



University of Berne

European Association of Personnel Management



Sustainability in Human Resource Management

Evaluation Report

Survey in European Companies and Institutions

Carried out by the Institute for Organisation and Human Resource Management of the University of Berne, on behalf of the Swiss Federal Office of Personnel (EPA) and the European Association of Personnel Management (EAPM)

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Berne, June 2001

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Preface of the Sponsor

In human resource management today, sustainable, effective approaches are neither adequately known nor do they enjoy sufficiently broad application. As a major public sector player in the labour market, we find such approaches particularly important as we are always striving to keep track of the overall interests of society.

In sponsoring the study on "Sustainability in Human Resource Management", the Swiss Federal Office of Personnel sought to contribute to closing this gap. The study brought a wealth of research material to light which allows European trends, methods and instruments of sustainable human resource management to be assessed and compared.

With the new Swiss Law on Federal Personnel, the efficiency of public service provision and particularly the flexibility of employment conditions will be enhanced. In this context, the findings of the study also include the opportunity for benchmarking. This provides us with important pointers as to how we can give greater consideration to the sustainability of our personnel policies in the implementation of the Law on Federal Personnel.

With this study, a first step has been taken to identify and more closely examine innovative concepts and instruments for sustainable human resource management. We hope that further steps will follow in order to firmly anchor the concept of sustainability in human resource management.

Dr. Peter Hablützel
Director
Swiss Federal Office of Personnel

Preface of the Project Manager

The long term socially and economically efficient recruitment, development, retainment and disemployment of employees will be the foremost challenge of future human resource management in a dynamic environment. Companies respectively public institutions are challenged to provide adequate frameworks enabling the use of instruments in the context of sustainable human resource management. The present paper is a first explorative empirical step for a wide inventory record of different human resource oriented companies in Europe. The presented report describes primary statistically defined trends of the survey. Additional analysis, especially case-studies in active pioneer companies, will follow in later publications.

In this context I would like to thank on behalf of all the authors the Swiss Federal Office of Personnel for the informative and valuable contributions as well as for the generous financial support, which allowed a survey of this international scope. The European Association of Personnel Management (EAPM) assisted in obtaining address data for this survey and enabled us to put the findings at the disposal of a large public in the business community and the world of science. I am also grateful to all the involved persons for their valuable support.

Prof. Dr. Norbert Thom

Director

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1. Introduction

The present report describes the main results of a research project,^{*} which was carried out by the Institute for Organisation and Human Resource Management of the University of Berne (IOP), initiated by the European Association of Personnel Management (EAPM) and financed by the Swiss Federal Office of Personnel (EPA). This brief report will be followed by a detailed research paper containing the results of the quantitative survey in European companies/institutions and several qualitative case studies of European best practice companies. The quantitative survey has examined fundamentals, instruments and processes of sustainable human resource management in eight European countries.

There seems to be a general consent that human resources are gaining importance in a knowledge-oriented economy. In this context human resource management is bound to become more and more important since this function aims at creating, developing and maintaining future-oriented human resource potentials. The increasing task-enlargement and the ongoing intensifying of staff-work ask for an analysis of how and by whom these tasks, which are crucial for the success of companies/institutions, are taken care of. Therefore, two questions are prominent: 1) How must companies handle their human resource management in order to secure their supply of qualified and motivated staff on a long-term basis? 2) Who is in charge of fulfilling the corresponding human resource management tasks? It is therefore a question of perception of human resource management as well as its institutional, staffing and instrumental orientation.

This paper is based on the assumption that sustainable human resource management can only be implemented if it is based on individual responsibility of employees and is future-oriented. It is defined by methodological and instrumental approaches whose objectives are long-term-oriented, socially responsible and economically efficient recruiting, training, retaining and disemployment of employees. Increasing employability, guaranteeing a harmonious work-life-balance and enhancing individual responsibility take on an important role in the concept of sustainable human resource management. In this context the objectives of the employees as well as those of the company/institution are to be considered. The principle of participative management systems, can for example only be implemented if a company is prepared to allow the employees a respective room for manoeuvre. This paper focuses on the one hand on companies recognising their employees as individually responsible actors (subjects) of human resource management. This organisations also control the context of enhancing individual responsibility. On the

* The authors specially thank Mrs Jana Petrovcic for her collaboration in this project and the valuable data provided from her diploma paper. Furthermore the authors are very thankful to Peter Boppart who has translated the original German text.

other hand employees are concerned who actively assume their responsibility for individual development and motivation.

The empirical surveys (quantitative and case studies) supplement the conceptual model of sustainable human resource management with quantitative and qualitative data. In a first step members of national institutions for human resource management were interviewed in the context of a quantitative study (written, mail survey) about fundamentals of human resource management as well as about the use of instruments for sustainable human resource management in various European countries. In a second step the authors have chosen companies/institutions with attractive human resource management approaches (so called case studies) and have interviewed their human resource managers. During this stage detailed data of these institutions could be gathered and analysed. These studies do not claim to be representative. The identification of qualitative trends is the foremost objective of these studies as well as their definition in the framework of an explorative research strategy.

2. Model of a sustainable human resource management

The present research project is based on a conceptual model of sustainable human resource management whose underlying objectives are the following: 1) increasing the employees' employability, 2) using participatory management models to enhance individual responsibility and 3) ensuring a harmonious work-life-balance.

The achievement of these objectives is possible if the individual as well as the company are considered as equal partners. Measures for sustainable human resource management concern the individual and the company. On the one hand, satisfaction of individual needs is promoted and on the other hand maintaining the competitiveness of a company is supported by sustainable human resource management.

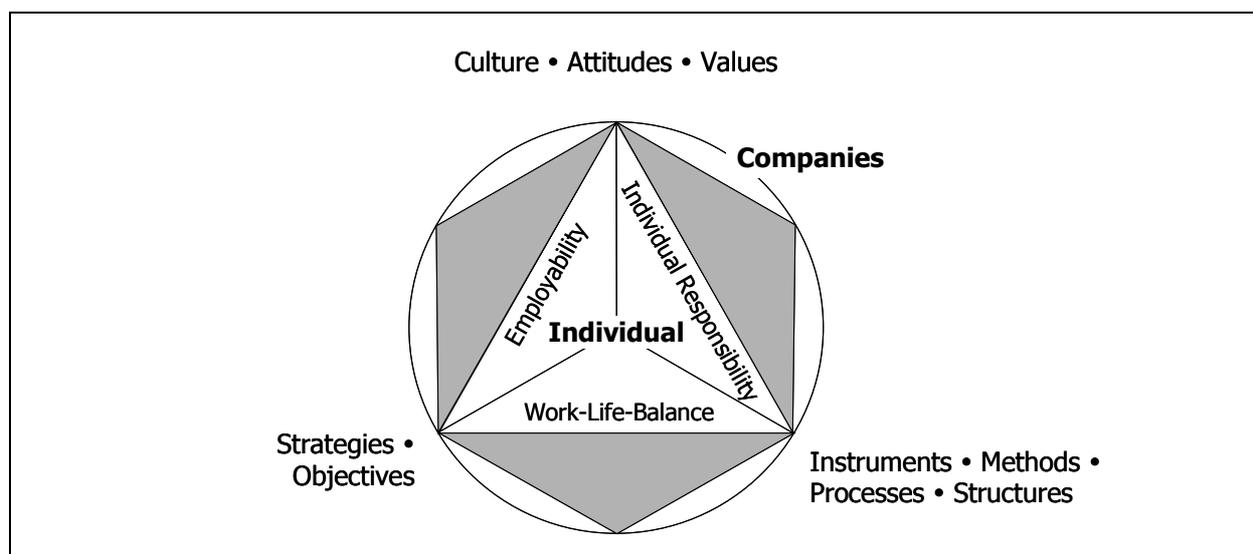


Chart 1: Model of a sustainable human resource management

Why are the listed objectives the foundations of a sustainable human resource management? The starting point are social needs and values: the needs of the employees are gradually changing. A lot of individuals are searching for opportunities for individual development not only in their professional activities but also in other areas of life (objective: work-life-balance). Although work is still considered of prime importance in the lives of most employees, family life respectively private life is seen as equally valuable. Whereas future male managers wish to pay more attention to their children, women more and more build their identity on a professional career and are no longer prepared to forego this for family life. This change of values is not necessarily related to a decrease in professional motivation. In reality this is a shifting of value-specific rating and an increase in variety: intrinsically motivated goals such as searching for individual development, scope for decision-making,

challenges through project oriented activities gain in significance. The common basis of these goals is the eagerness for individual responsibility and self-determination. (objective: individual responsibility). Due to the changed needs of employees the individual professional careers entail more and more breaks, changes, detours and "time-outs". Professional as well as private biographies are very often composed of a chain of single projects (patchwork-biographies) which attach a uniquely individual pattern to each biography. Traditional life profiles, based on models and reliable recipes might rarely be found in the future. From an individual point of view it seems useful not to focus on a specific activity or a specific profession only but to aspire to gain a basically high "market-value" in the labour market and to engage in continuous development (objective: employability). Such individuals are characterised by a large potential for various fields of activity and the motivation to engage in familiarising with new fields of knowledge.

