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Health Manpower Management
Not just money: quality of working life as employment strategy
Frank van de Looij Jos Benders

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Introduction

As many categories of qualified personnel become scarce, substantial numbers of organizations are experiencing difficulties in retaining and recruiting personnel. For instance, in The Netherlands, trained technicians and health care workers have become particularly difficult to recruit. According to the Science Policy Advisory Council, 15,000 jobs requiring a vocational training, 4,000 jobs in health care, and 10,000 unskilled jobs were difficult to fill[1]. The Organization for Strategic Labour Market Research estimated that one out of six firms decided not to increase its production capacity in 1989 and 1990 owing to the scarcity of personnel; otherwise, 70,000 additional jobs would have been created[2]. Thus recruiting and retaining personnel may already be one of the key strategic issues which personnel managers face nowadays.

Traditionally, raising wages was an important instrument for retaining and recruiting personnel. This is not, however, always a suitable or sufficient employment strategy. There are a number of reasons why raising wages to increase an employer’s attractiveness may not be possible or sufficiently effective. In the first place, the possibility of raising wages may be restricted by law, collective labour agreements or the universal application of function classification and remuneration systems. Second, increasing wages may lead to an undesired “wage war”, if competing organizations follow the wage increase. A wage war leads to higher labour costs without the achievement of a competitive advantage. Finally, job characteristics other than wages, such as esteem, leisure, child care and schooling opportunities, may be considered by individual employees to be of greater importance than wages[3]. Given the limitations of using only wages as an employment instrument, a more comprehensive approach may have to be adopted, in which attention is paid to various other job characteristics, an approach more in tune with the concept of “quality of working life”.

The authors

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Abstract

Scarcities of qualified personnel are becoming a common phenomenon in The Netherlands. At the same time, increasing wages to secure an adequate workforce is not always possible or sufficiently effective, and other ways of retaining and recruiting personnel have to be found. Investigates the importance of various job characteristics for retaining and recruiting employees and presents the results from a survey among employees of a Dutch hospital experiencing a tight labour market. Job characteristics other than wages, such as labour relations and work content, were found to play a major role in individuals’ choices to resign or stay. Discusses consequences for employment strategies in other organizations.

The authors are indebted to Johnny Bell, Niels Noorderhaven, and Henk Oosterhout (Tilburg University), as well as to Hans de Dekkers and Willem de Lange (IVA, Tilburg) for their valuable comments on earlier versions of this article.
Quality of working life and employment decisions

“T here is no single commonly accepted definition of the term ‘quality of working life’, as the ILO stated in its World Labour Report[4]. T wo important issues in the debate on quality of working life are whether quality of working life should be limited to work content and whether quality of working life can, or must be, assessed objectively or subjectively[5,6]. In T he N etherlands, a good deal of attention has been given to the first issue, particularly by adherents of “modern sociotechnology”, the D utch design-oriented brand of sociotechnical systems theory[7,8,9]. In modern sociotechnology, quality of working life is largely reduced to “work content”, and the consequences work content has on (internal) labour relations. As stated in the previous section, concentrating on only one job characteristic, whether wages or work content, is likely to be an insufficient operationalization of “quality of working life” for the purpose of this investigation. W ith respect to the second issue, it can be stated that inherently subjective opinions, e.g. perceptions held by individual employees, can play an important role in their decision to enter, stay with or leave an organization. T hus a subjective assessment of quality of working life was chosen in order to find out how candidates and present employees value certain job characteristics, thereby following the classical sociological adage: “What people perceive to be real is very real in its consequences.”

J ob characteristics can, in general, be divided into four categories, namely:

1. work content;
2. labour relations (at the micro level);
3. employment conditions;
4. work environment.

Examples of job characteristics belonging to these categories can be found in Table I.

Dissatisfaction with one or more of these characteristics will not directly lead to resignation. N evertheless, dissatisfaction with certain job characteristics can, dependent on their relative importance to the individual, decrease the “overall” job satisfaction[10]. As former research[11,12] has shown, dissatisfaction with jobs may lead to resignation. Before resigning, however, the individual passes through the stages shown in Figure 1.

