

11. CHANGED WORK: A CHALLENGE TO ORGANISATIONS AND THEIR MEMBERS

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Abstract

Changes in work and work values reflect changes in structures and actions comprising organisational environment and the way in which organisations operate. In Estonia the social and economic reforms and introduction of market economy have caused changes in the traditional patterns of work and work behaviour. Using statistical and survey data, we show that organisations try to keep pace with new global and local trends in work. The effect of these changes on organisational performance is marked in the recruitment mechanisms, contracts, intensification of work, and workers' individual goals. Work behaviour and working conditions vary within organisations and depend on the type of their ownership and competitiveness. Alongside with new work patterns, the traditional ones continue to be used. Organisations underestimate the impact of competition on working time arrangement, and often consider a worker's loyalty superior to other characteristics. Changes have occurred in employees' behaviour patterns as well. An organisation becomes the place where one wants to realise his/her individual goals, especially that applies to the representatives of new professions. The achievement of individual goals is connected with individual resources. But in some cases

workers overestimate its importance, at the same time underestimating the impact of new trends on work environment.

Introduction

Social changes in the Estonian society have affected all spheres of social life, including work. Work, being the central to all activities within organisations (and not only within them) constitutes a complexity of work relations and work characteristics (Tilly, Tilly, 1998: 71). Organisations, in their turn, can be seen as autonomous units as well as members of numerous networks, but in any case they are outcomes of the wider patterns of society and contributors to them (Watson, 1980). Organisations, regardless of differences in the possibilities of constituting boundaries of organisational environment, are influenced by their environments and the action of individual and institutional actors. The goal is to show that changes in work patterns affect the performance of organisations through the action of their member – employers and employees. The first step is to trace global and local changes in work, and the second, to identify the characteristics of work and interactions between the members of organisations.

Hypotheses and Methods

Response to changes in work environment can be studied in various ways. In any case, it can be done through investigation of structural changes and performance of organisations and action of its members. Our *first hypotheses* is that global and local trends in work shape practices of organisational performance. The *second hypotheses* is that organisations respond to changes in work patterns by increasing their control over employees.

To estimate the impact of environmental changes on organisational structures and action of its members we combined statistical data with survey data. Most of the required data were obtained from Labour Force Yearbook 2000 and 2002. A survey data were processed by the SPSS programme, and the presented conclusions were made at the significance level of $p < 0.05$.

The survey was conducted in spring 2001 in Tallinn among persons predominantly at the age of 22–35. A small group, approx. 15% were 36–40 years old. The sample included 523 persons. In the list were representatives of new expanding professions such as IT professions, different managers (sales- project- production-, personnel-), managers for development, PR specialists, assistant-managers, consultants, real-estate brokers, some other professionals whose work tasks were renewed due to social changes. On the basis of the respondents' evaluations, attitudes and expectations regarding their working conditions, and employers' behaviour, employees' work strategies, we made our conclusions. So we have a specific group of respondents whose position on the labour market is quite strong as they are predominantly young persons working in the expanding spheres of economic activity.

Changes in Work Environment

During the last decades specification of the changes in the world of work have been the focus of many studies. Interest in the topic derives from changes in social structure accompanied by a shift in work paradigm, and high rates of unemployment. A very thorough look at what happened to work and work environment at the end of the 1960s and 70s is provided by M. Sabel and Ch. Piore's survey "The Second Industrial Divide" (1984). Analysing the situation at work and in the economy, they manifested that future should be shaped up by a unified action of all actors in all structural environments. They analysed the impacts of transition from mass production to flexible specialisation on labour and work environment. Very important was their argument that introduction of post-fordism as an economic model brought about changes in institutional protection of work which began to decrease. Chris Tilly and Charles Tilly observed work and its environment in the so-called period of the third industrial revolution when computer-based technologies, individualisation, flexibility and insecurity became the attributes of developed industrial societies (Tilly, Tilly, 1998). Another approach to work and its environment is represented by J. Rifkin's "End of Work" [1995] (1998). He

analysed the relationship between work environment, and technological development, and found that work in its institutionalised forms was decreasing. Two books written by Ch. Handy at different times gave a different view of the problem. If in “The Future of Work” (1984) he emphasised the importance of restructuring of industries and technological innovation, stressed that that would increase opportunities for self-fulfillment, then his other book “The Age of Paradox” (1994) regarded work as flexible and fragmented. In that situation an individual should try to balance his/her action in work environment with his/her individualism (Handy, 1994: 38). Z. Bauman, in his turn, shows why work is considered to be “... more the outcome of chasing a chance than the product of planning and design” (Bauman, 2000: 139). His opinion is that this is caused by the situation in which the relation between capital and labour is disappearing. P. Ransome tries to define the future of work, and stresses that it will depend on matching the expectations of employer and employee (Ransome, 1999: 96).

