

W O R K I N G P A P E R

*Flexible Management and  
Empowered Work  
- Myth or Reality*

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*Research Programme on The Open Labour Market  
Working Paper 6:2000*



*The Danish National Institute of Social Research*

# *Flexible Management and Empowered Work - Myth or Reality*

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## *The Study*

The Danish National Institute of Social Research carries out a research program on the *Open Labour Market*, to be concluded in 2002. The research program is initiated by the Ministry of Social Affairs.

One of the main themes in the research program concerns the development of new organisational forms in enterprises. The present working paper discusses the spread of empowered work as well as the organisational features enhancing empowered work. The paper presents empirical evidence showing that empowered work - that is work characterized by variation, autonomy and continuous professional development - did not become more widespread, and that empowered work remains the prerogative of those with higher education. The study is based on a combined employer-employee-survey, comprising data on the working conditions of 6,000 employees in both 1990 and 1995, and their 3,000 workplaces.

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# *1. Introduction*

It is a widely held opinion that significant changes are occurring within enterprises at present. Competition is growing ever stronger, the globalisation process and developments within technology are opening still new vistas, and consumers and other stakeholders are making demands on production methods as well as on product quality. This is generally assumed to place pressure on enterprises, forcing them to introduce new organisational structures which contribute to increased efficiency and flexibility at one and the same time.

Many different theories have been advanced with respect to the contents of these new organisational structures: Social theories on paradigm shifts in production methods in the direction of post-Fordism (Hirst & Zeitlin, 1991; Amin, 1994); theses within the area of work sociology and industrial sociology on development trends towards lean production (Womack et al, 1990), flexible specialisation (Piore & Sabel, 1984), or the flexible-firm model (Atkinson, 1985). In addition to these, there are advocates of various management theories and techniques (such as Human Resource Management, Total Quality Management and Business Process Reengineering) who also claim to have found the way to increased productivity, efficiency, and effectiveness.

A common feature of these approaches is a conviction, which is more or less explicitly reflected, that the new production concepts enhance empowerment of work. Employees are to take more decisions themselves regarding the execution of work, they are to enter into many types of cooperative relationships, and they must be able to perform many different tasks.

This empowerment of work is viewed as a result of changes in management styles; away from regulation, physical supervision, and employees who simply obey orders, and towards management through company culture and management by objectives, flat hierarchical structures, and delegation of responsibilities. The management assume a more consultative role, with their main function being to inspire, motivate, and solve problems.

However, empirical evidence of the actual spread of these new organisational structures, and especially of the consequences to employee working conditions, remains scarce. Has an increasing number of employees become more empowered in their work? Has empow-

ered work spread downwards in the job hierarchy, so that shop assistants and factory workers also have more autonomy and more challenging work?

Even less attention has been directed - in terms of empirical studies as well as theory - to the issue of the relationship between management and work organisation. Thus, it is often taken for granted that when enterprises introduce flexible management, this occasions corresponding changes in work organisation.

The following provides the first elucidation of the extent of the spread of empowered work, and of which factors, including management, influence whether work is empowered or not.

Following an introductory review of various theories on the *content* of the new organisation structures as well as current analyses of the *spread* of new organisation structures, an empirical analysis is presented which addresses the spread and extent of empowered work in Danish enterprises, as well as the issue of the conditions which bring about empowered work. Finally, the implications to theory and research strategies of the empirical analyses are discussed.

## ***2. Research on new forms of organisations***

### **2.1. Definitions of flexible management and empowered work**

The notion that work is generally evolving towards greater flexibility and autonomy is fuelled by several different research traditions, which also offer various interpretations of the determinants behind such developments.

As was mentioned in the introduction, a number of scenarios have been advanced with regard to the direction taken by developments within enterprises at present. Among the more theoretically founded scenarios we find Piore & Sabel's theory on flexible specialisation (Piore & Sabel, 1984), Womack et al's concept of "lean production", a concept inspired by Japan (Womack et al., 1990), and Atkinson's theory on flexible enterprises (Atkinson, 1985). Comprehensive literature is available on these various concepts, focusing on the differences between the concepts. Yet, when it comes to the actual changes within enterprises, and the external pressures initiating the changes, the proponents of different concepts are remarkably unanimous.

Thus, the various approaches agree that the basis for the present developments within enterprises are some dramatic changes in technologies and market conditions; changes which have placed enterprises today in a "hyper-turbulent" world (Meyer et al, 1995), where market conditions are constantly changing:

*The technological development facilitates more flexible production, combining the economies of scale of mass production with the rapid adaptability of tradesmen and manual workers. At the same time, technology constitutes an important element in the globalisation process, which places great competitive strain on enterprises. Customer or consumer expectations are also often quoted as an important factor with respect to changes within enterprises. Customers require more in terms of quality and service, "the political consumer" makes demands with regard to production methods and expects greater scope for individuality in consumption, thus more differentiated products.*

Whereas a traditional strategy for survival in an uncertain and insecure world would typically involve efforts to eliminate uncertainty (e.g. by striving to create a monopoly or by entering into long-term contracts, agreements with the competition, etc.), flexible enterprises will adjust to such uncertainty by being prepared to adapt themselves rapidly

through ever-changing alliances and business partners and through emphasis on *flexible management and organisational structures*.