J ob dissatisfaction and labour turnover are positively related, as argued by Vroom[13], but there are some moderator variables in this relationship. As shown in Figure 1, job dissatisfaction leads to a willingness to resign. Whether dissatisfied employees will actually search for alternative jobs depends on observed employment opportunities. Whether a job searcher will find a better alternative, or even alternatives, depends on the presence of alternative employment opportunities that are considered to be attractive. T his “pull” factor alone may be a sufficient explanation for certain job changes; employees need not be dissatisfied when resigning. H owever, the “push” factor dissatisfaction is modelled to increase the likelihood of an active search for another job.

E mployment strategies can be directed at various groups of employees, each having their own set of preferences. Employees with low wages, for instance, may assign a greater value to wages than employees in higher income classes. It is essential that these

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Table I: Examples of job characteristics

<table>
<thead>
<tr>
<th>Work content</th>
<th>Labour relations (micro level)</th>
<th>Employment conditions</th>
<th>Work environment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job decision latitude</td>
<td>Leadership style</td>
<td>Salary</td>
<td>Temperature</td>
</tr>
<tr>
<td>Reponsibility</td>
<td>Participation</td>
<td>Working hours</td>
<td>Physical environment</td>
</tr>
<tr>
<td>Task variety</td>
<td>Social relations at work</td>
<td>Child care</td>
<td>Schooling facilities</td>
</tr>
</tbody>
</table>

---

Figure 1: Graphical representation of research model

Source: adapted from [11,12]
groups are distinguished in order to design appropriate group policies.

An organization may try to attract new personnel or trainees, or try actively to retain its current personnel. Another possibility is an attempt to persuade former employees to retake their former positions, regardless of whether they are retirees or job switchers. Although job satisfaction is of direct relevance only to individuals with work experience in the organization under investigation, the exchange of information about desirable and less desirable employers may lead to organizations gaining a certain reputation as an employer. Thus the level of job satisfaction of current and former employees may also be relevant for recruitment, especially if information concerning working experiences is quickly and widely disseminated.

The setting

Dutch health care is seriously confronted with labour market shortages, which are expected to continue well into the next century[14], while the demand for hospital services can be expected to rise in the future because of the ageing of the population. These shortages seriously endanger the quality of health care services: understaffing combined with a high workload makes it impossible to provide services of a desirable quality level. The problem may worsen: the high workload may induce high rates of absenteeism or even resignations, thereby starting a vicious circle.

The research was commissioned by a Dutch hospital. Like the vast majority of other hospitals in The Netherlands, it was experiencing substantial difficulties in recruiting and retaining qualified personnel. The particularly scarce category of personnel which formed the subject of the research is that of operating room assistants (OR assistants). Owing to the function classification system used in Dutch health care and the sector-wide collective labour agreement, the hospital had no substantive possibilities for increasing financial rewards.

Thus, as a basis for an employment policy, an investigation into which other job characteristics were felt to be important by employees was considered necessary. Therefore an investigation concentrated on the relationship between satisfaction with specific job characteristics and overall job satisfaction, assuming that the latter influences the willingness to resign.

Considering these shortages of OR assistants, as well as information provided by some key informants, observed employment opportunities for OR assistants can be assumed to be plentiful, and were not subject to further research.

It should be noted that all hospitals in the region share their schooling facilities at a regional institute. Practical on-the-job experience is acquired in the individual hospitals. Trainees are employed by individual hospitals for the duration of their training, the so-called "in-service" part of their training. After graduation, they are free to transfer to other hospitals. Given the frequent contacts between trainees and current employees in the hospitals, and the contacts between trainees of the various hospitals in the region, trainees are likely to be well informed about future working conditions in the various hospitals.