Companies can profit from these developments and create advantages on the market: the search for individual responsibility is for example supported by the growing requirement of companies to delegate tasks, competence and responsibility. The reasons for this are amongst others to be found in the increasing market dynamism which asks for a shortening of decision-making and communication lines. The resulting flattening of the hierarchical structure usually demands a higher level of competence in leadership (e.g. greater span of leadership respectively a greater number of subordinates) and the ensuing need for delegation.

Autonomously acting employees who want to contribute to the shaping of the company, who meet the requirements of the labour market and who have found a reasonable balance between work and private life are the success potentials of the future. The efficient use of these individuals is a new challenge for human resource management: The framework required for enhancing individual responsibility such as scope of decision-making, opportunities for participation etc. has to be created, the employability for instance is promoted by comprehensive, long-term oriented human resource development measures and the balance between work and private life is facilitated by instruments of human resource deployment such as up-to-date working time models.

The authors will discuss these developments more profoundly in the following sections. They will analyse by means of an empirical study to what extent the present human resource management takes into account such developments by using specific instruments.

3. Empirical analysis

3.1 Methodical procedure

The quantitative top-level survey is aligned to the following objectives:

- Analysis of fundamentals, instruments and processes of sustainable human resource management in European companies and institutions.
- Assessment of qualitative trends regarding the use of instruments in sustainable human resource management.
- Carrying out of a country specific comparison.
- Identification of show-case companies which can be analysed more profoundly in the context of qualitative case-studies.

The population for this study was defined by a selection of national institutions for human resource management.* Assuming that primarily highly engaged human resource management experts are involved in a professional association, a higher participation rate and a qualitatively higher standard of answers are to be expected. A further assumption is, that the represented companies are further advanced in human resource management than those not pertaining to a professional association. For this reason we talk about a survey in companies/institutions that are particularly interested in human resource topics.

Country	Switzerl.		Germany		Italy		France		Spain		Netherl.		Austria		England	
	Abs.	%	Abs.	%	Abs.	%	Abs.	%	Abs.	%	Abs.	%	Abs.	%	Abs.	%
Questionnaire																
Mailed Questionnaires	3020	47	500	7.8	500	7.8	500	7.8	500	7.8	500	7.8	400	6.2	500	7.8
Returned Questionnaires	749	73.7	45	4.4	81	8	42	4.1	37	3.6	37	3.6	12	1.2	13	1.3
Return rate	24.8%		9%		16.2 %		8.4 %		7.2 %		6.8 %		3 %		2.6 %	
Total of mailed questionnaires	6420															
Total of returned questionnaires	1016															
Total return rate	15.83%															

Chart 2: Return rates

* Switzerland: Schweizerische Gesellschaft für Personal-Management (SGP); Italy: Associazione Italiana Per La Direzione Del Personale (AIDP), Germany: Deutsche Gesellschaft für Personalführung e.V. (DGFP e.V.); France: Association Nationale des Directeurs et Cadres de la Fonction Personnel (ANDCP); Spain: Asociación Española De Dirección de Personal (AEDIPE); Netherlands: Nederlandse Vereniging voor Personeelbeleid (NVP); Austria: Österreichisches Produktivitäts- und Wirtschaftlichkeitszentrum (ÖPWZ); England: Chartered Institute of Personnel and Development (CIPD)

While the return rate of 24.8 percent for Switzerland can be considered as surprisingly high, the return rates achieved in the other countries are relatively low. The following reasons can be stated as an explanation: 1) The members of institutions for human resource management are very often addressed in the context of survey projects. Saturation trends are obvious. 2) The address data provided by the national institutions was partly faulty. 3) The Institute for Organisation and Human Resource Management of the University of Berne is lacking broad international recognition.

The great number of companies to be interviewed and the diverse nationalities led to the decision to carry out this survey in written form (questionnaire). For this purpose a standardised written questionnaire was created in the following languages: German, French, Italian, Spanish and English. The mailing of the questionnaires was done between 15th January and 21st February 2001. The evaluation of the data is usually started with univariate statistical analysis. They refer to the definition of research units with a view to single variables. Frequencies as well as mean and standard deviation were calculated. Correlation between two variables (correlations: Kendalls Tau b, Lambda; significancy-tests: Kruskal-Wallis-H-Test, Mann-Whitney-U-Test) is done with bivariate analysis.

3.2 Structural composition of the data base

1'016 companies/institutions have returned their questionnaires. Thereof 73.7 percent (749) are Swiss, 8 percent (81) are Italian, 4.4 percent (45) are German, 4.1 percent (42) are French, 3.6 percent (37) are Spanish, 3.6 percent (37) are Dutch, 1.3 percent (13) are British and 1.2 percent (12) are Austrian.

Out of the total number of companies which supplied information about their number of employees 12.8 percent belong to the group of smaller companies (up to 50 employees), 47.5 percent have between 41 and 500 employees and 39.8 percent belong to the group of large companies with more than 500 employees.

The most prominent sectors are industry (316 companies), various services (148), commerce and transport (127), public sector (118), the sector group computing/information/communications (103), healthcare (82), banking (74), construction (48) and insurance (45).

68 percent of the companies participating in this survey offer up to one fifth part time jobs. 18 percent employ between 21 percent and 40 percent part time employees and 14 percent even more. The average number of employees with a higher education is 27 percent. The paper supports the thesis that the percentage of women in managerial positions is decreasing the higher the hierarchical level. Taking into account the whole population the average percentage of women in upper management is 8.17 percent, on middle management 14.35 percent and lower management 19.24 percent.

Competition on the relevant labour markets to recruit qualified employees is considered to be hard by 90 percent of the interviewed. The struggle for qualified employees in Italy, Spain and France is less severe than in other countries.

3.3 The significance of human resource management in the entrepreneurial context

The extent of sustainability in human resource management depends largely on the status attributed to this function in a company. For this reason the authors asked several questions about the significance of human resource management. Human resource strategy has according to the statements of the interviewed, a rather important to very important influence on corporate strategy in most (68 percent) companies. This underlines the significance of human resource management. This function has a greater influence on the strategy in smaller companies than in big ones. More than three quarters of the companies have recorded the central points of their human resource policy in a vision statement. This occurs with an above average frequency in larger companies and in banking.

The statement that the company is characterised by a short line of command can be supported completely or at least partially by 73 percent of the interviewed. While lines of command are rather short in England they are above average in Germany. This is also clearly evident in larger companies and in the public sector. In most companies employees have the possibility to take part in projects. This is often the case in smaller companies and in companies in the sector computing/information/communications. About 70 percent of the interviewed profit from the know-how of older employees and resort to the labour market potential of women. The know-how of older employees is used above average in Austria and in small companies. This is more rarely found in the sector computing/information/communications. This could be attributed to the fact that this sector is characterised by a relatively strong dynamism. The labour market potential of women has the highest status in healthcare.

About one third recognise a potential for improvement concerning communication and information. Merely 3.5 percent of the interviewed European companies are of the opinion that communication and information are dealt with in a perfectly exemplary fashion.

Except the use of the labour market potential of women the companies, who characterise their human resource management as sustainable (question 22), judge all the listed statements significantly more positive than those who do not have a very high rating of sustainability of their human resource management. This correlation is extremely prominent in strategy orientation, communication and in the integration of human resource policy aims in the vision statement.

