



European Business Test Panel (EBTP)

European survey on Flexicurity

The Flexicurity consultation ran from beginning of April to mid May 2007. In total 349 members of the European Business Test Panel filled in the consultation questionnaire.

Below you find the description of the overall results of the consultation, in the order of the questions in the questionnaire.

I. Introduction

The results show that most of the respondents had never heard about Flexicurity before the consultation took place (72.2%).

The concept of increasing both flexibility and security seemed feasible to more than half of the respondents (57.6%). About a quarter of the respondents thought that increased security would always be at the expense of flexibility (25.7%), while a tenth of the respondents thought it would be the other way around (10.7%).

II. Contracts and Recruitment

Most of the companies employed other people than only the owner (93.4%).

Of the companies with employees, the majority employed people through permanent contracts (94.9%). About a quarter also employed a considerable share of their employees through fixed term contracts (23.1%). Part time contracts (19%), contracts via subcontractors (11.2%), and contracts via temporary work agencies (8.8%) were less common.

More than three quarters of the respondents thought they would hire new staff in the coming year (79.1%). The most likely contract – according to the results of the consultation – this new staff was about to receive was a permanent contract.

About half of the respondents indicated that they would be inclined to hire more staff on a permanent contract when the regulatory framework would make it easier to terminate such contracts (50.6%). Two out of five respondents stated that hiring staff on permanent contracts is not influenced by the dismissal regulations in place (42.7%).

More than half of the respondents thought that permanent contracts have a positive effect on the productivity of workers (51.5%), while an even larger share stated that such contracts have a positive effect on the motivation of staff (60.8%).

The most important educational background of the respondents staff was 'higher vocational training' (42.4%), followed by 'lower vocational training' (27.5%), university education (23.7%) and no specific education (6.4%).

For the recruitment of new staff, the respondents mainly used their own ways for recruitment, like advertisements and their human resource departments (93.2%). In addition to this type of recruitment, a smaller share of the respondents also use Public Employment Services (24.1%) and Temporary Work Agencies (23.4%).

Regarding personnel that originally started on a fixed term contract, half of the respondents indicated that after the expiration of that contract, staff was offered a permanent contract (55.3%). About a tenth of the respondents stated that this personnel left the company after the contract expiration date (12.9%), while a somewhat larger share indicated that a new fixed term contract was agreed upon (16.6%).¹

The answers differed greatly for staff recruited via an agency. In most cases this staff had left the company (17.6%), followed shortly by the granting of a permanent contract (16.6%). About a tenth of the respondents stated that this staff still was employed through agencies (11.9%).²

More than half of the respondents indicated that some specific vacancies would be hard to fill (55.6%). A third of the respondents even stated that most of their vacancies were hard to fill (34%). Only one out of ten respondents did not see any difficulties to in hiring new staff (10.4%).

In case respondents were not able to find adequately skilled personnel, they preferred to train new staff on the job (54.7%). Nearly one in three of the respondents would leave the vacancy open and try to find a suited person in a later stage (28.8%). One out of ten would outsource the activity (12.3%) while a small part of the respondents would cease ongoing operations (or offered services) completely (3.2%).

The consultation revealed that many of the respondents recruited workers aged 24 or lower in the late year (70.5%). Approximately one third hired staff that were receiving unemployment benefits before they started working (35.3%). One in four respondents hired workers belonging to an ethnic minority (26.4%) or aged 55 or above (25.1%). One in six respondents hired workers classified as disabled (14.9%). One in five of the respondents did not hire anybody from these groups (20%).

About two thirds of the respondents would recruit more workers from these groups if their total cost were lower (65.4%), followed by the remark they would do so if it would be easier to dismiss them (49.8%). One in four respondents would hire more staff from these groups if authorities would contribute to the training needs (37.5%).³

¹ 15.3% of the respondents indicated that the question did not apply to them.

² 53.9% of the respondents indicated that the question did not apply to them.

³ Percentages of this part have been obtained by combining the answer categories 'most important' and 'important'.