The regional schooling institute also serves as a contact point where trainees can exchange information about possible future employers. Therefore an employment strategy directed at current employees is also likely to have an effect on a hospital's image as a future employer. In general, the image of a sector and individual employers on the labour market are extremely important for attracting employees.

The information about the perceived importance of specific job characteristics was gathered by means of a survey. Questionnaires were distributed among three groups of OR assistants:

1. OR assistants currently working in the hospital;
2. Trainees from various hospitals in the same region;
3. OR assistants formerly employed at the hospital.

Current employees and trainees were asked about their overall job satisfaction, satisfaction with specific job characteristics, their willingness to quit and finally their own opinion about the importance of certain aspects in relation to quitting. In addition, former employees were asked what would prevent them from returning to the hospital.

The job characteristics included in the questionnaire were based on two reports[15,16], press articles and interviews. The specific questions and scales used were derived from existing questionnaires[17,18].
As the willingness to co-operate was expected to be lower with trainees and former employees, the length of the questionnaires was shortened for these groups. In total, 99 questionnaires were received, generating an overall response of 63 per cent. The response can be subdivided into 20 questionnaires (20 per cent) from current employees, 64 (65 per cent) from trainees, and 15 (16 per cent) from former employees.

Two potential threats to validity have to be mentioned. In the first place, the number of respondents in the category of former employees is rather small. Thus little attention will be paid to this group. A second shortcoming was the announcement of a wage increase a few days after the questionnaires were distributed. This may have positively influenced respondents’ answers on the perceived importance of their wages. On the other hand, socially desirable responses may have occurred: being employed in health care, respondents may have felt it inappropriate to attribute much weight to their wages.

Results

The first question concerns the presumed relationship between job satisfaction and willingness to resign. For both current employees and trainees, a significant positive correlation was found (see Table II).

\[
\begin{array}{|c|c|c|}
\hline
\text{Subgroup} & \text{Correlation} & \text{Significance} \\
\hline
\text{Current employees} & -0.42 & 0.031 \\
\text{Trainees} & -0.21 & 0.046 \\
\hline
\end{array}
\]

As the relationship between overall job satisfaction and willingness to quit is statistically significant, factors determining overall job satisfaction may be considered to influence the willingness to resign as well. The job characteristics actually determining job satisfaction are given in Table III, which shows the relationship between satisfaction with specific job characteristics and overall job satisfaction. As none of the characteristics that were part of the work environment was found to be statistically significant, these have been left out. With respect to specific job characteristics that form part of the work content, positive significant correlations were found between overall satisfaction on the one hand and task variety, the challenge in work, the clarity of rules and instructions, and the facilities to improve professional knowledge and skills on the other (see Table III).

Some striking results in the area of labour relations were found. For trainees, satisfaction with leadership, co-worker relations, and participation in decisions concerning the departmental organization all have a positive significant correlation with overall job satisfaction. With current employees, only leadership was significantly correlated to overall job satisfaction. For current employees, two of the employment conditions taken into account were found to determine overall job satisfaction. For trainees, only one of the employment conditions was found to determine job satisfaction. Table IV shows that trainees who felt that facilities for further education were sufficient were significantly more satisfied with their work as a whole.

Contrary to the relationships that were discussed in the above, no relationship was found between overall satisfaction and salary.

![Table IV](http://example.com/tableiv.png)

**Notes:**

* \( p < 0.05 \)

** \( p < 0.10 \)

a because of questionnaire length this aspect was omitted with trainees
This applies for trainees as well as for current employees. When the job characteristics that were found to be related with overall job satisfaction are compared with the aspects mentioned by the respondents as being important for the decision to resign or not, some deviations emerge (see Table V).

In the first place, it shows that factors not directly related to the quality of work (distance between home and work, moving with partner and the absence of child care) can be of substantial importance. Second, salary and the facilities for personal development are felt to be important by respondents, although satisfaction with these job characteristics did not determine overall job satisfaction. This finding can be explained as a distinction between “push” and “pull” factors. In this respect, a higher salary or better facilities for personal development somewhere else might be important pull forces, and thus increase the willingness to resign.

