

Mind the gap: Italy: Employer perspective

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Chestnut Hill, Mass.: Sloan Center on Aging & Work at Boston College, 2009

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Isabella Blengini

INTRODUCTION

In this paper, we present information about the availability of human resource policies and resources that characterize quality employment and compare the availability of selected workplace-based resources in Italy with four other countries: US, France, Germany, and Spain. The information presented has been selected from the Cranet Survey.

Organizations that want to remain employers-of-choice must periodically assess how shifts in the business environment might affect the effectiveness of their talent management strategies, policies, and programs. Globalization and changes in the age composition of the workforce—two important 21st-century trends that affect today's businesses—make it important for managers to consider:

- How does age affect employees' preferences for an idealized job and their assessments of their employment experiences?
- Do employees' perceptions of their employment experiences vary from country to country?

What does "mind the gap" mean?

Train stations across England play recorded messages to remind passengers that they should "mind the gap." These words of caution urge train travelers to pay attention to the space between the door of the train car and the platform in the station for safe commutes and travels.

For this series of our research publications, we have adopted the phrase "mind the gap." The Mind the Gap series aims to remind employers to pay attention to any gaps that might exist between employees' priorities and needs and employers' allocation of workplace-based resources. Our Mind the Gap papers also aim to help readers bridge such gaps in quality of employment in other country contexts.

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The Sloan Center on Aging & Work in Boston, in collaboration with the Middlesex University Business School in London, created the Mind the Gap series to provide employers with basic employment-related information country-by-country. There are two types of papers in the Mind the Gap series.

Employee Series: This series examines the perspectives that adults of different ages have about employment and the assessments that they make about their employment experiences. These papers focus on one central question: *Does age affect employees' preferences for an idealized job and their assessments of their employment experiences?*

Employer Series: This series examines the prevalence of human resource policies and programs at workplaces in a selected country. Because most talent-management strategies and programs are age-neutral, we compare the availability of selected human resource policies in practices in the targeted country with the availability of similar policies and practices in a small number of countries with approximate economic circumstances. These papers focus on one core question: *How does the availability of human resource policies and programs in the targeted country compare with other countries?*

Although papers in both series focus on a single country, when the information contained in two or more papers are considered in tandem, it is possible to consider whether employees' perceptions of their employment experiences vary from country to country.



Quality of Employment: Dimensions of a “Good Job” and a “Good Place to Work”

Most people would agree that good jobs are a good thing. High-quality jobs offer benefits to employees and to the organizations where they work.

- **Benefits for Employees:** The quality of employment affects the health and wellbeing of employees. Research confirms that poor-quality jobs (such as jobs requiring extreme work hours or jobs that are very demanding—particularly those where employees do not have access to the resources they need to meet those demands) are associated with negative outcomes, including high stress levels and physiological reactions such as cardio-vascular problems.¹
- **Benefits for Employers:** Employers often connect the quality of employment they offer to employees to their employer-of-choice strategies. There is some evidence that the adoption of policies and practices that promote the quality of employment available to employees is related to positive outcomes for organizations, such as customer satisfaction and organizational performance.² Employer-of-choice strategies can result in enhanced employee engagement which, in turn, can be linked to organizational outcomes, including financial measures. For example, higher employee engagement can reduce costs such as those associated with unwanted turnover. One study found that 59% of highly engaged employees report that they intend to stay with their employers in comparison to the 24% of disengaged employees who “intend to stay.”³ A number of studies have linked employee job satisfaction with positive performance indicators. *Fortune* reports positive relationships between being recognized as a “great place to work” and stock indices.^{4,5}

In this paper, we focus on eight important dimensions of the quality of employment:

- Fair, Attractive, and Competitive Compensation & Benefits
- Opportunities for Development, Learning & Advancement
- Wellness, Health & Safety Protections
- Opportunities for Meaningful Work
- Provisions for Employment Security & Predictabilities
- Workplace Flexibility
- Culture of Respect, Inclusion & Equity
- Promotion of Constructive Relationships at the Workplace

Two dimensions are not discussed due to lack of data availability—Wellness, Health & Safety Protections and Promotion of Constructive Relationships at the Workplace. The following sections of this paper use the quality of employment framework as a structure to discuss the perspectives of employees about their employment situations.

