



UK COMMISSION FOR
EMPLOYMENT AND SKILLS

High Performance Working in the Employer Skills Surveys

Executive Summary
July 2013

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High Performance Working in the Employer Skills Surveys

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July 2013



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'High Performance Working is a general approach to managing organisations that aims to stimulate more effective employee involvement and commitment to achieve high levels of performance' (Belt and Giles 2009: ii). It is important because raising the supply of skills does not automatically result in the raising of workplace productivity. These skills need to be used and applied effectively in the workplace. High Performance Working (HPW) practices apply across a range of areas, including approaches to work organisation, employment relations, management and leadership, and organisational development.

Defining and measuring HPW

This study explores the adoption of HPW as measured in the UK Commission's Employer Skills Survey 2011. Defining and measuring HPW is complex because: a holistic approach covers a wide range of business practices; some of those practices will not be applicable to all businesses (so not to adopt *individual* practices will not necessarily mean the business is not *generally* adopting HPW practices); and no existing survey tool completely covers all aspects of HPW. To do so would require a bespoke tool and, to date, this has not been created (see Bates, Cox and Robertson-Giles, 2009). Nevertheless, the UK Commission's skills surveys include questions relating to the use of some High Performance Working Practices. *Skills for the Workplace: Employer Perspectives* (2008), which reported the findings from the 2007 Employer Perspectives Survey of 13,500 employers, included 16 indicators of HPW. Establishments adopting ten or more of the practices were identified as HPW organisations. The UK Commission's Employer Skills Survey 2011 included 14 of these same practices, as well as a wider range of related variables. To obtain as consistent a measure as possible, the UK Commission definition of HPW establishments is those adopting nine or more of these 14 practices in 2011.

However, it is also useful to explore the take-up of the individual indicators and of a wider set of metrics available in the 2011 survey. In exploring these wider metrics, three groups of practices are identified around employee involvement, skills acquisition and motivational practices (see Table 1).

Table 1: Groupings of HPW practices

Employee Involvement	Skills Acquisition	Motivational Practices
<ul style="list-style-type: none"> • Task discretion • Task variety • Problem solving teams • Descriptions • Project teams • Team briefings • Suggestion scheme • Staff survey 	<ul style="list-style-type: none"> • Induction • Work shadowing • Off-the-job training • On-the-job training • Training plan • Training budget • Annual performance review • Evaluation of training 	<ul style="list-style-type: none"> • Organisational Performance-related pay • Individual performance-related pay • Formal employee consultation procedures • Formal discipline and dismissal procedures • Flexible benefits • Flexible working • Equal opportunity policy

Thus the report considers the take-up of individual HPW practices; the ‘UK Commission’s measure’ (which is consistent between the 2007 and 2011 surveys); and take up around the three groups of practices.

This report provides an analysis of the survey data and assesses:

- The level of uptake of HPW practices individually and on a group basis across the UK.
- The pattern of HPW practices uptake by sector, size, occupation and geography.
- The relationships amongst HPW practices and between them and other variables in the 2011 Employer Skills Survey.
- The best predictors of the likelihood of an establishment being a HPW organisation.
- The change in the uptake of HPW practices from 2007 to 2011.

The UK Commission’s Employer Skills Survey is a survey of 87,000 business establishments of all sizes across the UK.

The level of uptake of HPW practices across the UK

The use of HPW practices in 2011 in the UK varies by practice. The most commonly reported practices are task discretion (87 per cent) and task variety (87 per cent), with team briefings (79 per cent) and access to flexible working (78 per cent) close behind. The least commonly used practice is creating project teams (9 per cent), although 57 per cent of establishments use problem-solving teams. Three fifths (62 per cent) of establishments have a business plan, 16 per cent Investors in People accreditation and 12 per cent ISO9000 accreditation.

The pattern of HPW practices uptake by sector, size, occupation and geography

The percentage of establishments using employee involvement, skills acquisition, and motivational practices strongly reflects the size of the establishment, with practices more likely to be adopted in larger establishments. The sectors with the highest proportions of establishments adopting at least nine of the 14 practices included in the UK Commission definition of HPW are mining and quarrying, financial services, public administration and education. Public administration, education, and health and social work establishments report the highest use of individual HPW practices.