Personal circumstances also showed to be important in the decision to resign or stay. Particularly, moving with the partner and home-to-work distance were mentioned several times. The absence of facilities for child care was mentioned only in a small number of cases. Yet some respondents reported that, next to child care, supplementary measures such as extra (added) days off are necessary if one has children.

Table IV Relationship between facilities for further education and job satisfaction with trainees

<table>
<thead>
<tr>
<th>Satisfaction</th>
<th>Low</th>
<th>High</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sufficient facilities</td>
<td>1</td>
<td>31</td>
</tr>
<tr>
<td>Insufficient facilities</td>
<td>8</td>
<td>22</td>
</tr>
</tbody>
</table>

The results show that it is necessary to distinguish between several groups of employees. The differences in importance of certain job characteristics between current employees and trainees have already been discussed in the previous section. Differences also occur when a distinction is made on the basis of age and gender. Considering age, younger employees, and especially trainees, have a higher willingness to quit than older employees. The latter have a negative attitude towards working overtime and are more satisfied with their salary. Furthermore, many trainees claimed to be willing to work part-time in future. Small reductions in working time (like one day or half a day) are most widely desired. Although the need for part-time work was particularly expressed by female trainees, it was also mentioned by many male respondents. In contrast with the expectation[16], there is no clear distinction between men and women when the facilities for promotion are considered. Despite earlier remarks in relation to the small number of respondents in the cluster of former employees, some useful, yet tentative, information can be gathered from the questions about what could prevent former employees from returning to the hospital. The results of these questions are shown in Table VI.

Unsatisfactory work atmosphere, internal relationships and the absence of possibilities to work part-time were mentioned several times as a major threshold. Given the fact that most OR assistants are female, it is surprising that the absence of facilities for child care was mentioned only twice. Yet, former employees who are considering taking up their former jobs again may have older children, who no longer need special child care facilities. On the other hand, if such a facility had been present when these women had young children, the need to stop working might have been eliminated.

Table V Number of times job characteristics were said to be of importance when quitting

<table>
<thead>
<tr>
<th>Job characteristic</th>
<th>Current employees</th>
<th>Trainees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salary</td>
<td>10</td>
<td>34</td>
</tr>
<tr>
<td>Personal development</td>
<td>10</td>
<td>28</td>
</tr>
<tr>
<td>Professional skills and knowledge</td>
<td>8</td>
<td>28</td>
</tr>
<tr>
<td>Distance from home to work</td>
<td>8</td>
<td>27</td>
</tr>
<tr>
<td>Physician relations</td>
<td>8</td>
<td>27</td>
</tr>
<tr>
<td>Co-worker relations</td>
<td>6</td>
<td>30</td>
</tr>
<tr>
<td>Promotion</td>
<td>8</td>
<td>6</td>
</tr>
<tr>
<td>Moving with partner</td>
<td>5</td>
<td>a</td>
</tr>
<tr>
<td>N</td>
<td>20</td>
<td>64</td>
</tr>
</tbody>
</table>

Note: aBecause of questionnaire length this aspect was omitted with trainees

Table VI Job characteristics that could discourage former employees from returning

<table>
<thead>
<tr>
<th>Job characteristics</th>
<th>Times mentioned</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bad working atmosphere</td>
<td>9</td>
</tr>
<tr>
<td>No facilities to work part-time</td>
<td>6</td>
</tr>
<tr>
<td>Bad interrelationships</td>
<td>6</td>
</tr>
<tr>
<td>Gravity of work</td>
<td>4</td>
</tr>
<tr>
<td>Distance from home to work</td>
<td>4</td>
</tr>
</tbody>
</table>

31
Discussion

The research shows that in this particular case wages are not the only important factor if one is trying to retain and recruit employees. Satisfaction with aspects concerning work content and issues in the field of labour relations were also considered to be important in this respect. Although wages may be used to make an employer’s position stronger, this policy is not always sufficient and may need to be supplemented by other measures. The approach adopted here is no substitution for, but rather complementary to, employment strategies which are predominantly directed at wages.