3.4 Objectives of human resource management

The second block of questions raises the issue of objectives for human resource management. The evaluation shows clearly that human resource management in European companies is strongly aligned to economic objectives. Human resource management measures very often serve the purpose to support the economic company objectives. The promotion of individual responsibility of employees already appears in the second position according to the statements of the interviewed. About 90 percent of the companies align their human resource management to enhance individual responsibility of employees. This is of crucial importance for a sustainable human resource management. Guaranteeing a performance-adequate-pay and promoting health are also quite often mentioned as objectives for human resource management. A comparatively low significance is attributed to the objectives "endeavour to give employees a high quality of life" as well as "arrange social contacts for employees within the company".

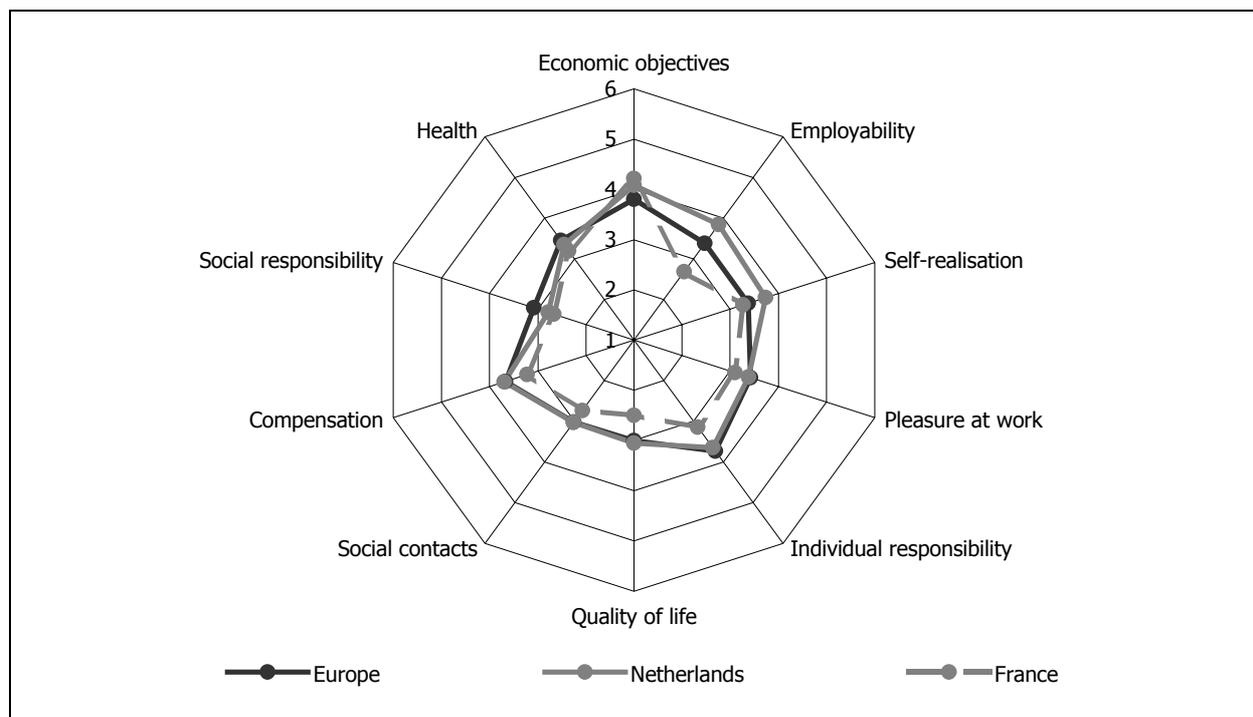


Chart 3: Objectives of human resource management

The comparison between countries shows that the economic alignment of human resource management ranks first in all of the surveyed countries except Switzerland. The economic alignment is most prominent in Spain. The enhancement of individual responsibility has a high significance especially in Austrian companies. In comparison to other countries French companies consider this aspect as the least important. These differences become especially clear when comparing the Netherlands with France. With regard to the promotion of employability 68 percent of Dutch companies attach a rather high to a very high importance to this objective. The

corresponding share is at 22 percent in France. Small companies attach a significantly higher importance to employee-oriented goals (e.g. self realisation, pleasure at work, individual responsibility, quality of life and social contacts) than larger companies.

The listed empirical results lead to the conclusion that an increasing strategic importance is placed on human resource management. But it is mostly aligned to economic objectives and aims at increasing individual responsibility of employees. These results support the initial definition of a sustainable human resource management.

4. Fundamental conception of sustainable human resource management

The survey asked (with the technique of open questions) the company representatives for terms (key words) and instruments they considered as important in the context of "sustainability in human resource management". The evaluation of this shows more than 300 different key words which were grouped into 20 categories.

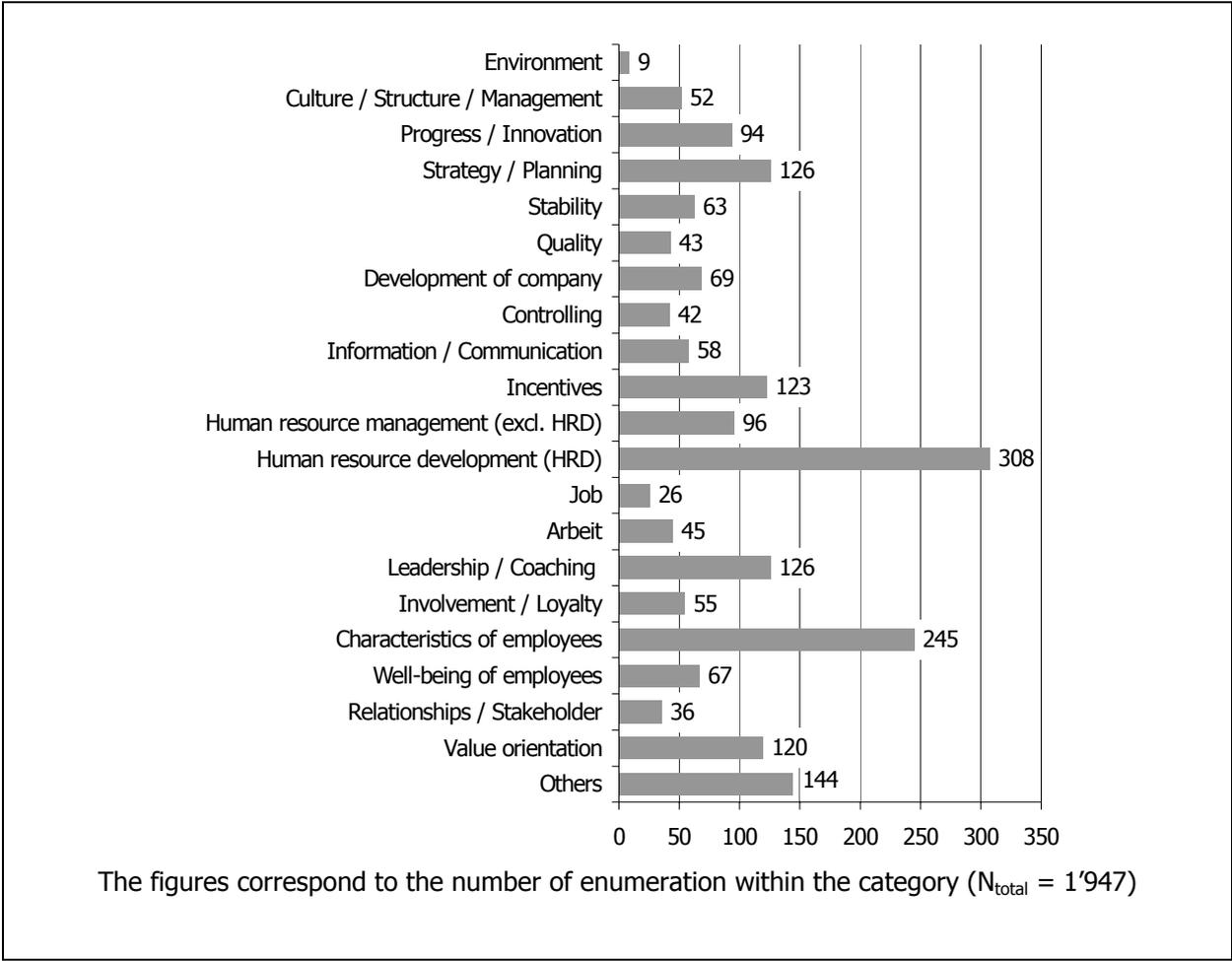


Chart 4: Practical application of terms

As shown in chart 4 sustainability in human resource management is most frequently associated with the terms "human resource development" (308), "characteristics of employees" (245), "leadership and coaching" (126), "strategy/planning" (126), "incentives" (123), as well as "value orientation" (120). The term "human resource development" contains especially key words like "training", "continuous education", "support", "qualification", "know-how" and "career planning". In the context of employees-qualities terms like "motivation", "flexibility", "responsibility" and "willingness to perform" are mostly mentioned. Another issue of importance for the