III. Labour Law and Collective agreements

The respondents indicated that most of their contracts were covered by collective agreements (53.2%). One in four indicated that no contract was covered this way (25.1%), while a little less than one in ten indicated that less than half of the labour contracts were collective (7.8%).⁴

The majority of the respondents agreed somewhat or fully with the statement that existing labour law needs to be adapted to allow more flexibility (81%). One in twenty respondents disagreed somewhat or fully with this statement (5.4%).⁵

About one in four of the respondents agreed with the statement that adaptation of labour laws is necessary to provide more security for workers (25%). About half of the respondents disagreed somewhat or fully with this statement (46.2%).⁶

IV. Staff Flexibility

The majority of the respondents indicated that staff flexibility inside the company was already introduced in some kind of way. Three quarters of the respondents mentioned that functional flexibility was already in place (77.6%), followed by time flexibility (70.5%). A little less than half stated that a system of wage flexibility was introduced (45.8%). Two out of five respondents stated that numerical flexibility was applied (40%).

Most of the respondents stated that enhancing staff flexibility was an important part of their strategy to stay competitive in the market (81.4%). These respondents mostly preferred functional flexibility enhance their competitiveness (67.1%), followed by time flexibility (61.7%). Half of these respondents also considered numerical flexibility (49.2%) or wage flexibility (47.1%).

More than half of the respondents stated that they did not apply job rotation in their company (55.6%). Most of the respondents agreed fully or somewhat with statements that job rotation improves opportunities for employees to find new jobs in the company (68%), that job rotation is a useful training tool (83.6%) and that job rotation is important to keep people motivated (61.7%).

V. Motivation

Most of the respondents stated that pay levels are the most important motives for employees to continue working in the company, followed by job security, work content, career opportunities and bonus systems. Training opportunities, autonomy and flexible working time were regarded less important. Facilities like crèches were seen as least important.

⁴ 11.9% of the respondents indicated that the question did not apply to them.

⁵ 13.6% neither agreed nor disagreed

⁶ 28.8% neither agreed nor disagreed

VI. Training

The majority of the respondents indicated that they or their staff participated in a training last year (90.2%). Of these respondents, two thirds sent up to half of their employees (66.3%). The other third did send more than half of their employees on a training (33.7%).

Most of the respondents indicated that they or their employees were sent on training spent more than three days (32.6%), closely followed by two days of training (30.5%). About one day was the answer given by one out of five respondents (22.8%), three days by one in ten (10.5%). About half a day was the least given answer (3.5%).

Nearly all respondents indicated that it is very or somewhat important for their company to keep staff competences up to date (96.5%).

Many respondents indicated that they would send more employees on training if a larger share of the training costs was compensated by external funds (70.6%), and if the employers were compensated for the wage costs during the training (69.9%). About half of the respondents indicated that they would send more employees on training if there was more certainty that the employee would not leave shortly after the training is concluded (50.3%). About two thirds of the respondents did not link the issue of increasing investments in training to the type of contract their employees have (68.4%).

VII. Social Security

Respondents were in favour of increasing combination security, the possibility to combine work and family life (61.1% for increase, 15.2% for decrease). Employment security was valued in nearly the same way (58.5% for increase, 16.5% for decrease). Job security was regarded the other way around (26.3% for increase, 42.4% for decrease), as was income security (28.8% for increase, 45.6% for decrease).

Two thirds of the respondents somewhat or fully disagreed with the statement that due to low benefits unemployed people are forced to accept jobs that do not really match their capacities (69%).

Nearly two thirds also somewhat or fully agreed with the statement that better childcare is necessary for their opportunities to hire parents (62.9%).

Three quarters of the respondents thought somewhat or fully agreed with the statement that sanctions against benefit recipients not actively looking for work are too low (76%).

A little more than half of the respondents somewhat or fully agreed with the statement that benefit recipients are adequately supported and trained to improve their chances of finding work (51.3%).

Finally, three out of five respondents somewhat or fully agreed with the statement that benefits are so high that workers are discouraged to look for jobs (60.4%).

For a more detailed analysis of the country specific responses, you can have a look at the overview of all countries, placed on the EBTP website: <http://ec.europa.eu/yourvoice/ebtp>.