

The Changing Effect of Direct Participation on Employee Well-being in the UK 2001–2012

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Introduction

Direct participation—the capacity of employees to personally influence decision-making at work –has been shown to increase individuals' subjective well-being (Gallie, Zhou, Felstead, Green & Henseke 2017; Boxall & Macky, 2014; Böckerman, Bryson, & Ilmakunnas, 2012).

Recent research shows that direct participation moderates the negative impact of job insecurity on employee well-being (Gallie, Felstead, Green, & Inanc, 2017; Parker, Chmiel, & Wall, 1997, Probst, 2005; Stiglbauer, Selenko, Batinic, & Jodlbauer, 2012).

Theoretical Background

Uncertainty management theory (Van den Bos & Lind, 2002) suggests that individuals are more sensitive to fairness when they experience increased uncertainty in their living and working environments.

Direct participation moderates the negative impact of insecurity by instilling a sense of procedural justice and personal control.

Changing Business Environment

The rapid spread of advanced technologies, intensifying global market competition and changes in public policies have led to rising demand for numerical flexibility (Kalleberg, 2009, 2011; Turnbull & Wass, 2000; Cappelli et al., 1997).

Among the wide array of cost saving tactics, organisational downsizing – ‘the planned elimination of positions or jobs’ (De Vries & Balazs, 1997) – has particularly detrimental effects on employees’ mental well-being (Reichert & Tauchmann, 2017; Parker et al., 1997; Turnbull & Wass, 2000).

The impact of downsizing goes beyond those who lose their jobs (De Witte, 1999; Dekker & Schaufeli, 1995).

Rising Prevalence of Organizational Restructuring & Involuntary Job Loss

Research based on the US General Social Survey shows a significant increase from 1972 to 2006 in a composite measure of job insecurity which combines the perceived risk of job loss and one's confidence of securing comparable employment with another employer (Kalleberg, 2011).

Analysis of UK Labour Force Surveys shows not only a significant increase in involuntary job loss during recessions, but also a 'redundancy ratchet' effect (Turnbull and Wass, 2000).

Organisational downsizing is increasingly adopted by financially healthy organisations to boost short-term operating profits (Cappelli, 1999; Heery & Salmon, 2000; Kalleberg & Vallas, 2018; Turnbull & Wass, 2000).

Rising Impact of Job Loss

When layoffs become more prevalent, individuals are more likely to feel threatened by such events (Clark, 2003).

The decline of trade unions has weakened employees' protection from redundancies and dismissals (Ladipo & Wilkinson, 2002).

The reform of public benefit systems has led to more stringent qualifying criteria in terms of access to unemployment benefits and reduced real value of these benefits (Ladipo & Wilkinson, 2002).

The Present Study

We combine uncertainty management theory with a social change perspective to argue that direct participation has become increasingly important for protecting employee well-being over time.

Hypothesis 1 The positive effect of direct participation on employees' subjective well-being has increased over the last decade.

Hypothesis 2 The increase is particularly pronounced among individuals who have experienced organizational downsizing.

Data

- Skills and Employment Surveys (SES) conducted on nationally representative samples of employed British workforce in 2001, 2006 and 2012.
- Sample sizes: 4470 (2001), 7787 (2006) and 3200 (2012)
- Analytical sample: permanent full-time employees aged 20-65
- A major strength of the SES lies in the extent to which it provides consistent measures of key dependent and independent variables over time.

Variables

Dependent variables: Anxiety-Contentment scale & Depression-Enthusiasm scale (Warr, 1990)

'Thinking of the past few weeks, how much of the time has your job made you feel each of the following...?'
'tense', 'calm', 'content', 'relaxed', 'uneasy', 'worried'; 'depressed', 'gloomy', 'miserable', 'cheerful',
'enthusiastic' and 'optimistic'.

Independent variables: Direct participation

'Suppose there was going to be some decision made at your place of work that changed the way you do your job. Do you think that you personally would have any say in the decision about the change or not?' If the answer was affirmative they were then asked: 'How much say or chance to influence the decision do you think that you personally would have?' The answers include: 'just a little', 'quite a lot' and 'a great deal'.

Moderator: Organisational downsizing

Whether there was a reduction in the number of people doing this sort of work in the workplace in the last few years.