companies in the context of sustainability are aspects of leadership and strategy. Management and leadership principles, attention paid to the employees as well as the concept of Management by Objectives are also of prime importance. In the context of strategy the long-term orientation of human resource management is especially underlined. A high status is also attributed to retaining staff. Other often mentioned key words are, "communication", "trust", "respect", "well-being of employees", "information", "loyalty", "participation", "competence", "quality" and "continuity".

The analysis of the questionnaires shows that the interviewed staff experts did not accurately differentiate between the explanation of the terms "sustainability in human resource management" and "allocation of corresponding instruments". These are therefore similar terms, which occur frequently in the context of an instrumental perspective. The interviewed named the instruments of human resource development most frequently. Instruments of leadership are also considered as important. Additionally they mention above average frequently "retaining of staff" and "personnel deployment". In the context of the functional area, personnel deployment measures for flexible working time are also mentioned. The aspect of work-life-balance mentioned in the conceptual model also receives attention on the instrumental level by the personnel specialists.

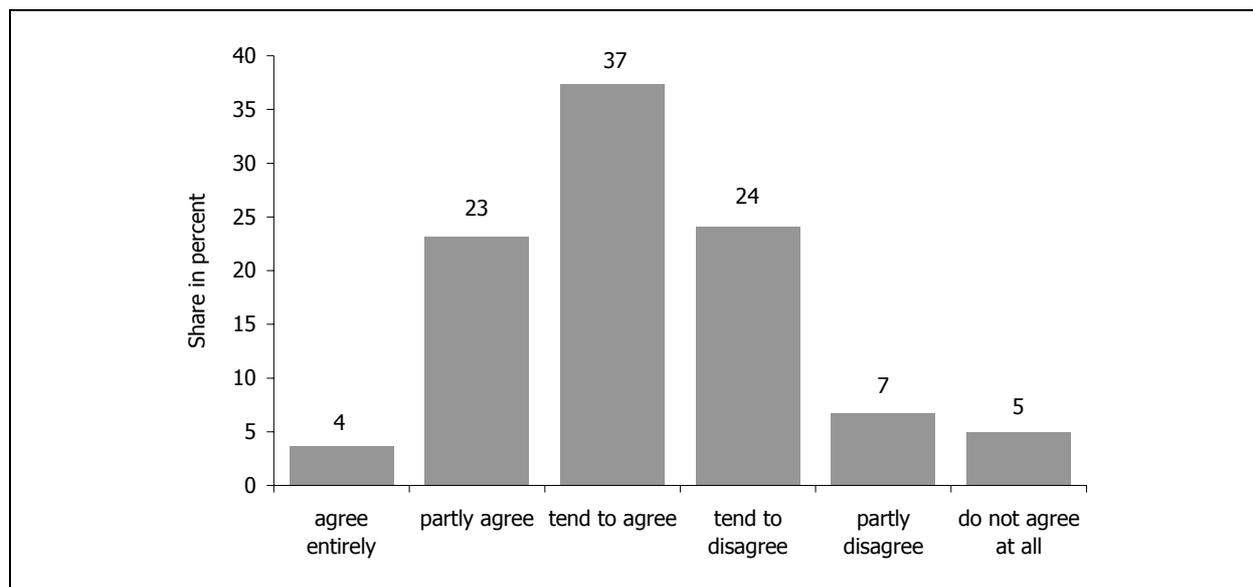


Chart 5: Self-assessment regarding sustainable human resource management (N=960)

At the end of the questionnaire the personnel experts commented the following statement: "I am of the opinion that our company has a particularly innovative concept for sustainable human resource management" 3.6 percent of the interviewed fully agreed (35) 23 percent (222) partly agreed 37 percent tended to agree. This is a self-assessment of the respective personnel experts. The differences in the self-assessment in various countries and different company sizes are not significant.

5. Instruments of sustainable human resource management

5.1 Human resource recruitment

Human resource recruitment is only sustainable when it is capable of recruiting employees who most adequately meet the requirements of the open position. The assessment of the requirements is of prime importance, followed by an efficient search for candidates on the relevant labour markets. In the context of an efficient human resource selection the final aim is to predict the success of the candidate in the assigned position and to make an employment decision.

Over 88 percent of the interviewed use requirement and job profiles for human resource recruitment. These instruments are used to help to optimise the allocation of human resources to tasks. Requirement respectively job profiles are significantly in higher use in Dutch companies and are significantly less applied by Austrian companies. Companies with more than 50 employees are also using this instrument significantly more frequently than smaller ones. A majority of companies (59 percent) invests heavily in instruments which enhance their attractiveness in the labour market, which corresponds to the fundamentals of sustainability.

43 percent of the interviewed more or less systematically analyse reference numbers in the relevant labour markets (e.g. unemployment figures). An increased use of labour market research could additionally enhance sustainability in human resource recruitment. The more specific labour market information is available, the easier it is for a company to recruit efficiently. The labour market is significantly more often systematically analysed in Spain and in larger companies than in Germany and in Switzerland respectively in smaller companies.

41 percent of the interviewed companies do not hesitate to entice qualified employees away. Especially in British and Italian companies the specific hiring away has a higher priority than for example in Switzerland. Smaller firms are rather restrained in this domain compared to larger companies.

Human resource recruitment

- 3.1 We use job requirement profiles to find ideal candidates for each position. (N_{3,1}=1010)
- 3.2 Our company systematically analyses various key figures for the relevant labour markets (unemployment figures etc.). (N_{3,2}=1003)
- 3.3 We invest significant resources in instruments/initiatives intended to enhance the attractiveness of our company in the labour market. (N_{3,3}=1010)
- 3.4 We are not afraid to entice well-qualified employees away from our competitors. (N_{3,4}=1002)
- 3.5 We attach great importance to assessment centres as a means of personnel selection in our company. (N_{3,5}=1003)

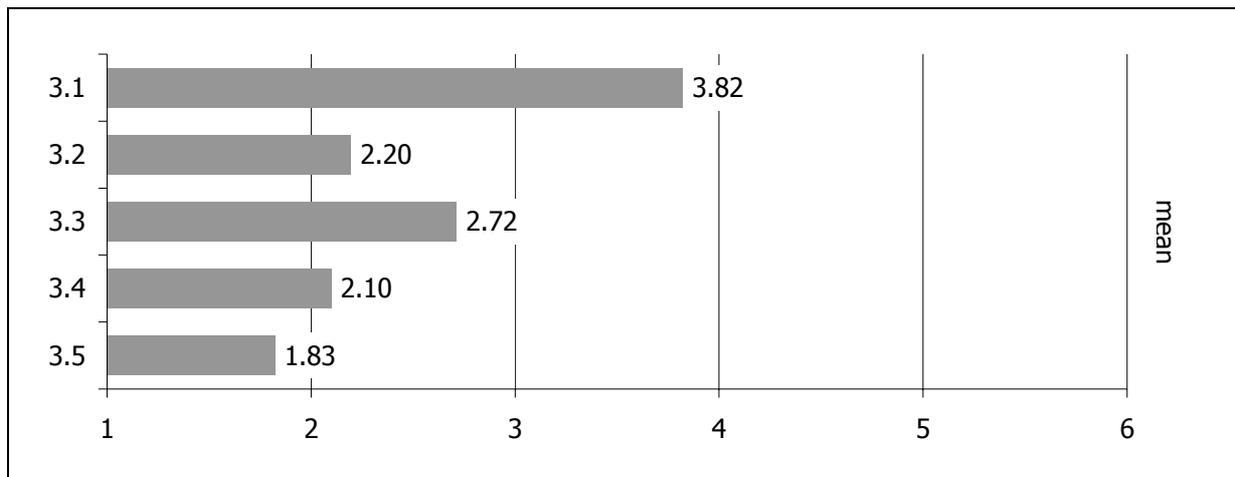


Chart 6: Instruments of human resource recruitment

The assessment centre represents a selection instrument with a high validity. But it is only systematically used by a minority (35 percent) of the companies or used on particular occasions. The cause for this may be the cost of this instrument and the difficult handling. Therefore, it is also plausible that the application frequency in larger companies (over 500 employees) is higher than in smaller ones. Banks use this procedure much more often than construction and healthcare. This selection and qualification instrument is used significantly above average in Italy and the least in France.