However, the new production concepts comprise relatively limited deliberations on more specific and concrete implications for management and work organisation.

The theory advanced by Piore & Sabel comprises just vague notions on the significance of flexible specialisation with respect to the organisational structure of work. It is stated that flexible specialisation will entail a “return” to a craftsmanlike organisation of work, where employees combine high levels of qualifications with the ability to adapt rapidly to changes, and where work features a high level of autonomy (Piore & Sabel, 1984).

With his flexible-firm model, Atkinson presents the hypothesis that enterprises will assign greater priority to various forms of flexibility. Functional flexibility is achieved by means of concentrated efforts to qualify and develop core employee groups, whereas numerical flexibility is achieved by means of groups with looser ties to the enterprise. However, apart from isolated statements to the effect that the marginal groups comprise women and individuals with low-level education, no detailed discussion is presented on the specific work organisation or on who carries out which tasks (Atkinson, 1985).

The theory of lean production probably provides the greatest amount of contemplation on the impact on management and work organisation. Thus, Total Quality Management as a management philosophy was originally an integral part of the concept lean production (Womack et al., 1990), but it has also attained status as a management concept in its own right. Lean production emphasises and prioritises multi-functional, flexible, and committed employees, and consequently work is characterised by a high degree of autonomy, flexibility, and variation.

The BPR concept is also among those concepts which supposedly bring about more developing work for individuals. This concept entails integration of various functions, teamwork, and flatter organisational structures and hierarchies, which will “automatically” lead to better working conditions for employees. However, greater job enrichment and job development is not an objective in itself; rather, it is a side effect of BPR (Willmott, 1995).

Despite the limited number of more specific directions and suggestions regarding management and work organisation, certain analogies do exist between the new production concepts and the management principles inherent in Human Resource Management (HRM). It would probably be justifiable to say that Human Resource Management relates to the



new production concepts the way Fayol's management principles did to Fordism/Taylorism.

For example, Willmott notes the way in which HRM and BPR move in the same direction in their focus on development of human resources. Both approaches involve functional humanism: job enrichment, autonomous groups, autonomy at work, etc., are introduced due to an anticipated increase in employee productivity, not in order to ensure autonomy *per se*. (Willmott, 1995).

One of the central principles of HRM is that employees are considered to be an important strategic resource. The trick is to ensure that employees' need for self-realisation and social support are met, while they still pursue the objectives and targets of the enterprise. As a management philosophy, HRM is characterised by management by means of company culture rather than rules and routines, an emphasis on long-term personal and professional development of employees, and delegation of decisions regarding execution of work to those performing the tasks in question. (Beaumont, 1993; Navrbjerg, 1999).

Total Quality Management (TQM) comprises many of the same management principles. It could be said that HRM emphasises personnel management as a factor to be considered on a par with other elements in enterprise strategies, whereas TQM also assigns strategic priority to quality and customer relations. TQM also emphasises employee involvement, partly by means of quality circles and team organisation; management through company culture; and high information levels as important bases for employee involvement at all levels. (Wilkinson et al., 1992)

Thus, both TQM and HRM feature clear expectations that these management concepts will entail empowerment of work. Work provides professional and personal growth and development, and employees have significant liberty of action and influence on decision-making processes. (Beaumont, 1993).

To sum up: According to the new production concepts, *flexible management* is characterised by the following features:

- Employees are considered to be a central strategic resource.
- Management is carried out through company culture and employee motivation.
- Responsibilities are delegated to employees; employee involvement.
- Priority is assigned to the professional and personal development of (core) employees.

These management methods supposedly lead to more *empowered work*, which is characterised by:

- Varied work with many different tasks.
- A high degree of autonomy.
- Professional and personal development on an ongoing basis.

## **2.2. Empirical studies of the spread of new organisational structures**

Research on the *spread* of new organisational structures remains scant, as well as rather heterogenous with regard to theoretical and methodological approaches.

When looking at current surveys and reviews, the definitions and operationalisations of flexible organisation structures vary with each study. Some surveys focus on the spread of specific management concepts, such as HRM (Storey, 1995) or TQM (Lawler III et al., 1995). Other studies focus on specific aspects of the flexible management methods, such as Direct Participation (European Foundation, 1997), or decentralisation (Nutek, 1996). Moreover, some reviews address the introductions of specific production concepts, such as Lean Production (Babson, 1993; Lewchuk & Robertson, 1997). Finally, some surveys establish a series of criteria for what can be characterised as “new” or “flexible” organisational structures (OECD, 1996; Gulbrandsen, 1998; Edling & Sandberg, 1993; Osterman, 1994; Appelbaum & Batt, 1994; the Danish Industry and Trade Development Council, 1997).