Possible actions

Based on the results of this research, an important topic in employment strategies is the creation of opportunities for personal and professional development. Measures could include job enrichment and educational programmes to upgrade professional skills and knowledge, although one has to realize that job content and education have to fit together. Highly educated employees often hold jobs for which their education is too high. A warning must be given against such widely existing underutilization[19]. Closely related to the need for personal and professional development is the need to create possibilities for promotion. Considering that the need for promotion is often mentioned as being very important in the decision to stay or quit, it might be necessary to pay more attention to career development programmes.

Leadership also appears as an important issue. As Katz and Kahn[20] state, the impact of the leader on individual behaviour goes well beyond his formal role. Therefore leadership style not only has consequences for the subordinate’s attitude towards the leader, but will also have an important impact on the employees’ satisfaction with other job characteristics, such as the clarity of rules and instructions, the amount of responsibility, opportunities for participation and co-worker relations. Thus the degree of “fit” between leader on the one hand and organization and team on the other hand is an important item in the selection of leaders[21,22]. Looking to employment conditions, offering more opportunities to work part-time not only can prevent employees from resigning, but may also encourage former employees to return. In this respect it is also necessary to take note of the fact that many trainees expressed a need for part-time work in the future. Thus, in future, offering shorter working hours will be necessary.

Another aspect in the field of the conditions of employment that might need attention is child care. Although it was not found to be important for this specific group of employees, the importance of actions concerning child care is often emphasized.

Finally, the results of this specific research show that personal circumstances may influence the decision to quit or stay. Unfortunately there are very few opportunities for organizations to deal with these matters. Possible actions might include mediating in transport and housing problems, but these measures are well beyond the conventional personnel policies and hardly within reach for individual organizations.

Method

Given the demographic developments in many countries, shortages of personnel with special qualifications can be expected to become a more common phenomenon on labour markets than is currently the case. This places the old adage: “People make a business” in a totally new context. Assuring the continuity of the organization by retaining sufficient numbers of qualified personnel will be one of the key strategic issues personnel managers are going to face, or already face today.

Although the results of this particular survey are not generalizable to other populations, the approach adopted can be used in other situations. For this purpose, the general stepwise procedure outlined below has been used for the specific personnel category under investigation. The basic idea consists of a number of steps:

1. Identify the scarce category of personnel. Try to distinguish relevant subgroups which are likely to share certain preferences. Criteria for such a sub-division may be part-timers versus full-timers, career orientation, age, gender and wage categories, to name a few. In the setting discussed above, differences between trainees, current and former employees were felt to be most relevant.

2. Select specific job characteristics out of a longer standard list by using sources of
information such as previous research, expert interviews or perhaps a pilot study. This step is necessary, as different job characteristics are likely to be of varying importance for different categories of personnel. Representatives of these categories may be experts par excellence.

(3) The abridged list thus obtained serves as input for questionnaires which are to be distributed to the subgroups under investigation. Both from the point of research ethics, and to get a high response rate, it is vital to inform the target groups about the project. The results are in the interest of the personnel. It is necessary to guarantee confidentiality by holding an anonymous survey, as the information is likely to be sensitive. For this reason, and to bring in specialist knowledge, it is advisable to have an independent agency conduct the research. Furthermore, no false hopes may be aroused which cannot be fulfilled.

(4) Analyse the results, and use the findings to formulate employment strategies directed at retaining and recruiting personnel. Inform the respondents about the results in discussion sessions. These may generate additional information which is useful to formulate the action plans. It is vital that the elements of such an action plan, such as educational programmes, opportunities for promotion and reward systems, form a consistent and integrated whole.

(5) Evaluate the measures after a certain period. Perhaps the project has to be conducted again: preferences may shift over time, especially when the actions have been taken to improve former situations by solving pressing issues, but simultaneously making other issues critical.

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