As organisational environment is highly complex, being on the one hand an entity embedded within a larger system, and on the other hand a part of this system (Hatch, 1997), then work, being the main activity within an organisation has a very complex relationship with all sectors of general environment and more wider environments. Organisations, individual and institutional actors concordance their performance with environmental conditions, but by pursuing their own strategies and goals they also shape the existing environment.

To the organisation-environment relations theories organisations must match environmental demand. If resource dependence theory assumes that organisations are controlled by environment, then according to institutional theory they must follow technical or economic demand for operating on a market, or cultural and social demand for maintaining the existing norms and values. The theoretical approach suggested in this study stresses that the performance of an organisation depends on the action of different actors within the organisation and environment, and on the struc-

tures constituting organisational environment, revealing interdependence between the structure and agency.

Work has dominated the value system since Reformation, but the last decades have caused transformation of work. Paid institutionalised employment dominating all advanced societies is permanently contracting since increase in competition on the market and technological change have reduced demand in labour force. Changes in consumption preferences as well as introduction of new technologies increase demand in qualified labour. At the same time, expanding of some service industries has increased the number of periphery jobs. As a result the amount of available institutionalised well-paid work is permanently decreasing, and work, that has provided stability and well-being to employees and their families suddenly becomes a source of insecurity and instability.

The emergence of post-industrial society characterised by changes in social structure, transformation of economy with domination of service producing industries, centrality of theoretical knowledge, and shifts in occupational structure (Bell, 1974: 14) was accompanied by radical changes in work and labour market. The undertaken restructuring of industries and expansion of the tertiary sector differentiated access to jobs and increased segmentation of the labour market. The main characteristic of that period was reduction of manual work and increase in non-manual and mental work. Restructuring favoured persons with higher qualification/better education and larger amount of cultural, economic, and social capital. In this situation, persons with low individual resource had access mainly to periphery low-paid jobs. Compared to previous societies, employability of a person became more dependent on qualification and education (Ransome, 1996; Piore, Sabel, 1984). Successful organisations tried to employ qualified labour in order to maintain a better position on the market. Division of labour on core and periphery jobs reduced periphery job holders' job security. As a result, the whole process of restructuring was accompanied by growing importance of

knowledge that became the source of bargaining power of the potential employee (Kalleberg, Reskin, Hudson, 2000: 265).

Changes in social structure resulted in differences in incomes, causing transition from standardised mass production to flexible specialisation – specialised niche markets for target groups. Consumers being differentiated by incomes wanted to vary by the consumed goods and services as well (Piore, Sabel, 1984: 153). The collapse of mass production and introduction of post-fordism ideology sufficiently impacted on the performance of organisations in many different ways, but the most important was demand of organisations in a polyvalent or knowledge worker, whose qualification and skills could be adjusted to technological innovation as well as to consumers' demand. But flexibility requires not only qualified labour, but influences the arrangement of job places, management practices, control, appraisal and selection mechanisms. At this stage, flexibility and specialisation means that these employers who adjust their labour force to the new market demand are in a better position. Also in a better position are these employees whose preparation and intentions correspond to the new jobs emerging in the process of technological innovation and changes in consumers' demand.

Implementation of the “just-in-time“ work process instead of “just-in-case“ work required qualified labour, but organisations gave up the idea of training own employees in order to reduce production costs. Another reason was that only a stable organisation could provide training. The implementation of that ideology made employees responsible for their training. That resulted in the growing importance of the formal education and training system. At the same time, training required proper income, and again those employees who had core well-paid jobs were in a better position.

