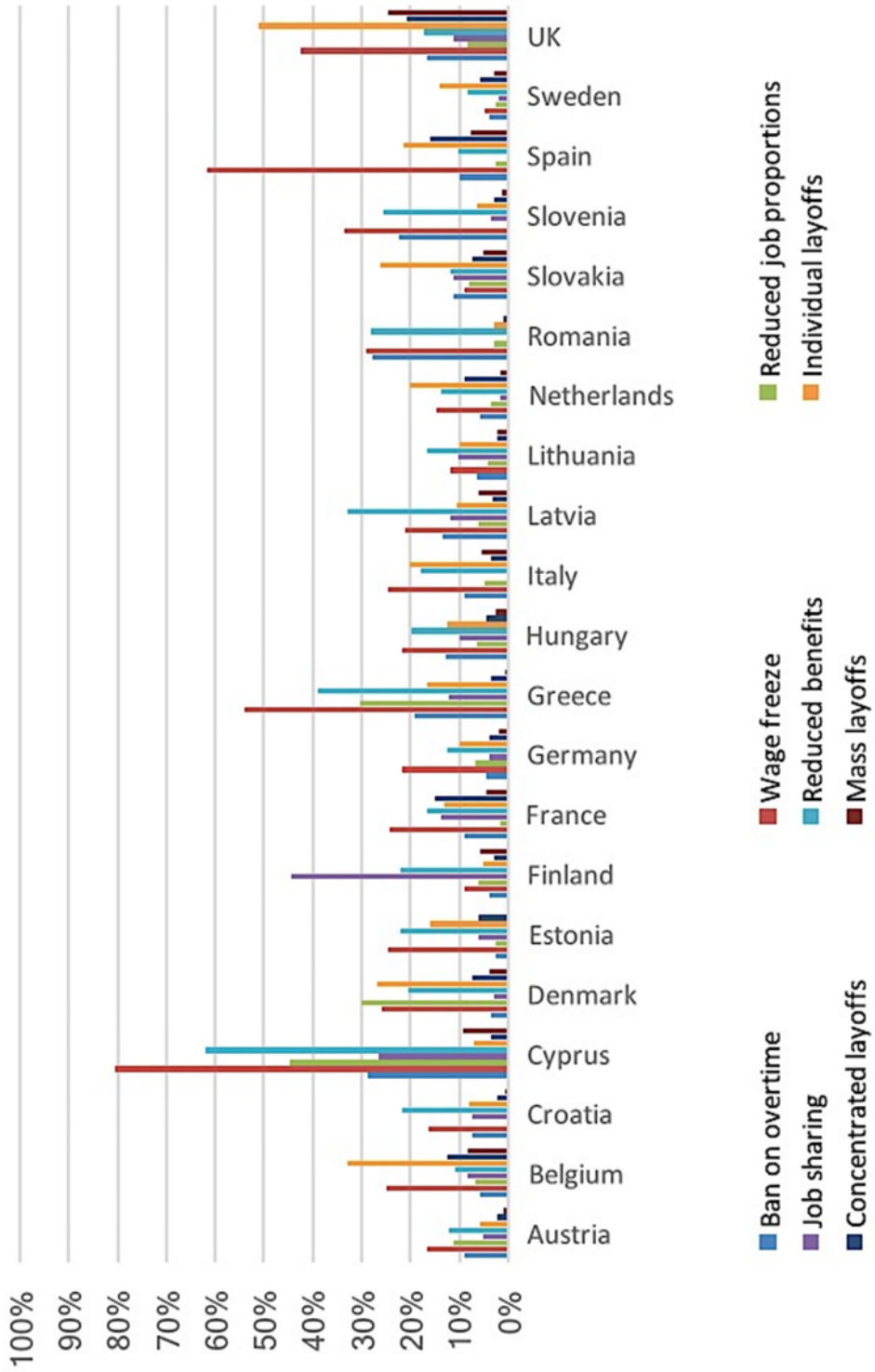


Figure 31b: Harder methods to downsize - Managers (Europe EU)



Note: wage freeze is classified here with the harder methods for consistency purposes even though it may be considered soft when applied to managers. No data is available for downsizing practices in Norway.

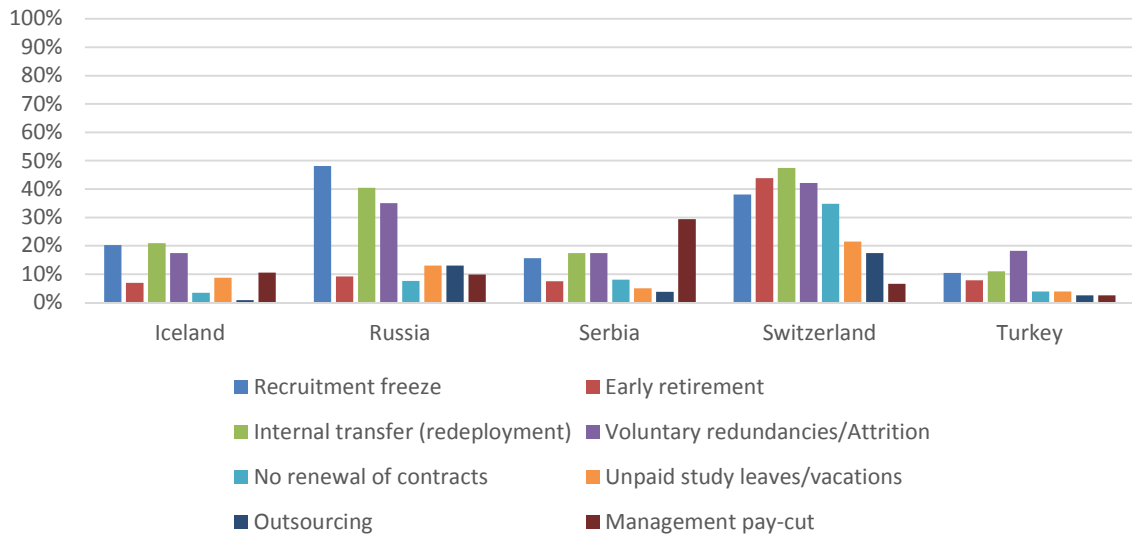


Figure 32a: Softer methods to downsize – Managers (Non-EU)

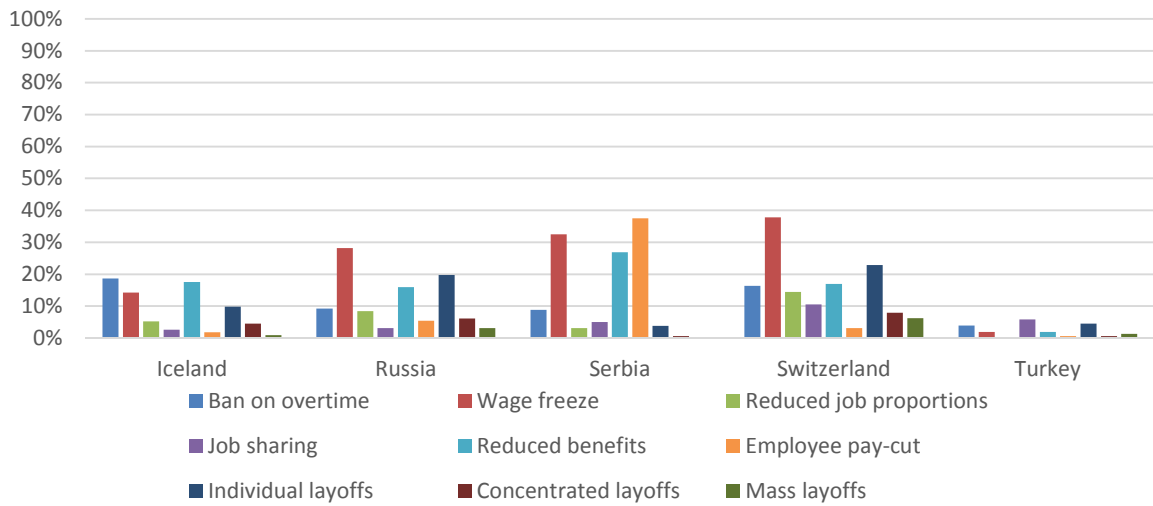


Figure 32b: Harder methods to downsize - Managers (Non-EU)

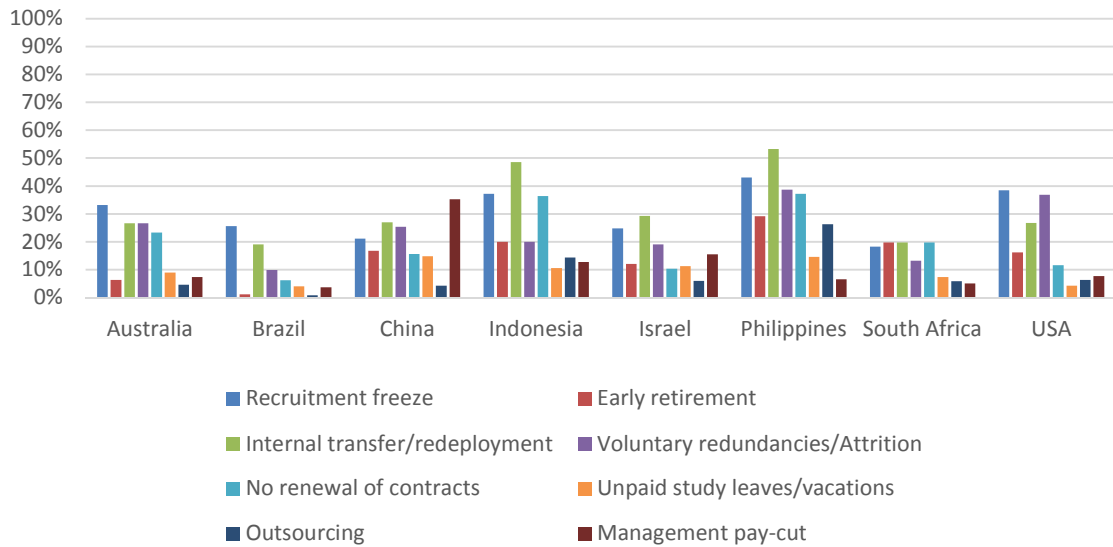


Figure 33a: Softer methods to downsize – Managers (Non-Europe)

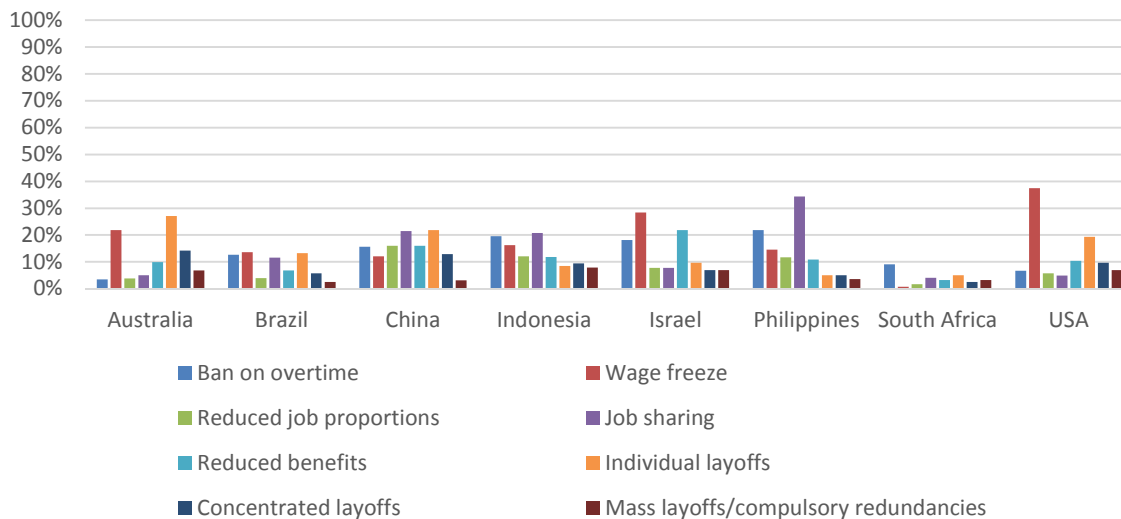


Figure 33b: Harder methods to downsize – Managers (Non-Europe)

Most countries use recruitment freeze, voluntary redundancies and internal transfer to reduce their managerial workforce (See Figures 31a and b, 32a and b, 33a and b). However, a large percentage of organizations in Cyprus, Spain, UK, Greece, Serbia, Switzerland and the USA (37- 81%) also use management wage freeze (See Figures 31b, 32b and 33b). Reduced benefits and job proportions for managers seems to be more evident within EU countries than other countries (See Figures 31b, 32b and 33b). Unpaid study leave/vacations don't seem to be a commonly used method in any country across the globe, except for the UK where all participating organizations (100%) used the method for all employee groups.

Management pay-cuts were used most extensively in Cyprus (74%), Greece (46%) and Spain (30%). The percentage of layoffs (individual, concentrated and mass layoffs) are not very high when it comes to managers, with an exception of the UK (Individual, 51%, concentrated, 21%; mass, 25%).

Figure 34a: Softer methods to downsize - Professionals (Europe EU)

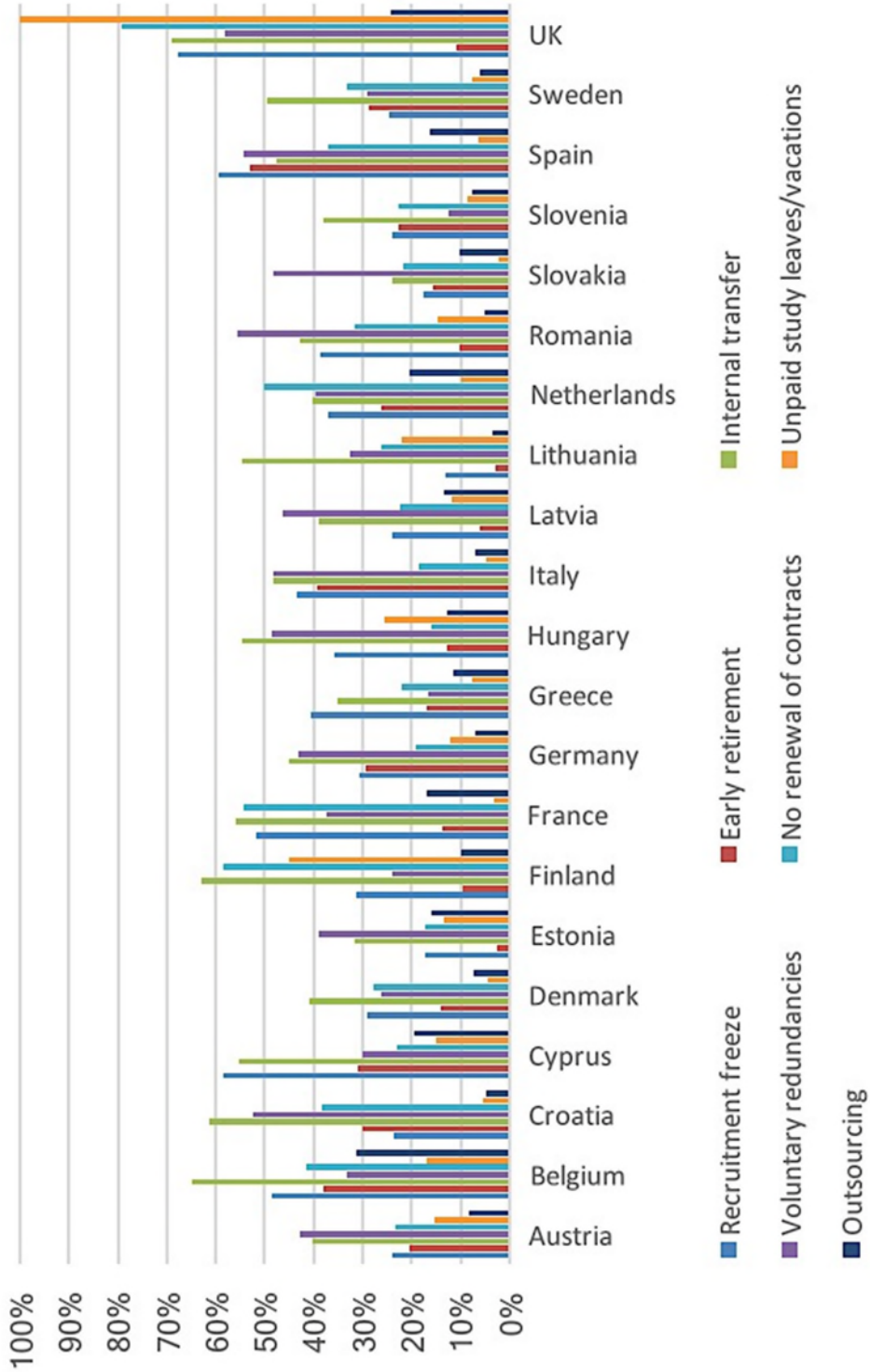
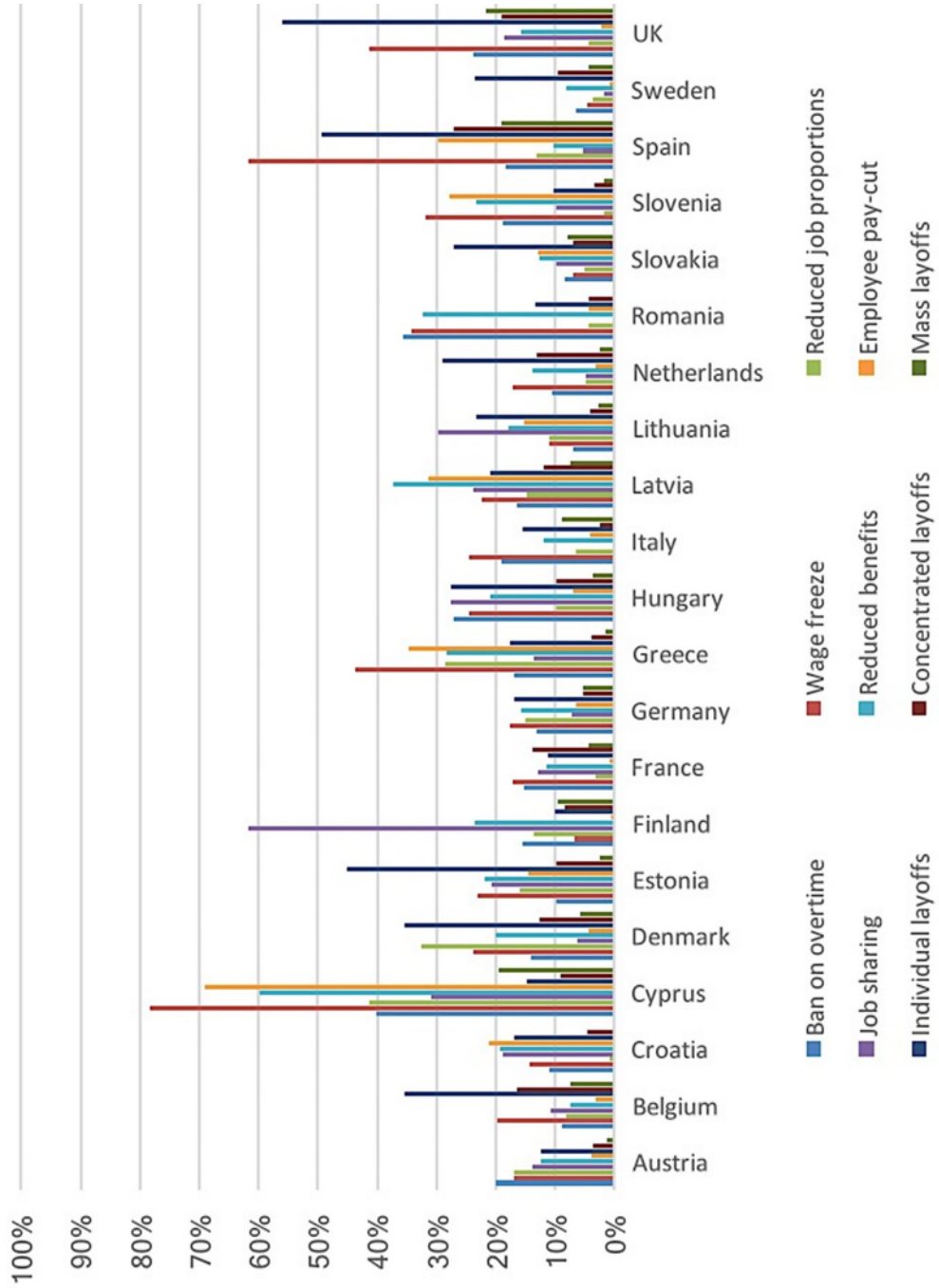


Figure 34b: Harder methods to downsize - Professionals (Europe EU)



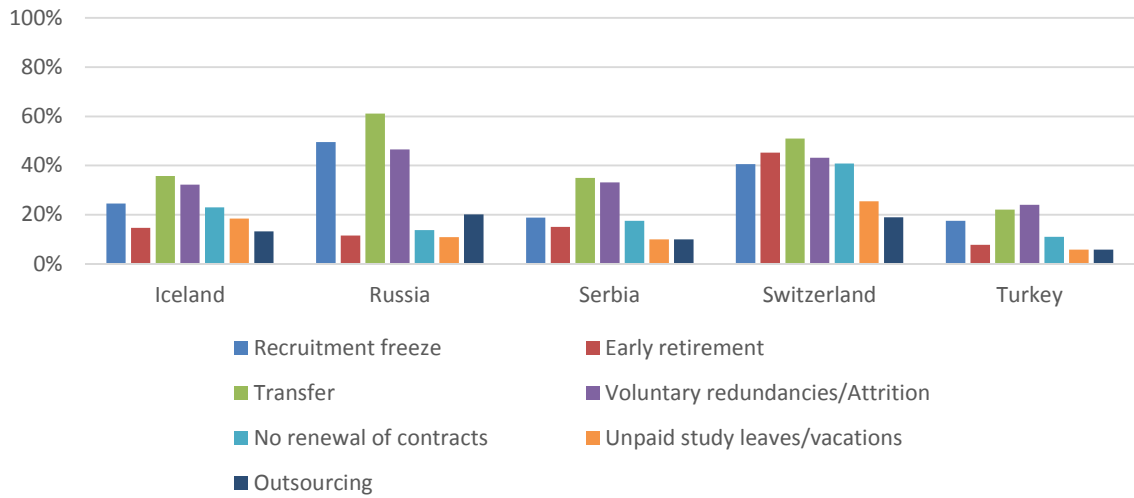


Figure 35a: Softer methods to downsize – Professionals (Non-EU)

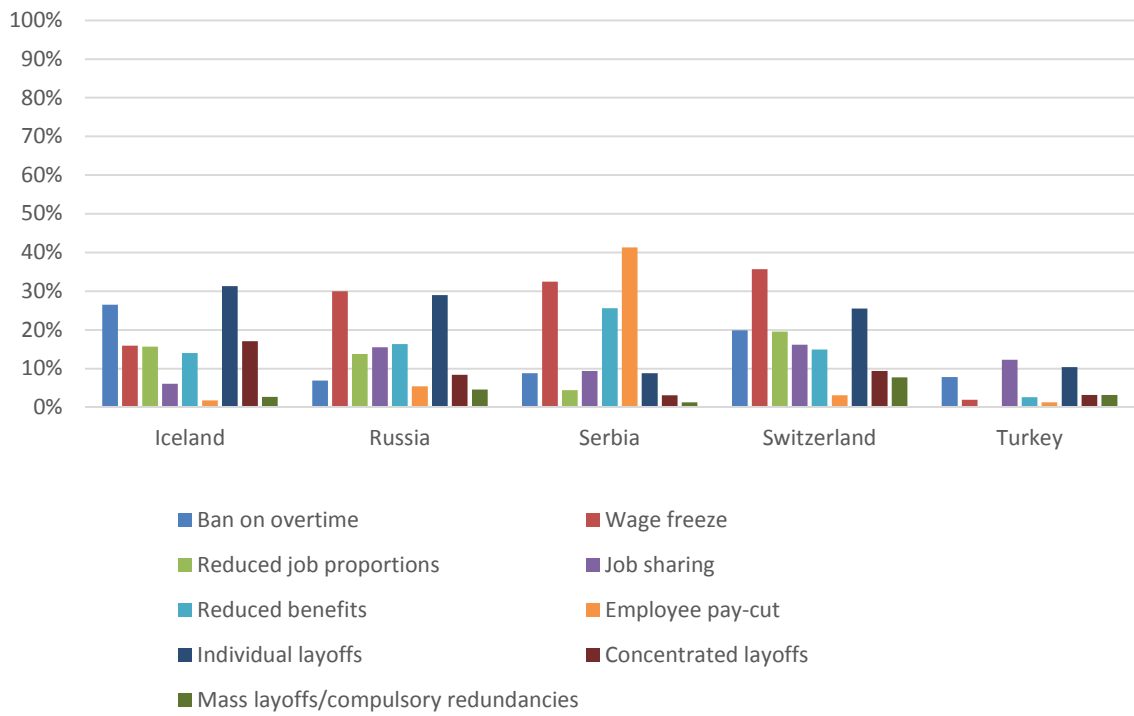


Figure 35b: Harder methods to downsize - Professionals (Non-EU)