The application intensity of the instruments correlates significantly and clearly positively with their rating of sustainability – with the exception of the topic “entertainment”. Companies striving for respectively implementing sustainable human resource management use the recorded instruments more intensively. This correlation is most clearly evident in the increased attractiveness of the company in the labour market.

5.2 Personnel deployment

Sustainable personnel deployment focuses on the allocation of jobs for employees respectively the integration of employees into the work process. In this context the instruments for health management such as gathering and evaluating health related data (absence from work, accidents, causes of illness, etc.) and the medical and ergonomic compatibility of the workplace are important factors. Furthermore, methods are of interest which integrate older employees into the work-process and support the work-life-balance.

5.2.1 Health management

The basis for effective health management is founded in gathering and systematically evaluating data for absences from work, accidents, causes of illness, etc. The majority of the interviewed companies record such information and evaluate it regularly. Especially in the Netherlands the employers consider health data as important; such reference numbers are of significantly lower importance in France. Companies with a high percentage of physically active employees (industry/construction) evaluate such data more often than the service sector.

About 60 percent of the interviewed companies charge at least one person or a unit with the promotion and maintenance of employees' health (especially in big industrial plants with more than 500 employees). The country-specific analysis shows no significant differences in this respect. A similar picture presents itself in the analysis of guidelines containing standards for medically/ergonomically acceptable workplaces as well as setting standards for good health in documents of principal (e.g. vision statement).

If all variables for health management are compiled into a scale (block of questions), one can see that over 90 percent of the interviewed companies apply measures in one form or another for health management. About one fifth maintain to regularly and systematically apply measures for health management. The frequency of application significantly depends on the size of the company and the sector: large companies and those in the industrial sector place significantly more importance on an efficient health management than smaller ones and the service sector. Country relevant differences do not occur systematically.

5.2.2 Older employees

The population is growing older in most Western European countries and the birth rates are decreasing. Assuming at the same time an increase in the overall production, the significance of the potential of older employees for human resource management increases. How far is the labour potential of this employee group with regard to the socio-cultural changes promoted today? Less than 5 percent of the interviewed indicate that they have recognised and efficiently used the potential of older employees. About one third uses it partially. There are significant differences in the use depending on the variable country and company size: Italy, Spain and the Netherlands generally assign a greater significance to older employees than England, Germany and Switzerland. Furthermore, the significance increases with company size considerably. Older employees are very often assigned to project and part-time jobs, frequently as Senior Consultants. This kind of activities is most prevalent in the Netherlands. Furthermore, they are most often found in the service sector. Of minor importance for older employees in the surveyed European area is the taking on of management assignments on a temporary basis or external communication assignments and representation duties (networking).

Worth mentioning is that part-time work for older employees (employees gradually reduce their working hours until retirement) is systematically applied in over 40 percent of German companies. In this domain Germany clearly stands above the European average. This working-time model is only used in 20 percent of the cases in Italy and Spain. These countries mostly concentrate on coaching and mentoring tasks. With regard to the frequency of using part-time work for older employees, coaching and mentoring tasks, the Netherlands are also conspicuous. More than 20 percent of the Dutch companies profit systematically from the know-how of older employees.

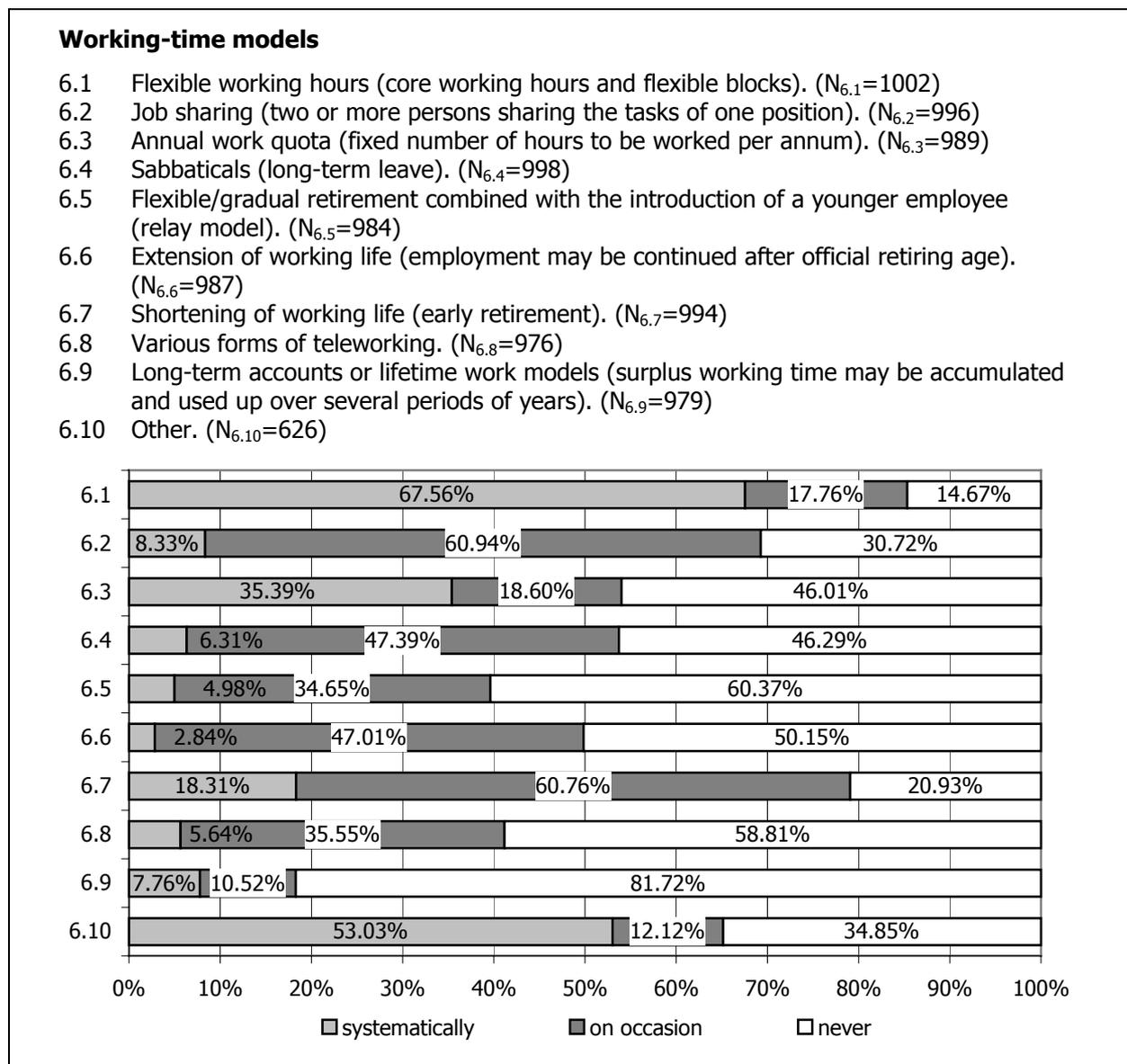


Chart 7: Working-Time Models

5.2.3 Work-Life-Balance

An important contribution to work-life-balance offer the various models for working-time. A summary of the collected working-time models in the surveyed countries is listed in Chart 7.