The standardised education system provides an employee with necessary knowledge and skills. According to human capital theory, wages and salaries depend on the level of education. This stimulates less educated persons to increase their cultural capital. In real life access to jobs depends not only on the employees' individual resource, but much more on employers' preferences,

and, as P. Ransome puts it, “this causes difficulties to keep pace with requirements of a successful employer“ (Ransome, 1999: 103). An employer is also the person on whom depends the promotion possibilities (Reskin, McBrier, 2000) and available jobs. If organisations are very sensitive to competition, then the number of employees and their working conditions depend sufficiently on the market situation as well. Competition between organisations for better labour force caused a growth in wages and salaries already at the beginning of the seventies (Piore, Sabel, 1984: 273). Differentiation of wages and salaries depend mainly on location of jobs in core or periphery segment, expanding or contracting industry, to some extent on the size of the organisation, and on gender of a job-holder.

It is suggested that implementation of specialisation increases an employer’s creativity. However, some authors, particularly H. Braverman, see in spreading specialisation fragmentation and degradation of work (1974). According to Kalleberg and Berg, specialisation differentiate employees by their qualification, commitment, work autonomy and the way they are tied with different structures e.g. class structure (1987: 85).

Changes in the world of work proceeded and shaped new behaviour. Technological change, rise in competition and the reform of job places in organisations, as well as growing importance of education/qualification affected the levels of employment and stability of work. Work has become unstable since employers may use different adjustment mechanisms as they respond to the forces producing structural changes (DiPrete, Nonemaker, 1997: 388). This has resulted very much in the hiring and firing procedures, working time arrangements, required qualification and in levels of wages and salaries. Employees started to look for better employment conditions, possibilities to achieve individual goals. It has become a norm to move from one job to another and choose a suitable employment contract. In this sense, an employment organisation is considered to be a place for the expression and execution of individual goals (Trice, Beyer, 1993: 57). At the same time, unstable work such as part-time work, work

on a call, work in the evening hours, etc. has increased which also influenced mobility rates. It means that high rates of job mobility not only indicate structural changes and the response of organisations to them, but also indicate changes in employers/employees preferences. All these changes in work and work environment has contributed to the emergence of a new work paradigm. According to this new work paradigm, work is not any more the source of stability, and self-respect. The new work paradigm manifests work insecurity. Secure work, according to G. Standing, means: guaranteed full employment, protection against arbitrary dismissal, protective barriers to protect skills and qualifications, health and safety regulation, opportunities to enhance skills through training, minimum wage and social security legislation, representation security: trade unions (1997).

But by the end of the 20th century, nearly all of these forms of security had decreased. However, the situation varies in different countries, but in general institutional protection of employment is permanently decreasing. Protected are usually pregnant workers, workers on maternity leave, and in some countries also workers in military service e.g. France, Germany, Italy (Demecas, 1995: 10).

Changes have occurred in the level of work intensification. The just-in-time model requires a fast response from organisations. This has resulted in increased pressure on an employee, although some authors prefer to speak about growing commitment to organisation which can be also true. Orientation to self-fulfillment and life style preferences enhances the importance of work and hiring conditions in an employment organisation. This is the issue where matching of the employer/employee preferences comes into play also. So having traced the global changes in work and its environment it is possible to sum them in Table 11.1.

Table 11.1. Transformation of work and work paradigm

	1960s–1970s	1980s	1990s	New era
Structural changes	acceleration of job mobility growth of tertiary sector decrease of physical work	job mobility growth of tertiary sector increase of mental and non-manual work	slow-down in job mobility growth of tertiary sector decrease of non-manual and mental work	slow-down in job mobility slow-down of growth of tertiary sector decrease of work
Economic model	fordism	post-fordism flexible specialisation	post-fordism flexible specialisation knowledge worker	knowledge economy flexibility specialisation knowledge worker
Employment conditions	standard	standard expanding of non-standard working condition growth of pressure	contracting of standard conditions expanding of non-standard working conditions growth of pressure	contracting of standard conditions expanding of flexible working time growth of pressure
Expectations	stable work for one employer self-respect growth of leisure time	work shall be again stable self-fulfillment	unstable work self-fulfillment	work is the source of insecurity self-fulfillment

Changed Work and its Environment in Estonia

In Estonia, the economic reforms and restructuring of organisations, as well as new functions of organisations established in the course of the reforms have affected the composition of organisational structure (renewed functions of some structures e.g. personnel, sales departments, or formation of new structures (PR, IT jobs and departments, etc.). Implementation of the ownership reform have influenced establishment of new companies (e.g. sales of real-estate, consulting, design, advertising services) and enhanced demand in new professions (brokers, managers, etc.). This means that there is a growing demand in people who would be capable of learning a new profession and take a new job, since newly established organisations can only grow through new hires. Organisations has been looking for young successful persons as in Estonia social situation favours that group (Helemäe, Saar, Vöörmann 2000). The survey confirmed that statement in several ways. Firstly, the respondents themselves, if they were employers, would prefer to hire younger people, secondly, the “older” group of the respondents were not sure they could find a new job without difficulty if necessary. The third fact that further confirms that derived from the respondents’ behaviour. Nearly 59% of the respondents left previous employment after finding a new job.