Even though these empirical studies utilise widely different definitions, operationalisations, and methods, they do have one thing in common; they all largely concur that organisational developments within enterprises are characterised by an eclectic use of new production concepts. No clear pattern can be determined for organisational innovation, nor does it seem that changes to enterprises are carried out according to an overall, coordinated plan.

Moreover, it appears that the studies fall within two main categories; analyses which take a positive view on the spread of the new production concepts, and those with more neutral or pessimistic points of view.

The optimists promote the view that the new production concepts are well on their way into enterprises, and that this involves wide-ranging and comprehensive changes to enterprise organisation, thus also significant implications for employees. The findings of these studies largely correspond to the theses on the new production concepts. Enterprises *are*

changing, and these changes move towards increased flexibility, product innovation, and emphasis on development of human resources. (the Danish Industry and Trade Development Council, 1997; European Foundation, 1997; OECD, 1996; NUTEK, 1996, and Lawler III et al. 1995).

The pessimists are more cautious in their interpretation of the direction of developments. They conclude that it would appear that a number of enterprises have incorporated “new organisational structures”, and that firstly, such changes are often *limited, superficial changes*. These changes have no impact on the core activities of enterprises, and do not involve fundamental alterations to the work organisation or existing power relations. Secondly, these changes *affect a limited segment of employees*. (Appelbaum & Batt, 1994; Osterman, 1994; Gulbrandsen, 1998; Edling & Sandberg, 1993, and Storey, 1995).

The common view of these studies is that many changes do indeed occur within enterprises, but that no empirical evidence exists which supports notions of significant and fundamental changes in the production methods and organisational structures of enterprises. This is rather an expression of an “ideology (or theology) of change” which has been advanced by a very limited number of best-practice enterprises. Enterprises change because the prevalent idea is that change is always for the better.

### **2.3. The effect of flexible management on working conditions**

Some empirical studies of the scope of the new organisational structures focus more explicitly on the consequences to work organisation. In particular, a number of studies focus on the consequences to working conditions of lean production (Forza, 1996; Lewchuk & Robertson 1997; Babson, 1993; Skorstad 1994). Lantz & Scorfienza (1994) address the consequences of working processes which have been organised in groups, whereas Harley (1999) addresses the scope and extent of empowered work.

A common trait of these studies is their finding that it is unlikely that there is any very direct connection between certain management methods and their consequences to work content and organisation.

Forza's analysis indicates that lean enterprises involve employees in quality and product development and use groups for problem solving to a greater extent than traditional enterprises. However, Forza finds no differences between traditional and lean enterprises with regard to greater integration between different professional groups and delegation of responsibility and autonomy. (Forza, 1996).

The main finding in Lewchuk & Robertson (1997) is that as production becomes increasingly lean, autonomy and job development are reduced and supervision is increased. Babson (1993) states that lean production entails health hazards as great as those of "normal mass production" and that working processes organised in groups do not in themselves ensure increased autonomy for individual employees.

Skorstad (1994) and Berggren (1993) both take other studies of lean production as their point of departure, and both arrive at the conclusion that work is greatly intensified in lean enterprises, thus causing clear stress issues for employees, and that employee autonomy is limited. Berggren also notes that lean production may well aim to reduce all buffers and all slacking, but that such production also uses employee time as a significant buffer.

Harley (1999) explicitly investigates the relationship between management methods and organisational structure. This analysis proves that a substantial proportion of employees are employed at enterprises which are characterised by empowerment within various fields (Harley, 1999, p. 49). However, it also finds that employees at empowered workplaces do *not* have greater autonomy at work than employees at normal and traditional workplaces.

Lantz & Scorfienza (1994) review no fewer than 46 Swedish case studies of group working process and their effects. Their survey shows that firstly, these case studies have focussed on widely different aspects, and secondly that the results of said studies are far from consistent.

Most studies indicate that group organisation often leads to more varied work, but that this depends entirely on the production cycle. Very short production cycles will entail only few opportunities for varying work, regardless of the organisational structure chosen. The studies also agree that even though most employees experience a greater sense of meaning when working in group organisations, this cannot counterbalance the meaninglessness of monotonous and repetitive work. With regard to consequences in terms of the working environment, nothing suggests that working in groups makes for lesser physical or mental strain than traditional organisational structures. Almost all studies point out that group organisations provide greater job satisfaction to individuals. Such satisfaction is caused by social relationships within the group, rather than by the actual organisation of work.

## ***3. Research design***

### **3.1. Research questions**

Thus, studies so far seem far from able to provide a clear answer to the question of whether empowered work has spread.

Firstly, there remains a need for documentation of the extent of the spread of empowered work now and in the near future. Only very few studies have been completed based on a longitudinal design. Although most studies have ascertained that the new types of organisation do not, at a given time, seem to be widespread to any great extent, we still do not know whether there are now fewer or more people with empowered work compared with previous years. In other words, there remains a need for identifying: *Has empowered work spread - and has it spread to the lower echelons of the job hierarchy?*

Secondly, several studies indicate that new, flexible, management methods do not automatically imply more empowered work. But what does then? In other words, there is a need to identifying *the conditions which lead to empowered work*.

The following empirical study seeks to answer these questions.