Flexible working hours are used in more than two thirds of the companies. Germany has the highest frequency (over 90 percent of the interviewed). A completely different situation is found in Spain: Not even 40 percent of the interviewed systematically offer flexible working hours, 20 percent even never. The use of flexible working hours increases significantly with increasing company size. An above average occurrence of flexible working hours is found in the public sector and in insurance companies. They are relatively seldom in healthcare and in construction.

A special significance for a harmonious work-life-balance have the following working-time models:

- Job-sharing involves two or more employees and entails the temporal and functional dividing up of a job. This allows the participants an individual development not only in their professional but also in other activities. Less than 10 percent of the interviewed report to use job-sharing systematically. Well over three fifths of the interviewed apply job-sharing for individual cases. The use of job-sharing mainly meets interest in Germany and the Netherlands, whereas it is very rarely used in Italy.
- Sabbaticals are long-term leaves where the working contract is kept in force with full, partial or no pecuniary compensation. They serve various purposes: e.g. language learning abroad, continuous education, recreation, time for the family and volunteer work in non-profit organisations. About 5 percent of the interviewed offer this model to their employees systematically. The use of sabbaticals is comparatively frequent in France, the Netherlands and Switzerland; and is the lowest in Spain, Italy, Germany and Austria. The frequency increases with growing company size significantly. The offer of sabbaticals is very wide-spread in banking as well as in companies in the sector of computing/information/communications.
- Telework enables the employee to work at home or from telecentres, which allow location independent work forms. 5 percent of the interviewed offer this type of work form systematically; about one third in individual cases. The frequency of use varies significantly amongst the surveyed countries. Telework is most popular in Germany, Austria and the Netherlands (in at least 70 percent of the cases, a systematic or individual case oriented application is reported). A specially large number of telework occurs in computing/information/communications. Telework is seldom offered in French, Italian and Spanish companies. The same is valid of industrial and construction companies as well as of healthcare and the public sector.

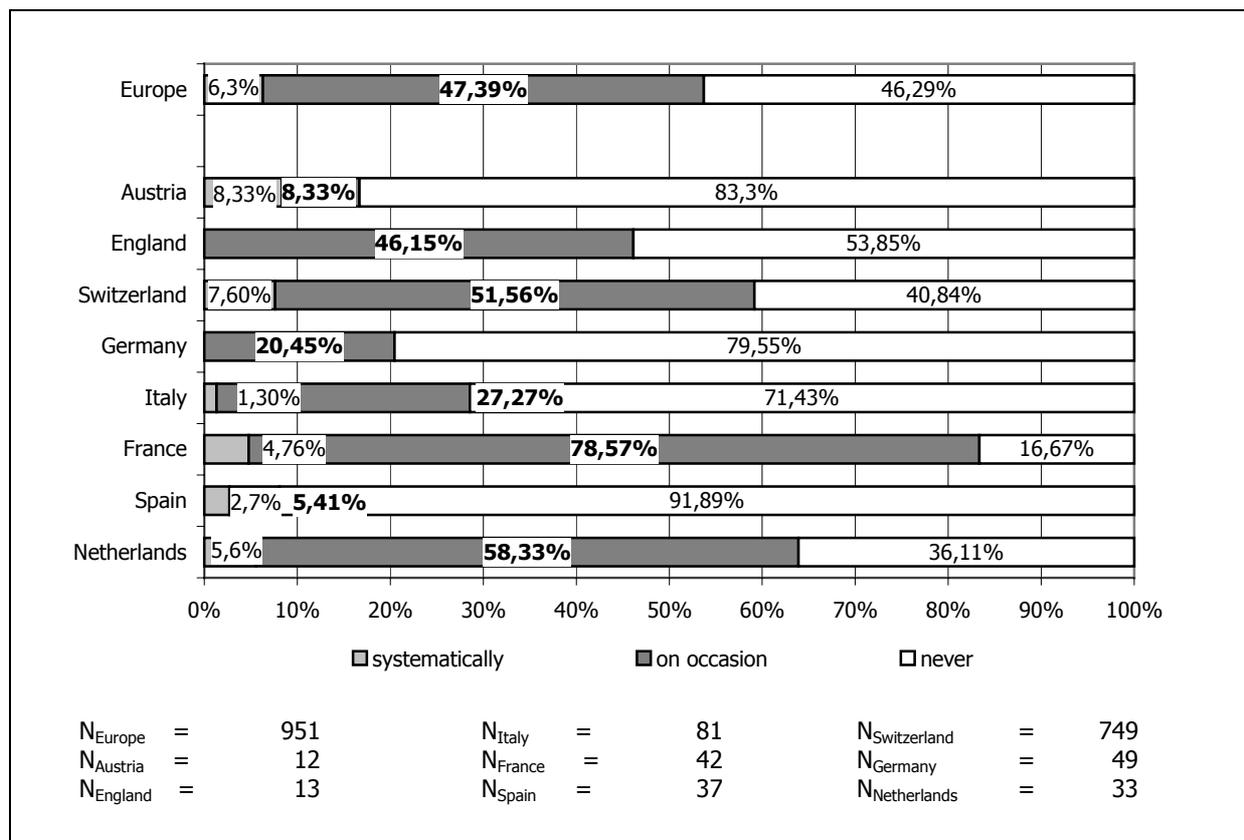


Chart 8: Sabbaticals (Long-Term-Leaves)

- Long-term accounts or life-time-work models enlarge the temporal perspective of work time management for the entire work biography. They integrate models of entering the professional career, forms of interruptions of professional activities (continuous education, family, sabbaticals) as well as models of leaving employment (gradual and flexible retirement). About 8 percent of the interviewed offer such models systematically, one fifth in individual cases. They are most frequently found in France and the Netherlands (almost 50 percent use those systematically or in individual cases). They are hardly ever applied in Italy and England. There are no significant differences with regard to sector and company size.

5.3 Human resource development

Human resource development embraces all information-, education- and job-related measures supporting qualification respectively enhancing employability of the employee. Instruments for enhancing the motivation to learn, a focused career planning and methods for the development of individual responsibility and participation are of interest for the analysis of measures for human resource development in the context of this research project. A crucial issue in human resource development is the promotion of employee's motivation for continuous professional education. Four fifths of the interviewed companies support the statement that their employees are

specifically encouraged to engage in continuous professional education. Most supporters of these statements are Swiss, German and Dutch companies. It is least supported by Italian companies. The agreement with the statement increases significantly with increasing company size. Employees of banking and insurance are most frequently motivated for continuous education.

Career planning represents a crucial instrument for human resource development indicating the career path of an employee. About 30 percent of the interviewed companies report to offer career planning to all employees. This is especially frequently applied in the Netherlands and in England. It is used significantly more frequently in large companies than in smaller ones.

