



CRANET

CRANET EXECUTIVE REPORT ON INTERNATIONAL HUMAN RESOURCE MANAGEMENT



SUMMARY AND ANALYSIS OF 2021-2022 SURVEY DATA

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Introduction

Since the publication of the 2017 CRANET Survey International Executive Report, the world has undergone significant changes, with notable impacts on human resource management (HRM). The COVID-19 pandemic brought unprecedented challenges for Human Resource (HR) departments and professionals including, how to deal with pressing and often previously unknown demands like managing staff infection prevention, developing remote working concepts and practices, and the ‘great resignation’. The rise of disruptive trends, such as automation and the algorithmization of HRM, often promoted through HR or people analytics tools, has gained momentum. These trends have significantly affected the daily work of HRM professionals worldwide, prompting questions about the enduring changes in core HRM activities and responsibilities. Additionally, there is growing interest in comparing how different countries manage the impact of these challenges.

Answering complex questions about global HRM requires a longitudinal and multinational perspective, in which the CRANET Survey provides valuable insight. The CRANET Research Network is an international scholarly network united by the shared interest in investigating similarities and differences in HRM policies and practices over time and space. The network includes over 40 participating countries that have collected data since 1989 from medium and large organizations across the globe. This results in the largest and most comprehensive dataset on HRM, including (but not limited to) key HRM practices (i.e., recruitment, selection, compensation and benefits, career management, and performance appraisals), the organization of the HRM function (e.g., outsourcing, devolution to line management, use of technology to deliver HRM), the profile of HRM professionals (e.g., educational background), as well as organizations details (e.g., headcount, industry). In the survey round analyzed in this report, data were gathered from 5,899 HRM professionals working in organizations with over 100 employees from 38 countries.

While the longitudinal nature of the CRANET International Dataset may not capture every trend in HRM, this report focuses on recent developments that are within the scope of available data. The sections of this report also highlight changes in the overall HRM set-up across countries as well as across survey rounds. Each section presents the current practices adopted by organizations and analyses the key themes that emerged from the 2021-22 survey. Additionally, to enhance the visibility of certain HRM trends, the results are grouped into seven regions. These groupings are determined based on geographical proximity and are designed to provide sufficient granularity while minimizing the number of groups being compared.

Although the CRANET Survey results and data provide a comprehensive overview of HRM globally, there are countries not currently represented in the CRANET Network and dataset. Therefore, our report and findings provide only a glimpse of current trends in HRM worldwide. We hope that this well-informed and evidence-based insight will be useful to HRM practitioners and researchers alike and encourage potential partners to join our network.

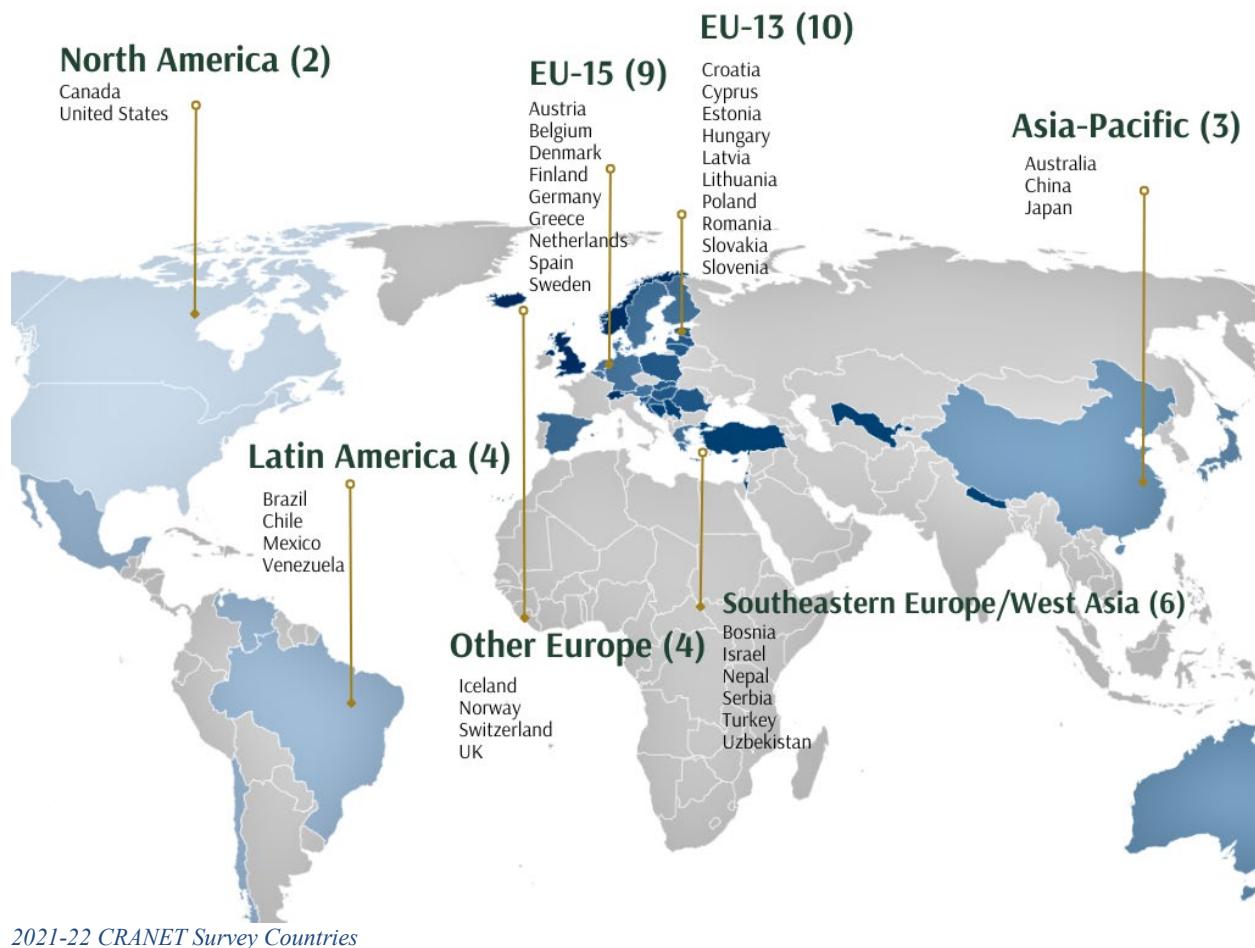
For further insights, please refer to *The Oxford Handbook of Contextual Approaches to Human Resource Management* by Emma Parry, Michael Morley, and Chris Brewster (2021) published by Oxford University. To explore more about the CRANET Research Network or to request memberships, please visit:

<https://cranet.la.psu.edu/>

Methods

CRANET uses a rigorous methodology to manage its international comparative survey, involving systematic assessment of questionnaire development, data collection, dataset creation, and member guidance in data analysis.

The CRANET Research Network consists of universities and business schools from over 40 countries. The 2021/2022 international dataset that this report analyses contains survey data from 38 member countries. The report divides the 38 participating countries into seven geographic regions for comparative purposes. Participating countries collected data from March 2021 to May 2022: 24 countries ended data collection in 2021, while 14 countries ended data collection in early 2022. The map below displays the 38 countries and their respective groupings for this report's analysis:



Survey Design

The CRANET questionnaire originated in 1989 through collaboration among HRM experts, informed by available literature and academic discussions. Since then, it has evolved with two main objectives: 1) maintaining consistency across data collection rounds while 2) staying current by incorporating relevant developments in the field. Overall, the CRANET research considers the importance of balancing the need for rigorous and representative research with the need to consider local context and sample relevance in survey design (Parry, Farndale, Brewster, & Morley, 2021).

The 2021 questionnaire was adapted from previous years to ensure the most compelling questions for capturing global HRM developments. Each country administered the questionnaire in its official national language. Questionnaires that were not administered in English were first translated into the national language, translated back to English, and then reviewed by CRANET Researchers to verify accuracy and establish linguistic equivalence across all participant countries. To achieve conceptual equivalence, teams of researchers from each country provides an insider's perspective to the local context of the country surveyed. Local researchers are essential in identifying understanding, ensuring equivalence, and determining the most suitable time and method for data collection. Members shared questionnaire templates across survey platforms (e.g., Qualtrics) and collaborated to ensure identical surveys were administered across all participating countries.

Methods of Data Collection

The data collection method differed in some respects across the 38 participating countries, where each local research team applied the method most appropriate within the specific country context. Most countries administered the survey electronically, sometimes combining the electronic approach with in-person visits or telephone calls. All participant countries contacted the most senior Human Resource Managers with the standardized questionnaire.

A significant proportion (42%) of the countries that conducted an online or in-person survey gave the organizations prior notification before sending the questionnaire, primarily through letters in the mail. Over 81% of countries took follow-up actions (e.g., reminders by mail, telephone, or social media posts) to increase the response rate and ensure that a representative sample was reached. These additional efforts were important due to the length of the questionnaire and the increased 'survey fatigue' among HR managers in several countries.

Sampling Frames

In the CRANET research, the highest-ranking HRM professional or their representative is considered the key informant. By guiding the survey towards individuals with the most knowledge and asking only factual questions, reliable data are collected (Parry, Farndale, Brewster, & Morley, 2021). Further, the local research team in each participant country developed its own mailing list of organizational addresses. From there, local research teams determined the best sampling methods. Most countries (42%) contacted all organizations on the lists (i.e., census sampling), 21% sampled organizations based on sector or size (i.e., stratified sampling), and 11% did a simple random sampling from their mailing lists.