### **3.2. Data**

This study utilises three separate questionnaire surveys, which have been linked in a combined data set for enterprises and employees. In 1990 and 1995, the Danish National Institute of Social Research and the Danish National Institute of Occupational Health carried out a questionnaire survey among Danish employees.

The two surveys are based on data which was collected by means of telephone interviews of a simple, random sample of the total population, including employees in active employment. In 1990, approximately 6,000 employees participated, corresponding to a 90 per cent reply rate. These employees were asked a great number of questions about their workplace and their psychological and physical working environment. In 1995, *the same employees* (supplemented by new groups of young people and immigrants) participated in the survey. The 1995 reply rate was 80 per cent. As before, employees were asked about a

series of issues in relation to their working life and working environment, and a large proportion of the questions asked were phrased in exactly the same way as in 1990.

The employees participating in the 1995 survey were also asked to provide names and addresses of their workplaces. These workplaces constitute the random sample for the enterprise survey. These interviews were also conducted as telephone interviews on the basis of questionnaires.

A total of approximately 3,000 enterprises participated in the study, which corresponds to a reply rate of 77 per cent. In each enterprise, the highest-ranking personnel manager was interviewed; in some cases other members of management were included in the interview, for instance in connection with salary issues, etc. The enterprises were interviewed about their activities, market conditions and a series of personnel issues.

Firstly, this data material provides opportunities for elucidating the spread of empowered work over a five-year period. Have more people become empowered at work? And, very significantly: Have more employees at lower levels of the job hierarchy attained empowered work?

Secondly, the data material provides opportunities for elucidation of the connection between management method and organisation of work, as it is possible to correlate information on enterprise management with information on employee working conditions.

## 4. Empirical findings

### 4.1. The spread and extent of empowered work

As mentioned above, the new production concepts define empowered work as comprising the following factors:

- Broad jobs comprising many different tasks.
- The responsibility for planning work has been delegated to those employees who perform the relevant tasks.
- Employees must develop professionally on an ongoing basis.

The variable “empowered work” is a simple, summary index, comprising seven questions from the questionnaire aimed at employees. These questions address the issues of whether employees set their own pace at work, whether they are involved in planning their work, whether the work is varied, whether employees receive information relating to their work, whether employees have opportunities for professional development, whether they receive support and encouragement from their manager, and the extent of supplementary training and skill-raising courses.<sup>1)</sup>

Table 4.1 shows the spread of empowered work. The interesting aspect of this Table is the *development* from 1990 to 1995. It appears that practically no development has occurred. The proportion of employees with empowered work in 1990 remains the same in 1995. Only very small shifts have occurred for other work types. This means that empowered work did *not* become more widespread from 1990 to 1995.

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1) The indices were then established as follows: First, the responses for each of the questions mentioned in the above were grouped in three categories, where 1 denotes the highest value, 2 corresponds to medium values, and 3 denotes the lowest values. The categories have been specifically designed so that the “strictest” requirements are stipulated for the highest value, i.e. 1. Empowered work should mean that autonomy and variety is not simply something which occurs occasionally. In principle, these should be constant features in order for work to be empowered.

The questions on training days have been recoded as follows: more than 10 training days annually have the value 1, 1- 10 days have the value 2, and less than one day a year has the value 3. Then, the values for the seven questions were added up, resulting in values ranging from 7 to 21. Two categories were established for the regression analysis: Point scores from 7 to 9 are designated as “empowered”, whereas point scores from 10 to 21 are designated as “not empowered”.

**Table 4.1.**  
**Employees by empowered or traditional work in 1990 and 1995, analysed by job category. Per cent.**

Job category	Work type									
	Completely empowered		Mainly empowered		Mainly traditional		Completely traditional		Percentage Basis	
	1990	1995	1990	1995	1990	1995	1990	1995	1990	1995
Senior salaried employees	25	26	57	57	16	15	1	2	1,240	978
Junior salaried employees	15	18	53	54	28	25	4	3	1,876	2,234
Skilled wage-earning employees	10	9	50	49	35	36	6	7	492	618
Unskilled wage-earning employees	6	5	35	34	42	45	16	16	857	1,103
Total	15	15	50	50	28	29	6	6	4,465	4,933

*Please note.: The category "senior salaried employees" has been formed by correlating employees with higher education AND salaried employment. "Junior salaried employees" are employees with medium or short-term education and salaried employment.*

There are some jobs which typically are, and always have been, characterised by a high degree of self-determination and flexibility; jobs which require regular technical and personal development. This applies for 'the professions', lawyers, researchers, journalists, etc. and generally most of those with higher education.

The "new" aspect of the new organisational structures is that empowered work "migrates downwards" in the job hierarchy, so that those with less education will also find that their jobs change and become more flexible. Office clerks and factory workers are also expected to make decisions on the execution of their work, to perform several different tasks, to take part in autonomous groups, etc.

However, as Table 4.1 shows, empowered work remains the prerogative of those with higher education and high positions within the job hierarchy. Only a small proportion of skilled and unskilled labour hold completely empowered jobs. For skilled wage-earning employees, this proportion came to 9 per cent in 1995; for unskilled labour, the figure was 5 per cent.