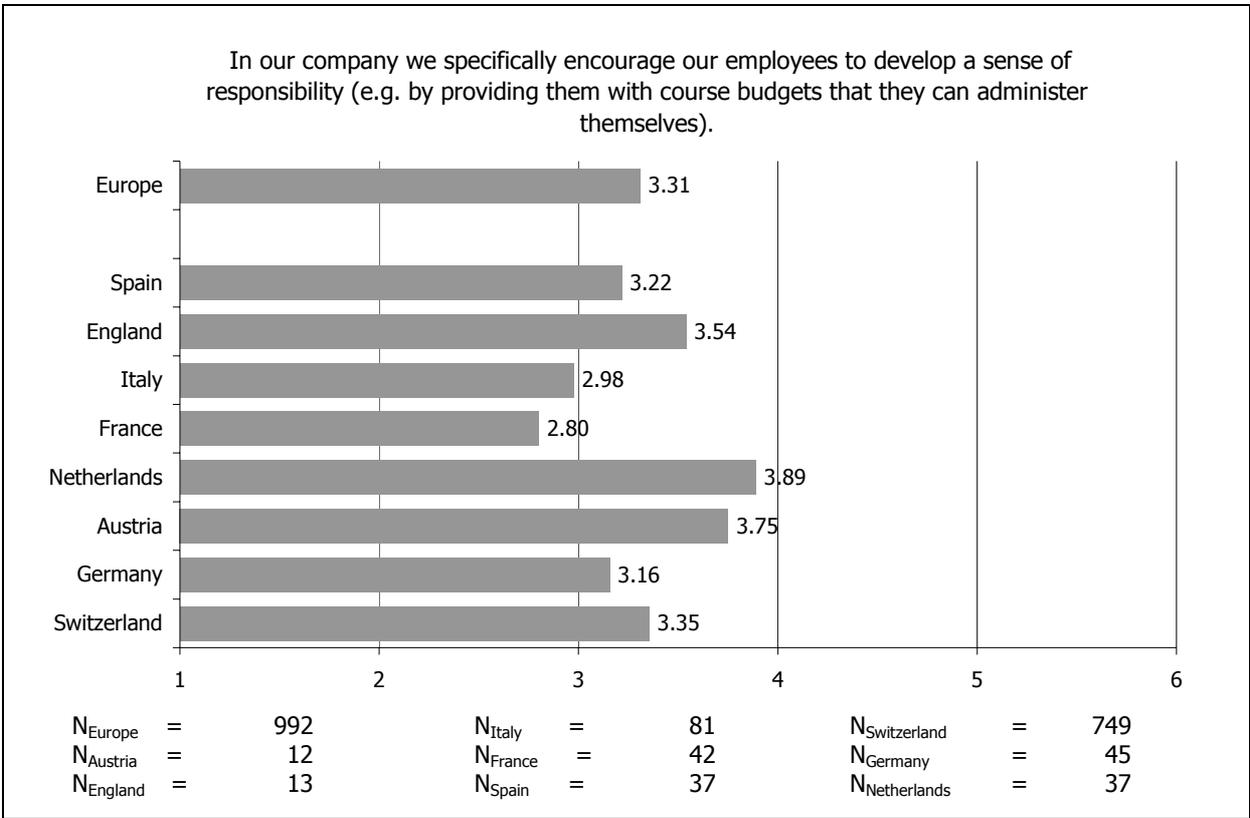


Chart 9: Promotion of individual responsibility

An important measure in human resource development is the encouragement for participation in decision-making processes. A strong participation is on the one hand a key non-material incentive to enhance motivation to perform on the other hand it is also an important avenue for the motivation to assume responsibility for one’s own actions (individual responsibility). About 50 percent of the interviewed companies report that their employees can directly participate in important decisions. There are no significant differences in the different countries. However, it is clearly discernable that the possibility of employees to influence decisions decreases with increasing company size: worth mentioning is the above average high rate of participation in

smaller companies (up to 50 employees). Employee participation is most prevailing in computing/information/communications, the least in the public sector.

With a view to sustainability of measures for human resource development it is of interest, whether the companies efficiently promote individual responsibility of their staff.

About half of the interviewed companies report to promote individual responsibility of employees in different forms. One possibility consists in providing individual course budgets that the employees can administer themselves. This mostly occurs in the Netherlands and Austria. Taking on greater responsibility is often promoted in banking and in computing/information/communications according to the opinions of the interviewed. In the sector commerce/transport this is significantly less important. Worth mentioning is that the enhancement of individual responsibility decreases clearly with increasing company size. Smaller companies are more easily ready to delegate responsibility than larger ones.

5.4 Human resource marketing

A company intending to effectively enhance its attractiveness in the labour market through measures of human resource marketing depends on information about its corresponding image. It is therefore rather surprising that only a mere 11 percent of the interviewed carry out systematic image analysis. A further 40 percent apply this instrument on occasion. About 50 percent do not use it. A higher use of this instrument could enhance the sustainability of human resource marketing. This thesis is also supported by the fact that a high rating of sustainability positively correlates with the application intensity of image analysis. Image analysis is most frequent in the Netherlands. 63 percent of French companies never use this instrument. Above average use is reported from companies who judge competition in the labour market as very heavy. Larger companies and those of the banking and insurance sector apply this instrument more often than smaller companies and those from the public sector and healthcare.

Especially co-operation with educational institutions and associations are available besides the traditional human resource image marketing as measures for external human resource marketing. Three quarters of the interviewed apply this instrument systematically or occasionally. Only about one quarter of the interviewed do not focus on co-operation with those most important external manipulators of the labour market. German companies are significantly more interested in co-operation than Swiss companies. 27 percent of Swiss companies never enter a co-operation with educational institutions or associations. Most co-operation projects are to be found in the computing/information/communications sector.

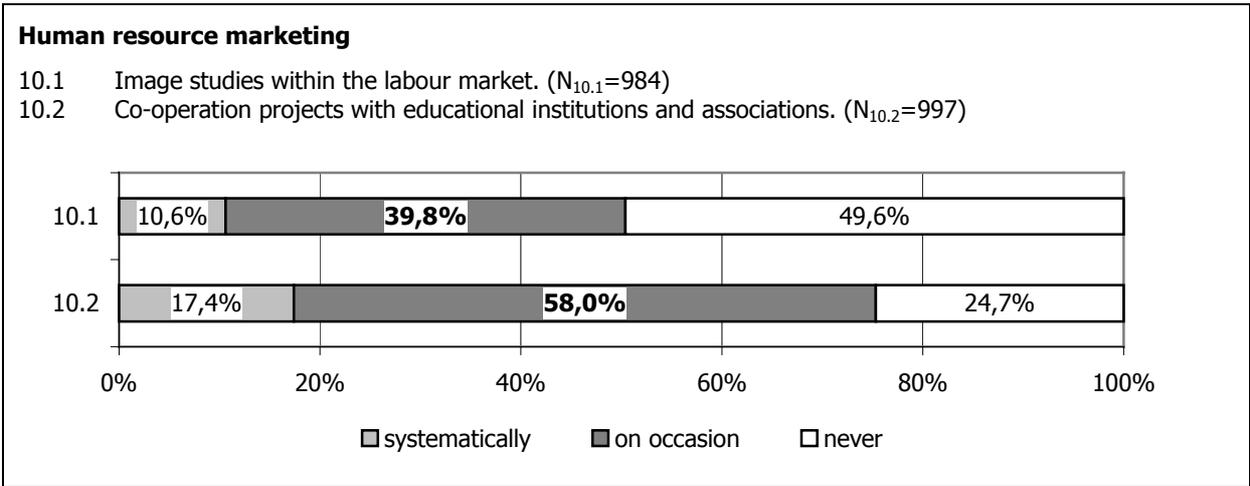


Chart 10: Instruments of Human resource marketing

5.5 Retainment of staff

In the context of retainment of staff instruments for securing and enhancing of individual motivation to perform are examined. Important instruments to this purpose are material and non-material incentives. In the context of sustainable staff retainment incentive models are involved which enable a long-term maintenance and enhancement of the motivation to perform and also specifically promote the motivation for taking-on of individual responsibility.

An efficient incentive model is aligned to the strategic objectives of a company in order to become fully efficient. About 15 percent of the interviewed companies are convinced that incentive models must correspond with the objectives of the company; a quarter reports that this is to a large extent accurate. Italian companies especially believe in their particularly distinctive orientation to objectives. This alignment is least discernable in Switzerland. The fact that mainly small companies report to have their incentive models aligned to strategic aims is outstanding.

Incentive systems aligned to material incentives are the basic approach for staff retention in most of the interviewed companies. About four fifths report that employees would receive attractive material incentives as for instance a performance adequate compensation, fringe benefits and bonuses. An up-to-date performance oriented system is offered in about three quarters of the cases, outstandingly frequently in Italy and Germany as well as in banking. Relatively attractive material incentives are offered by Spanish, Dutch and German employers according to their statements. A more critical approach to material incentives is found in France. Significant differences between company sizes are not discernable. Banking and companies in computing/information/communications judge their material incentive system as relatively attractive while this is less the case in the public sector and healthcare.

The underlying dimensions of approach for this report that is employability, individual responsibility and work-life balance can be especially enhance by effectively applying non-material incentives: an example hereto is the delegation of scopes of decision-making to take on more individual responsibility. The following chart shows to what extent the interviewed companies offer these attractive non-material incentives.