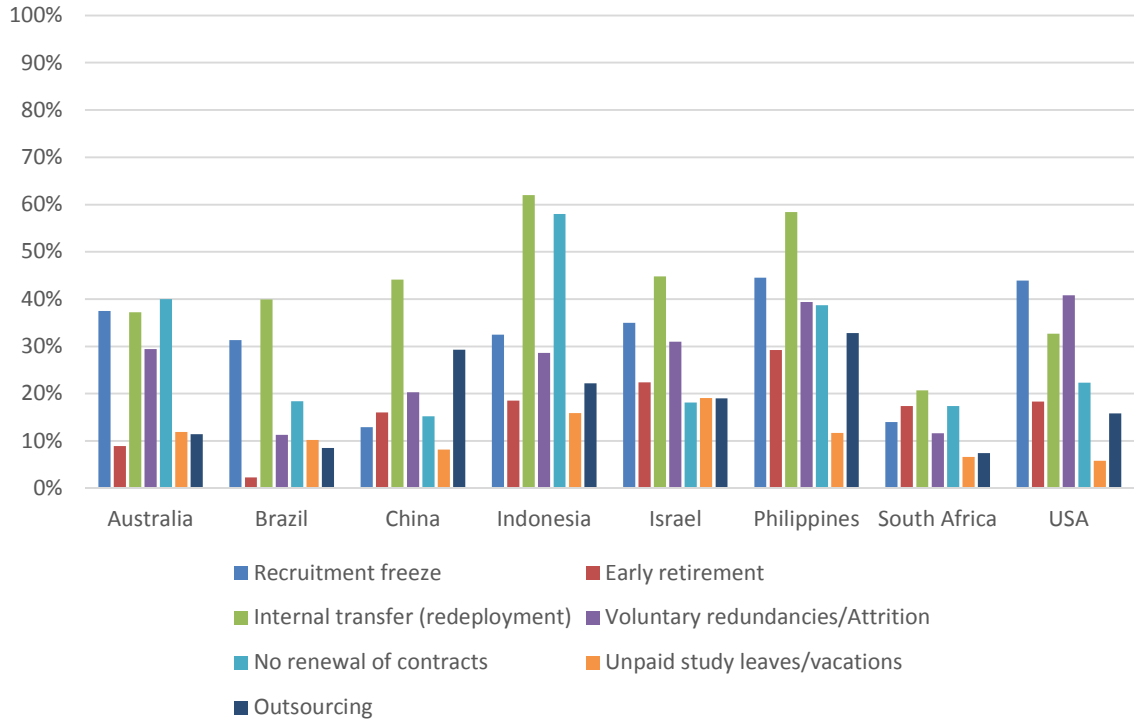


Figure 36a: Methods to downsize – Professionals (Non-Europe)

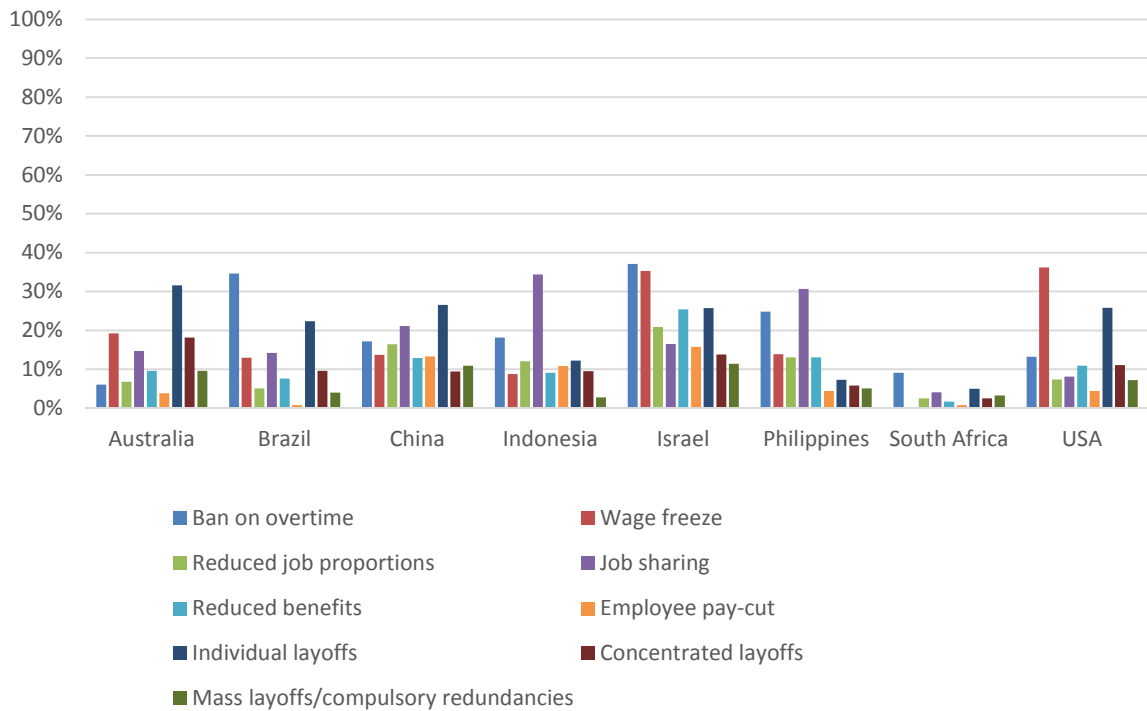


Figure 36b: Harder methods to downsize – Professionals (Non-Europe)

When it comes to downsizing methods used for professionals the use of the softer methods of internal transfers and non-renewal of contracts are common (See Figure 34a, 35a and 36a). Voluntary redundancies seem to also be used more frequently for professionals than for managers. Countries that used wage freeze for managers also tend to do so with their

professionals (i.e. Cyprus (78%), Spain (62%), UK (41%), Greece (44%), Serbia (33%), Switzerland (36%) and the USA (36%).

Early retirement is frequently used for professionals in Spain (53%) and employee pay-cut is evident for professionals in the EU, especially Cyprus (69%) and in Serbia (41%). Employee pay-cuts also seem preferred over management pay-cuts in these countries, but in China management pay-cuts (35%) are preferred over pay-cuts for professionals (13%). Individual layoffs are not the most evident downsizing method used for professionals, however, the UK (56%), Spain (49%) and Estonia (45%) appear to have relied more on them than other countries. Mass layoffs/compulsory redundancies were also used to greatest extent in UK, Spain and Cyprus.

Figure 37a: Softer methods to downsize Clericals and/or Manuals (Europe EU)

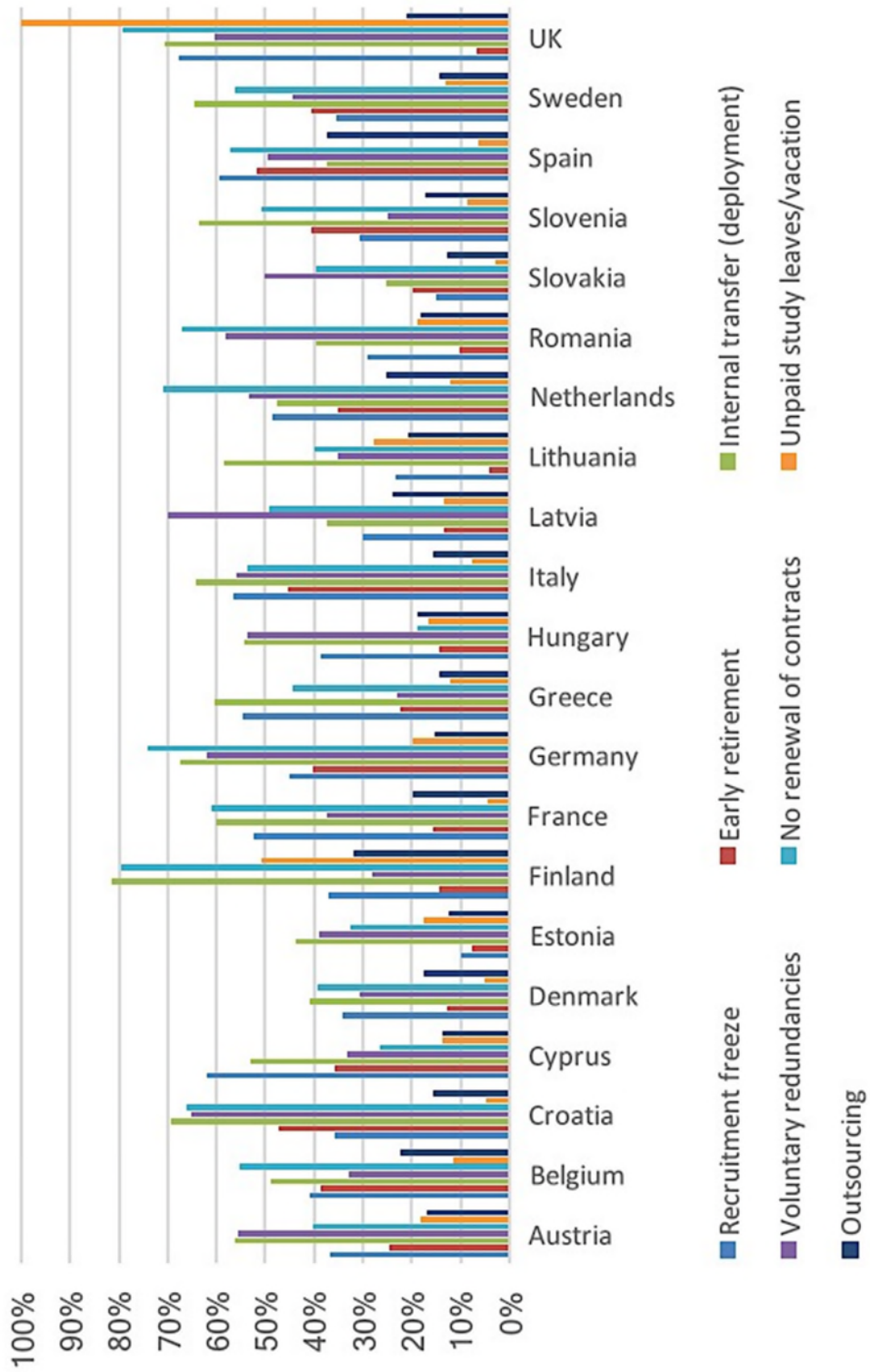
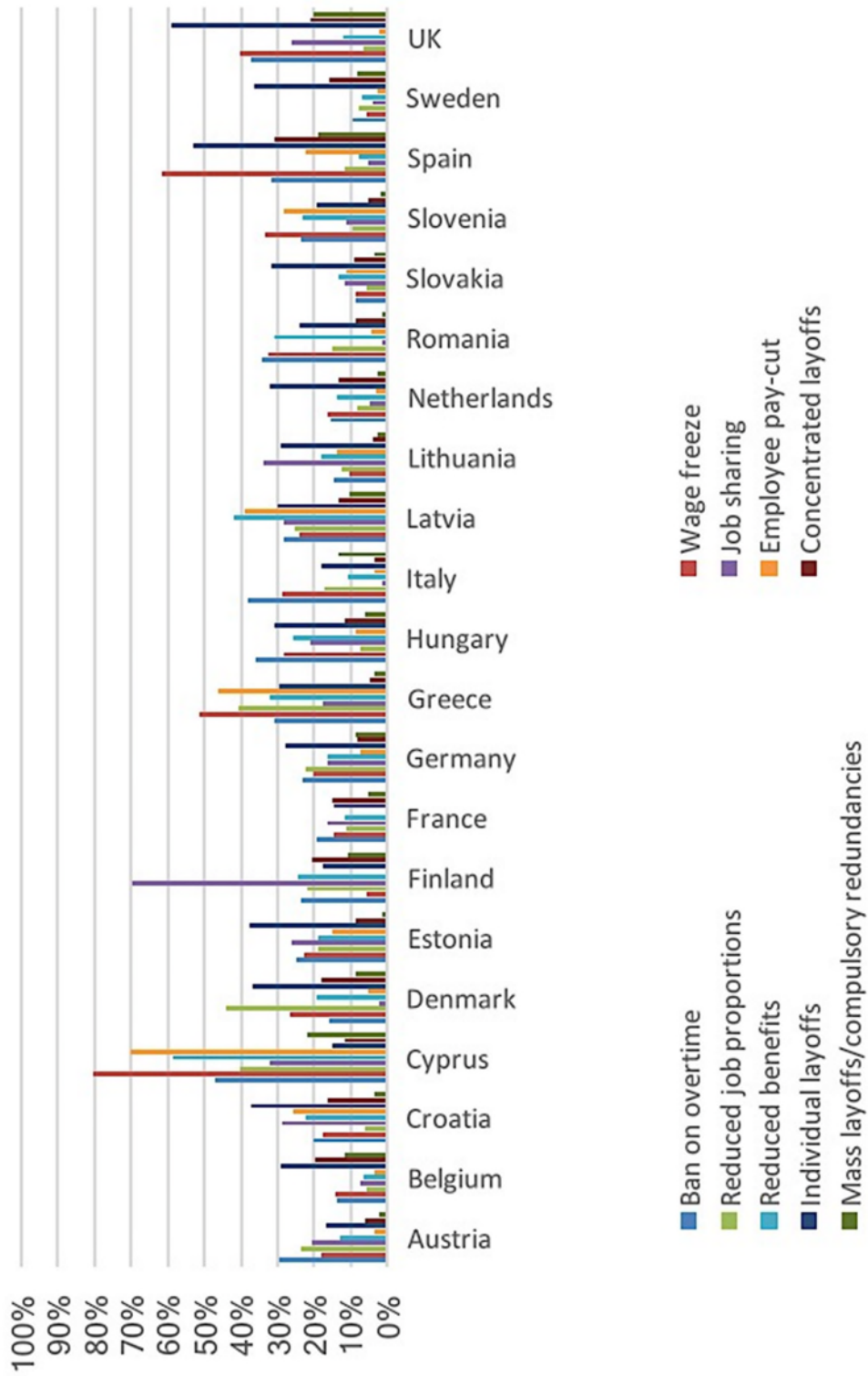


Figure 37b: Harder methods to downsize - Clericals and/or Manuals (Europe EU)



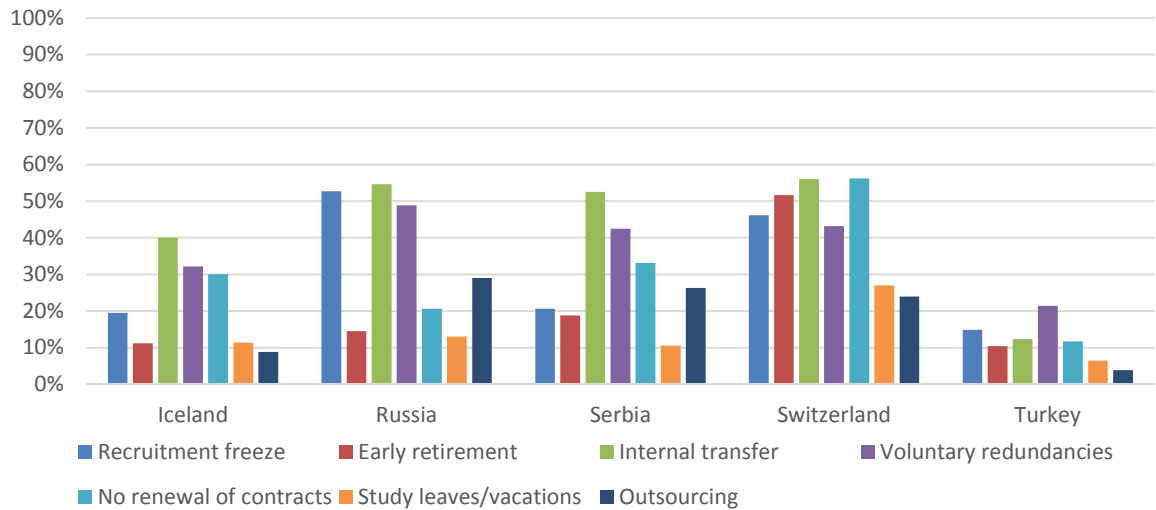


Figure 38a: Softer methods to downsize - Clericals and/or Manuals (Non-EU)

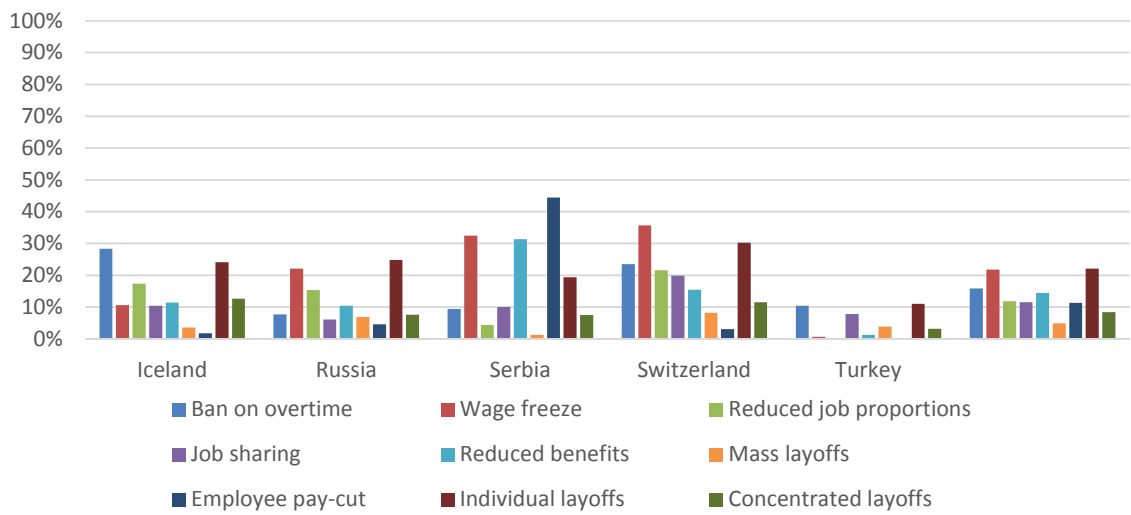


Figure 38b: Harder methods to downsize - Clericals and/or Manuals (Non-EU)

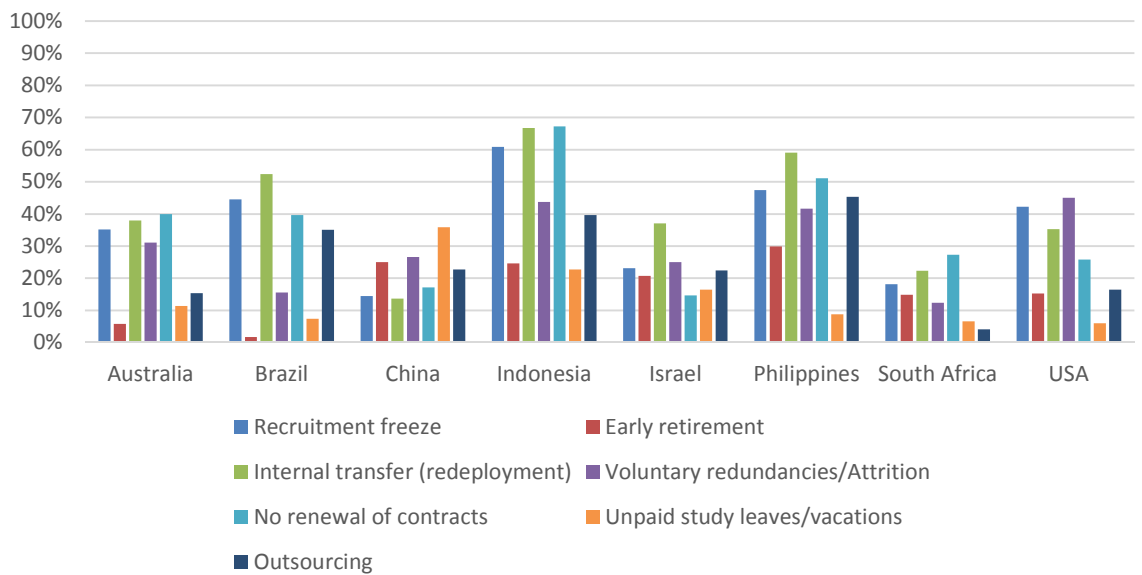


Figure 39a: Softer methods to downsize - Clericals and/or Manuals (Non-Europe)

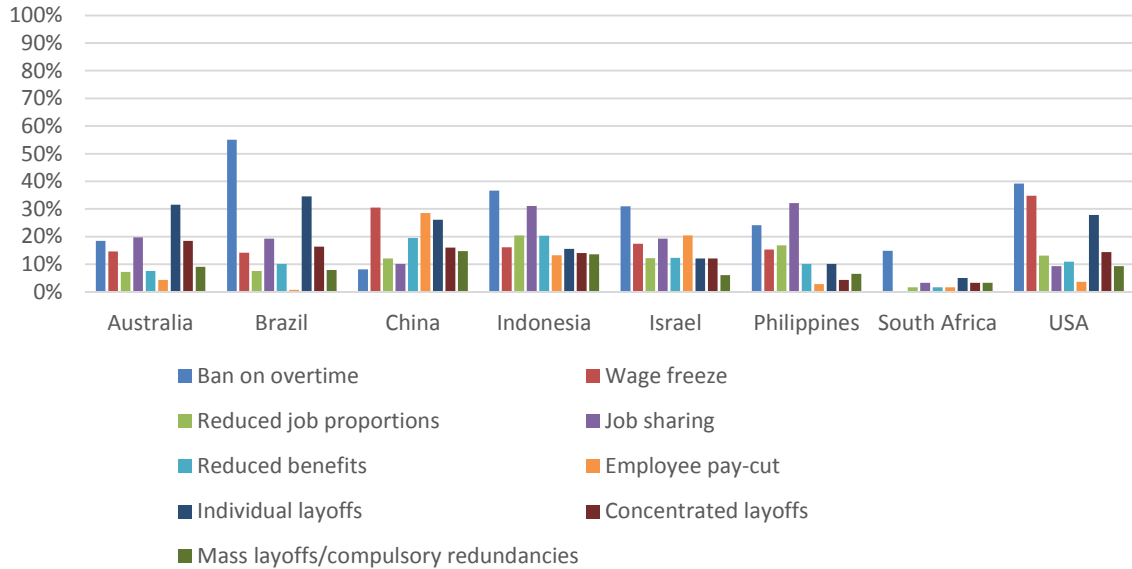


Figure 39b: Harder methods to downsize - Clericals and/or Manuals (Non-Europe)

When reducing the workforce, most countries resort to internally transferring their clerical/manual employees or do not renew short term contracts. Voluntary redundancies are more evident for this group of employees, especially within Europe (See Figures 37a, 38a and 39a). Cyprus, Greece, Spain, Serbia, Switzerland and the UK also resort to the use of wage freeze for this employee group like they do with managers and professionals (See Figure 37b and 38b). Finland seems to be the only country using job sharing extensively for all employee groups (Managers, 44%; Professionals, 62%; Clericals, 70%) and Spain also uses early retirement frequently for clerical and manual employees (52%). The use of reduced benefits and reduced job proportions for this employee group is also evident (See Figure 37b, 38b and 39b). In Brazil (55%) and Cyprus (47%) organizations quite extensively use a ban on overtime. The use of individual layoffs are considerably higher for clerical and manual workers (on average amongst all countries, 26%) than professionals (23%) and managers (14%). In the countries that may have been hit the hardest by the global financial crisis and the recession that followed, employee pay-cuts are used quite extensively. In Cyprus above 60% have executed employee pay-cuts, in Greece and Serbia above 40%, Slovenia about 25% while other countries seem to rely more on individual layoffs.

Conclusions

Cranet's results indicate that managers are heavily recruited from internal sources all over the world. Other highly preferred recruitment methods are company websites and commercial job websites. For professionals, recruitment methods are more diversified with newspapers, word of mouth and speculative applications also used along with internal sources, company websites and commercial job websites. For clerical and/or manual jobs internal recruitment and word of mouth methods are widely used regardless of the location and in all countries organizations are using social media to resource applicants.

References and interviews (both one-to-one and panel) are commonly used in the evaluation process of applicants for both managerial and professional jobs. For clerical

and/or manual workers the picture seems to be more diversified as application forms, ability and technical tests are also used in addition to one-to-one interviews and references. Social media is also used in all 35 countries in the evaluation process. Even though social media may be efficient and helpful tools in the resourcing process, validity and reliability of the information acquired may be questionable when social media profiles are used to evaluate candidates.

In the EU there are also significant differences across national contexts regarding the usage of specific career development action programmes. The countries with the most developed action programmes in the field of career management are France, United Kingdom, followed by Belgium, Netherlands and Austria (see Figure 29a). In Cyprus, Sweden and Estonia organizations hardly implement any action programmes for minorities in the field of career management. In most of the EU countries recruitment programmes for younger workers, women and women returners tend to be more extensively used than for ethnic minorities.

Finally, workforce reduction is an apparent issue across the globe. It is evident that in most countries organizations attempt to use softer downsizing methods such as recruitment freeze, voluntary redundancies and internal transfer as a way of reducing their workforce. This can be seen clearly regarding managers. However, when it comes to professionals and clerical workers, the use of internal transfers and non-renewal of contracts is more frequently used. Voluntary redundancies also appear to be used more often with professionals and clerical workers than with managers, especially in Europe. Countries like Cyprus, Spain, Greece, Serbia, Switzerland, USA and UK tend to use harsher methods to downsize, such as wage freeze and employee pay-cuts, and it applies to all employee groups. It is likely to reflect the economic situation at hand in these countries. On the whole, organizations use various methods to downsize, and resort not only to mass layoffs. They seem to avoid using individual and concentrated layoffs; however, they are more evident in EU countries such as Estonia, Spain and the UK and are more commonly used amongst professionals and clerical workers than managers.

4. Work Life Balance

Eleanna Galanaki and Eleni Stavrou

A prevalent discourse in management studies over the past few decades has been the reconciliation of employment with the needs of life beyond paid work. In this discourse, the term 'work family balance' has been gradually replaced by 'work life balance' to cover non-work aspects beyond family (Stavrou & Lerodiakonou, 2016). We use the term 'work-life-balance' in this report to capture a wide spectrum of organizational support usually discussed in the work- family and work-life literature.

Work Life Balance (WLB) has for decades now been key to human resource management equilibrium. The environments of work and non-work are in continuous struggle about which shall prevail, although co-existence of them is essential. Organizations are increasingly enforcing HRM practices that may support employees in their efforts to reconcile work and non-work responsibilities (Stavrou, Parry & Anderson, 2015).