It also appears from Table 4.1 that no significant developments have occurred in this respect during the period from 1990 to 1995. In 1990, empowered work was mainly found among senior salaried employees; this still holds true in 1995. Thus, there are no signs that empowered work is spreading to the lower parts of the job hierarchy.

## **4.2. Who has empowered work?**

The second question addresses the relationship between flexible management and empowered work.

Table 4.2 shows a logistic regression analysis where empowered work is the dependent variable. The analysis began using a preliminary model which comprised a series of environmental conditions, organisational conditions, and working conditions. The non-significant factors were then eliminated from the model one by one, so that the end model is an expression of interacting factors, cf. Table 4.2.

The variables in the preliminary model were:

### *Enterprise environment and production conditions*

Size (number of employees)

Sector (private, public)

Trade sector (social services & health care, administration & teaching, retail, trade & transportation, industry)

Investments in various types of new technology (for administration, automatisisation, communication and "other").

### *Management measures*

Employee development

Delegation of responsibility to employees

Measures for promoting personal development

Supplementary training

Written personnel policies

Prioritised company culture

training (average number of days spent on training per employee per year)

### *Work content and nature*

Manager/not a manager

Job type (senior salaried employee, junior salaried employee skilled wage-earning employee, unskilled wage-earning employee),

Job seniority.

Table 4.2 shows the statistically significant variables. As it appears, only 4 of the 13 original variables correlate significantly with empowered work: trade sector, position within the job hierarchy, job type, and seniority.

**Table 4.2.**  
**Logistic regression analysis of the significance of selected variables on whether employees have empowered jobs, 1995.**

	Parameter	Standard-variation	Test size	Test probability
<i>Trade sector</i>			10,87	0,0281
Social services & health care	0,092	0,17		
Administration & teaching	0,389	0,168		
Retail	0,101	0,184		
Trade & transport	-0,157	0,182		
Industry	0	0		
<i>Job category:</i>			51,704	0,0001
Senior salaried employees	1,601	0,24		
Junior salaried employees	1,383	0,226		
Skilled wage-earning employees	0,683	0,284		
Unskilled wage-earning employees	0	0		
<i>Managerial position:</i>			49,58	0,0001
Manager	0,77	0,109		
Not a manager	0	0		
<i>Seniority:</i>			8,38	0,0388
More than 16 years	0,26	0,17		
6-15 years	0,425	0,154		
1-5 years	0,785	0,164		
Less than 1 year	0	0		

None of these variables indicate that empowered work is the result of *new* management methods, perhaps rather the opposite. The extent work is empowered seems to be connected with some structural conditions in the contents and position of work itself. Empowered work is associated with particularly 'knowledge-heavy' or professional sectors such as administration and teaching, and social and health areas. In particular, more senior executives and managers have empowered work, and those with more than six-years' seniority. The fact that those more senior in the hierarchy and those with more seniority have empowered work can be regarded as an expression of rather traditional management styles. Loyalty and high qualifications are rewarded with more exciting tasks and greater independence.

None of the management initiatives which indicate management styles based on delegation and involvement, i.e. flexibility, are significant for the incidence of empowered work. That is, emphasising employee development or delegation of responsibility to employees, or concentrating on continuing training, etc. does not seem to increase the probability of empowered work.

This is entirely in step with e.g. Harley's study (Harley, 1999), which did indeed show that employee working conditions at so-called empowered enterprises were not significantly different from working conditions in traditional enterprises. Edling & Sandberg reach more or less the same conclusion as they demonstrate that no correlation exists between flatter hierarchies, etc., and empowered work (Edling & Sandberg, 1993).

It can be argued that 'flexible management' encourages the different initiatives to take place simultaneously. In order to enable flexible management, a company must concentrate on employee development, delegation of responsibility, promoting personal development, continuing training etc. simultaneously. There must be systematic and simultaneous emphasis on management based on delegation and involvement, and on comprehensive development and training for employees.

With these requirements for flexible management, the analysis looks a little different, c.f. table 4.3.

In the same way as before, an initial model was implemented at first, where a number of factors were incorporated. After this, the non-significant factors were removed from the model one by one so that the final model shows the factors which work together.

The initial model includes more or less the same variables as before, but with the difference that the management initiatives are grouped in an index of flexible management. This means that only undertakings which simultaneously and for the majority of employees emphasise employee development, delegation of responsibility, personal development, continuing training etc. are considered to have flexible management.