QUALITY EMPLOYMENT IN ITALY:

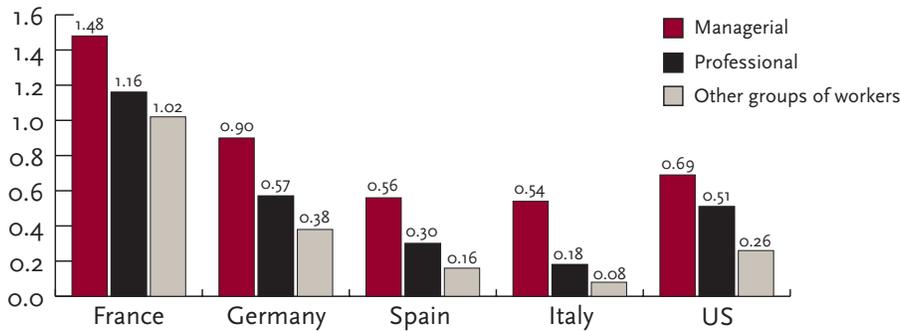
I. Indicators of Fair, Attractive, and Competitive Compensation & Benefits

- ▶ Compensation and benefits are distributed in a fair and equitable manner, meeting most of employees' basic economic needs.

- Workplaces in Italy have a very small number of pay options (employee share schemes, profit sharing, stock options) compared to France, Germany, Spain and the U.S. France is the nation that offers by far the largest number of pay options in all the groups of workers considered (Managerial, Professional, and Other groups of workers).



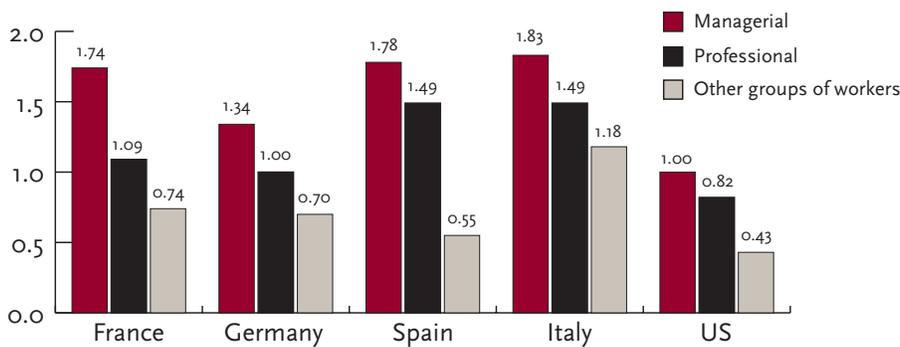
Figure 1: Average Number of Types of Pay by Country (employee share schemes, profit sharing, and stock options)



Source: 2005 Cranet Survey

A scale was constructed measuring the variety of special pay options (aside from wage and salaries) available to different groups of workers. Three types of special pay options were considered—employee share schemes, profit sharing, and stock options. For each option 0=no availability and 1=availability, leading to a total scale of 0-3. As indicated in Figure 1, pay options are relatively low for all types of Italian workers.

Figure 2: Average Number of Types of Pay by Country (employee share schemes, profit sharing, and stock options)



Source: 2005 Cranet Survey

A scale was constructed measuring average number of pay variations available to workers of different levels. Three types of levels were considered—individual, team, and organization-wide availability. For each option 0=no availability and 1=availability, leading to a total scale of 0-3. As indicated in Figure 2, employers report that in Italy the average of managers, professionals, and other groups of workers that has pay variation availability is 1.8, 1.5, and 1.2, respectively.

- We also compared the availability of pay variations by organizational “level” at workplaces (pay based on individual performance, team/department performance, or organization-wide performance) in Italy with those in the other countries. The data seem to suggest that Italy offers on average the highest availability of pay variations by organizational level.



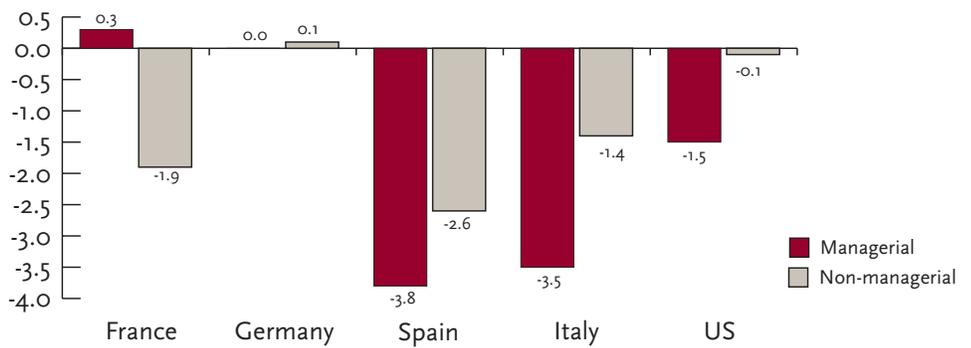
As suggested by the findings presented in Figure 3, the average number of opportunities for learning and development relative to the average developed country in the Cranet Survey is -3.5 and -1.4, for managers and non-managers in Italy.