The chapter is organised in three sections: action programmes for underrepresented groups of employees, fringe benefits that support WLB and flexible working practices.

Action Programmes

Work-life balance has been considered key for all types of employees but traditionally it has focused on women (den Dulk, Peper, Sadar, & Lewis, 2011). Because women are an important segment of today's workforce, organizations are increasingly interested in how to recruit and retain them (Atkinson & Hall, 2009) through various types of action programmes elaborated below.

It seems for women who multitask in bearing and bringing up children and household domestication, companies are taking the initiative for action programmes. These include action programmes for women returners in career progression and action programmes for women returners in training especially in non EU countries. However, when it comes to action programmes for women returners in recruitment and action programmes for women returners in career progression the numbers are significantly lower, especially in European non-EU countries.



Figure 40: Use of action programmes

Table 4: Use of action programmes

	EU	European non-EU	Non-European	Total Average
Action programmes for Women in recruitment	20.2%	26.0%	40.6%	27.1%
Action programmes for Women returners in recruitment	12.7%	15.2%	21.9%	15.8%
Action programmes for Women in training	18,2%	20.8%	30.2%	22.2%
Action programmes for Women returners in training	17.3%	13.2%	19.3%	17.4%
Action programmes for Women in career progression	20.4%	22.3%	29.5%	23.4%
Action programmes for Women returners in career progression	14.4%	10.9%	18.3%	15.1%

Fringe benefits for WLB

In addition to action programmes, firms offer a variety of benefits in order to support the balance between work and personal life. The majority of life balance benefits are childcare related. Specifically, maternity and paternity leave, as well as parental leave are the highest in scores globally, which contrast to the global workplace childcare attentiveness to a percentage of 9%.

Table 5: Use of fringe benefits

	EU	European non-EU	Non-European	Global Average
Maternity leave	54.0%	74.4%	66.9%	60.1%
Paternity leave	49.3%	62.8%	54.5%	52.4%
Parental leave	48.0%	54.5%	43.7%	47.5%
Career break schemes	19.0%	34.6%	15.2%	19.8%
Childcare allowances	14.7%	23.8%	20.5%	17.5%
Workplace childcare	8.6%	10.5%	11.4%	9.7%

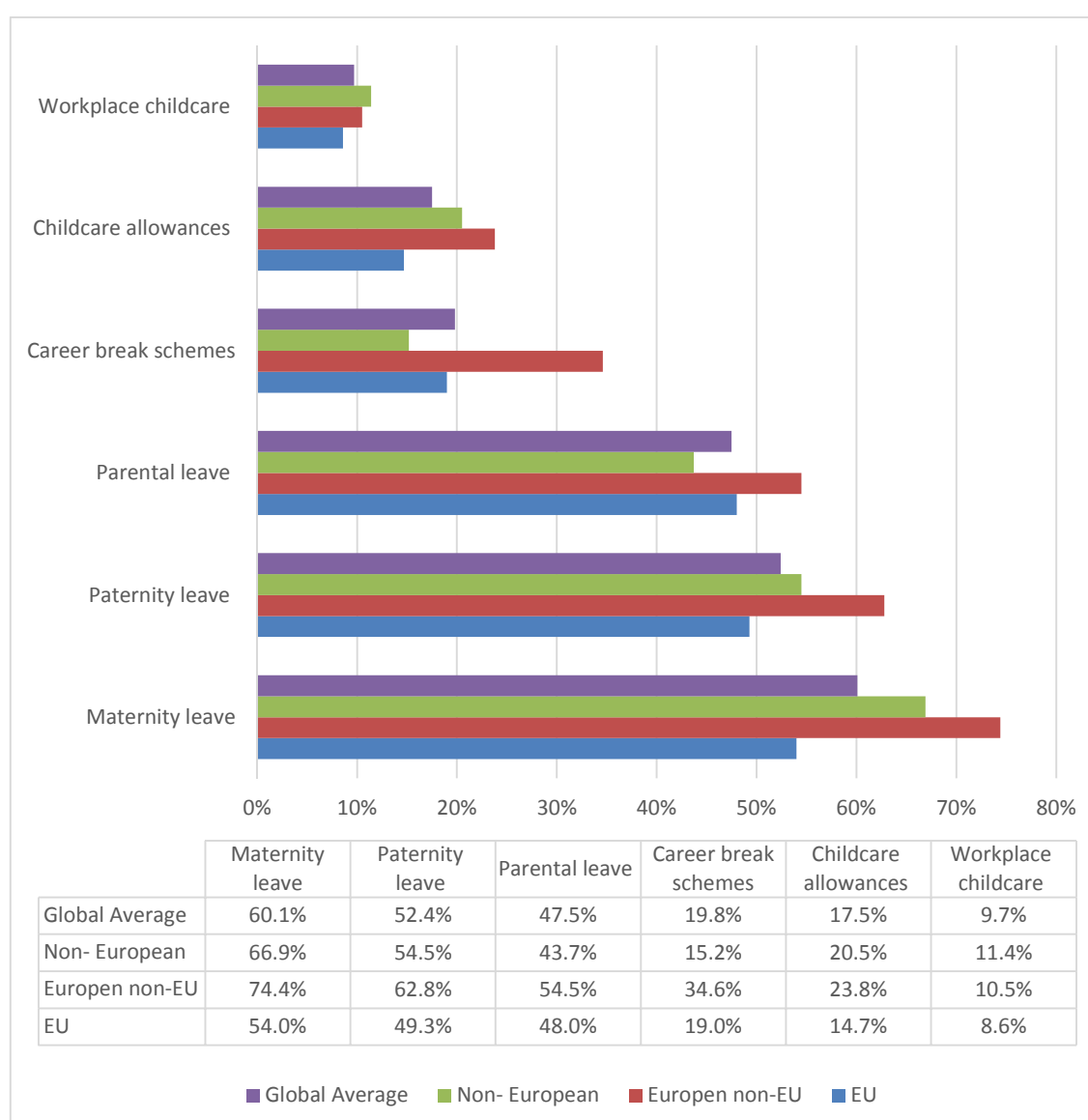


Figure 41: Use of fringe benefits

Taking a closer look, we may notice in the table below that in the majority of countries, organizations provide all kind of WLB benefits. China and Italy have the highest scores in workplace childcare, while Iceland and the Netherlands have the lowest. Maternity leave ranked high in Indonesia and Serbia, and very low in Romania and Iceland. As for paternity leave, Romania and Israel score very low as opposed to the Philippines and Serbia. As for education/ training break, Germany and Austria seem to be investing the most, while Slovenia and Australia the least.

Table 6: Use of fringe benefits by country

	Workplace childcare	Maternity leave	Paternity leave	Parental leave	Career break schemes	Childcare allowances
EU	8.6%	54.0%	49.3%	48.0%	19.0%	14.7%
Austria	18.2%	78.7%	75.5%	78.9%	26.7%	11.5%
Belgium	14.6%	47.4%	42.5%	47.8%	33.3%	17.8%
Cyprus	2.3%	67.8%	34.9%	62.6%	14.9%	
Denmark	1.7%	70.8%	68.0%	55.2%	55.1%	
Estonia	3.7%	42.2%	47.0%	59.0%	36.6%	4.9%
Finland	10.0%	45.3%	39.7%	41.0%	2.8%	3.9%
France	19.7%	49.3%	49.3%	47.8%	19.9%	21.2%
Germany	17.6%	75.5%	74.0%	47.4%	22.1%	31.1%
Greece	5.1%	69.8%	37.6%	67.8%	5.1%	45.3%
Hungary	6.1%	24.8%	46.0%	61.9%	7.1%	6.4%
Italy	23.2%	64.3%	54.2%	39.5%	58.9%	46.4%
Latvia	3.0%	43.3%	38.8%	58.9%	11.9%	35.8%
Lithuania	2.1%	41.4%	40.7%	31.3%	2.1%	9.7%
Netherlands	1.8%	56.0%	39.8%	24.1%	10.4%	2.4%
Romania	2.2%	4.9%	5.3%	60.8%	14.3%	6.7%
Slovakia	9.9%	42.7%	26.0%	10.7%	6.1%	6.9%
Slovenia	3.2%	64.8%	66.7%	38.2%	3.8%	2.5%
Spain	6.9%	64.0%	60.7%	65.4%	55.7%	14.0%
Sweden	.4%	60.4%	59.6%	39.8%	1.5%	.4%
United Kingdom	14.1%	64.1%	60.4%	26.2%	31.9%	37.0%
Croatia	4.4%	64.5%	58.9%	41.8%	18.8%	13.3%
Europe non-EU	10.5%	74.4%	62.8%	54.5%	34.6%	23.8%
Iceland	1.8%	29.1%	26.4%	40.7%	32.7%	2.8%
Russia	11.7%	60.5%	49.6%	49.6%	48.5%	42.2%
Turkey	14.7%	70.7%	60.7%	29.2%	21.9%	44.9%
Serbia	1.3%	98.1%	91.2%	96.2%	41.1%	1.9%
Switzerland	19.4%	92.7%	70.5%	49.2%	29.9%	26.5%

	Workplace childcare	Maternity leave	Paternity leave	Parental leave	Career break schemes	Childcare allowances
Non-European	11.4%	66.9%	54.5%	43.7%	15.2%	20.5%
China	32.0%	82.4%	62.4%	61.9%	32.0%	43.2%
Indonesia	8.0%	96.6%	78.2%	47.1%	49.4%	6.9%
Israel	18.1%	47.0%	27.7%	57.8%	20.2%	9.6%
Philippines	11.9%	88.4%	85.5%	60.0%	23.0%	11.1%
USA	14.4%	61.8%	55.6%	49.7%	8.4%	11.3%
Brazil	3.7%	63.6%	45.2%	15.5%	4.0%	50.3%
Australia	3.8%	46.8%	40.3%	36.2%	11.4%	1.3%
South Africa	5.0%	91.7%	74.4%	66.1%	8.3%	3.3%

Flexible working arrangements for Work Life Balance

Finally, flexible work arrangements have become an increasingly common way for firms, local and multinational, to respond to the changing needs of both their markets and their workforce (Ryan & Kossek, 2008). The table below shows the percentage of use (versus non-use) for each arrangement by employees among organizations in each country. According to the table, among the most common arrangements in the EU are part-time, overtime and fixed-term contracts. Among non-EU European countries, the most common arrangements are shift-work, overtime and fixed term contracts while beyond Europe, these are weekend work, shift work and overtime.

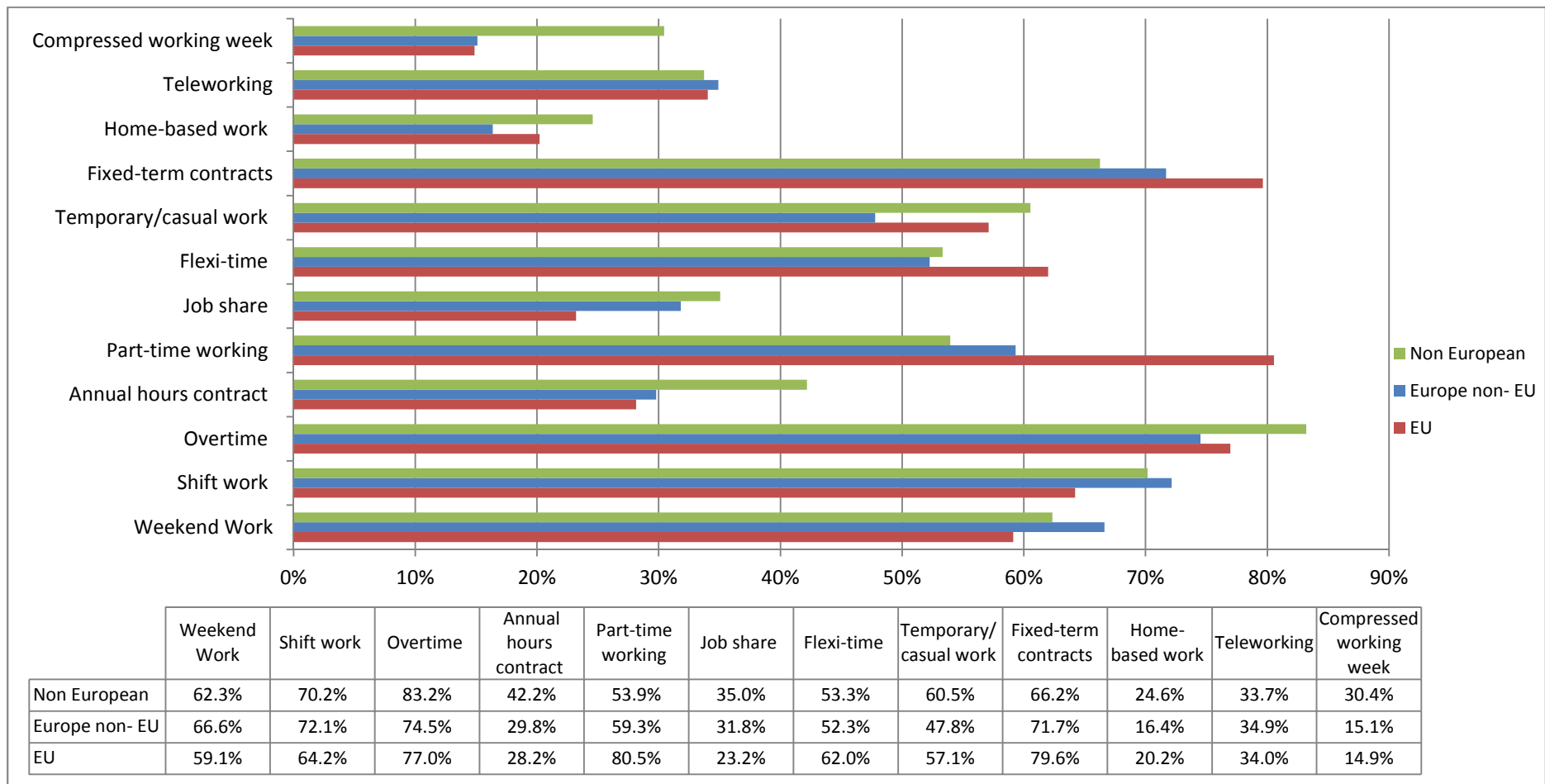


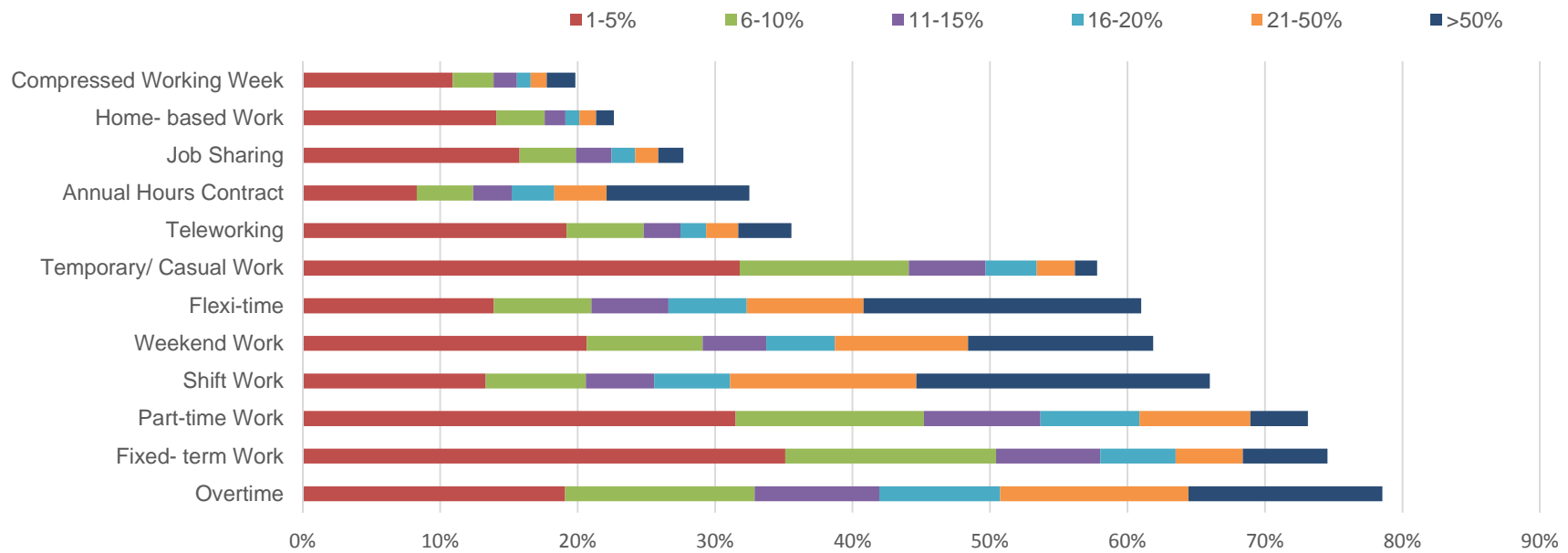
Figure 42: Use of flexible work arrangements by employees

Table 7: Use of flexible work arrangements by employees by country

	Weekend Work	Shift Work	Overtime	Annual Hours	Part-Time	Job Share	Flexi-Time	Temporary / Casual Work	Fixed-Term Contracts	Home-Based Work	Telework	Compressed Work Week
EU	60.0%	62.6%	77.3%	28.9%	81.3%	23.6%	64.4%	56.0%	81.0%	21.1%	34.5%	15.4%
Austria	64.0%	61.8%	97.8%	36.5%	99.5%	30.0%	91.8%	49.8%	71.9%	15.5%	50.9%	27.6%
Belgium	63.4%	68.0%	83.3%	24.2%	96.8%	16.9%	64.5%	84.4%	83.7%	39.8%	56.6%	15.4%
Cyprus	64.4%	64.4%	82.8%	33.3%	58.1%	30.2%	54.7%	56.5%	57.6%	8.1%	5.8%	7.0%
Denmark	45.1%	42.0%	86.5%	53.9%	94.8%	6.2%	75.1%	75.6%	58.5%	25.9%	62.7%	12.4%
Estonia	65.9%	81.9%	79.0%	13.4%	87.8%	27.7%	68.3%	48.2%	85.2%	20.5%	43.4%	4.9%
Finland	69.5%	69.7%	83.1%	41.1%	93.8%	44.4%	91.4%	56.9%	98.3%	41.6%	50.8%	15.3%
France	59.4%	64.5%	85.4%	66.0%	96.7%	20.1%	44.5%	81.0%	88.8%	18.7%	40.6%	6.6%
Germany	72.2%	66.7%	48.5%	19.8%	98.9%	32.1%	93.7%	72.9%	96.7%	22.2%	49.3%	16.9%
Greece	68.2%	73.5%	71.2%	9.1%	50.6%	21.8%	29.8%	49.4%	68.5%	7.7%	18.3%	8.9%
Hungary	68.9%	57.2%	87.3%	16.2%	77.4%	34.6%	69.4%	24.7%	71.6%	13.1%	28.6%	7.4%
Italy	11.9%	57.7%	57.7%	6.0%	88.1%	1.8%	25.0%	20.8%	88.1%	6.5%	25.6%	6.0%
Latvia	58.2%	71.6%	82.1%	14.9%	73.1%	20.9%	44.8%	61.2%	61.2%	13.4%	19.4%	11.9%
Lithuania	60.7%	64.8%	57.9%	11.7%	84.1%	38.6%	57.9%	55.9%	86.2%	14.5%	19.3%	28.3%
Netherlands	43.7%	40.1%	78.4%	76.4%	100.0%	26.7%	49.4%	89.2%	61.4%	34.3%	56.6%	25.9%
Romania	61.8%	61.3%	61.3%	0.4%	43.1%	1.8%	28.4%	28.0%	78.7%	4.4%	25.3%	18.7%
Slovakia	63.0%	51.5%	77.9%	37.4%	63.0%	22.5%	66.8%	34.1%	74.8%	32.8%	17.6%	9.6%
Slovenia	68.7%	75.7%	82.0%	10.2%	85.7%	21.7%	68.9%	32.6%	94.0%	12.6%	27.9%	8.9%
Spain	43.0%	70.5%	59.4%	24.4%	80.4%	4.5%	78.9%	81.4%	72.2%	11.0%	40.2%	20.2%
Sweden	65.9%	58.1%	98.1%	50.0%	94.0%	17.3%	92.3%	90.4%	98.5%	26.2%	22.8%	13.9%

	Weekend Work	Shift Work	Overtime	Annual Hours	Part-Time	Job Share	Flexi-Time	Temporary / Casual Work	Fixed-Term Contracts	Home-Based Work	Telework	Compressed Work Week
United Kingdom	46.9%	59.4%	80.7%	30.4%	91.3%	42.9%	58.9%	72.5%	83.1%	49.3%	35.9%	39.0%
Croatia	77.0%	88.1%	75.9%	15.8%	34.2%	24.5%	47.5%	34.0%	93.1%	6.3%	17.0%	7.6%
Europe non-EU	67.6%	72.7%	78.3%	42.5%	65.7%	34.1%	61.9%	55.6%	74.0%	17.2%	39.1%	14.3%
Iceland	53.5%	52.6%	64.0%	33.9%	87.0%	20.4%	77.7%	60.9%	50.4%	22.1%	60.7%	18.6%
Russia	59.7%	76.4%	73.3%	7.4%	48.8%	16.4%	38.2%	27.9%	82.6%	4.4%	36.2%	26.5%
Turkey	74.5%	84.4%	93.4%		44.4%	53.3%	37.5%	37.5%	67.6%	16.2%	6.6%	10.3%
Serbia	77.8%	77.8%	81.6%	26.6%	17.8%	13.4%	26.6%	53.8%	62.7%	15.2%	12.0%	6.3%
Switzerland	67.7%	69.5%	60.1%	51.2%	98.5%	55.6%	81.3%	58.9%	95.1%	24.0%	58.9%	13.8%
Non-European	63.4%	70.3%	81.6%	35.4%	59.7%	33.5%	53.4%	62.9%	61.1%	28.0%	36.5%	31.5%
China	53.1%	77.2%	76.2%	44.1%	32.0%	66.5%	51.0%	58.7%	73.5%	40.1%	54.8%	42.1%
Indonesia	56.3%	78.2%	89.7%	77.0%	27.6%	49.4%	26.4%	27.6%	81.6%	10.3%	21.8%	23.0%
Israel	64.0%	62.0%	83.6%	70.3%	80.9%	28.8%	63.0%	68.5%	58.6%	31.9%	54.0%	30.6%
Philippines	63.2%	59.6%	89.1%	20.1%	32.8%	38.0%	67.4%	66.4%	64.2%	13.9%	19.0%	31.4%
USA	74.7%	70.6%	91.9%	21.0%	84.6%	21.5%	71.9%	79.0%	38.3%	33.5%	61.1%	48.8%
Brazil	60.3%	76.5%	76.5%	14.7%	36.7%	6.8%	48.9%	27.2%	37.4%	13.3%	6.8%	7.6%
Australia	63.5%	61.2%	72.3%	48.6%	94.7%	52.7%	62.5%	89.9%	86.7%	43.5%	40.4%	34.2%
South Africa	63.5%	76.1%	86.4%	41.6%	42.2%	16.7%	35.4%	67.0%	89.6%	10.3%	11.9%	25.9%

The following graph shows the percentage of companies from the global Cranet sample that cover distinct proportions of their workforce: 1-5%, 6-10%, 11-20%, 21-50% and over 50% of the workforce.



	Overtime	Fixed- term Work	Part-time Work	Shift Work	Weekend Work	Flexi-time	Temporary/ Casual Work	Teleworking	Annual Hours Contract	Job Sharing	Home- based Work	Compressed Working Week
1-5%	19.1%	35.1%	31.5%	13.3%	20.7%	13.9%	31.8%	19.2%	8.3%	15.8%	14.1%	10.9%
6-10%	13.8%	15.3%	13.7%	7.3%	8.4%	7.1%	12.3%	5.6%	4.1%	4.1%	3.5%	3.0%
11-15%	9.1%	7.6%	8.5%	5.0%	4.6%	5.6%	5.6%	2.7%	2.8%	2.6%	1.5%	1.7%
16-20%	8.8%	5.5%	7.2%	5.5%	5.0%	5.7%	3.7%	1.9%	3.1%	1.7%	1.0%	1.0%
21-50%	13.7%	4.9%	8.1%	13.6%	9.7%	8.5%	2.8%	2.3%	3.8%	1.7%	1.2%	1.2%
>50%	14.1%	6.2%	4.2%	21.3%	13.5%	20.2%	1.6%	3.9%	10.4%	1.8%	1.3%	2.1%

Figure 43: Proportion of workforce in flexible working arrangements

In addition to reporting the above percentages, we wanted to see how the various FWAs used are grouped together. Therefore, we conducted a principle components analysis which is a method that helps us explore whether companies tend to use specific types or FWA together.

We found four categories of flexible work arrangements across all the examined countries (explaining 52% of the total variance). The first category includes shift work, weekend work and overtime. These constitute more “traditional flexible patterns” usually driven by employers’ rather than employees’ needs, and which have been identified often in the literature (i.e. see Stavrou, 2005; Stavrou & Kilaniotis, 2010). The second category, which includes telework, compressed work week and home based work, shows some variation from existing studies, but generally are employee friendly. We may call these the most “innovative flexible patterns” as they are the ones most recently adopted and are not widely used yet. The third category includes part-time, flexitime and annual hours contracts. This is an interesting result as these are not practices often grouped together in the literature. Possibly, these involve more traditional options that offer increased flexibility to employees. The final category, that includes fixed-term contracts, temporary/casual work and job share are possibly the options “least desired by workers” as they either do not offer permanent employment or employees have to share their jobs.