**Table 4.3.**  
**Logistic regression analysis of the significance of selected variables on whether employees have empowered jobs, 1995.**

	Parameter	Standard-variation	Test size	Test probability
<i>Management method:</i>				
			13,7	11
Flexible	0,563	0,157		
Mixed	0,234	0,147		
Traditional	0	0		
<i>Sector:</i>				
			3,84	0,0499
Public	-0,343	0,175		
Private	0	0		
<i>Trade sector:</i>				
			14,07	0,0071
Social services & health care	0,312	0,2		
Administration and teaching	0,686	0,231		
Retail	0,14	0,201		
Trade & transport	-0,073	0,197		
Industry	0	0		
<i>Number of employees:</i>				
			6,95	0,031
0-49 employees	0,232	0,13		
50-99 employees	-0,163	0,174		
More than 99 employees	0	0		
<i>Job category:</i>				
			48,84	0,0001
Senior salaried employees	1,754	0,27		
Junior salaried employees	1,511	0,256		
Skilled wage-earning employees	0,773	0,312		
Unskilled wage-earning employees	0	0		
<i>Managerial position:</i>				
			46,58	0,0001
Manager	0,8	0,117		
Not a manager	0	0		
<i>Seniority:</i>				
			11,1	0,0112
More than 16 years	0,429	0,186		
6-15 years	0,534	0,169		
1-5 years	0,254	0,179		
Less than 1 year	0	0		

The variable *flexible management* comprises an index for employee development and the scope and extent of supplementary training and skill raising. The questions included address the following issues: Whether the enterprise has carried out employee conference interviews, whether the enterprise has carried out organisational changes with a view to assigning greater independent responsibilities to employees, whether the enterprise has

taken steps to promote personal development and growth among employees, and the extent to which the enterprise has carried out internal development/training of employees.<sup>2)</sup>

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- 2) Index of flexible management consists of a variable describing “the degree of employee development” and a variable describing “the degree of training”. The variable “employee development” comprises the following questions:

*“Have any of the following measures been introduced in this enterprise with a view to increasing employee motivation and commitment within recent years? a) Employee conference interviews/development meetings. b) Organisational changes with a view to assigning greater independent responsibilities to employees; e.g. group work. c) Changes to employee tasks with a view to promoting personal development. f) Supplementary training for employees. g) Training/development for managers.”* For each of these measures, enterprises had the opportunity of giving one of the following responses: “Yes, senior salaried employees”, “Yes, other salaried employees”, “Yes, skilled wage-earning employees”, “Yes, unskilled wage-earning employees”, and “No”.

*Furthermore “To what extent is the following statement true of the enterprise?: d) The enterprise has a strong common culture or team spirit.”* The possible responses to this question are “Very true”, “Mainly true”, “Somewhat true”, and “Not at all”. The variable “employee development” has been designed so that six points are awarded for each positive answer, whereas zero points are awarded for each negative answer. These point scores are added up and divided by the number of job types at the enterprise in question. This means that enterprises which have introduced employee conference interviews for all personnel groups will be awarded a significantly higher score than enterprises which have only introduced employee conference interviews for one personnel group out of several. The objective of this is to secure the principle which stipulates that the majority of employees must be included in order for the designation “flexible” to be assigned. With respect to the question on team spirit, six points are awarded for the answer “very true” and zero points for other responses. All six sub-questions are given equal weights. Point scores are added up and divided by six. Thus, each enterprise is assigned a value between zero and six. Three categories are then established: Enterprises with scores between 0 and up to and including 2 points are designated as having a “low” degree of employee development; enterprises with scores ranging between 2 and 4 are designated as having a “medium” degree of employment development, whereas enterprises with scores greater than 4 and up to and including 6 are designated as having a “high” degree of employment development.

The variable “training” consists of the average number of days assigned for supplementary training for all employee groups, and enterprises have been divided into three groups according to the scope of supplementary training. Flexible management has then been established by adding up point scores from the indices on employee development and supplementary training and dividing the resulting figure by two. This index has also been divided into three categories: enterprises with scores ranging between 0 and 2 points are characterised as having “traditional management”, scores greater than 2 and up to and including 4 points result in the designation “mixed management”, and scores greater than 4 and up to and including 6 points result in the designation “flexible management”. Thus, the distinction made is relatively simple: traditional management methods are the least flexible.

As before, work began using a preliminary model which comprised a series of factors. The non-significant factors were then eliminated from the model one by one, so that the end model is an expression of interacting factors.

The preliminary model comprised largely the same variables as before. However, the individual management measures were replaced by indices for flexible management. This means that only those enterprises which assign high priorities to employee development, delegation of responsibilities to employees, personal development, supplementary training, etc., *concurrently and for the majority of employees* are considered to have flexible management.

Thus, the variables included in the “new” preliminary model are:

*Enterprise environment and production conditions*

Size (number of employees)

Sector (private, public)

Trade sector (social services & health care, administration & teaching, retail, trade & transportation, industry)

Investments in various types of new technology (for administration, automation, communication and “other”).

*Management measures*

Type of Management (Flexible, mixed, traditional)

*Work content and nature*

Manager/not a manager

Job type (senior salaried employee, junior salaried employee, skilled wage-earning employee, unskilled wage-earning employee)

Job seniority

As it appears in table 4.3 a connection *does* exist between management methods and work organisation. Flexible management is one of the variables which correlates significantly with empowered work. Thus, the probability of employees having empowered work is greater under flexible management than under traditional management.