The hiring procedures applied by organisations indicates that employers are using new mechanisms. They announce a public call for jobs, but simultaneously they are looking for employee’s loyalty, and often hire workers through the informal network. If 37% of the respondents got a job on a competitive basis, then nearly the same percentage got their jobs through the informal network (relatives, friends, acquaintances). Informal recruitment networks play an important role, since nearly 2/3 of the respondents agreed that a good job could be obtained mostly through the informal network. Despite the fact that the majority of respondents worked in medium or big organisations where the potential of the internal labour market is sufficient, their employers usually did not use the internal labour market for filling new jobs. Consequently, promotion opportunities in organisations are quite

small, and if a person is career-orientated, then s/he would look for a new job.

According to the respondents' opinion, it is very important in an organisation to be in the right place at the right time. This indicates that hiring and promotion opportunities are strongly affected by organisational culture. Competition between the members is higher in the companies belonging to foreign or mixed capital, which means that these organisations have better opportunities to hire more qualified labour. These organisations are in a better position also due to their higher average wages and salaries (Palk, 2002/4: 15) which make them more attractive for employees, and, as shown by the survey, due to better working conditions.

Another impact of environmental changes on organisations can be seen in the rise in work intensification. Nearly 80% of the respondents claimed their job to be either very intensive or intensive. At the same time, 33% of them suggested that their work had become more intensive either during the last five years or time they had been employed. Another fact that shows intensification of work is the spread of overtime work. Approximately 2/3 of the respondents answered that overtime work was usual in their organisation. According to statistical data, in 2002 approximately 16% of employed persons worked overtime (Labour Force ..., 2003: 108). This is also the reason why it is possible to speak about increased pressure on employees. It is significant that employers do not usually apply other forms of non-standard work. In 2002 only 7,7% of employed persons had a part-time job (Labour Force ..., 2003: 181). If a person has a part-time job it is predominantly employer's preference. In our survey 17% of the respondents had a part-time job, but unlike the labour force statistical data, our respondents had chosen a part-time job themselves, because approximately half of them were continuing their studies. Thus the relation between life style and employment contract is clearly evident.

Hiring conditions depend on the type of a contract. While in advanced industrial societies the importance of temporary work contracts increases, then in local organisations this type of

contract is not widely spread. According to survey data, only 13% of the respondents had that type of a contract.

Growth of individualisation is a very strong motivator of individual behaviour. Organisations turns to be places for self-realisation and self-development. Everybody values creativity at work. In this situation, it is quite usual that a person leaves the organisation because the latter does not meet his/her requirements. The reason why our respondents have left their previous job is in their desire to have interesting, and well paid job which can provide opportunities for self-development and where they can implement their knowledge. Among other important motivators to leave work at own request are the working conditions. It seems that employers do not care very much about them. Approximately 80% of the respondents mentioned that unsatisfied working conditions were one of the reasons why they looked for a new job. As the respondents have professions which are still required, although, there is slow-down in demand, their job mobility rates are high. 75% of them had already changed their job, and approximately 30% of them had did it more than 3 times. As in addition to own preferences change of job has derived from bad working conditions, then it means that in future the employer may experience difficulties in hiring qualified labour force unless they pay attention to them.

The new economic model should provide more autonomy to employees. But the data show that work autonomy regards mainly working day arrangement. The possibilities to arrange working time and tasks are limited as work requirements are set by employers in approximately 80% of cases.

The fact that an employee's qualification is not so important in the promotion procedure as it should be indicates that alongside with the new work patterns and behaviour the traditional relationship between employer and employee continue to exist. Dominates understanding, according to which it is very important "to be at the right time in the right place". The respondents also agreed that in their organisations education was to some extent valued, but was not crucial in getting a job. These findings show that employers prefer to hire workers that ought to be able to

carry out different tasks, and that in practice the value of education is lower than it is usually considered.