Table 8: Principle components analysis results

	Traditional flexible patterns	Innovative flexible patterns	Total time-related flexible patterns	Patterns least desired by workers
Proportion of workforce on shift work	.808			
Proportion of workforce on weekend work	.787			
Proportion of workforce on overtime	.674			
Proportion of workforce on teleworking		.713		
Proportion of workforce on compressed working week		.688		
Proportion of workforce on home-based work		.679		
Proportion of workforce on part-time working			.668	
Proportion of workforce on flexi-time			.630	
Proportion of workforce on annual hours contract			.547	
Proportion of workforce on fixed-term contracts				.744
Proportion of workforce on job share				.592
Proportion of workforce on temporary/casual work				.536

Conclusion

If we were to summarise the work-life balance (WLB) practices that organizations in the countries of the Cranet survey used around the times of the latest financial crisis, we would conclude that action programmes for women are most wide-spread outside Europe and least widespread in European countries outside the EU. Furthermore, the most widespread WLB benefits offered around the globe have to do with maternity, paternity and parental leave in excess of statutory requirements while the least widespread involve workplace childcare. Finally, even though use of the FWAs varies, we see high use of non-permanent arrangements such as fixed-term or temporary contracts, traditional patterns and part-time work. Therefore, one may wonder what interest many of the WLB practices serve: do they serve the interest of employees, employers or both? Our advice is that at the end of the day, WLB should be a goal for both employees and organizations. As Beauregard and Henry (2009) noted, the business case for life management support relies on ability to enhance both individual and organizational outcomes and reduce negative consequences. As Yammarino and Atwater (1993: 241) noted so many years ago:

In the practice of human resource management, it is insufficient to consider outcomes solely from the perspective of the organization. An additional concern is the perceived value of outcomes from the perspective of each employee. To the extent that the organization and individual interface successfully, organizational *and* individual goals will be accomplished; organizations will be viewed as effective; and individuals will be identified as satisfied and productive.

5. Training and Development

Irene Nikandrou, Nancy Papalexandris, and Alessandra Lazazzara

The intensification of global competition, the rapidly changing global marketplace, and the increased technological advancement place an emphasis on the demand for a well-qualified and competent workforce. Thus, investing in training becomes a strategic objective. An organization's human resource training and development (T&D) system is a key mechanism in ensuring the knowledge, skills and attitudes necessary to achieve organizational goals and create competitive advantage (Peteraf, 1993). Training formalization, devolvement of training decisions to line managers and emphasis on training are important elements reflecting the strategic role of the T&D function (Mabey & Gooderham, 2005). Figure 44 provides an overview of the strategic role of T&D. On average, the vast majority of EU, European non-EU and non-European countries (62.2%, 66%, and 68%, respectively) have a written HR strategy on T&D. Even though a significant proportion of companies in all countries devolve the primary responsibility to line managers, in most cases major T&D policy decisions rest either within the HR department or in consultation with line managers (see Figure 44). Also, a very small percentage of companies in all countries ranging from 3-6% completely outsource the T&D function, most of them use to a significant extent internal providers in their training and development programmes.

The purpose of this chapter is to systematically explore training policies and practices in different countries. More specifically, this chapter will focus on the differences and similarities between countries and world zones (EU countries, European non-EU countries and non-European countries) on investment in training, training days provided annually, appraisal data used to inform training and development decisions, systematical evaluation of training effectiveness, techniques used to evaluate training effectiveness and career development.

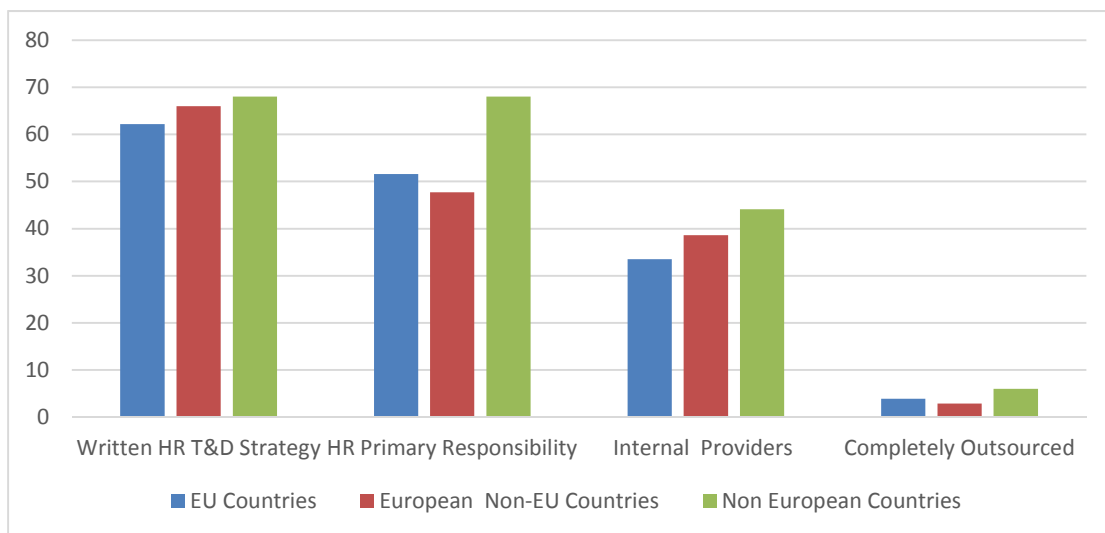
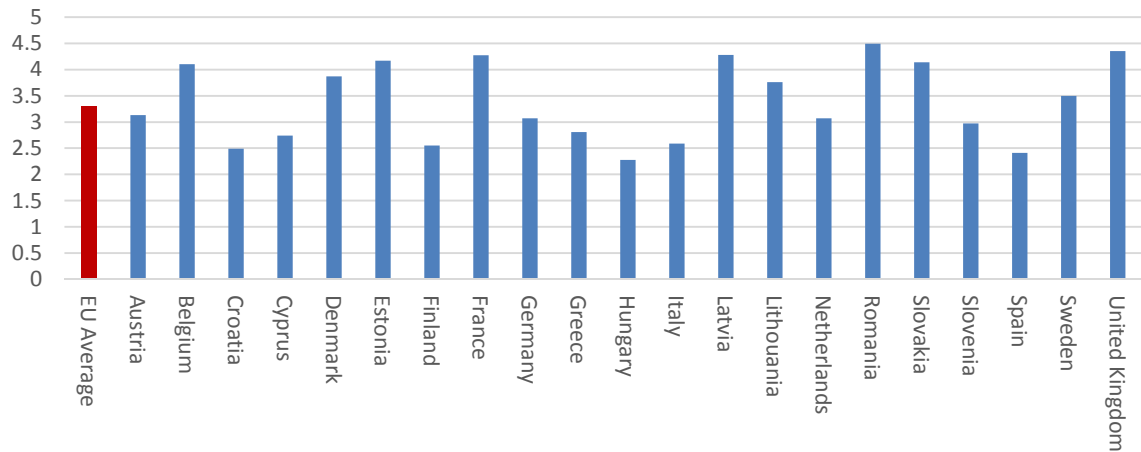


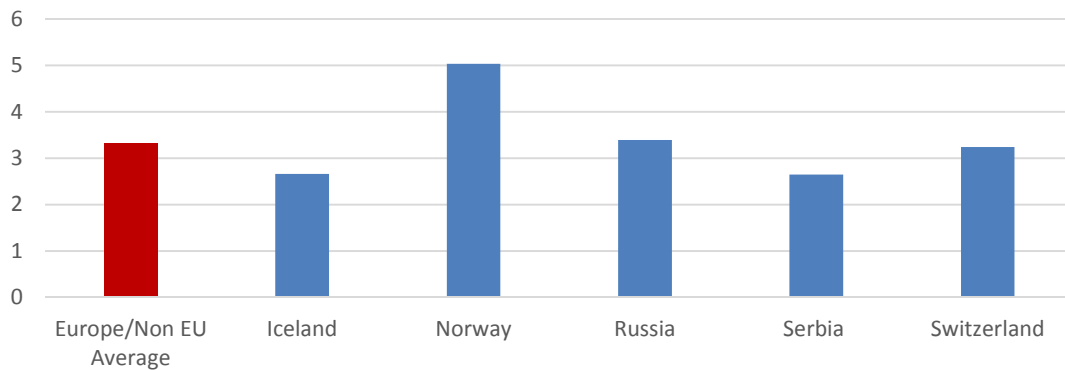
Figure 44: Training and development issues

Amount of Investment

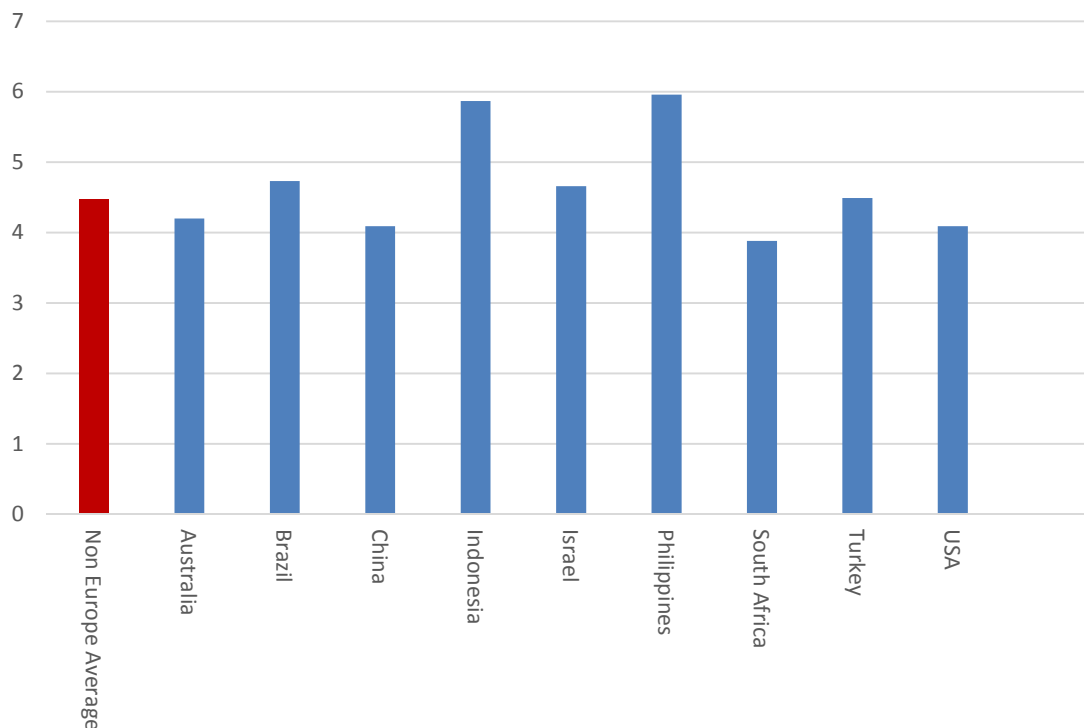
Figures 45a, b, and c show organizations' expenditure on training and development in EU, other European non-EU, and Non-European countries. On average, EU countries spent 3.21% of their annual payroll on training, other European non-EU countries 3.34%, and non-European countries 4.47%.



45a: % of annual payroll costs spend on training (Europe EU)



45b: % of annual payroll costs spend on training (Europe Non-EU)



45c: % of annual payroll costs spent on training (Non-Europe)

Annual Training Days

In terms of training days employees receive annually, we notice considerable difference between European (both EU and non-EU) and non-European countries. Companies report that professionals receive on average more training days than any other staff category, while clerical/manual employees less. Most European countries report on average six days for managers and professionals employees and approximately five days for clerical and manual employees. The relative training days for non-European countries is ten days on average for managers and professionals and nine days for clerical/manual employees. Comparing these results to the last Cranet survey results, we notice a considerable increase in training days for companies in non-European countries for all staff categories, with highest increase in training days for clerical/manual employees. In fact, on average there is an increase in yearly training days for clerical/manual workers in all countries, while there is a decrease in professionals and managers in European countries with the highest decrease in European non-EU countries (2009 Cranet Survey EU: professionals 7.88 days, managers 7.2 days – Europe non-EU: professionals 8.43 days, managers 9.16).

Table 9: Annual training days

Training Days per Year per Employee category				
Country	Management	Professional	Clerical/Manual	Average
European Union (EU) Average	6.40	6.88	5.68	6.32
Austria	5.88	8.64	7.08	7.02
Belgium	5.56	5.93	4.21	5.23
Croatia	8.15	7.55	5.37	7.02
Cyprus	6.24	5.92	5.17	5.78
Denmark	5.91	5.92	7.88	6.57
Estonia	5.90	6.25	4.42	5.52
Finland	4.57	4.62	3.53	4.24
France	8.36	7.21	6.90	7.49
Germany	5.66	7.03	6.35	6.35
Greece	7.54	9.33	8.03	8.30
Hungary	7.65	7.59	4.67	6.45
Italy	5.44	5.23	5.11	5.26
Latvia	7.98	8.51	4.05	6.85
Lithuania	3.17	3.33	2.52	9.02
Netherlands	4.44	4.91	3.80	4.38
Romania	4.36	4.13	5.02	4.50
Slovakia	11.16	13.05	9.21	11.14
Slovenia	7,69	7,87	4,92	6,83
Spain	7,70	9,42	8,03	8,38
Sweden	5,57	5,04	4,49	5,03
United Kingdom	4,84	5,34	5,67	5,28
Europe (Non-EU) Average	6,26	6,71	4,73	5,90
Iceland	5,24	4,83	4,18	4,75
Norway	7,37	8,21	4,82	6,80
Russia	6,69	5,34	5,64	5,89
Serbia	6,62	6,40	4,77	5,93
Switzerland	5,24	7,09	4,34	5,56
Non-European Average	10.12	10.54	9.73	10.13
Australia	5.69	6.08	6.90	6.22
Brazil	12.10	11.21	12.29	11.87
China	14.81	16.44	13.11	14.79
Indonesia	10.98	13.61	10.99	11.86
Israel	6.93	7.53	4.51	6.32
Philippines	10.49	12.20	8.69	10.46
South Africa	16.65	15.38	15.10	15.71
Turkey	6.91	8.02	8.44	7.79
USA	7.76	7.79	7.10	7.55

Appraisal Data used to Inform Training and Development Decisions

Organizations rely to a significant degree on appraisal data to decide on training and development issues (Figures 46a, b, c). On average, 74% of companies in EU countries use their appraisal systems to inform T&D (Figure 46a). For European non-EU organizations, the average relative percentage is similar (72%). However, there are significant differences among the countries ranging from 51.6% (Norway) to 94.9% (Switzerland) (Figure 46b).

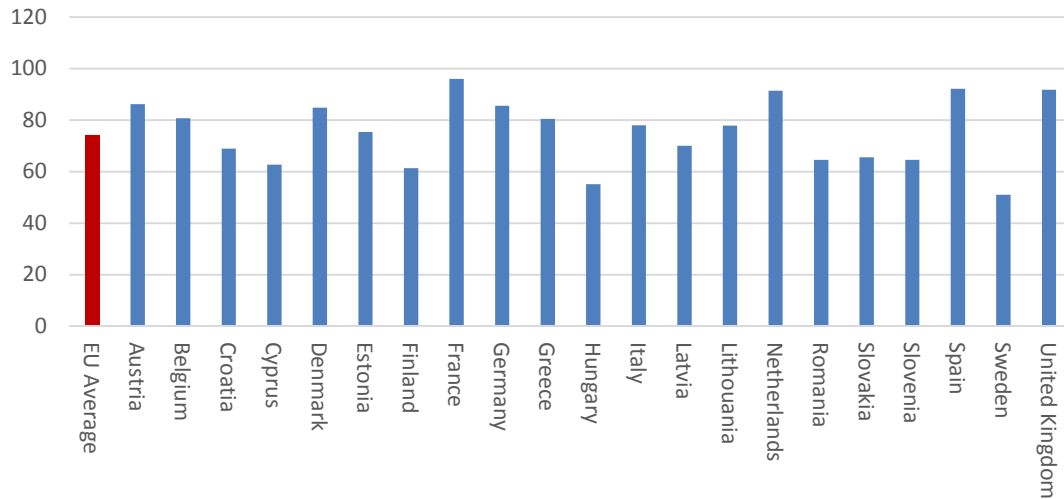


Figure 46a: % of companies using appraisal data to inform T&D (EU)

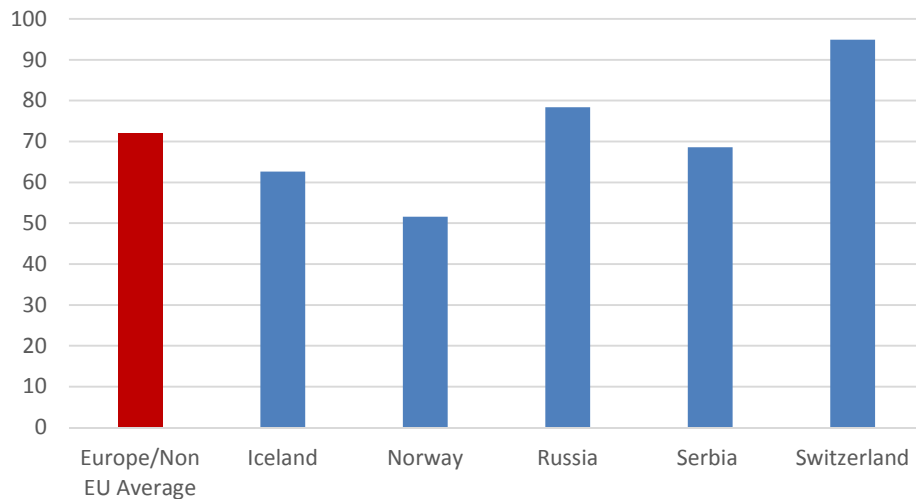
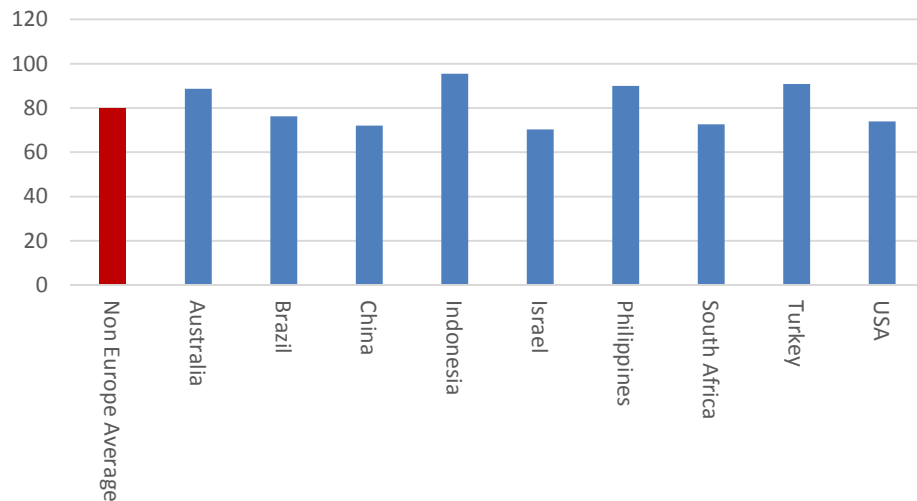


Figure 46b: % of companies using appraisal data to inform T&D (Europe non-EU)

On average, organizations in non-European countries report a higher percentage of appraisal data used to inform training and development decisions (80%), with percentages ranging from 70% (Israel) to 95% (Indonesia) (Figure 46c).



46c: % of companies using appraisal data to inform T&D (Non-Europe)

Systematically Evaluated Training Effectiveness

Table 10 shows an overview of percentages of companies that systematically evaluate the effectiveness of training. On average 52.2% of the organizations systematically evaluate their training effectiveness (51.3% of the organizations in EU countries, 49% of the organizations in European non-EU countries, and 56.3% of the organizations in non-European countries). Comparing to the last Cranet survey, we notice a significant increase in the percentage of organizations that systematically evaluate the effectiveness of their training programmes. Organizations in non-European countries report an increase of 16.4 points, while organizations in European non-EU and EU countries 12.1 points and 0.8 points respectively. Italy (77.4%), France (75.2%), Russia (75%), Turkey (73.8%), and Cyprus (70.1%) report the highest percentages in systematic evaluation of training effectiveness, while Norway (24.6%), and Sweden (29.9%) the lowest percentages.

Table 10: Systematic evaluation of training effectiveness

European Union (EU)	% Companies that Evaluate Training Effectiveness	European Non-EU Countries	% Companies that Evaluate Training Effectiveness	Non-European Countries	% Companies that Evaluate Training Effectiveness
Average	51.3	Average	49.0	Average	56.3
Austria	56.0	Iceland	32.7	Australia	56.7
Belgium	59.4	Norway	24.6	Brazil	65.7
Croatia	53.8	Russia	75.0	China	45.6
Cyprus	70.1	Serbia	58.2	Indonesia	56.3
Denmark	34.2	Switzerland	55.8	Israel	53.5
Estonia	47.0			Philippines	69.6
Finland	38.9			South Africa	57.9
France	75.2			Turkey	73.8
Germany	56.6			USA	42.5
Greece	69.8				
Hungary	31.6				
Italy	77.4				
Latvia	65.7				
Lithuania	39.3				
Netherlands	36.7				
Romania	53.4				
Slovakia	55.3				
Slovenia	47.9				
Spain	81.5				
Sweden	29.9				
United Kingdom	47.5				

Techniques used to Evaluate Training Effectiveness

Table 11 shows the methods used to evaluate training effectiveness. In general, on average in EU and non-European countries evaluation of training immediately after is the most widely used technique (70.2% and 68.9% respectively). In European non-EU countries informal feedback from line managers (60%) is the most common technique. Overall, when compared to the previous Cranet survey in 2009 we notice that there is a decrease in the use of the various methods used to evaluate training. In this Cranet survey as in the previous one, the least used technique to evaluate training effectiveness is Return on Investment (ROI). On average only 14% (compared to 15.32% in 2009) of organizations in EU countries use ROI, 11.6% (compared to 23.8% in 2009) in European non-EU countries, and 28.5% (compared to 23.2% in 2009) in non-European countries. Thus, we notice a decrease in the use of this method in Europe and a significant increase in the rest of the world.

Table 11: Techniques used to evaluate training effectiveness

Country	Training Days	Meeting Objectives	Evaluation Immediately after Training	Job Performance Before & Immediately after Training	Job Performance some Months after Training	Informal Feedback from Line Managers	Informal Feedback from Employees	ROI
European Union (EU) Average	48.7	66.9	70.2	20.9	29.2	66.6	64.7	14.0
Austria	63.3	79.5	87.6	18.5	25.4	82.8	79.2	9.0
Belgium	60.0	69.3	94.9	20.5	44.2	89.6	85.7	25.3
Croatia	66.7	79.8	76.4	35.8	47.2	91.0	87.4	23.5
Cyprus	41.4	67.8	67.8	28.7	31.0	63.2	51.7	12.6
Denmark	45.2	79.0	72.6	19.4	21.0	87.1	82.3	22.6
Estonia	36.4	83.3	67.4	46.7	46.7	77.8	87.2	15.9
Finland	91.0	89.6	72.1	15.4	13.6	78.3	83.8	1.5
France	60.5	81.0	94.7	28.4	45.5	84.9	86.6	17.4
Germany	54.9	71.3	92.9	13.8	26.3	81.8	78.9	10.3
Greece	57.6	76.2	77.7	30.7	45.7	73.1	69.9	21.4
Hungary	50.0	88.1	85.1	24.7	31.8	83.9	79.5	22.5
Italy	60.9	80.3	54.9	20.5	30.3	76.5	80.3	11.4
Latvia	13.4	40.3	46.3	26.9	32.8	41.8	46.3	28.4
Lithuania	11.0	27.6	28.3	7.6	9.7	29.7	30.3	4.8
Netherlands	35.0	85.0	93.3	27.1	39.0	86.7	91.7	3.4
Romania	65.8	48.3	50.0	19.5	21.9	37.8	23.3	6.9
Slovakia	20.5	43.8	42.1	11.9	18.1	39.1	42.5	14.0
Slovenia	71.8	83.3	87.3	18.4	42.3	84.6	82.9	18.2
Spain	61.4	79.2	97.4	24.6	47.8	67.1	66.7	10.4
Sweden	32.3	54.2	68.4	7.7	11.7	59.4	52.3	3.2
United Kingdom	70.1	91.2	94.5	44.9	38.2	82.4	88.8	38.2

Country	Training Days	Meeting Objectives	Evaluation Immediately after Training	Job Performance Before & Immediately after Training	Job Performance some Months after Training	Informal Feedback from Line Managers	Informal Feedback from Employees	ROI
Europe (Non-EU) Average	32.6	52.0	52.7	18.3	25.1	60.0	55.5	11.6
Iceland	19.8	32.6	44.3	7.4	7.2	52.2	55.9	3.2
Norway	20.7	26.6	29.0	4.1	10.1	45.6	33.7	10.1
Russia	33.3	80.2	73.6	43.0	48.1	75.0	72.9	21.6
Serbia	33.8	50.6	40.6	28.1	28.7	51.2	49.4	8.8
Switzerland	55.4	77.3	86.6	12.4	34.9	82.0	76.1	15.6
Non-European Average	49.9	66.9	68.9	38.2	45.7	66.8	61.1	28.5
Australia	26.3	43.3	45.1	19.2	23.5	51.1	50.6	18.0
Brazil	53.9	66.4	84.1	28.9	42.2	58.6	52.2	11.6
China	55.4	75.6	67.8	54.1	65.3	65.8	59.4	55.4
Indonesia	88.8	83.8	70.0	75.0	86.3	76.3	30.0	30.0
Israel	49.4	62.7	69.7	47.2	44.0	73.0	71.6	24.3
Philippines	55.7	86.9	87.0	54.7	53.3	89.8	88.0	49.1
South Africa	75.0	90.3	67.7	52.5	77.8	73.4	70.3	52.5
Turkey	83.9	73.0	91.1	43.6	50.9	80.0	83.8	24.8
USA	39.5	80.6	77.7	35.6	40.0	82.4	81.8	26.3

Career Development

Use of career development methods is measured with a 0-4 scale (“0” = not at all, “4” = very much). On average all countries report moderate use of career development methods (EU 1.4, Europe non-EU 1.53, and non-European countries 1.5) (Figures 47a, b, c).