However, it is also remarkable that the other significant conditions all touch upon the structural position and content of the job itself: business sector, size of the enterprise, sector, job category, managerial position. Once again, we find that it is hardly surprising -

and certainly not a feature of “new” management - that managers and people with higher education in particular have empowered work.

Indeed, flexible management does not entail empowered work for all employees.

Table 4.4 shows the connection between management methods and work type by indicating the extent to which employees with empowered work are employed at enterprises with flexible management methods.

It would seem that there is a positive link between management methods at workplaces and employee’s working conditions. Employees at enterprises with flexible management methods more frequently have completely empowered work (20 per cent) than employees at enterprises with mixed (15 per cent) and traditional (11 per cent) management methods. This is to say that there are twice as many employees with completely empowered work at enterprises under flexible management as at enterprises under traditional management.

**Table 4.4.**  
**Employees by work type and enterprise management method. Per cent.**

Management method	Work type				Percentage basis
	Completely empowered	Mainly empowered	Mainly traditional	Completely traditional	
Flexible	20	49	26	5	801
Mixed	15	53	28	5	1,332
Traditional	11	48	34	7	829

$p \leq 0,005$

Correspondingly, enterprises under traditional management have a slightly greater number of employees with mainly or exclusively traditional work (34 per cent and 7 per cent, respectively) than enterprises with flexible management methods (26 and 5 per cent, respectively).

However, even at enterprises with flexible management methods, only one fifth of employees have completely empowered work. There is a connection between management methods and work organisation. However, this connection is slight, although statistically significant.

There may be grounds for believing that the reason why employees in flexible enterprises are more frequently empowered in their work is that such enterprises are most likely to be knowledge-intensive enterprises with high levels of education. Such an assumption is only partly corroborated by Table 4.5. Indeed, there is an almost equal number of senior sala-

**Table 4.5.**  
**Employees by job category and enterprise management method. Per cent.**

Management method	Job category				Percentage basis
	Senior salaried employees	Junior salaried employees	Skilled wage-earning employees	Unskilled wage-earning employees	
Flexible	19	52	9	20	745
Mixed	24	47	11	19	1,238
Traditional	20	41	15	25	762

ried employees in enterprises under flexible and traditional management. However, there is a greater number of junior salaried employees and a significantly lower number of skilled and unskilled wage-earning employees in enterprises under flexible management when compared to traditional enterprises.

Thus, enterprises under flexible management employ a greater number of salaried employees (particularly junior salaried employees) and fewer wage-earning employees than traditional enterprises.

However, when considering the relationship between management method, job category, and work type, an interesting picture forms, cf. Table 4.6. It turns out that flexible management appears to be of particular benefit to wage-earning employees. As it appears from Table 4.6, an almost equal proportion of senior salaried employees with completely empowered jobs work in companies under flexible management as in companies under traditional management (23 per cent and 22 per cent, respectively). Thus, working conditions for senior salaried employees do not seem to depend on whether the management method used is flexible or traditional.

This is not the case for other job categories. Among unskilled labour at enterprises under flexible management, seven per cent have completely empowered work, whereas this is only true for two per cent of the unskilled wage-earning employees at workplaces under traditional management. This trend also holds true for skilled wage-earning employees. However, in this connection account should be taken of the relatively small observations in the category “skilled wage-earning employees at enterprises under flexible management”.

With respect to junior salaried employees, management methods also influence work organisation. Among junior salaried employees at enterprises under flexible management,



**Table 4.6.**  
**Employees by work type, enterprise management method, and job category. Per cent.**

	Completely empowered	Mainly empowered	Mainly traditional	Completely traditional	Percentage basis
<i>Flexible management:</i>					
Senior salaried employees	23	63	12	3	138
Junior salaried employees	25	53	21	2	388
Skilled					
wage-earning employees	14	46	32	8	63
Unskilled					
wage-earning employees	7	36	45	12	146
<i>Mixed management:</i>					
Senior salaried employees	26	57	16	1	286
Junior salaried employees	17	55	26	2	569
Skilled					
wage-earning employees	9	54	33	4	129
Unskilled					
wage-earning employees	3	37	48	13	231
<i>Traditional management:</i>					
Senior salaried employees	22	64	12	3	148
Junior salaried employees	15	52	31	3	305
Skilled					
wage-earning employees	6	56	35	4	108
Unskilled					
wage-earning employees	2	32	48	17	182

25 per cent hold completely empowered jobs, whereas this is only true of 15 per cent of junior salaried employees at enterprises under traditional management.

All in all, it turns out that flexible management appears to have a greater positive impact on employee working conditions at the lower levels of the job hierarchy, whereas employees at the top levels remain largely unaffected by management methods - it would seem that for this group empowerment goes with the job.

## ***5. Concluding remarks***

### **5.1. Summary**

First of all, these analyses have shown - in accordance with some international literature, but in opposition to conventional wisdom - that empowered work has not spread. Not outwards, to more and more employees, nor downwards in the job hierarchy.