II. Indicators of Opportunities for Development, Learning & Advancement

- ▶ *Opportunities for the development of expanded skills and responsibilities are available.*

- When compared with France, Spain, Germany, or the U.S., Italy has fewer than the average number of opportunities for learning and development, both for managers and non-managers. France offers more opportunities for learning and development to managers, while Germany offers more than average opportunities of learning and development to non-managers.

Figure 3: Availability of Learning and Development Opportunities by Country (Standardized Scores)



Source: 2005 Cranet Survey

III. Indicators of Wellness, Health & Safety Protections

- ▶ *Well-being is promoted through workplace policies, and social protections are offered in case of illness.*

The Cranet survey does not include items related to this dimension of the Quality of Employment framework, so we cannot compare employer-sponsored policies and programs related to health, wellness and safety protections in Italy with other countries.



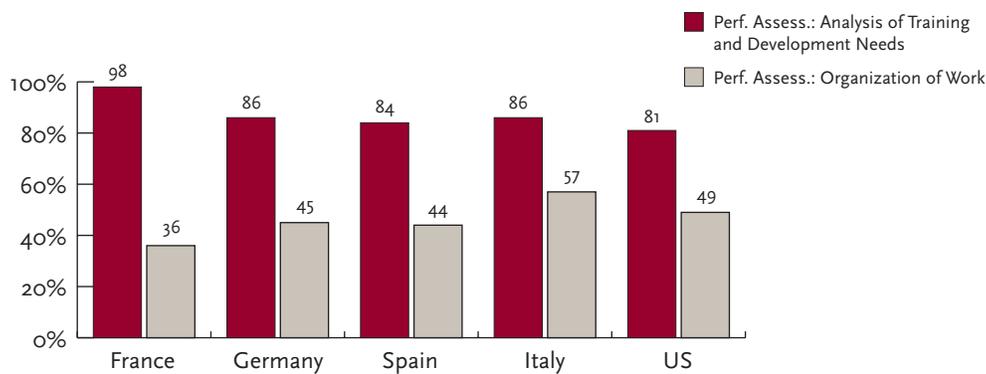
IV. Indicators of Opportunities for Meaningful Work

► *Opportunities for meaningful and fulfilling work are available.*

- When compared with France, Spain, Germany, or the U.S., employers in Italy are highly likely to report the use of employees' performance assessments as a way to assess training, development needs, and organization of work.
- France seems to be the country that makes the largest use of employees' performance assessments as a way to assess training and development needs.



Figure 4: Use of Information from Performance Assessments for Analysis of Training & Development Needs and the Organization of Work



Source: 2005 Cranet Survey

As suggested by the findings presented in Figure 4, 86% of the employers in Italy report that they use employees' performance assessments as a way to assess training and development needs. In addition, 57% of employers in Italy report that they use employees' performance assessments as organization of work.



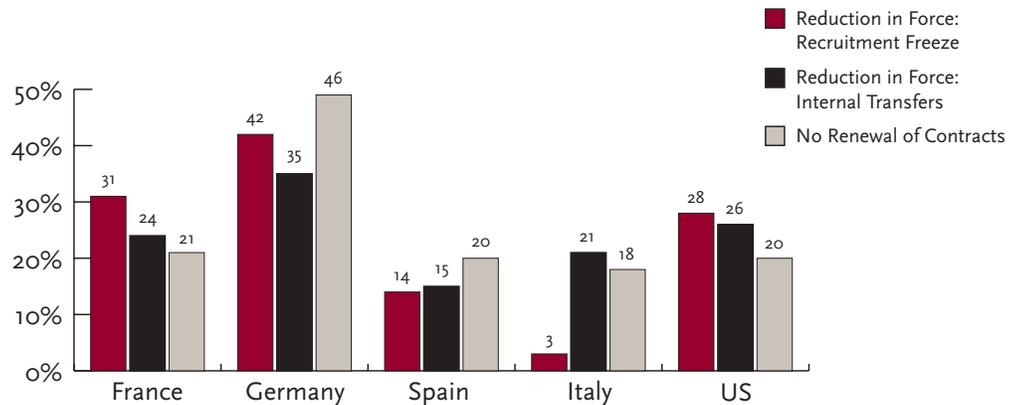
V. Indicators of Provisions for Employment Security & Predictabilities

- *Terms of employment are communicated clearly, with an emphasis on smooth transitions through jobs and careers.*

- When compared to France Germany, Spain, and the U.S, a small percentage of employers in Italy report the use of recruitment freezes or internal transfers during periods of reduction in force.
- In Germany, employers are most likely to report the use of recruitment freezes or internal transfers during periods of reduction in force.