Results

Effect of Direct Participation on Employee Well-being 2001, 2006 and 2012

	Anxiety-Contentment Scale			Depression-Enthusiasm Scale		
	2001	2006	2012	2001	2006	2012
Direct Participation	0.09***	0.15***	0.20***	0.19***	0.22***	0.28***
	(0.02)	(0.01)	(0.02)	(0.02)	(0.01)	(0.02)
Constant	4.85***	5.03***	4.01***	4.64***	4.39***	4.29***
	(0.35)	(0.22)	(0.35)	(0.33)	(0.20)	(0.34)
N	2,859	4,802	1,760	2,855	4,802	1,760
R-squared	0.06	0.10	0.10	0.09	0.10	0.13

Control: sex, age, occupational class, weekly work hours, industry, workplace size, ownership sector and union presence. *** p < 0.01, ** p < 0.05, * p < 0.1. Standard errors in brackets.

Changes in the Effect of Direct Participation: 2001-2012

	Anxiety-Contentment Scale		Depression-Enthusiasm Scale	
	Without controls	With controls	Without controls	With controls
Year	-0.09***	-0.09***	-0.03*	-0.05***
	(0.02)	(0.02)	(0.02)	(0.02)
Participation	0.10***	0.15***	0.24***	0.23***
	(0.01)	(0.01)	(0.01)	(0.01)
Year x participation	0.05***	0.05***	0.03***	0.03***
	(0.01)	(0.01)	(0.01)	(0.01)
Constant	3.53***	4.77***	3.99***	4.40***
	(0.01)	(0.16)	(0.01)	(0.15)
N	9,807	9,421	9,803	9,417
R-squared	0.02	0.08	0.09	0.10

Controls: sex, age, occupational class, weekly work hours, industry, workplace size, ownership sector and union presence.

Interaction Effects of Participation, Downsizing and Year on Employee Well-being

	Anxiety-Contentment Scale		Depression-Enthusiasm Scale	
Year	-0.09***	-0.02	-0.05***	0.03
Participation	0.15***	0.11***	0.23***	0.18***
Year x participation	0.05***	0.02	0.03***	-0.00
Downsizing		-0.22***		-0.21***
Participation x downsizing		0.04		0.03
Year x downsizing		-0.10**		-0.12**
Year x participation x downsizing		0.03		0.06*
Constant	5.05***	4.40***	4.39***	4.77***
N	9,421	5,503	9,417	5,500
R-squared	0.08	0.09	0.10	0.10

Controls: sex, age, occupational class, weekly work hours, industry, workplace size, ownership sector and union presence. *** p < 0.01, ** p < 0.05, * p < 0.1.

Changes in the Effect of Direct Participation on Employee Well-being by Experience of Organisational Downsizing

	Anxiety-Contentment Scale		Depression-Enthusiasm Scale	
	No downsizing	Downsizing	No downsizing	Downsizing
Year	-0.02	-0.12***	0.03	-0.08**
	(0.03)	(0.04)	(0.03)	(0.04)
Direct participation	0.11***	0.15***	0.18***	0.22***
	(0.01)	(0.02)	(0.01)	(0.02)
Year x direct participation	0.02	0.05*	-0.00	0.06**
	(0.02)	(0.03)	(0.02)	(0.03)
Constant	4.80***	5.22***	4.32***	4.29***
	(0.27)	(0.40)	(0.25)	(0.38)
N	3,497	2,006	3,494	2,006
R-squared	0.08	0.10	0.09	0.09

Controls: sex, age, occupational class, weekly work hours, industry, workplace size, ownership sector and union presence. *** p<0.01, ** p<0.05, * p<0.1.

Summary

This study has examined the changes in the effect of direct participation on employee well-being over time.

Drawing on uncertainty management theory, we argue that direct participation is particularly important for protecting employee well-being during periods of organizational downsizing by instilling a sense of control and procedural justice. Further, these effects should have become more salient over time due to the growing prevalence of organizational downsizing practices.

This proposition was confirmed by our analysis of three UK Skills and Employment Surveys conducted in 2001, 2006 and 2012.

Practical Implications

During periods of raised environmental turbulence, managers may consider increasing the use of employee participatory practices such as town hall meetings, briefing groups and joint consultative committees to ensure that employees' needs are taken into account.

When employers make an effort to accommodate employees' interests, organizational restructuring will take a lesser toll on individuals' well-being.

Discussion

The fast penetration of artificial intelligence technologies and the rise of 'gig economy' have been widely seen to herald a continuous decline of traditional long-term employment relationships.

Under the changing social context, the importance of direct participation for cushioning individuals from the negative impact of organisational downsizing cannot be overstated.

Removing unnecessary constraints on employee involvement in workplace decision-making is likely to become an increasingly important tool for building a happier and healthier workforce.