About one third of the interviewed companies report to offer a mostly attractive to very attractive non-material incentive model; another quarter describe their model of incentive at least as rather attractive. However, over 40 percent are of the opinion that non-material incentives are "rather" to "not at all" attractive for employees.

The attractiveness of non-material incentives is rated as relatively high in Dutch companies; in France and in Italy the rating, however, is lower. Non-material incentives are rated as especially satisfactory in smaller companies and in companies in computing/information/communications.

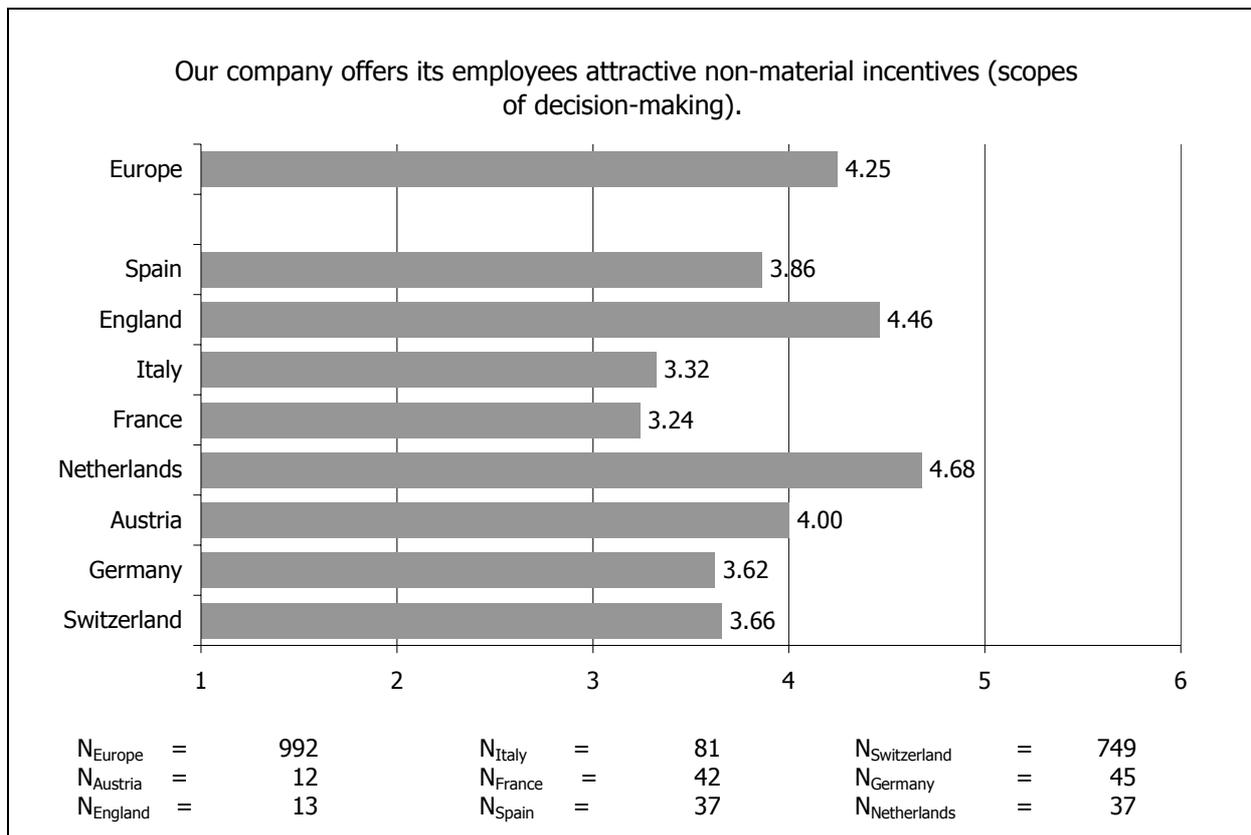


Chart 11: Offering non-material incentives

5.6 Disemployment

From a conceptual point of view disemployment is only sustainable if it takes into account the needs of employees as well as those of the company and is focused on not harming the image of the company in the labour market. A large majority of the interviewed companies uses exit interviews systematically as a classical method for disemployment. Herewith valuable information about reasons to leave and about corporate climate can be gained. Medium sized companies and banking frequently apply this instrument. The use is below average in Germany and in the construction sector, in Austria it is most frequently applied. Companies rating their human resource management as sustainable use exit interviews significantly more frequently as well.

A significantly lower percentage (61 percent) of companies consider it important to give professional advice to employees during their leaving process. While this support is of great importance in England it is hardly accepted in Italy. About half of the interviewed companies offer managers outplacement consultations to supplement the psychological support they receive while looking for a comparable position. Outplacement is mostly used in larger companies and in banking. In construction and smaller firms this tool is rather rare.

5.7 Management and leadership

Personnel management and leadership contribute significantly to guaranteeing participation and individual responsibility. The fact that in about 83 percent of the interviewed European companies a co-operative management style is present is a formidable base for the implementation of sustainable human resource management. In Switzerland in smaller companies and in banking this method is more in use than in France, in larger companies and in institutions of the public sector. The positive rating of sustainability and the extent of co-operative management correlate again significantly. The co-operative management style is supported by the model of Management-by-Objectives (MbO), which empowers employees to agree with the superiors on aims that can be checked regularly. 41 percent of the interviewed companies are fully in line with the statement, that superiors and employee agree on aims that can be checked regularly. A total of 87 percent basically agree with that.

About 90 percent of the companies use structured performance review discussions regularly. These feedback discussions are very popular in Switzerland, in Spain they are significantly less frequent. In smaller companies the occurrence of performance review discussions is also less frequent than in big companies. The data prove that sustainability of human resource management can be enhanced by MbO.

The instrument of the assessment of superiors is significantly less in use. One third applies this method regularly or on occasion. In this field there is an opportunity to increase sustainability. In the context of a total assessment it would be reasonable to

complement an assessment by superiors with a self-assessment and an assessment by peers, by clients/customers and by subordinates. Only from this, a comprehensive assessment of one's own strengths and weaknesses can be established and therefore a chance for development. Mainly representatives of computing/information/communications resort above average frequently to this assessment instrument. In the public sector the assessment of superiors has not yet been widely accepted. Once more the Dutch companies excel with an above average frequency rate.

6. Conclusions

Internal and external conditions (high dynamism and complexity of environment) increasingly oblige companies to forego short-term oriented measures to increase competitiveness (e.g. cost-reducing programs in training). Effects caused by an increasing acceleration in the economic environment could otherwise lead to negative impacts on business (e.g. burned-out syndrome). Concepts are in demand promising continuity, conveying credibility and leading to qualitatively high standard problem-solvings. The concept of sustainable human resource management is founded on those insights.

Sustainability in human resource management is characterised according to the applied research approach by enhancing the employability, promoting individual responsibility and guaranteeing a harmonious work-life-balance. Measures of sustainable human resource management concern the individual and the company as equal partners: On the one hand, satisfaction of individual needs is promoted and on the other hand maintaining the competitiveness of a company is supported by sustainable human resource management.

The empirical analysis has shown that companies are really interested in the topics of sustainable human resource management and have implemented individual components. The interviewed companies mostly associate issues such as human resource development, specific employee characteristics, e.g. taking-on responsibilities, leadership, continuity/strategy and human resource retainment with the term "sustainability in human resource management". Consequently a specific application of sustainable instruments is already in use:

Specific career-planning models for instance are offered by an important number of companies and efficient measures are initiated to enhance motivation for continuous education and the taking-on of individual responsibility. Interesting approaches can also be found with incentive models whereby material qualities have a higher rating than non-material ones. Furthermore a lot of interviewed companies offer outplacement assistance for managers to supplement the psychological support they receive while looking for a comparable position.

Considerations of sustainability in human resource management are of relatively low significance in spite of these valuable starting points. The respective instruments are rather restrainedly and unsystematically applied. Also the know-how of specific human resource groups is exploited in a modest way: it is for instance conspicuous that most companies stated not to profit sufficiently from the potential of female employees. To provide concepts for human resource managers for the implementation of sustainability in their companies, the authors will more profoundly analyse the results of the presented report and carry out case studies in different "best practice companies". The results of those additional analyses will be published in an appropriate format.