As suggested by the findings presented in Figure 5, in Italy, a small percentage of employers (3%, 21% and 18%) report the use of recruitment freezes, internal transfers or absence of contract renewal during periods of reduction in force.

Figure 5: Indicators of Employment Predictability by Country (recruitment freezes, internal transfers and absence of contract renewal)



Source: 2005 Cranet Survey

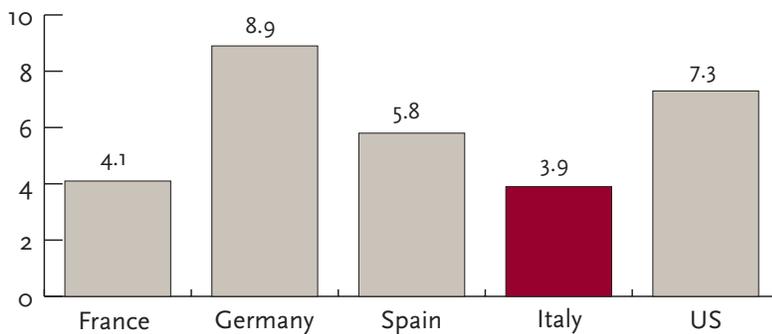
VI. Indicators of Workplace Flexibility

- ▶ *Options, choice, and control over work conditions and hours are available.*

- Workplaces in Italy appear to have a very low proportion of their workforce using flexible work options. In Germany and in the U.S., employers are likely to report the use of flexible work options.



Figure 6: Index of Estimated Use of Flexible Work Options at the Workplace by Countries (job sharing, teleworking, flexi time, and compressed work week)



Source: 2005 Cranet Survey

A scale was constructed measuring the use of flexible work options at the workplace. Four types of options were considered—job sharing, teleworking, flex time, and a compressed work week. For each option 1=not used, and 6=used by over 50% of the workforce, leading to a total scale of 1-24 for the four options mentioned, with 24 indicating widespread availability of all options and 0 indicating no availability. As indicated in Figure 6, workplaces in Italy appear to make the lowest use of flexible work options in comparison to France, Germany, Spain, and the U.S.



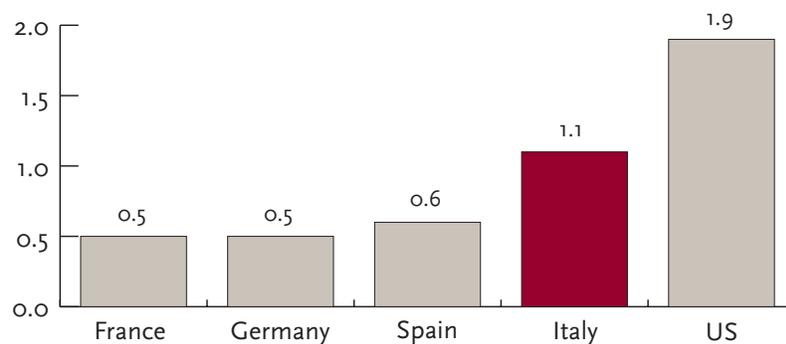
A scale was constructed measuring the availability of program types for particular employee population groups. Four types of populations were considered—minority ethnic groups, older workers, individuals with disabilities, and women. For each option 0=no (i.e. no programs), and 1=yes (i.e. a program exists), leading to a total scale of 0-4 with 0 indicating nothing available to any group and 4 indicating programs available to all groups. As indicated in Figure 7, the availability of the four types of programs in Italy is relatively high among countries of comparable GDP.

VII. Indicators of Culture of Respect, Inclusion & Equity

► *Diversity, inclusion, and employee personal growth are valued.*

- We compared the availability of four types of programs (for minority ethnic groups, older workers, people with disabilities, and women) in Italy with the availability of such programs in France, Germany, Spain, and the U.S. On average, workplaces in Italy appear to have a relatively high number of such programs as compared with the other countries.

Figure 7: Programs for Targeted Employee Population Groups by Country (programs for minority ethnic groups, older workers, people with disabilities and women)



Source: 2005 Cranet Survey

VIII. Indicators of Promotion of Constructive Relationships at the Workplace

- ▶ *Interactions with supervisors and coworkers are professional and respectful.*

The Cranet survey does not include items related to this dimension of the Quality of Employment framework, so we cannot compare employer-sponsored policies and programs related to the promotion of constructive relationships at work in Italy with other countries.