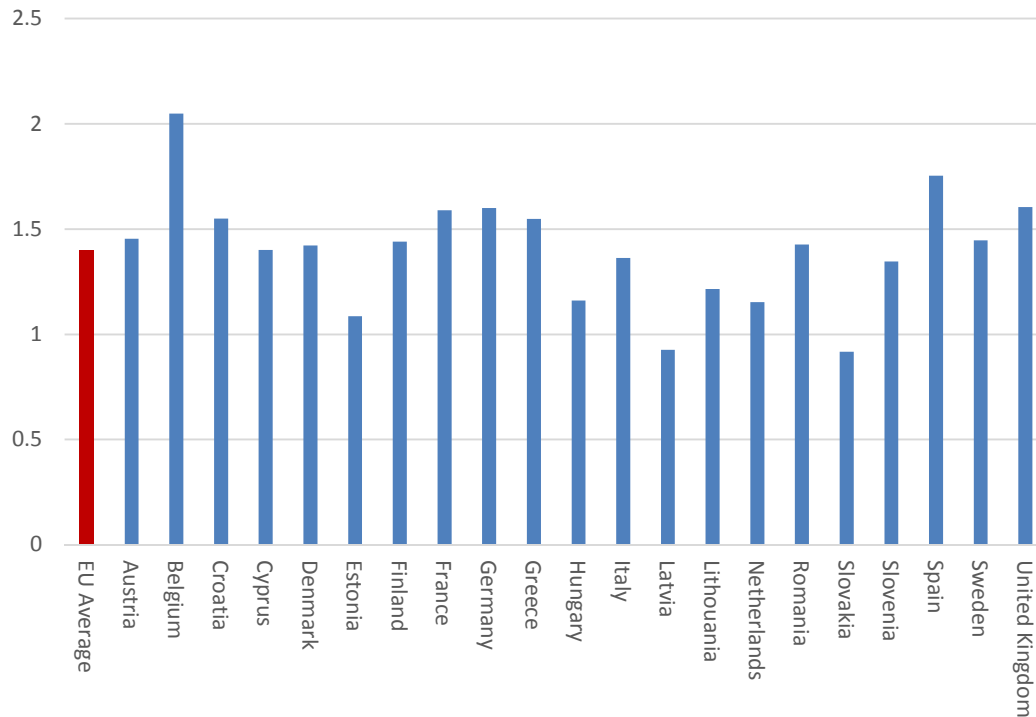
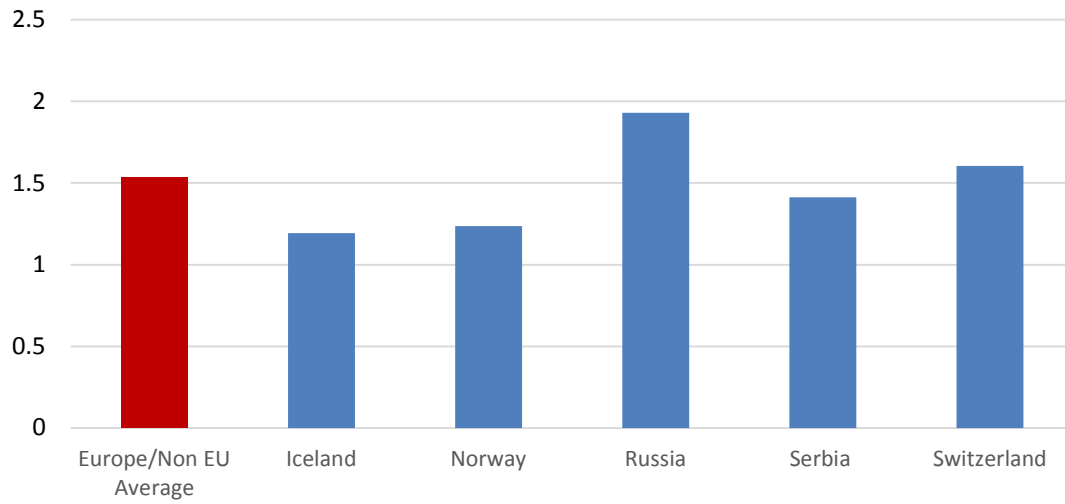
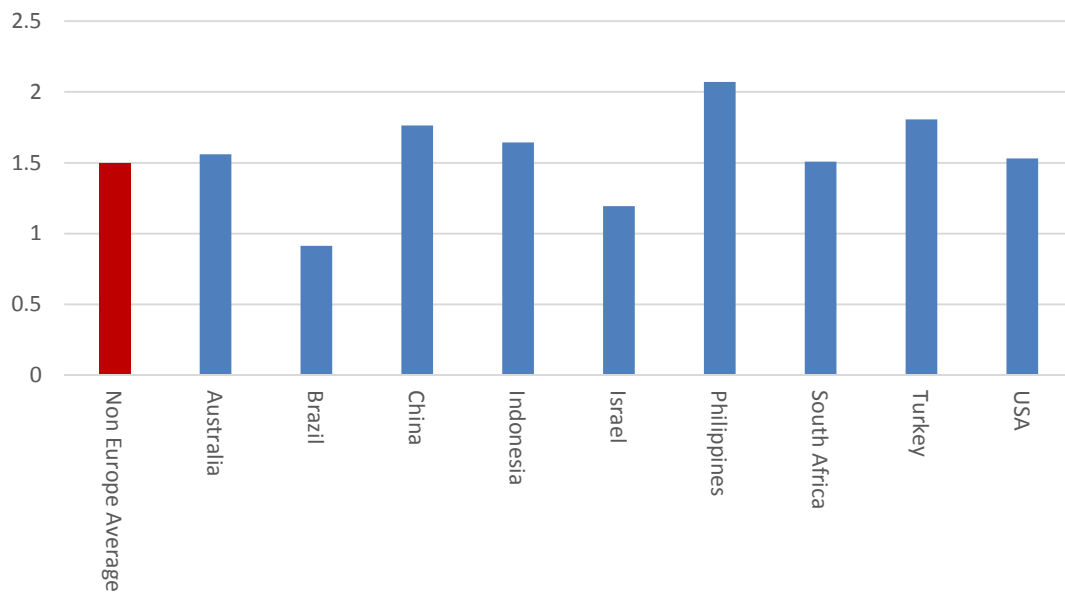


Figure 47a: Average use of career development methods in EU countries

Table 12 analytically presents the percentage of companies that use different career development methods in each country. On average, on the job training (90% EU, 94.9% Europe non-EU, 83.3% non-Europe), project team work (84.5% EU, 85.2% Europe non-EU, 76.5% non-Europe), coaching (73.4% EU, 74% non-Europe), special tasks (72.9% EU, 76.6% Europe non-EU), and mentoring (78.8% Europe non-EU) are the most common method used for career development, while development centres (35.9% EU, 43.2% Europe non-EU, 41.2% non-Europe) and international assignments (45.8% EU, 44.4% Europe non-EU, 36.1% non-Europe) are the least preferred ones.



47b: Average use of career development methods in European countries (Non-EU)



47c: Average use of career development methods in Non-European countries

Table 12: % of companies using career development methods

Country	Special Tasks	Projects to stimulate Learning	On the Job Training	Project Team Work	Formal Networking Schemes	Formal Career Plans	Development Centres	Succession Plans	Planned Job Rotation	High Flier Schemes	International Work Assignments	Coaching	Mentoring	Computer Bases Packages
European Union (EU) Average	72.9	71.2	90.0	84.5	55.6	57.2	35.9	61.5	53.1	53.9	45.8	73.4	71	63.5
Austria	86.0	74.6	91.6	93.9	72.6	56.1	31.5	86.0	51.2	60.7	45.6	82.1	72.6	52.1
Belgium	83.9	88.0	97.0	92.9	71.1	74.4	74.4	81.2	65.9	71.1	68.5	94.8	94.8	72.7
Croatia	78.1	75.6	88.1	83.2	53.3	59.6	42.8	53.0	68.0	72.3	44.2	57.3	84.7	63.6
Cyprus	69.0	83.9	93.1	66.7	56.3	52.3	39.5	38.4	63.2	42.5	30.2	75.9	71.3	65.5
Denmark	82.7	76.5	95.5	91.6	70.9	65.9	31.8	50.3	49.7	35.2	52.5	83.8	73.2	74.3
Estonia	61.8	64.1	87.3	74.7	64.9	42.9	22.1	42.3	34.6	38.5	57.1	55.7	65.2	51.9
Finland	83.1	72.2	92.1	91.5	64.8	56.8	55.9	72.2	80.8	44.1	44.1	66.3	71.8	73.4
France	84.0	61.5	96.0	94.7	51	59.5	39.9	69.1	35.2	79.5	65.1	84.8	74.7	72.2
Germany	89.8	78.0	90.5	92.6	78.5	59.2	39.2	86.9	49.1	58.4	52.2	81.2	72.3	65
Greece	79.5	77.8	92.3	79.8	45.2	45.2	37.1	58.0	58.6	51.8	48.8	77.7	67.3	62.8
Hungary	65.1	67.3	68.1	70.3	45.5	45.9	27.0	50.6	44.6	36.3	46.1	50.0	61.1	54.7
Italy	67.9	64.0	89.0	82.3	46.3	61.6	23.8	64.0	75.6	68.3	55.5	70.1	41.5	63.4
Latvia	46.3	58.2	88.1	62.7	40.3	31.3	14.9	25.4	56.7	22.4	35.8	44.8	47.8	31.3
Lithuania	62.8	66.9	93.8	79.3	36.6	40.0	34.5	57.2	55.9	45.5	42.8	55.9	60.7	53.8
Netherlands	72.3	74.2	92.5	72.5	56.7	59.9	28.6	59.3	34.2	53.0	31.9	85.3	75.5	61.8
Romania	68.7	79.1	97.8	82.2	40.0	70.7	44.4	50.2	53.3	67.1	45.8	95.6	76.0	73.8
Slovakia	44.7	34	74.0	71	31.7	39.7	28.6	28.2	33.2	12.3	37.0	57.3	56.5	55.7
Slovenia	58.4	52.8	90.2	86.2	48.8	50.6	32.9	53.7	67.3	62.3	45.1	47.8	85.1	50.0
Spain	76.7	77.9	98.9	97.8	72.9	82.2	49.4	81.8	69	73.3	57.1	74.7	67.8	86.7
Sweden	76.2	84.2	93.6	95.2	70.0	64.5	27.7	66.1	48.0	74.7	28.6	85.1	77.2	60.6
United Kingdom	78.9	90.2	94.6	96.2	53.8	76.6	34.2	89.1	47.3	61.4	41.3	91.2	87.0	82.4

Country	Special Tasks	Projects to stimulate Learning	On the Job Training	Project Team Work	Formal Networking Schemes	Formal Career Plans	Development Centres	Succession Plans	Planned Job Rotation	High Flier Schemes	International Work Assignments	Coaching	Mentoring	Computer Bases Packages
Europe (Non-EU) Average	76.6	75.1	94.9	85.2	64.0	62.7	43.2	65.7	59.1	56.6	44.4	66.0	78.8	66.4
Iceland	68.9	80.2	91.6	79.6	50.0	51.9	22.4	40.2	42.2	42.5	48.6	44.0	72.4	63.1
Norway	56.3	61.1	39.5	50.9	77.8	67.7	---	56.3	61.1	39.5	50.9	74.9	66.5	77.8
Russia	77.5	80.5	96.8	78.5	61.3	71.6	53.8	84.8	73.7	87.8	28.9	49.6	93.6	70.3
Serbia	65.0	53.8	95.5	75.8	53.5	52.2	32.5	57.3	54.8	37.8	39.5	56.7	91.1	50.3
Switzerland	87.3	79.7	94.9	94.9	69.7	67.7	56.6	81.9	61.6	74	49.2	87.4	73.2	68.7
Non-European Average	62.2	68.1	83.3	76.5	54.2	62.9	41.2	67.5	53.7	51.5	36.1	74.0	67.8	58.3
Australia	78.5	81.2	97.4	90.1	64.3	71.6	26.0	74.5	54.0	48.9	40.6	88.7	86.5	77.4
Brazil	46.6	62.7	65.0	55.6	34.2	50.6	37.0	46.6	35.9	48.9	20.6	48.0	33.1	35.3
China	14.2	28.0	52.4	46.4	48.4	50.4	46.2	65.2	38.1	31.6	31.5	62.7	52.0	50.0
Indonesia	82.8	86.2	92.0	89.7	65.5	73.6	73.6	85.1	83.9	86.2	48.3	75.9	72.4	55.2
Israel	52.1	52.6	86.3	65.2	39.1	46.8	34.4	43.2	45.3	43.5	29.3	54.3	69.8	31.2
Philippines	89.6	89.6	91.9	91.9	67.9	78.5	61.7	83.8	83.6	72.2	52.2	91.2	92.7	62.7
South Africa	56.4	62.2	94.7	82.1	51.8	63.2	48.6	64.9	56.6	43.4	41.4	81.6	84.1	54.1
Turkey	79.3	89.1	97.8	94.9	76.5	81.0	72.1	80.1	78.8	77.2	61.8	73.5	72.8	70.4
USA	80.1	75.1	95.4	91.7	57.6	65.1	27.1	75.9	54.4	48.3	31.5	90.8	78.6	73.5

Conclusions

The Cranet survey provides a rich description of T&D practices around the world and allows for comparisons between countries and world zones, as well as chronological comparisons.

The amount of expenditure on training and development in all countries has dropped since the last round of the Cranet survey in 2009, with non-European countries still investing more in training and development than the European countries and reporting more yearly training days for their employees in all categories.

In all countries the vast majority of organizations use appraisal data to identify their training needs and make important training and development decisions. Moreover, on average there is a significant increase, both in the systematic evaluation of training effectiveness in all countries participating in our survey and in the use of career development methods. As training and development is an important vehicle that helps organizations gain a competitive advantage by improving the increasingly needed complex skills and adding value to the human factor.

6. Compensation and Benefits 2014-2015

József Poór, Ildikó Éva Kovács, Ádám Mack, Erik Poutsma and Paul Ligthart

Under the heading of compensation and benefits, four topics are covered in the survey.

- The first topic is the importance of variable pay. The increasing use of variable pay related to the performance of the individual, the team or the organization as a whole is a major trend in HRM today.
- The second topic, which is related to performance oriented HRM, is the new phenomenon of financial participation, employee share ownership, stock options and profit sharing.
- The third topic is the level of bargaining where decentralisation to lower levels, from nation/industry wide to company and individual level, is seen as a major trend.
- The fourth topic is the offering of benefits in excess of statutory requirements that exist in countries.

Some of these have to do with leave arrangements or childcare that relates strongly to the increased importance of arrangements to develop a better work life balance; others concern important arrangement such as extra pension schemes, career and training facilities and health care provisions. Organizations tend to offer these as strategic packages in order to be more competitive in the labour market. The following paragraphs present a comparative overview of the topics.

Variable pay

Table 13 presents an overview of the use of financial participation and performance related pay by organizations per country (proportion of companies). In general, financial participation is used less than performance related pay, but there is quite some diversity between countries. Within the category of financial participation, profit sharing (27%) is much more common than shares (18%) or stock option schemes (15%). Variable pay based on the performance, group or team bonuses (46%-52%) is less common than that based on individual performance ratings (64%) and performance related pay (61%) based on collective organizational level performance. The survey asked also about flexible benefits and it appears that this new form of remuneration shows higher variance (13%-87%) among countries than the other schemes. Compared to the 2008-2010 survey, financial participation is somewhat lower among respondents. In contrast, there has been a significant increase in the various forms of performance related pay.

It is clear that for all these compensation categories the diversity among countries is large. This diversity is based on cultural differences in the acceptance of these forms of variable pay as well as differences in business regimes and legal regulations. We may expect these forms of pay to appear in more voluntary regimes where the discretion of management to model the employment relationship is the largest. The patterns that emerge from this table suggest that country specific choices exist in the use of variable pay.

The survey also asked which categories of the workforce the schemes apply to: management, professionals, clerical staff, and manual employees. It appears that in general, variable pay is especially important for management and professionals. Variable pay is less common among the other categories of personnel. This suggests high use for key personnel.

Table 13: Proportion of companies with types of financial participation and performance related pay

Countries	Financial Participation (only private sector)			Performance Related Pay (private and mixed sectors)					
	Share Plan	Profit sharing	Options	Flexible Benefits	Performance Related Pay	Bonus based on ind. goals	Bonus based on team goals	Bonus based on org. goals	Non-monetary incentives
Australia	21%	15%	15%	45%	66%	63%	42%	52%	58%
Austria	12%	46%	16%	46%	63%	74%	43%	47%	56%
Belgium	33%	33%	44%	48%	73%	79%	61%	75%	61%
Brazil	11%	62%	12%	22%	41%	51%	40%	47%	40%
China	79%	73%	64%	87%	93%	89%	91%	89%	80%
Croatia	12%	16%	15%	13%	63%	54%	34%	46%	86%
Cyprus	2%	8%	2%	17%	21%	22%	20%	17%	33%
Denmark	12%	15%	13%	34%	56%	61%	34%	49%	33%
Estonia	11%	22%	10%	48%	73%	69%	49%	45%	53%
Finland	9%	14%	9%	19%	65%	41%	35%	39%	43%
France	43%	89%	27%	18%	82%	91%	46%	60%	36%
Germany	11%	55%	15%	55%	69%	74%	41%	58%	52%
Greece	24%	10%	19%	33%	48%	67%	52%	31%	55%
Hungary	14%	15%	9%	44%	44%	62%	42%	50%	55%
Iceland	18%	13%	6%	18%	25%	30%	27%	25%	31%
Indonesia	12%	23%	16%	24%	78%	85%	73%	76%	57%
Israel	19%	29%	22%	31%	40%	54%	46%	44%	60%
Italy	22%	10%	13%	32%	70%	83%	64%	78%	42%
Latvia	7%	15%	4%	34%	72%	78%	52%	61%	58%
Lithuania	10%	16%	8%	23%	65%	73%	59%	70%	73%
Netherlands	10%	34%	12%	28%	53%	66%	36%	50%	28%
Norway	19%	23%	7%	38%	46%	40%	26%	51%	19%
Philippines	27%	33%	16%	41%	89%	75%	65%	77%	82%
Romania	2%	30%	18%	51%	18%	42%	22%	37%	36%
Russia	7%	31%	11%	29%	93%	90%	79%	82%	83%

Countries	Financial Participation (only private sector)			Performance Related Pay (private and mixed sectors)					
	Share Plan	Profit sharing	Options	Flexible Benefits	Performance Related Pay	Bonus based on ind. goals	Bonus based on team goals	Bonus based on org. goals	Non-monetary incentives
Serbia	6%	19%	6%	23%	72%	60%	45%	55%	46%
Slovakia	35%	27%	11%	40%	48%	65%	52%	67%	55%
Slovenia	9%	20%	9%	53%	61%	59%	41%	49%	66%
South Africa	19%	14%	9%	25%	47%	59%	30%	47%	32%
Spain	38%	26%	24%	68%	74%	85%	76%	0%	38%
Sweden	16%	15%	9%	31%	63%	32%	26%	30%	36%
Switzerland	19%	49%	20%	42%	75%	66%	38%	61%	65%
Turkey	17%	21%	15%	28%	69%	68%	59%	47%	61%
UK	18%	17%	12%	37%	60%	64%	36%	70%	58%
USA	19%	22%	16%	52%	65%	62%	43%	54%	52%

Countries on average:

18%	27%	15%	37%	61%	64%	46%	52%	52%
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RANGE

Max:	79%	89%	64%	87%	93%	91%	91%	89%	86%
top 15%:	46%	66%	36%	66%	87%	88%	77%	80%	81%
bottom 15%:	5%	11%	5%	17%	29%	33%	24%	21%	29%
Min:	2%	8%	2%	13%	18%	22%	20%	0%	19%

Countries	Financial Participation (only private sector)			Performance Related Pay (private and mixed sectors)					
	Share Plan	Profit sharing	Options	Flexible Benefits	Performance Related Pay	Bonus based on ind. goals	Bonus based on team goals	Bonus based on org. goals	Non-monetary incentives
EU	17%	26%	14%	37%	58%	63%	43%	50%	50%
Non-EU Europe	15%	27%	11%	31%	65%	60%	45%	55%	51%
Non-Europe	18%	31%	15%	37%	59%	61%	45%	54%	52%

Financial participation

There is also considerable diversity in the use of financial participation schemes among countries. Higher usage of all three plans is found in China and in France. In some cases, this high level is related to favourable tax concessions as found in Belgium. Profit sharing is very common in France due to specific provisions and tax concessions in this country. High levels of profit sharing are also found in Brazil, Germany and Switzerland. A high level of use of stock options is found only in cases of Belgium and China. Nevertheless, it is interesting to note that a country like the USA generally has lower scores on stock options than it is expected.

Performance related pay

In the survey of 2014/2015, China and Russia had higher scores in the use of performance related pay than the UK and USA. The argument was then that these post-communist emerging states offer ample opportunities for organizations to model the employment relationship to performance oriented arrangements. In the survey of 2014/2015, levels of performance related pay are generally higher in most countries suggesting that the trend towards performance related pay is persistent. Nevertheless, it is interesting to note that countries like the UK, France and Australia generally have higher scores on performance related pay in comparison with the survey 2008/2010 levels.

Narrow and broad based financial participation

As with performance related pay the survey asked for eligibility of categories of personnel (management, professionals, clerical and operational/manual staff). Financial participation is mainly used for management and professionals. Figures 48, 49 and 50 present a comparative overview of so called narrow based schemes, schemes eligible for management only, and broad based schemes, schemes for all other categories. The pattern that emerges from Figure 48 is that share schemes are used for categories other than management in only a small number of countries. China, UK, France and Slovakia stand out as countries where private sector companies tend to have broad and narrow based schemes. Figure 49 about profit sharing shows that private sector companies use it more in France (partly due to law requirements), the Netherlands (due to specific legislative tradition and tax exemptions), Germany, Austria, Belgium, Switzerland, Brazil and China. Stock options (Figure 50) are used much more for management only, especially in Belgium, Spain and Switzerland. In the USA stock options are used mostly for management as well.