Secondly, these analyses have shown that isolated management measures aiming to delegate responsibility to employees, or to develop employees, do not affect working conditions for employees. These working conditions are not affected until enterprises emphasise and prioritise management measures which promote delegation and development at all levels. Flexible management, in the sense of concurrent and comprehensive efforts comprising elements such as delegation of responsibilities, extensive supplementary training activities, etc., *do* have an effect on employees' working conditions - however, this is more true for some than for others.

Thirdly, there seems to be an interactive effect with regard to the relationship between type of management, job category, and type of work. Type of management has no significance for the type of work carried out by the highly educated. What is relevant here is that work is flexible, irrespective of what management is like. Further down the hierarchy, however, type of management has greater significance. Flexible management here increases the likelihood of empowered work.

### **5.2. Discussion**

The analysis give rise to both methodological and theoretical considerations.

Methodologically, a more common conception and operationalisation of "new forms of organisation" is called for.

For example, it is striking that the international discourse on new organisational structures does not feature any common concept of what "new organisational structures" comprise, nor indeed any common methodological deliberations on how to carry out surveys of them.

One typical approach is to focus on certain specific management practises which somehow send out a new signal; high levels of information, new salary systems, delegation of responsibilities, etc., and subsequently investigate how many enterprises have introduced such measures. This occasions findings along the lines of “x number of enterprises have introduced managerial measure # 1, y number of enterprises have introduced measure # 2”, etc. In some cases, operationalisation includes a requirement that a minimum number of management measures should be present at the same time in order to warrant the designation “new organisational structures” (Osterman, 1994), but in an equal number of cases no explicit methodological requirements are stipulated on the management measures which are most important, and especially on how extensive such management measures should be in order to constitute “something new”.

The fact that some groups, especially experts and employees with higher education, are empowered in their work has no news value. Management practise with regard to these employees has always been characterised by delegation of responsibilities, emphasis on personal growth, etc. What is “new” is actually that this management practise is supposedly spreading to job functions situated on lower tiers of the hierarchy. Now, skilled and unskilled manual wage-earning employees should also be enjoying target-oriented, flexible and multi-functional work. Thus, delegating responsibility to employees is not a new phenomena, unless it is done for all employees (or a large proportion of these) further down the hierarchy.

Moving on, there is the question of exactly how “the new” *is* new - in relation to what? Many discussions on new organisational structures take an ideal Taylorian/Fordian design as their point of departure when describing the new. However, the question is how many “normal” enterprises can be described at all on the basis of such a design. Pure Taylorian enterprises are unlikely to be widely encountered, certainly not in Northern Europe. Most enterprises have given some consideration to the issue of how to ensure employee well-being, just as most enterprises to some extent seek to involve employees and inform them of conditions in relation to their work. This is not necessarily news. Enterprises may have very traditional organisational structure and still have introduced regular employee conference interviews or weekly information meetings.

Before we can speak of “new organisational structures”, we must demand a *concurrent and strategic* weighting of a series of largely consistent management measures which in principle include everybody within the enterprise.

Theoretically, the analysis has revealed a need for more explicit considerations on the relationship between flexible management and empowered work.

“Empowerment” is a rather broad concept, which can comprise anything from common visions and objectives to an actual redistribution of power and control. (Herrenkohl et al. 1999). Thus, Harley points out that when empowered workplaces do not seem to lead to empowered work, this is very much because management proves unwilling to rescind control and power after all (Harley, 1999). This is to say that the loss of empowerment *en route* from management to employees can be caused by the fact that no actual transfer of control and power over work is carried out. The management wants flexible employees, but is not necessarily prepared to grant them flexibility. This is one aspect that should not be rejected.

Another aspect is, that the analysis indicates, that managerial attempts to empower work may have different effects on different groups. Some job categories seem more sensitive to management, than others.

At the top of the job hierarchy, we find the “inherently empowered jobs”. These jobs will typically involve expert functions and/or jobs which require high levels of qualifications: teachers, doctors, academics, etc. These jobs will always be flexible, regardless of the style of management.

The “changeable” jobs can be found in the middle of the job hierarchy. These jobs might be positions for salaried office employees and skilled wage-earning employees - as well as for certain groups of unskilled wage-earning employees - which are characterised by being highly sensitive to management methods. Under traditional management, these jobs comprise few functions and few professional challenges, whereas flexible management means that the work becomes more varied, independent, and challenging.

Finally, a number of jobs at the bottom of the job hierarchy must be designated as inherently traditional. Such jobs will typically be the most monotonous and feature the lowest qualification requirements. When efforts are made to enrich this type of job by means of measures such as autonomous groups, job rotation, etc., this may well increase employee job satisfaction, however, the basic organisation of work remains fundamentally unchanged. The work remains monotonous and wearisome, even though employees carry out two routine functions instead of one, and group “autonomy” can consist in a weekly meeting which also fails to occasion much change in day-to-day work.

However, the thesis on such structurally determined differentiation of the relationship between management and work organisation would require further studies for validation. The main point proven by these analyses is that it should never be taken for granted that delegating and empowering management measures “automatically” lead to empowered

work; doing so constitutes a theoretical and practical misconception. Traditional work is rather more resistant to change than that.

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