SUMMARY AND CONCLUSION:

MINDING THE GAP

How do employers in Italy compare other European countries with regard to the policies and practices related to the quality of employment that they offer to their employees?

Workplaces in Italy are more likely to report the availability of programs for minority ethnic groups, older workers, people with disabilities, and women than those in the other European countries considered. Among the countries considered, only the U.S. has a larger availability of these programs than Italy. Also, Italy seems to make a relatively large use of employees' performance assessment as a way to understand training, development, and organizational needs. On the other hand, workplaces in Italy are less likely to report the availability of opportunities for learning and development for their employees. From the comparison with Germany, France, Spain, and the U.S., it emerges that Italy distinguishes itself for the low proportion of workforce using flexible work options.

ABOUT THE INSTITUTE

Established in 2007 by the Sloan Center on Aging & Work, the Global Perspectives Institute is an international collaboration of scholars and employers committed to the expansion of the quality of employment available to the 21st-century multi-generational workforce in countries around the world.

The Global Perspectives Institute focuses on innovative and promising practices that might be adopted by employers and policy-makers.

The Institute's research, publications, and international forums contribute to:

- ▶ a deeper understanding of the employment experiences and career aspirations of employees of different ages who work in countries around the world;
- ▶ informed decision making by employers who want to be employers of choice in different countries; and
- ▶ innovative thinking about private-public partnerships that promote sustainable, high quality employment.

In addition to the Mind the Gap series, the Global Perspectives Institute publishes a Statistical Profile Series that highlights workforce demographic trends in different countries and a Global Policy Series that focuses on selected workforce policy in certain country contexts.

For more information on SCAW publications, please visit us online at:
www.bc.edu/agingandwork

The Sloan Center on Aging & Work at Boston College promotes quality of employment as an imperative for the 21st-century multi-generational workforce. We integrate evidence from research with insights from workplace experiences to inform innovative organizational decision making. Collaborating with business leaders and scholars in a multi-disciplinary dialogue, the Center develops the next generation of knowledge and talent management.

The Sloan Center on Aging & Work is grateful for the continued support of the Alfred P. Sloan Foundation.

Isabella Blengini is a doctoral student in the Economics Department of Boston College. Her research focus is on international economics. She has been studying issues related to human capital endowment and quality of production, capital flow dynamics and financial crises.

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1 For example, see:

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Butler, A. B., Grzywacz, J. G., Bass, B. L., & Linney, K. D. (2005). Extending the demands-control model: A daily diary study of job characteristics, work-family conflict and work-family facilitation. *Journal of Occupational and Organizational Psychology*, 78(2), 155-169.

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Wilson, M. G., Dejoy, D. M., Vandenberg, R. J., Richardson, H. A., & McGrath, A. L. (2004). Work characteristics and employee health and well-being: Test of a model of healthy work organization. *Journal of Occupational and Organizational Psychology*, 77(4), 565-588.

2 For example, see:

Allen, T. D., Eby, L. T., Poteet, M. L., Lentz, E., & Lima, L. (2004). Career benefits associated with mentoring for protégés: A meta-analysis. *Journal of Applied Psychology*, 89(1), 127-136.

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3 Towers Perrin. (2005). *Winning strategies for a global workforce: Attracting, retaining and engaging employees for competitive advantage*. Stamford, CT: Towers Perrin. Retrieved from <http://www.towersperrin.com/tp/getwebcachedoc?webc=HRS/USA/2006/2006o2/GWS.pdf>

4 Great Places to Work Institute. *What makes a great place to work: Financial results*. Retrieved from <http://www.greatplacetowork.com/great/graphs.php>

5 Unfortunately, most of the research linking employer-of-choice strategies with business outcomes tends to focus on correlational relationships. Such studies do not definitively establish that being a “best place to work” causes positive organizational performance; indeed, it also might be true that high profits and strong financial growth cause higher employee engagement and foster perceptions that a particular workplace is an employer of choice.

Note on the data:

Blengini, 2009 from the 2005 Cranet Survey. This survey was conducted by the Cranfield Network on Comparative Human Resource Management (Cranet). 2005 Cranet survey covered HRM policies and practices across 32 countries worldwide.

For more information, see: <http://www.cranet.org/data/data.htm>

Mind the Gap Series:

- MTGO1: United States, Employee
- MTGO1: United States, Employer
- MTGO2: Japan, Employee
- MTGO2: Japan, Employer
- MTGO3: South Korea, Employee
- MTGO3: South Korea, Employer
- MTGO4: United Kingdom, Employer
- MTGO5: China, Employee
- MTGO6: Singapore, Employer
- MTGO7: Australia, Employer
- MTGO8: Denmark, Employee

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