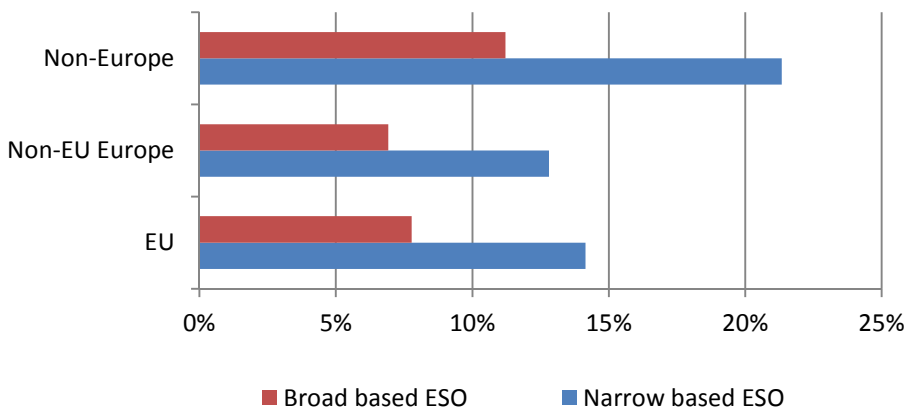
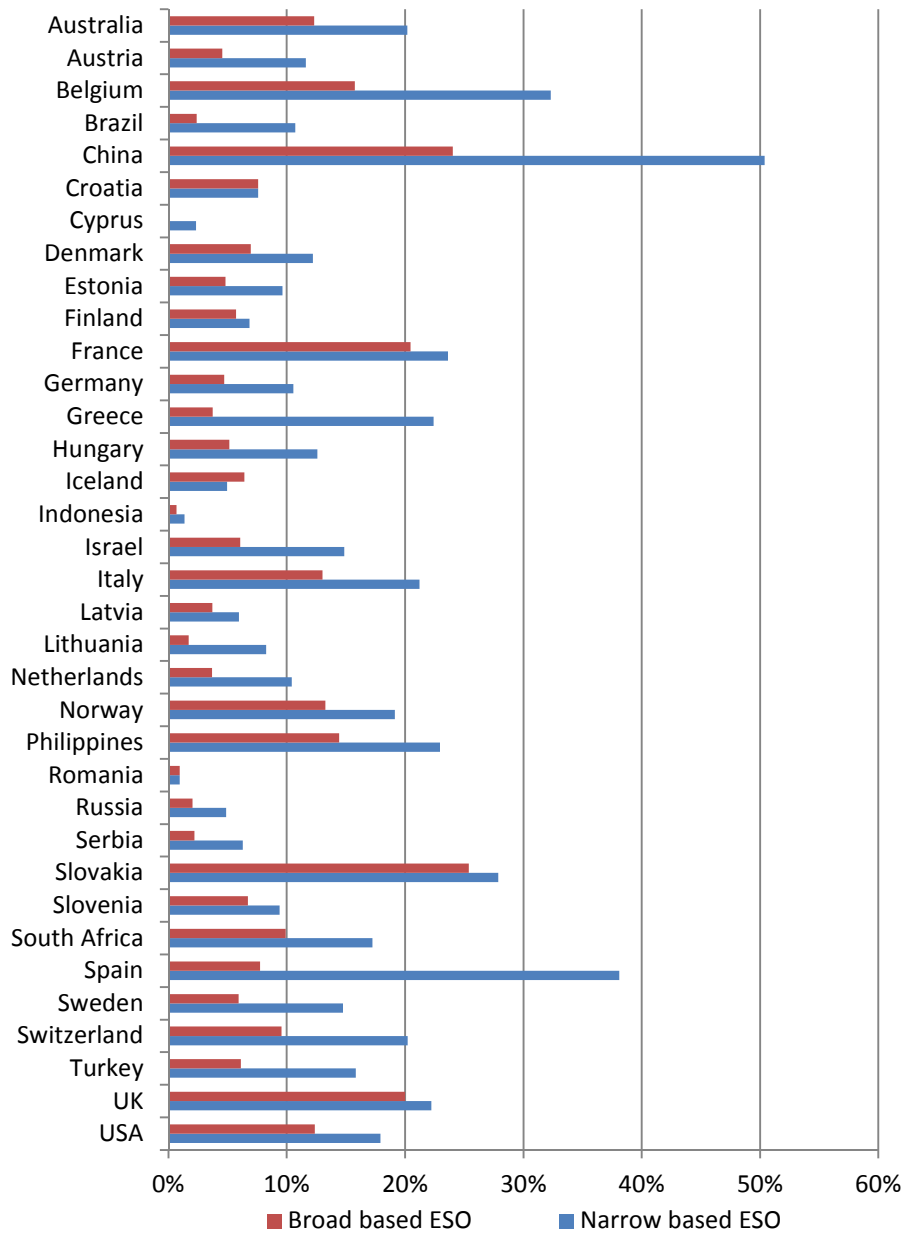


Figure 48: Incidence rates of employee share schemes for private LSE (100+) per country

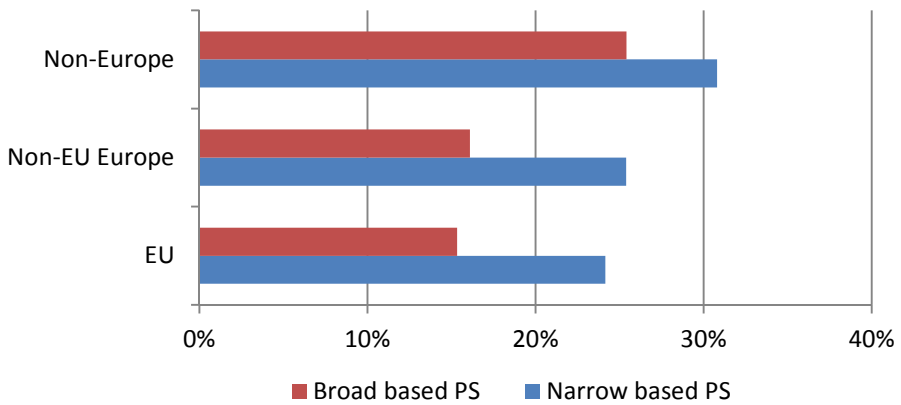
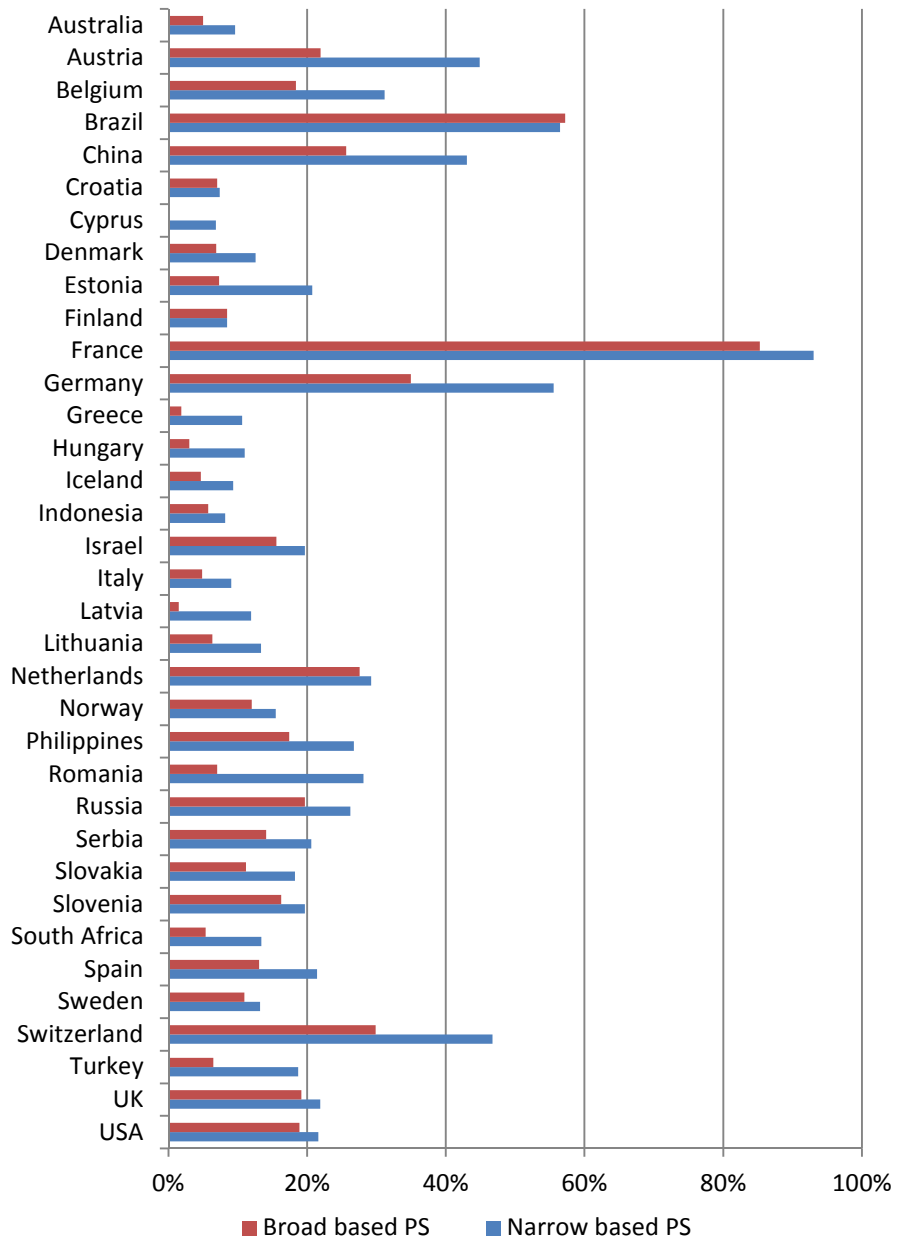


Figure 49: Incidence rates of profit sharing schemes for private LSE (100+) per country

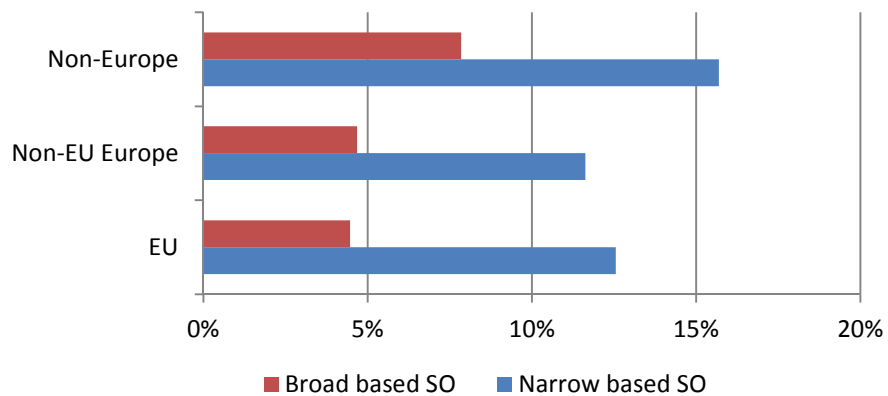
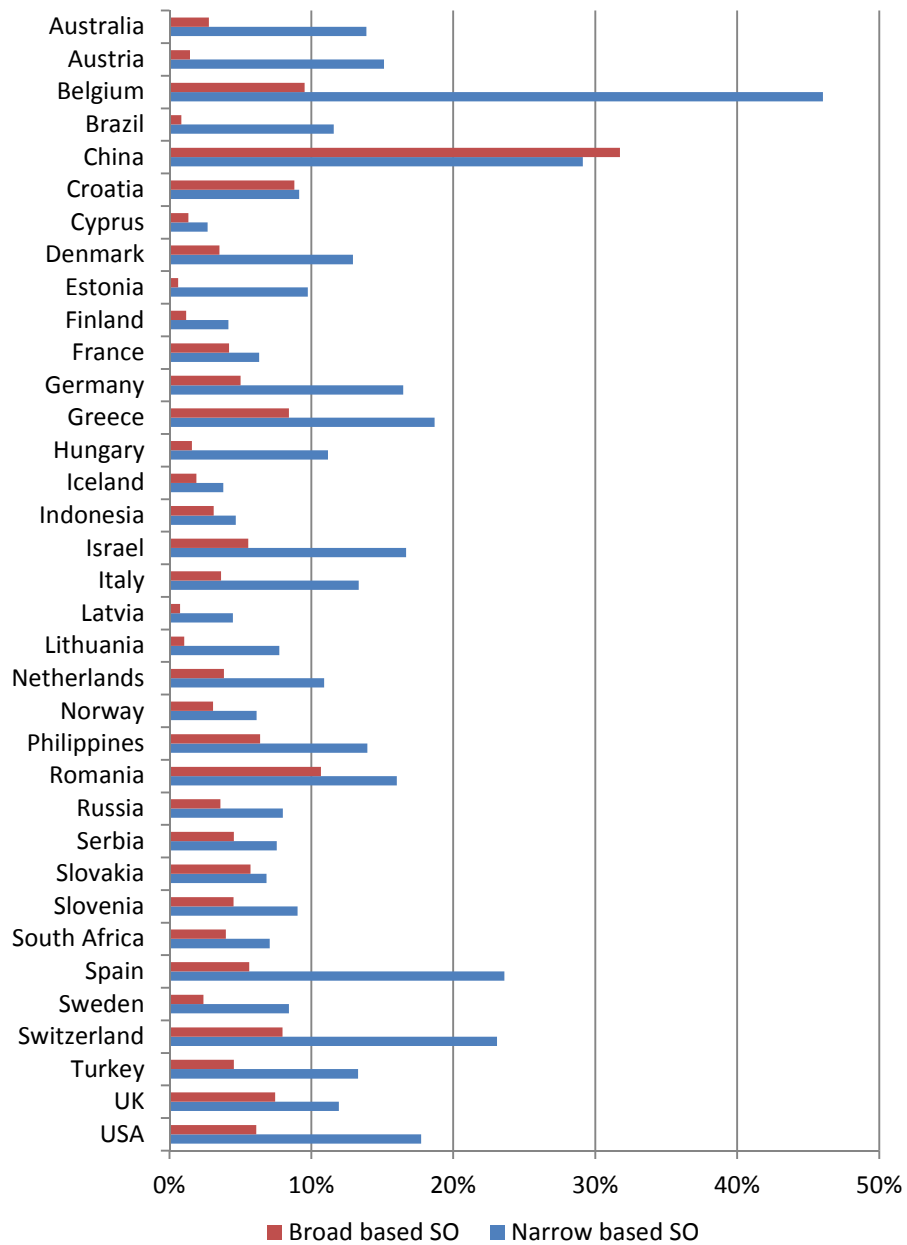


Figure 50: Incidence rate of stock option schemes for private LSE (100+) per country

Collective bargaining and pay determination level

We distinguish between national or regional bargaining, company or site bargaining, and individual bargaining for the determination of pay. In general, nation/industry wide bargaining is still more common in most of the continental European countries. At the same time, we conclude a development of hybridization where companies are subject to different levels of pay determination.

Table 14 presents the situation for operational and manual personnel per country. It shows that national bargaining is still the norm in Austria, Brazil, Finland, Italy, Iceland, Sweden, Spain, Slovenia and South Africa. Table 15 presents this hybridization through multi-level bargaining for all non-managerial categories of personnel (so called broad based). Multi-level bargaining became more or less the norm in Belgium, Italy and Spain. Companies that mainly use company level bargaining are found in Eastern European countries.

Table 14: Proportion of organizations covered by pay determinant level of operational/manual personnel per country

Countries	Bargaining		
	Individual Bargaining	Company or Site Bargaining	National or Regional Bargaining
Australia	25%	33%	47%
Austria	36%	52%	86%
Belgium	28%	52%	62%
Brazil	21%	27%	78%
China	18%	23%	25%
Croatia	22%	80%	36%
Cyprus	15%	31%	65%
Denmark	43%	30%	66%
Estonia	29%	61%	10%
Finland	12%	34%	86%
France	56%	87%	63%
Germany	39%	64%	54%
Greece	25%	50%	65%
Hungary	32%	44%	26%
Iceland	26%	37%	75%
Indonesia	33%	49%	53%
Israel	41%	50%	21%
Italy	33%	62%	95%
Latvia	16%	70%	6%
Lithuania	50%	54%	21%
Netherlands	34%	42%	69%
Norway	45%	54%	50%
Philippines	66%	70%	64%
Romania	24%	83%	17%
Russia	23%	66%	45%
Countries	Bargaining		
	Individual Bargaining	Company or Site Bargaining	National or Regional

			Bargaining
Serbia	16%	64%	33%
Slovakia	30%	58%	23%
Slovenia	17%	48%	73%
South Africa	7%	17%	74%
Spain	33%	55%	74%
Sweden	69%	41%	84%
Switzerland	43%	40%	44%
Turkey	23%	43%	38%
UK	46%	78%	24%
USA	29%	54%	36%

Countries on

average:

32%

51%

51%

RANGE

Max:

69%

87%

95%

top 15%:

57%

80%

86%

bottom 15%:

13%

26%

15%

Min:

7%

17%

6%

Countries	Bargaining		
	Individual Bargaining	Company or Site Bargaining	National or Regional Bargaining
EU	34%	55%	53%
Non-EU Europe	30%	51%	46%
Non-Europe	27%	38%	50%

Table 45: Proportion of organizations covered by pay determinant level (single or multi-level) collective board-based bargaining per country

Countries	Single / Multi level Collective Broad-based Bargaining, (row totals 100%)			
	No Collective Bargaining	National/ Regional only	Company/ Site only	Multi-level Bargaining
Australia	34%	26%	20%	20%
Austria	6%	39%	5%	50%
Belgium	4%	23%	20%	54%
Brazil	14%	54%	5%	27%
China	44%	7%	11%	38%
Croatia	5%	15%	62%	18%
Cyprus	9%	57%	20%	14%
Denmark	12%	49%	10%	29%
Estonia	27%	4%	59%	10%
Finland	1%	42%	10%	48%
France	8%	9%	35%	48%
Germany	19%	15%	28%	38%
Greece	4%	29%	29%	38%
Hungary	34%	15%	37%	14%
Iceland	3%	50%	2%	45%
Indonesia	43%	0%	17%	40%
Israel	25%	15%	37%	23%
Italy	1%	32%	3%	64%
Latvia	19%	3%	69%	9%
Lithuania	24%	14%	49%	13%
Netherlands	8%	41%	21%	31%
Norway	15%	15%	29%	40%
Philippines	7%	17%	24%	52%
Romania	4%	8%	52%	37%
Russia	9%	11%	45%	34%
Serbia	8%	26%	59%	8%
Slovakia	23%	13%	51%	13%
Slovenia	7%	41%	18%	34%
South Africa	15%	58%	5%	22%
Spain	3%	17%	20%	59%
Sweden	11%	41%	5%	43%
Switzerland	34%	24%	22%	20%
Turkey	19%	8%	44%	29%
UK	15%	18%	51%	15%
USA	20%	16%	40%	24%

Countries on average	15%	24%	29%	31%
RANGE				
Max:	44%	58%	69%	64%
top 15%	38%	54%	60%	46%
bottom 15%	2%	4%	4%	11%
Min:	1%	0%	2%	8%

Countries	Single / Multi level Collective Broad-based Bargaining, (row totals 100%)			
	No Collective Bargaining	National/ Regional only	Company/ Site only	Multi-level Bargaining
EU	13%	26%	29%	33%
Non-EU Europe	16%	21%	35%	28%
Non-Europe	25%	27%	20%	28%

Benefits in excess of statutory requirements

The next topic is the extra benefits that organizations tend to offer as strategic packages in order to be more competitive in the labour market. Table 16 presents an overview of the proportion of companies that use benefits per country. To interpret the findings of this table it must be noted that the survey asks for company initiatives to provide these benefits *in excess of statutory requirements*. Most social democratic and former communist welfare states have and had ample provision for childcare and leave arrangements where companies obviously do not feel the need to provide these benefits. This is shown by the relative lower levels of involvement in, for instance, Sweden and Romania, but also in Hungary and Slovenia, where these countries have well developed systems for childcare and leave. In other countries employer involvement became relevant through private collective agreements (e.g., Belgium, Cyprus, and Austria), while in other more liberal economies only minimum standards are provided. Companies in the USA for instance combine lower employer involvement with only minimum statutory provisions.

Table 56: Proportion of companies with schemes in excess of statutory requirements per country

Countries	Workplace childcare	Childcare allowances	Career break schemes	Maternity leave	Paternity leave	Parental leave	Pension schemes	Education/training break	Private health care schemes
Australia	4%	1%	11%	47%	40%	36%	8%	26%	15%
Austria	18%	11%	26%	79%	75%	78%	59%	88%	37%
Belgium	14%	18%	33%	47%	41%	47%	73%	45%	74%
Brazil	4%	50%	4%	64%	45%	16%	14%	27%	60%
China	32%	43%	32%	82%	62%	61%	54%	50%	29%
Croatia	4%	13%	18%	63%	57%	61%	45%	33%	26%
Cyprus	2%	0%	15%	68%	34%	55%	33%	59%	75%
Denmark	2%	0%	55%	71%	68%	59%	79%	49%	57%
Estonia	4%	5%	37%	41%	46%	40%	12%	63%	46%
Finland	10%	4%	3%	45%	39%	47%	30%	46%	61%
France	20%	21%	19%	48%	48%	46%	50%	42%	88%
Germany	18%	30%	21%	74%	73%	66%	92%	94%	47%
Greece	5%	44%	5%	69%	36%	60%	39%	62%	71%
Hungary	6%	6%	7%	25%	46%	39%	9%	59%	44%
Iceland	2%	3%	33%	29%	26%	40%	15%	71%	63%
Indonesia	8%	7%	49%	97%	78%	47%	62%	47%	89%
Israel	17%	10%	21%	45%	26%	55%	63%	40%	35%
Italy	23%	46%	59%	64%	54%	59%	40%	60%	61%
Latvia	3%	36%	12%	43%	39%	31%	25%	66%	33%
Lithuania	2%	10%	2%	41%	41%	24%	7%	45%	24%
Netherlands	2%	2%	10%	56%	40%	61%	81%	39%	42%
Norway	No data	No data	No data	No data	No data	No data	No data	No data	No data
Philippines	12%	11%	23%	88%	85%	59%	43%	53%	76%

Countries	Workplace childcare	Childcare allowances	Career break schemes	Maternity leave	Paternity leave	Parental leave	Pension schemes	Education/training break	Private health care schemes
Romania	2%	7%	14%	5%	5%	11%	11%	56%	28%
Russia	12%	41%	48%	61%	51%	50%	41%	60%	65%
Serbia	1%	2%	41%	98%	91%	96%	77%	53%	16%
Slovakia	10%	7%	6%	43%	26%	38%	39%	25%	27%
Slovenia	4%	3%	4%	64%	66%	64%	46%	46%	13%
South Africa	5%	3%	8%	92%	74%	66%	84%	77%	66%
Spain	7%	12%	52%	62%	58%	35%	48%	52%	69%
Sweden	0%	0%	2%	60%	60%	26%	68%	39%	40%
Switzerland	19%	25%	29%	93%	71%	49%	87%	83%	42%
Turkey	15%	43%	21%	70%	60%	29%	31%	31%	74%
UK	14%	37%	32%	64%	60%	42%	93%	40%	71%
USA	14%	11%	8%	61%	56%	49%	46%	32%	64%

Countries on average:	9%	17%	22%	61%	52%	48%	47%	52%	51%
RANGE									
Max:	32%	50%	59%	98%	91%	96%	93%	94%	89%
top 15%:	22%	45%	53%	93%	81%	74%	87%	85%	80%
bottom 15%:	1%	1%	3%	28%	24%	21%	9%	28%	19%
Min:	0%	0%	2%	5%	5%	11%	7%	25%	13%

Countries	Workplace childcare	Childcare allowances	Career break schemes	Maternity leave	Paternity leave	Parental leave	Pension schemes	Education/training break	Private health care schemes
EU	9%	14%	19%	54%	49%	47%	49%	53%	47%
Non-EU Europe	10%	23%	34%	74%	63%	54%	55%	61%	49%
Non-Europe	11%	20%	15%	67%	54%	43%	36%	38%	49%

In most countries, a substantial proportion of companies offer all kinds of leave arrangements and pension schemes. High levels are found in Germany, Switzerland, Serbia and South Africa. Low levels are found in Romania and Lithuania. Workplace childcare and childcare allowances are offered less. Training and private health care are offered in quite a substantial proportion of companies in most countries (ranges respectively between 25-94% and 13-89%). Lower proportions are found in the offering of career breaks.

Conclusions

There is still some diversity in the use of performance related pay and financial participation. Also, the diffusion of these schemes is still limited; in most countries only a minority of organizations use these schemes. Financial participation schemes appear to be stimulated by country specific legislation and tax concessions. Nation, regional or industry wide bargaining is still the main form of pay settlement in many countries although in some countries company level agreements are the norm, and multi-level bargaining became the norm in other countries. There is also large diversity in offering benefits in excess of statutory requirements. Most probably this is also related to the extent of statutory provisions and the willingness for private parties including companies to deliver these benefits.

7. Employee Relations and Communication

Rūta Kazlauskaitė, Zsuzsa Karoliny, Norbert Sipos, Katrín Ólafsdóttir and Wilson Amorim

In this section of the Cranet 2014/2017 survey report, we look at issues related to employee relations and internal corporate communication. In the first part we report on the trade union situation across Europe and other countries of the world that participated in the survey. Specifically, we present the situation regarding the trade union density and the influence of trade unions in organizations. In the second part current practices of internal corporate communication are discussed. We also look into the most prevalent forms of top-down communication, i.e. the extent to which employees are informed about major issues in the organization (e.g. business strategy, financial performance, and organization of work), and methods that are used for bottom-up communication.

Trade union membership

Regarding the levels of unionization, the data show a similar pattern to previous Cranet surveys (see Figures 51a, b and c). The Nordic countries (Finland, Sweden, Denmark and Iceland) and Cyprus have the highest unionization levels among European countries. Meanwhile, the United Kingdom and Central and East European countries (Estonia, Slovakia, Hungary and Latvia) have the largest proportions (40% or more) of organizations with no trade union representation. In this regard, Romania, Serbia and Croatia present an exception among the Central and East European countries with higher union density (33% or more) in organizations.

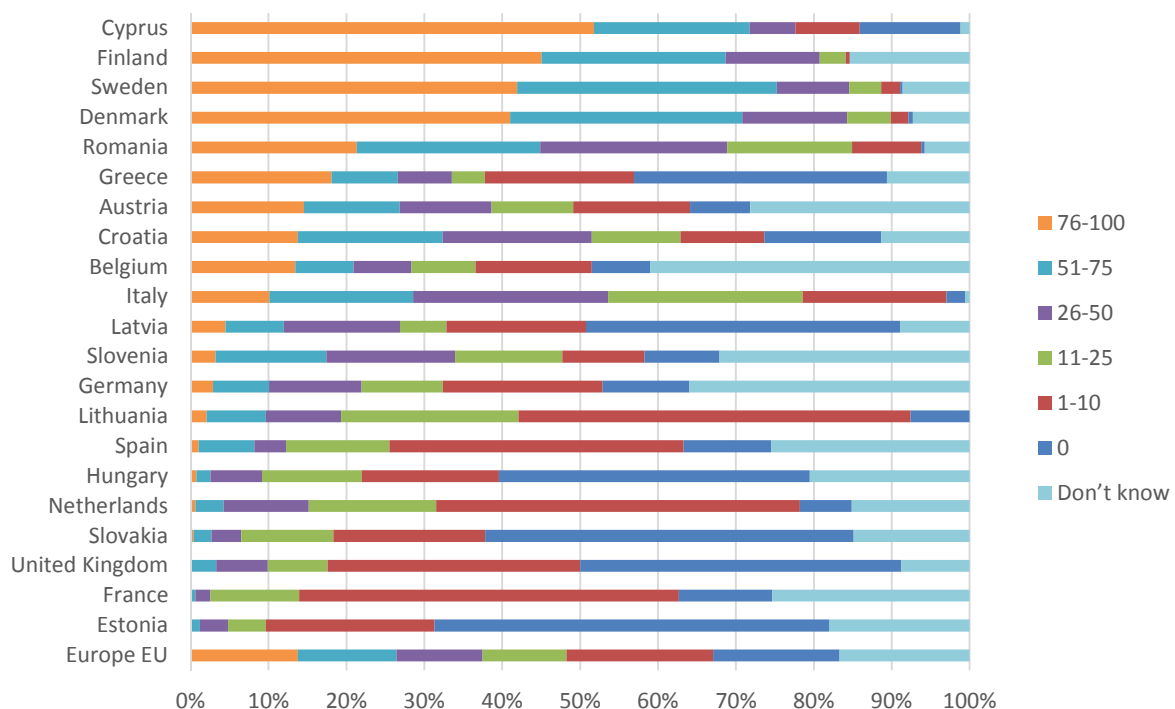


Figure 51a: Proportion of total number of employees who are members of a trade union (% of organizations) (Europe EU)

As indicated in Figures 51b and c, Non-EU European and Non-European countries also present a mixed picture in regards to unionization and can be respectively divided into three groups. Iceland, like the other Nordic countries, and South Africa are highly unionized (51% or more of organizations), while Serbia, Russia, Norway, Israel and Turkey have substantial, but lower proportions of organizations with a high percentage of union members. In the remaining countries that participated in the survey, non-unionization is a widespread phenomenon.