Establishments in which the largest occupational group comprises professionals, associate professionals, or caring, leisure and other service occupations make the greatest use of the employee involvement practices. Three of the eight employee involvement practices (task discretion, task variety and problem solving teams) are more likely to be adopted by establishments with higher levels of customisation. Establishments adopt a similar percentage of skill acquisition and motivational practices irrespective of their level of customisation. Establishments competing in markets with high or premium quality products or services are more likely to adopt HPW practices than establishments that produce standard or basic quality products or services.

There is variation in the uptake of HPW practices by country. Overall, establishments in Scotland use training-related practices most consistently. Use of motivational HPW practices varies across countries. Uptake rates for task discretion and task variety are quite similar between broad English regions. Higher uptakes are reported for the North of England for six of the eight skills acquisition practices. The use of motivational supports is more diverse across regions.

The relationships amongst HPW practices and between them and other variables in the 2011 Employer Skills Survey

There are significant relationships between the use of most HPW practices but they are relatively weak. The use of factor analysis confirms that a single common factor does not underlie all the practices. The analysis shows that there are three groupings of practices:

- role involvement, including task discretion and variety
- organisational involvement
- skills and knowledge acquisition practices.

Establishments that lead the way in terms of developing new products, services or techniques, are more likely to adopt HPW practices. Establishments stating that they compete in markets with high or premium quality products or services are more likely to adopt all HPW practices than establishments that produce standard or basic quality products or services.

The relationship between HPW and recruitment and retention problems (the number of hard-to-fill vacancies as a percentage of total employment and whether the establishment has difficulty retaining staff) is mixed. The skills acquisition practices are significantly positively related to both variables, perhaps because establishments experiencing recruitment and retention difficulties adopt skills acquisition practices to overcome the difficulties. Motivational practices are not strongly associated with recruitment and retention difficulties, but there is a positive relationship between individual performance-related pay and difficulty retaining staff.

Training is measured by the average of the numbers of days training employees receive at an establishment and the percentage of establishment staff trained. Skill acquisition practices are positively related to both variables.

Skills deficiencies are measured by whether the establishment has skills gaps and skills shortage vacancies. Role involvement practices are positively related to skills gaps, and skill acquisition practices are positively related to both skills gaps and skills shortage vacancies. These findings may reflect the fact that organisations with skill-related challenges have adopted HPW practices, but the direction of causality is unclear.

The best predictors of the likelihood of an establishment being a HPW organisation

There are significant relationships between the use of some of the practices in the UK Commission's time-series definition of HPW organisations. Providing training, having a training plan, a training budget, evaluating training, having a business plan, employee consultation and performing annual reviews are practices that are highly correlated with each other. This suggests that they are usually interconnected and implemented together.

For the UK Commission's time-series definition of being a HPW establishment, predictors include size (with smaller workplaces less likely to be HPW establishments) and being part of a larger organisation (more likely). All else being equal, establishments in the manufacturing and construction groups are significantly less likely to be HPW establishments, and those in the public sector are significantly more likely than those in private services (the latter reflects the pattern of uptake). However, region is not a predictor. Customised production is positively related to the probability of being a HPW establishment when considering the whole economy and the public sector.

The change of uptake of HPW practices from 2007 to 2011

There has been a decline in the use of almost all the practices between 2007 and 2011 in the UK. Work shadowing, annual performance review, evaluation of training and individual performance-related pay experienced the greatest decreases.

The change in use of HPW practices varies by establishment size. In large establishments (250 or more employees), the proportion using project teams, training, annual performance review, employee consultation, flexible benefits, ISO9000 and with a business plan increased. The greatest decline in the proportion of establishments using individual HPW practices was for the smallest establishments.

Analysis was also undertaken on the predictors of being a HPW organisation (having at least nine of the 14 practices) in 2007 and 2011. Predictors in both years included sector and size of establishment, as well as being part of a larger organisation. There are two differences between the two years. Establishments in the primary sector were less likely than those in other sectors to be HPW organisations in 2007, but not in 2011. However, establishments in the construction sector were less likely than those in other sectors to be HPW organisations in 2011, but not in 2007.

Evidence Reports present detailed findings of the research produced by the UK Commission for Employment and Skills. The reports contribute to the accumulation of knowledge and intelligence on skills and employment issues through the review of existing evidence or through primary research.

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This document is available at
www.ukces.org.uk
under "Publications"

ISBN 978-1-908418-50-0
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