For the majority, work means achievement of a high level of living standard. The persons we questioned evaluated highly such work which could provide fulfillment of their individual goals. As the educational level of the respondents was high, the third level had 42% of the questioned people who work in expanding economic sphere, therefore they were quite optimistic about their future. The situation on the labour market did not bother them. The majority, or approx. 74% of the respondents were either sure or mainly sure that they would be able to find a new job if necessary. Only older persons (above 35 years) as well as non-Estonians, whose position on the labour market was weaker, showed some uncertainty. At the same time, only 1/3 of the persons studied considered their job to be stable. This means that the respondents had quite good opinion about their own opportunities in finding a new job. More important is the fact that only 4% thought that they would like to work in the same company 5 years later, and 35% mentioned that they would probably still work in the same company. This confirms the suggestion that organisations are the place for realising the individual goals as far as professionals are concerned.

In summary, the findings evidence that structural changes have affected organisations through the action of employers and employees. Organisations are implementing new patterns of work which produce changes in the balance of power.

Discussion

Insight into organisations shows how changes in organisational environment impact on the spread of new patterns in organisations. We questioned only representatives of new professions, who were holding jobs which had emerged in the process of reforms and restructuring. Therefore it is necessary to extend this research. This will help us to understand what is going on in organisations within the contracting and expanding industries and

occupations. Another important thing is that our result apply only to organisations located in Tallinn. It is evident that differences in the extent of investments, and the number of companies established with foreign capital can reveal significant differences. A deeper insight into organisations would enlarge our understanding of their work environment which constitutes an important part of the organisational culture.

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KOKKUVÕTE

Muutuv töö kui väljakutse organisatsioonidele ja nende liikmetele

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Eesti majanduse restruktureerimine ja turumehhanismide rakedamine nagu ka tööga seonduvad globaalsed arengud on hakanud ümber kujundama organisatsioonide käitumist. Töö ja töösfääris

toimivate arengute uurimine näitab, et need mõjutavad nii organisatsiooni liikmete tegutsemist kui organisatsiooni struktuuride toimimist. Järeldustes on toetunud tööstatistikal ja empiirilise uuringu andmetele. Uuurimuses osalesid uutel kutsealadel töötavad inimesed vanuses kuni 40 aastat; küsitlus viidi läbi Tallinnas, kus muutused on olnud kõige suuremad. Eesti töösfaari arenguid on kõige enam mõjutanud üleminek turumajandusele, sellega kaasnev restruktureerimine ja omandireformi läbiviimine, mille tõttu on järsult kahanenud tööhõive. Restruktureerimine on viinud paljude uute organisatsioonide loomiseni, mis saavad tööjõudu vaid uute töötajate palkamise teel. Vahetatakse töökohti ja ollakse paindlik, et kohaneda nii toimivate muutustega, kui ka oma individuaalsete eesmärkide saavutamisel.

Muutused organisatsiooni makrokeskkonnas on mõjutanud organisatsiooni mitmete mehhanismide toimimist. Eeskätt puudutab see tööjõu värbamist, muutusi tööaja režiimis ning töölepingu vormides, mis muutuvad töövõtja suhtes vähem sõbralikeks. Tööpingelisus on suurenenud nii konkurentsi kasvu kui ka tööandja soovi tõttu vähendada tööjõukulusid. Samas rakendatakse ületunnitööd. Töö- ja hõivetingimuste poolest erinevad paljuski Eesti tööandjale ja välismaisele tööandjale kuuluvad organisatsioonid. Viimastes on töö- ja hõivetingimused paremad juhtudel, kui on tegemist täisajaga töötajaga. Rakendatakse enam mittestandardseid hõivetingimusi (osaajatöö, ajutine töö, suulised kokkulepped), kuid nende osakaal on seni veel tagasihoidlik. Töökohad on muutumas töövõtjate individuaalsete eesmärkide rahuldamise kohaks, mistõttu töökohti vahetatakse kergesti. Samas on individuaalsed eesmärgid seotud töötasu suurusega, mille tähtsust uute elukutsete esindajad ülehindavad, alahinnates samas uute arengute mõju – töö turvalisuse kahanemist.