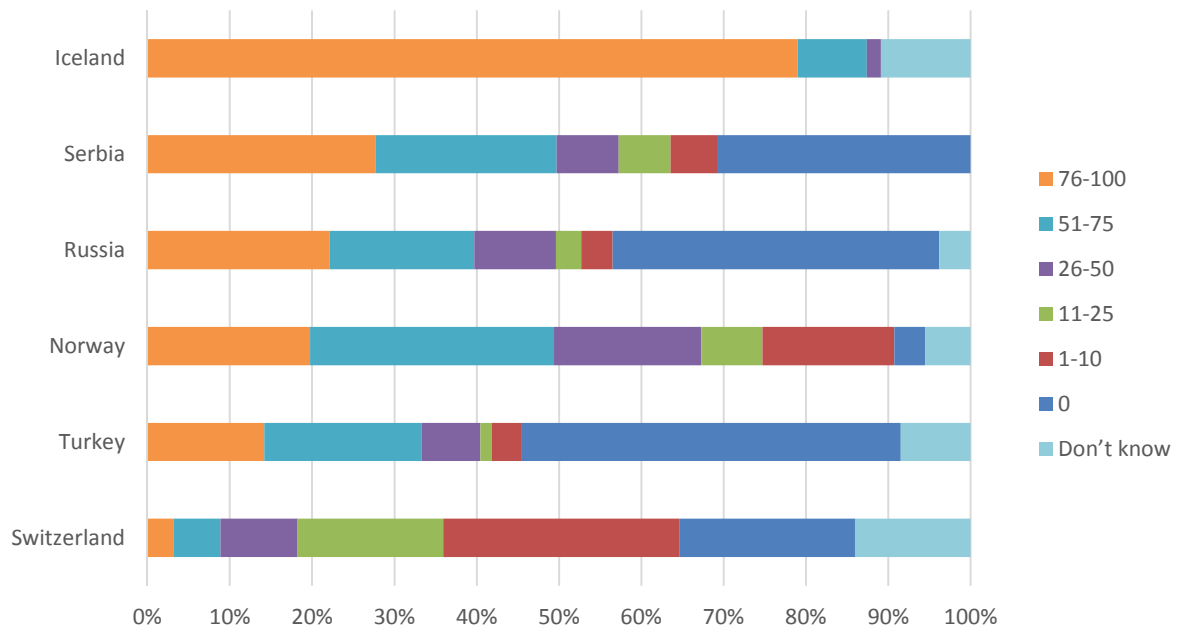


Figure 51b: Proportion of total number of employees who are members of a trade union (% of organizations) (Europe Non-EU)

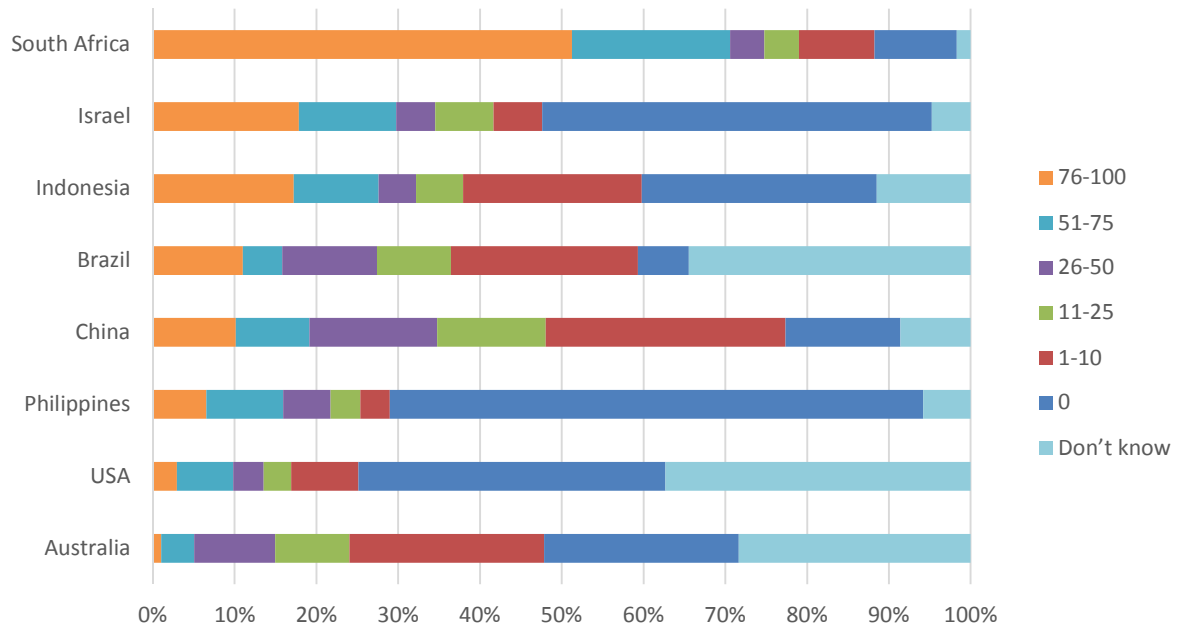


Figure 51c: Proportion of total number of employees who are members of a trade union (% of organizations) (Non-Europe)

In regards to the influence of trade unions on organizations in the EU countries, three groups of countries can be identified in Figure 52a. Sweden, Cyprus, Croatia, Finland, Denmark, Belgium and Italy belong to the first group where unions have a great extent of influence in 31% or more organizations. The second group consists of Romania, Spain, Germany, and France where unions have a great extent of influence in 22% to 28% of the organizations. In the other countries only a small share of organizations report that unions have a great extent of influence. Among the Eastern European countries, Estonia, Hungary, Lithuania, Slovakia and Latvia, a high share of organizations report that unions have no influence at all (51% or more organizations).

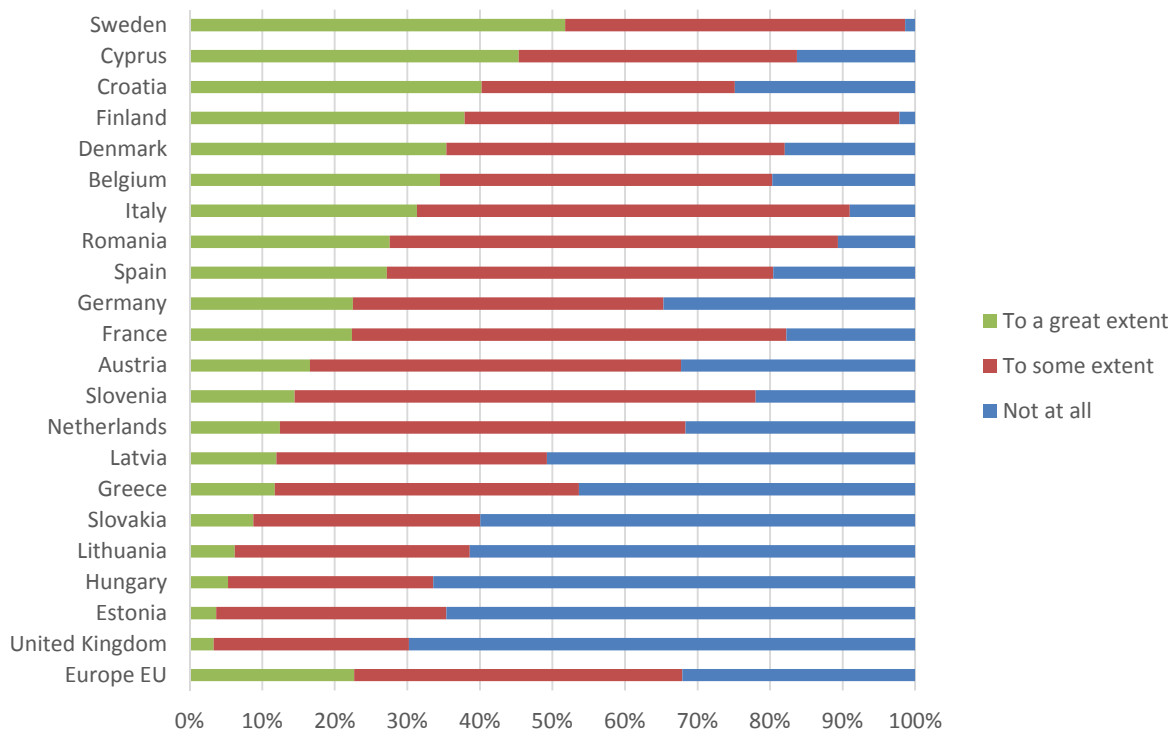


Figure 52a: Extent to which trade unions influence organizations (% of organizations) (Europe EU)

As for non-EU European countries, only Switzerland shows a low share of organizations that perceive trade unions influence to a great extent (Figure 52b). In others 31-50% of organisations perceive trade unions having influence to a great extent.

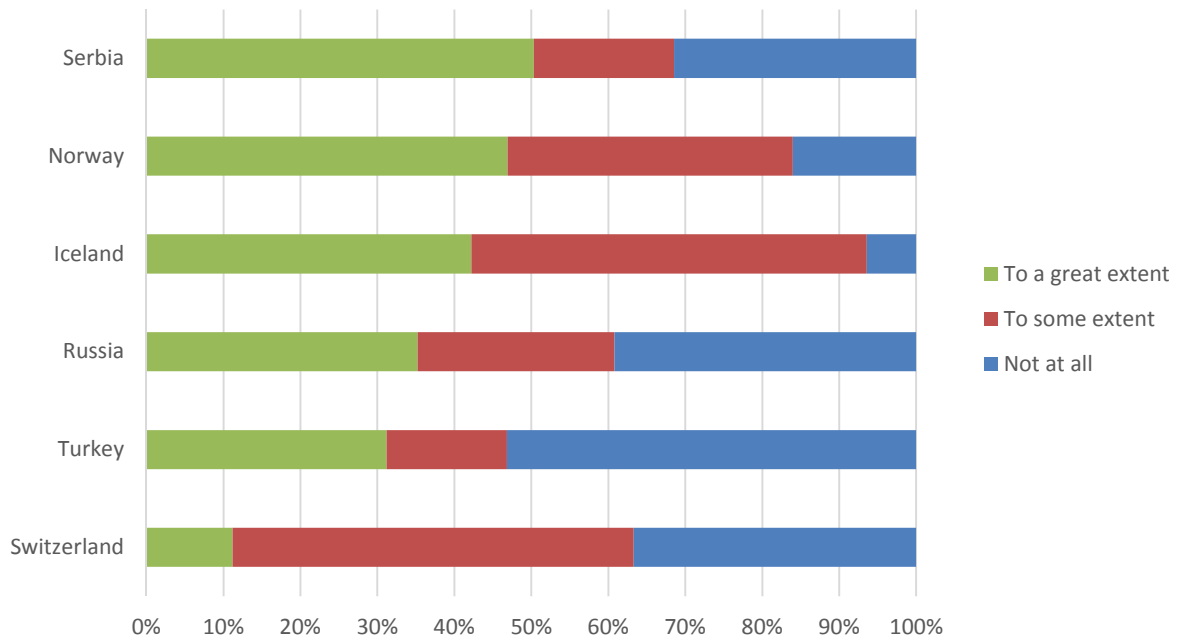


Figure 52b: Extent to which trade unions influence organizations (% of organizations) (Europe Non-EU_

Among the non-European countries, a similar three groups of countries can be distinguished. South Africa and China showed a high proportion of organizations (43% or more) where trade unions exert a major influence. A second group - Brazil, Israel and the USA - present an intermediate proportion (21% to 27%) of organizations that perceive trade union influence being of a great extent. The other countries show a low share of organizations that perceive union influence to a great extent (Figure 52c).

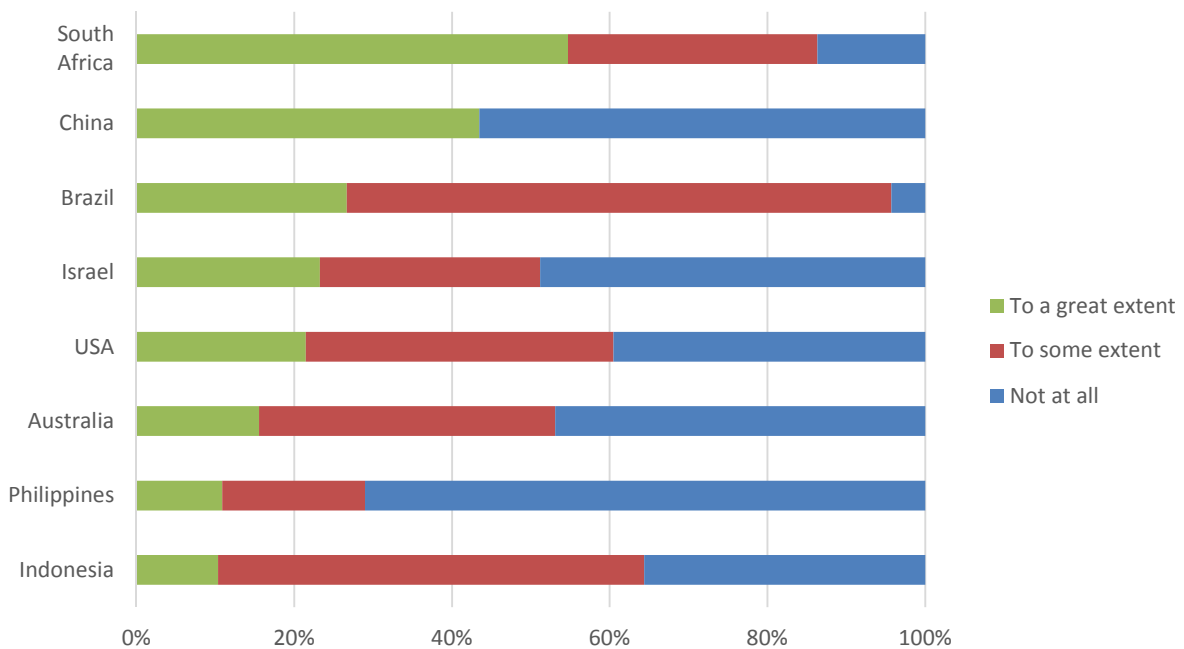


Figure 52c: Extent to which trade unions influence organizations (% of organizations) (Non-Europe)

Collective bargaining and works councils

Organizations were also asked if they recognize trade unions for the purpose of collective bargaining and if they have a joint consultative committee or a works council. In parallel with the preceding survey (Cranet Report, 2011) results, over 70% of organizations recognize collective bargaining and at least 60% have a works council in the Nordic Countries and West European countries like Austria, France, Belgium and the Netherlands. The most expressive exception among the West European countries is the United Kingdom where less than 50% of organizations recognize trade unions for collective bargaining and/or have joint consultative committees or works councils. See Figures 53a, b and c. The Central and East European countries – Estonia, Hungary, and Latvia – reported both the smallest percentage of organizations that recognize trade unions for collective bargaining purposes and a low share (less than 50%) of organizations that rely on works councils. Croatia and Slovenia have a substantial share of organizations that recognize unions for collective bargaining purposes and at the same time rely on works councils.

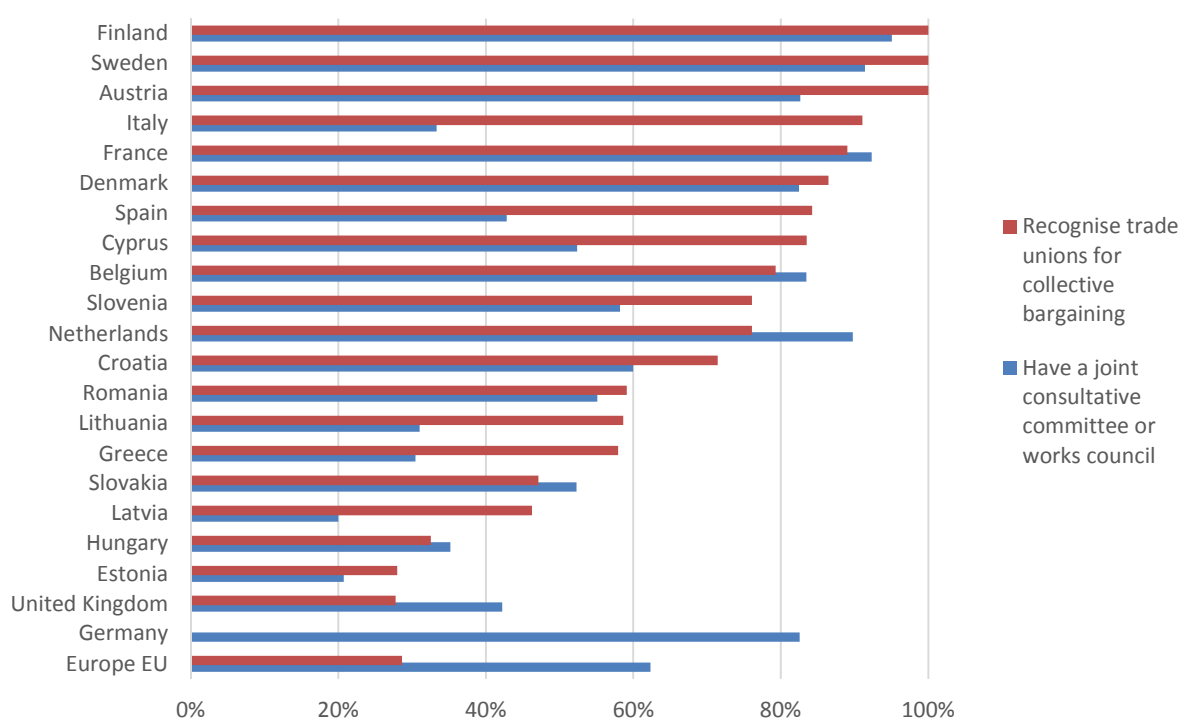


Figure 53a: Recognition of trade unions for collective bargaining and presence of works councils (% of organizations) (Europe EU)

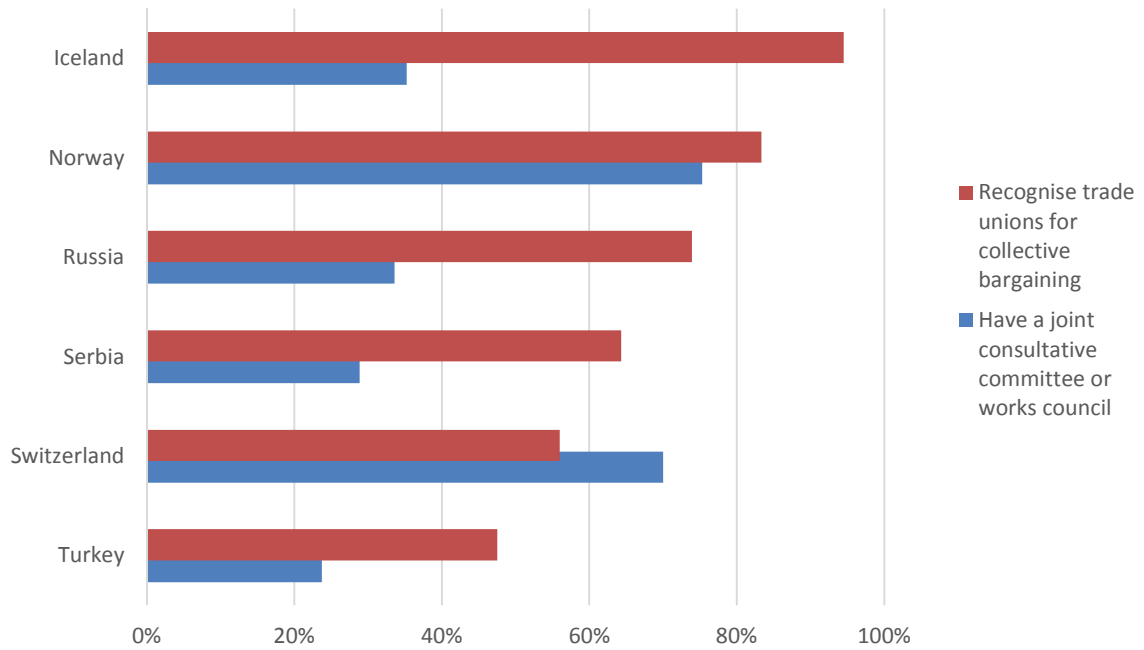


Figure 53b: Recognition of trade unions for collective bargaining and presence of works councils (% of organizations) (Europe Non-EU)

Among the Non-European countries, Brazil, South Africa, the USA, and Australia have a high share (61% or more) of organizations that recognize unions for collective bargaining purposes. However, with the exception of South Africa, overall, the percentage of works council presence is low compared to EU European and non-EU European countries.

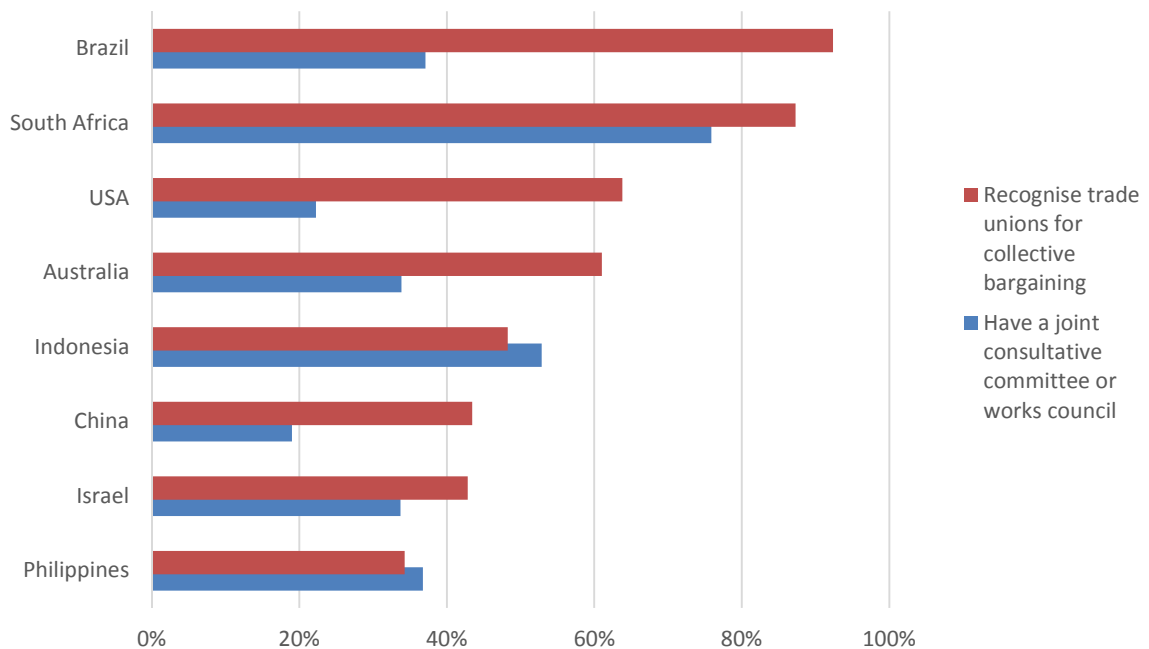


Figure 53c: Recognition of trade unions for collective bargaining and presence of works councils (% of organizations) (Non-Europe)

Corporate communication

Top-down communication

Survey findings show that direct communication methods are most prevalent in organizations among which verbal and written forms of communication remain the most popular methods used by organizations to communicate major issues to their employees, and the pattern is similar in all three groups of countries. The growing importance of the Internet and intranet in employee communication can also be seen with more than 70% of organizations using electronic communication to communicate major issues to a great or very great extent (Figure 54a, b and c). Communication through representative bodies is by far the least used method of internal communication.

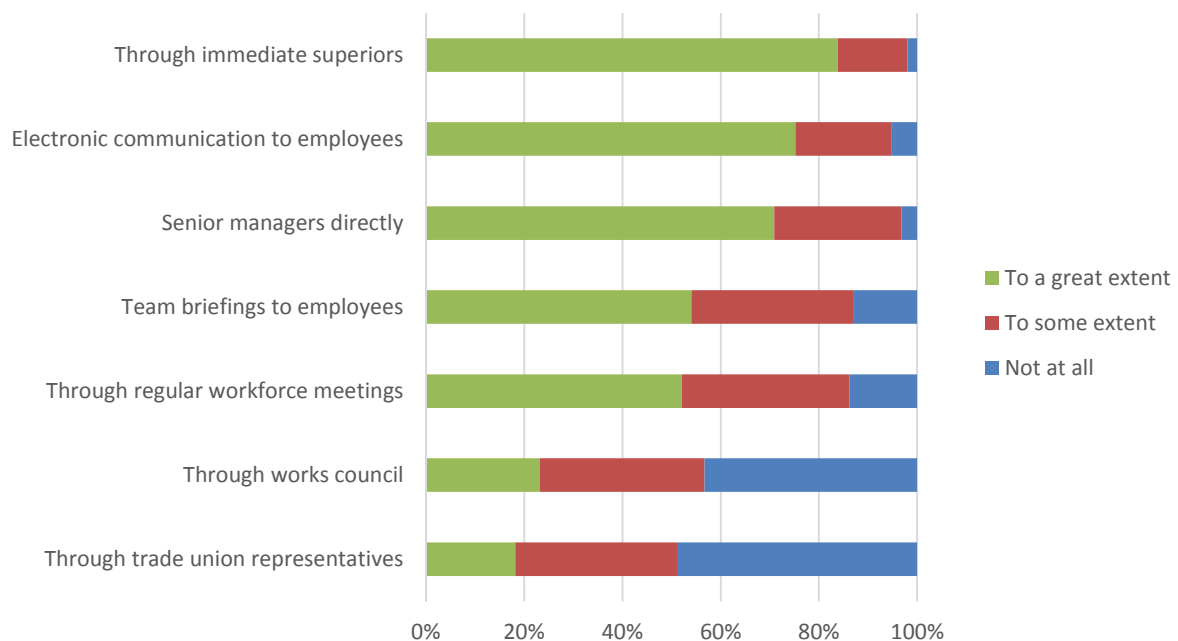


Figure 54a: Extent to which organizations use the following methods to communicate major issues to employees (% of organizations) (Europe EU)

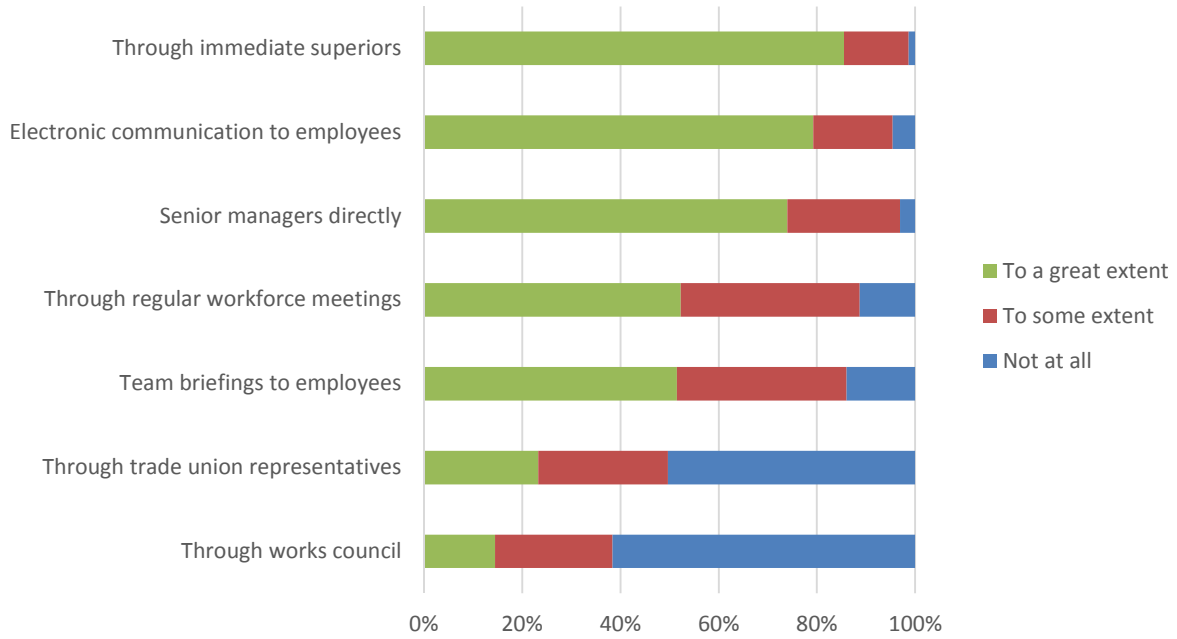


Figure 54b: Extent to which organizations use the following methods to communicate major issues to employees (% of organizations) (Europe Non-EU)

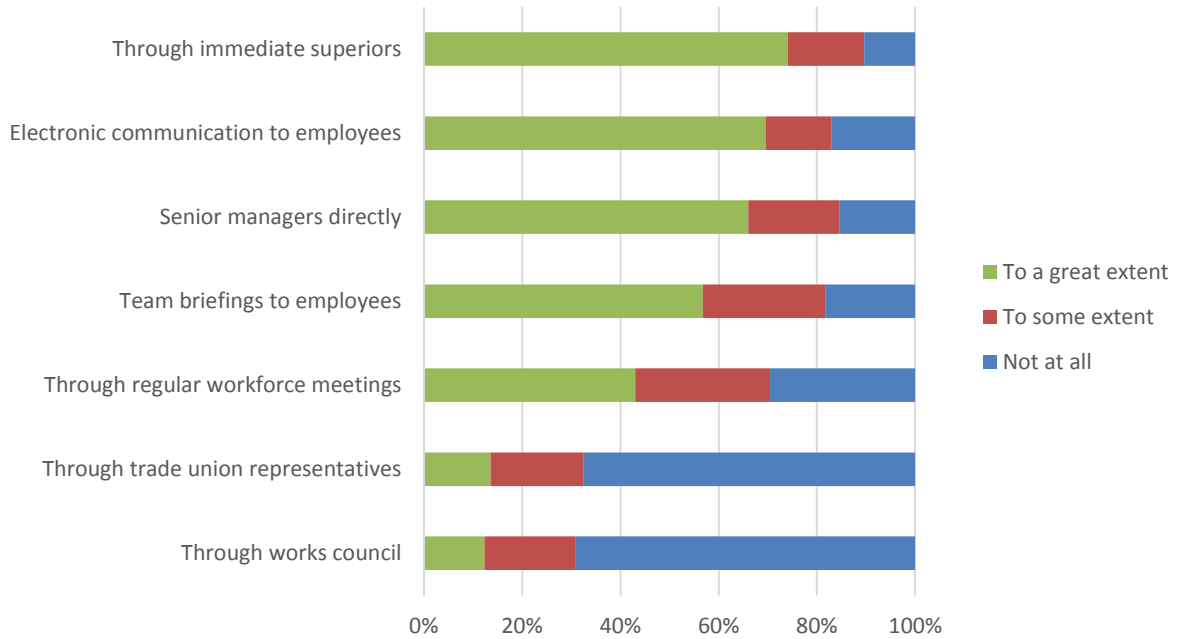


Figure 54c: Extent to which organizations use the following methods to communicate major issues to employees (% of organizations) (Non Europe)

Formal briefings on strategy, performance and work organization

Concerning formal briefings on business strategy, financial performance and work organization, significant differences can be seen between employee categories in all the countries (Figure 55a, b and c). Whilst the majority of organizations inform their managers on all the above issues, much fewer organizations brief other categories of employees on business strategy, financial performance and organization of work.

Comparing the results for Europe EU, Europe non-EU and non-European countries, it is noted that the percentages of formal briefing on business strategy, financial performance and work organization are systematically lower for the Non-European countries.



Figure 55a: Employee categories which are formally briefed (% of organizations) (Europe EU)

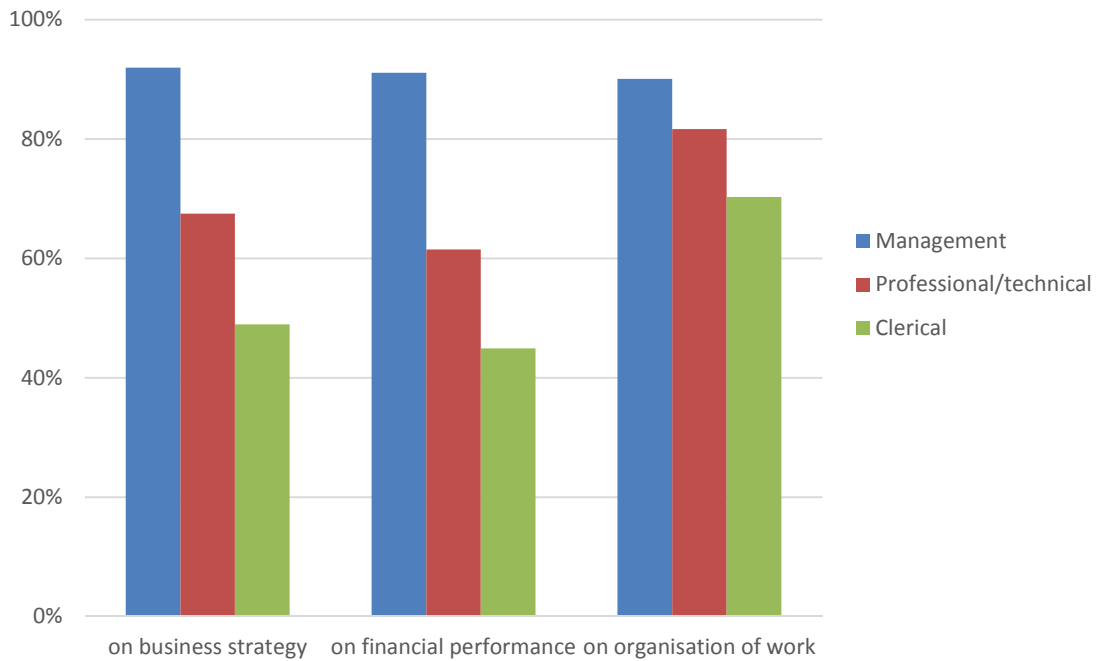


Figure 55b: Employee categories which are formally briefed (% of organizations) (Europe Non-EU)

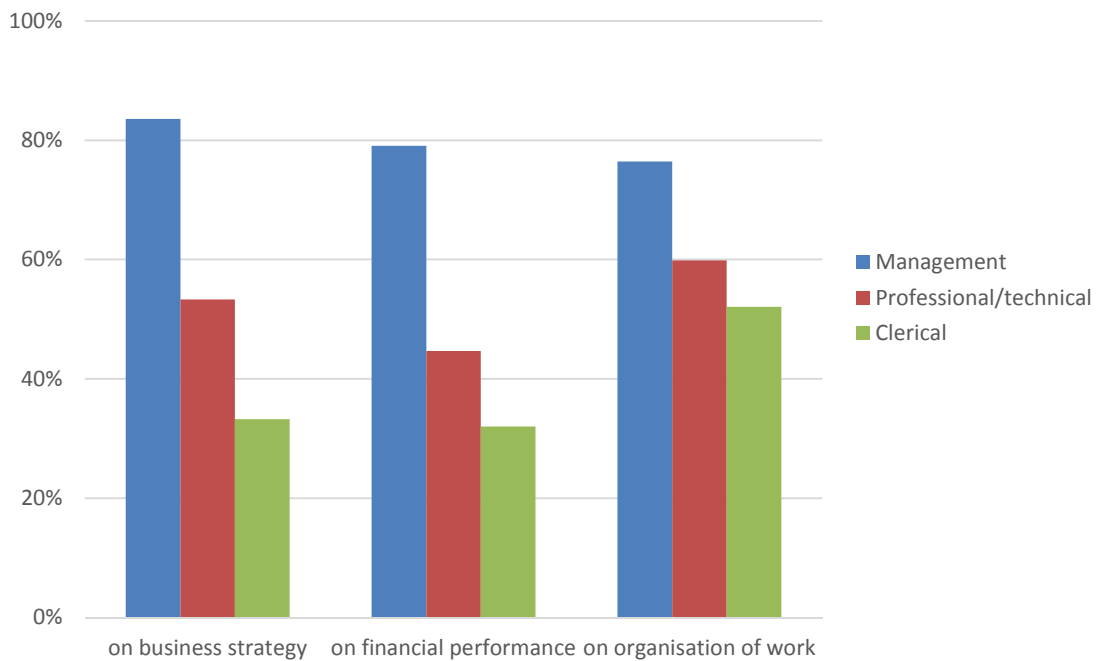


Figure 55c: Employee categories which are formally briefed (% of organizations) (Non-Europe)

In relation to business strategy communication, a downward fall in the proportion of organizations that also brief their clerical and manual staff is observed (Figure 55a, b, and c), though there is some variance across countries.

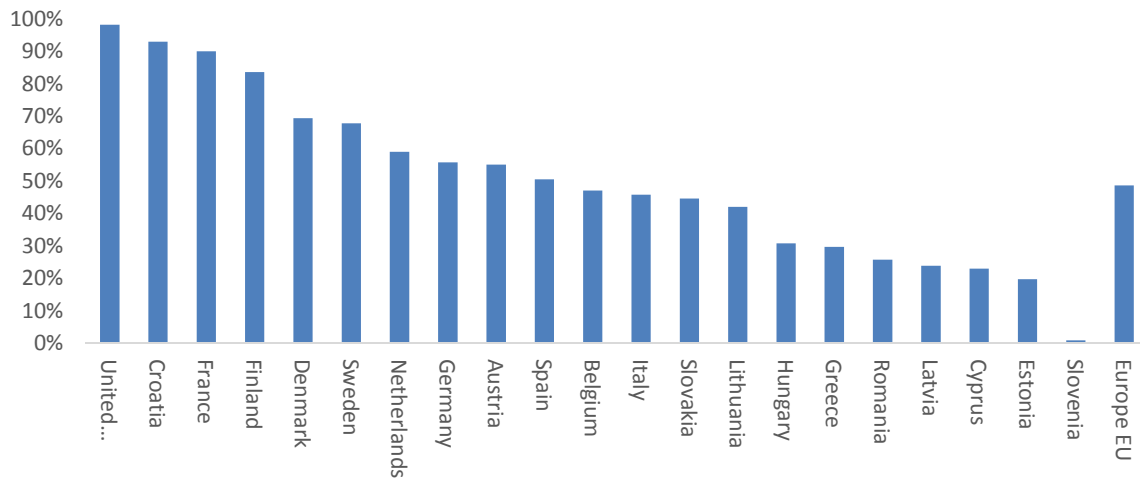


Figure 56a: Percentage of companies which formally brief their clerical and manual workers on business strategy (% of organizations) (Europe EU)

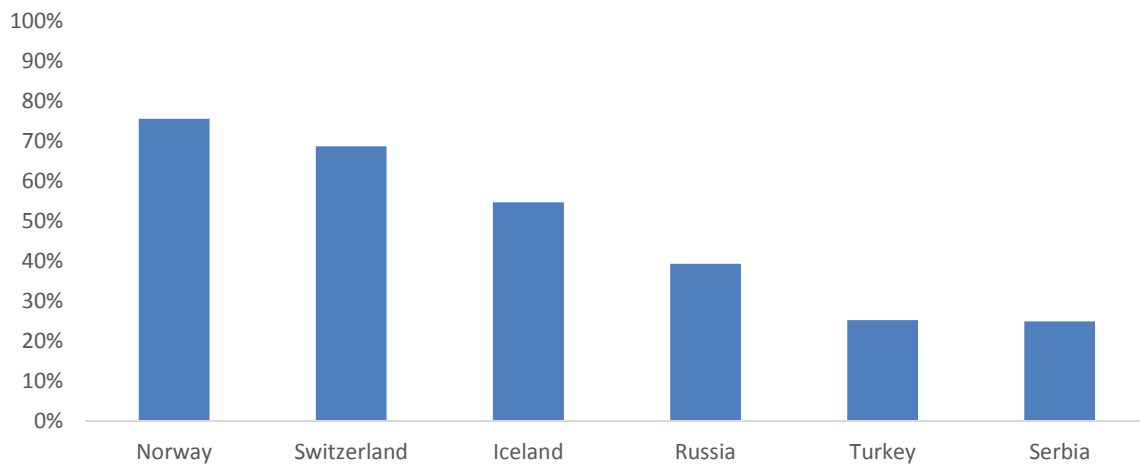


Figure 56b: Percentage of companies which formally brief their clerical and manual workers on business strategy (% of organizations) (Europe Non-EU)

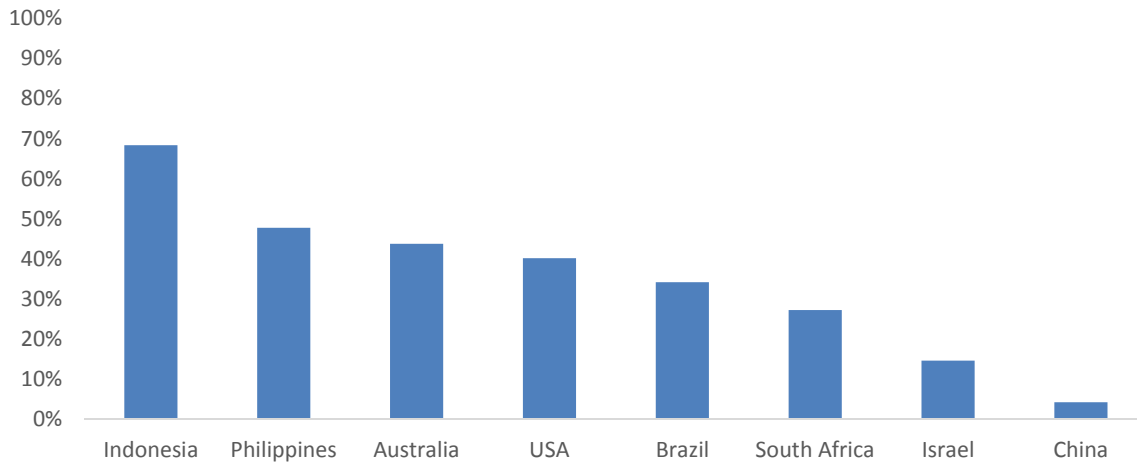


Figure 56c: Percentage of companies which formally brief their clerical and manual workers on business strategy (% of organizations) (Non Europe)

When comparing the percentage of organizations that communicate their business strategy to clerical and manual workers between the groups of countries, there is a greater proportion of countries with a higher percentage of communication among the European countries (European EU and European Non-EU) than among the Non-European countries. In this sense, the average percentages of organizations with business strategy communication in the EU countries and European Non-EU countries are 49% and 54% respectively, whereas among the Non-European countries this percentage is only 33%.

Bottom-up communication

As seen in Figures 57a, b and c, direct communication with the immediate supervisor is the most common way used among employees to communicate their views to management in most organizations among the three groups of countries. Electronic communication and direct verbal communication (workforce or team meetings, direct senior managers) also present common bottom-up communication methods. Other communication methods are used to a lesser extent by majority of respondent organizations.

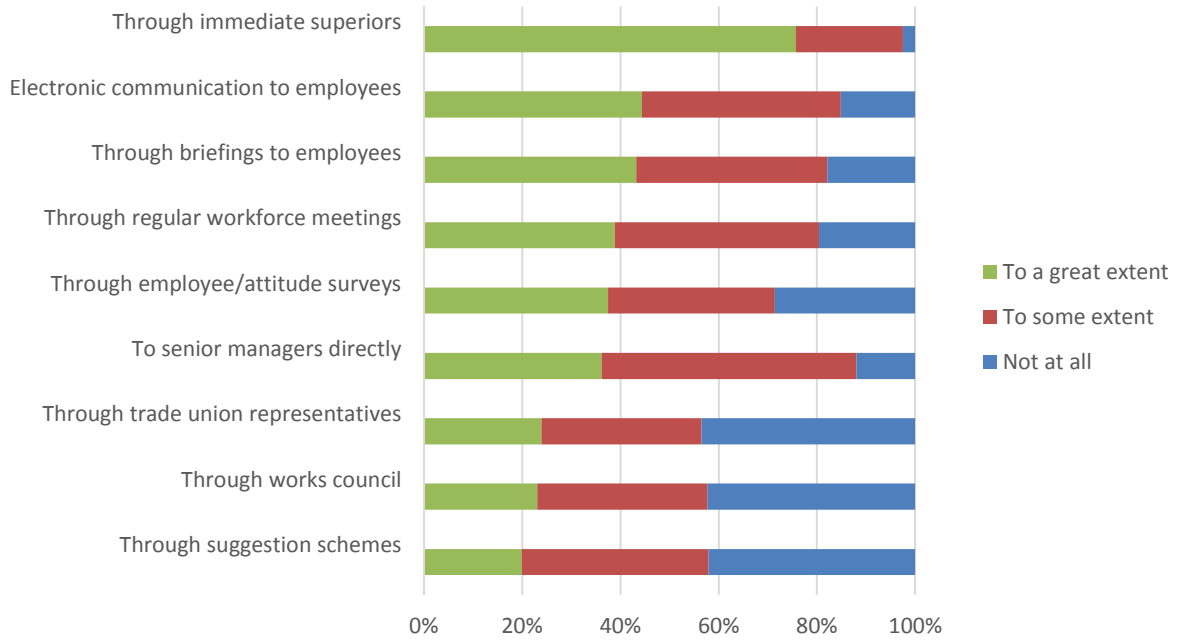


Figure 57a: Extent to which the following methods are used by employees to communicate their views to management (% of organizations) (Europe EU)

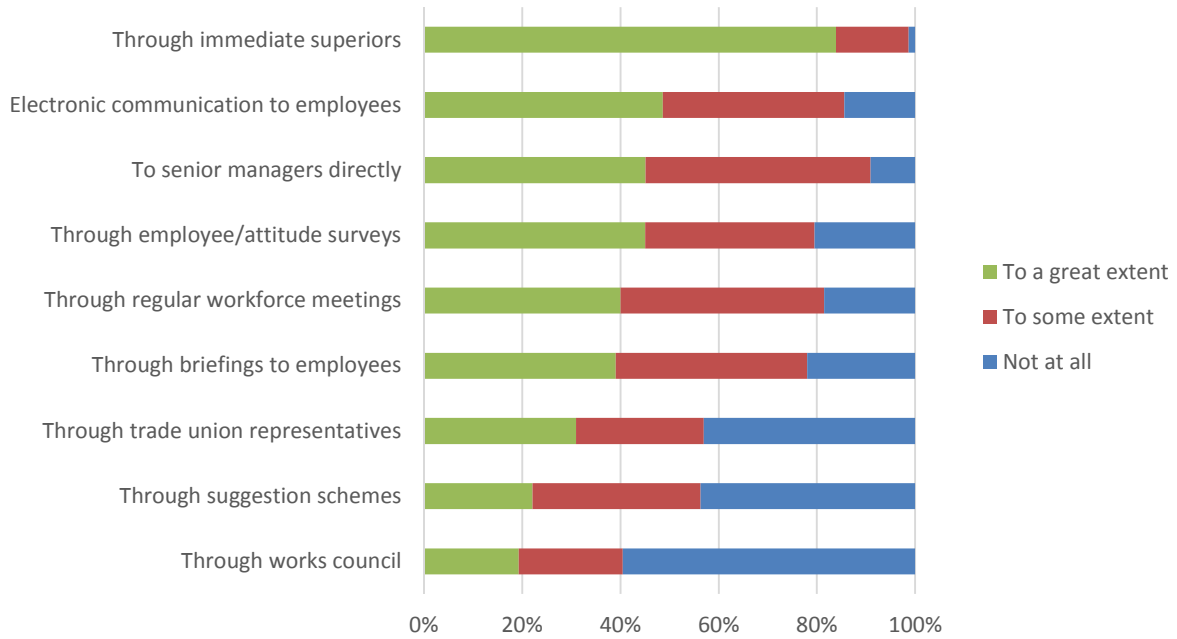


Figure 57b: Extent to which the following methods are used by employees to communicate their views to management (% of organizations) (Europe Non-EU)

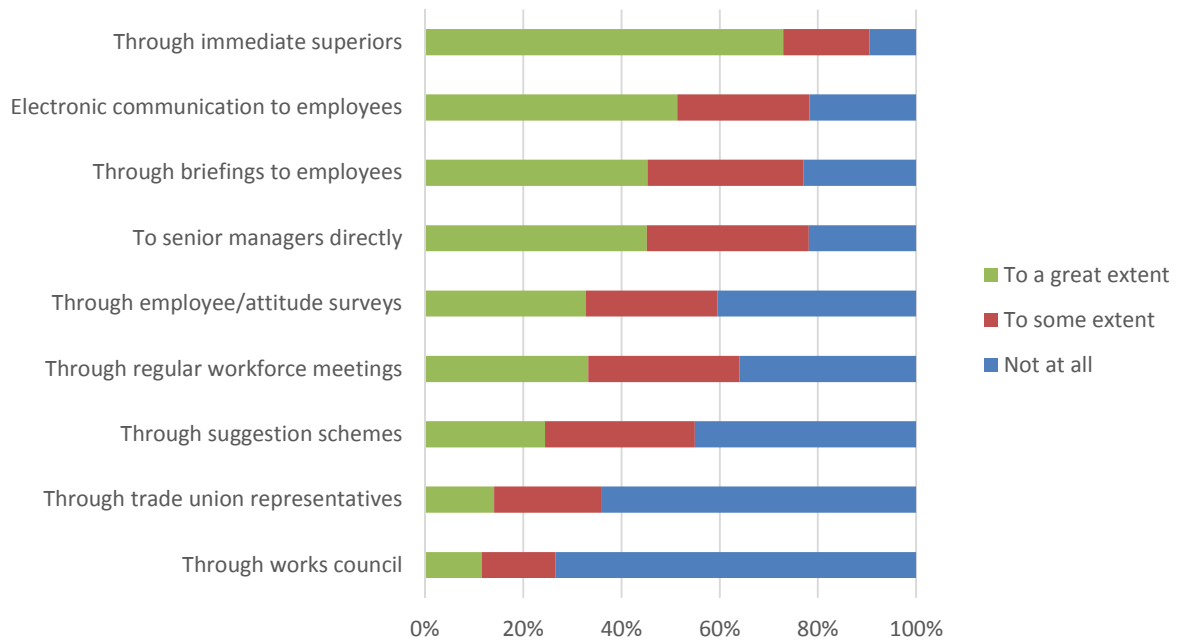


Figure 57c: Extent to which the following methods are used by employees to communicate their views to management (% of organizations) (Non-Europe)

Final Considerations

The results of this survey show that trade union membership varies greatly between countries. Cyprus, South Africa and the Nordic countries (Iceland, Sweden, Denmark and Finland) show by far the highest share of trade union representation among the participating countries. The lowest share of union representation can be found in countries as varied as Spain, France, the Netherlands, the United Kingdom, Switzerland, the United States and Australia.

Even though trade union representation is not always great, unions still seem to have influence on organizations to at least some extent in most of the countries surveyed. The countries showing the least effects of trade union influence are the United Kingdom, Israel, Turkey and China, where over 50% of organizations report that trade unions have no influence. Also in this group are Central and East European countries, such as Estonia, Hungary, Lithuania, Slovakia and Latvia.

In most cases trade union membership goes hand in hand with trade union influence, but there are notable exceptions, such as France where most organizations (49%) report that union membership is between 1% and 10%, while over 80% of organizations report that trade unions influence their organization at least to some extent.

In most of the countries, trade unions are recognized for collective bargaining in over half of the organizations surveyed. As before, the Nordic countries are at the top of the list with almost all organizations recognizing trade unions for collective bargaining, along with Austria, Italy, France, Brazil and South Africa.

Turning to the methods of internal corporate communication, survey findings show that verbal communication, through immediate superiors, is the most widely used form in both top-down and bottom-up communication.

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