Participant countries sent out a total of 304,126 questionnaires and received 8,680 responses, resulting in an overall response rate of 3%. This response rate is lower than in previous survey rounds because of the ability to reach more potential survey participants through mass emailing. Many countries decided to increase outreach efforts to mitigate the anticipated difficulty in obtaining responses during pandemic times. Interventions to improve response rates, including pre-notifying participants, publicizing the survey, careful survey design, and providing feedback to respondents were used in in most countries. More than half of the 38 countries reported using incentives to increase response rates. The incentives offered included items such as receiving a summary of the survey results, a gift card raffle, frequent flyer miles, or discount coupons. For example, Iceland encouraged responses by offering a summary of the survey's preliminary results and their organization's position on key aspects of HRM. 37% of the countries in the research network followed up with respondents to investigate the reason behind the non-response and found the main reasons were due to the length of the survey/lack of time, lack of interest in the survey topic, COVID-19-related issues, and the questions asked for confidential organizational data.

The survey targeted larger organizations with at least 100 employees in smaller countries and at least 200 employees in larger countries. 71% of the respondents are private sector companies, 21% are public sector, 5% are not for profit, and 4% are mixed between public and private sectors.

COVID-19 Context

Compared to previous years, the 2021-22 international dataset contains fewer survey responses. Certainly, the COVID-19 pandemic influenced the capacity of countries to accomplish the same response rates as in previous years and hindered the ability of survey respondents to participate. In 2021-22, countries conducted their research during varying times in the COVID-19 pandemic. 19% of the countries collected responses during the full lockdown period of the pandemic. The full effect of the pandemic was still in force, with many organizations forced to close/operate remotely. About 50% of countries collected data during a phase of the pandemic where certain organizations were forced to stay closed and operate remotely, but the worst of the pandemic had ended. Finally, 31% of the countries collected data during a phase of the pandemic where there was little remaining effect of the pandemic on business operations.

Chapter 1 HRM Roles/Activity in the Organization

Andrej Kohont and Nina Pološki Vokić

Key Results

- ❖ All seven regions explored have on average HR-to-employee ratios higher than 1.
- ❖ More than 90% of organizations in every region except for EU-13 have an HR department.
- ❖ In 71% of organizations, a person responsible for HRM has a seat on the board.
- ❖ The person responsible for HRM is involved in business strategy development from the outset in 49% of organizations.
- ❖ While business strategy is formalized in 77% of organizations, HRM strategy is only formalized in 63% of organizations.
- ❖ HRIS/e-HRM is the most used digital HRM practice in organizations, while algorithm-based HRM processes are the least used.

One of the initial ways to determine if an organization has implemented an HRM philosophy that values the significance of people for achieving organizational success is by examining the ratio of HR personnel to employees. Figure 1.1 shows that all seven explored regions have on average an HR to employee ratio higher than 1 (considered a benchmark some years ago). This finding supports the global trend of higher HR-to-employee ratios, which are necessary to accommodate the needs of contemporary organizations that require sufficient specialized HR professionals to attract and retain talent in today's highly competitive labor market.

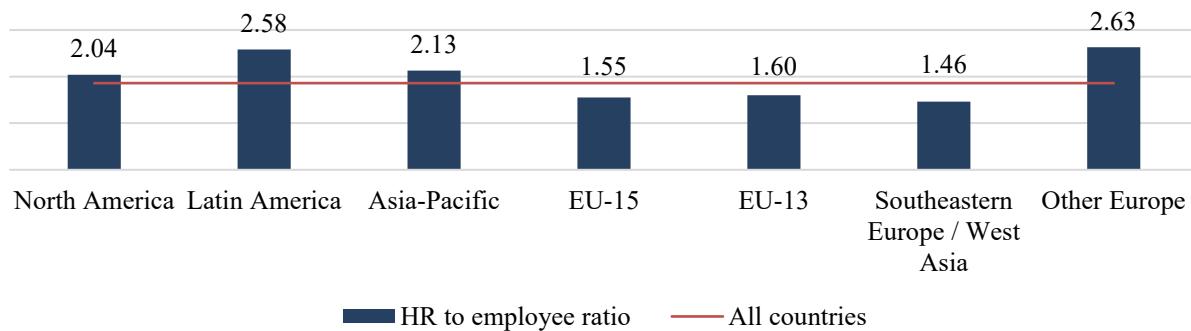


Figure 1.1 HR-to-employee ratio by region

Figure 1.2 depicts three HRM indicators (the existence of an HR department, the person responsible for HRM has a seat on the board, the person responsible for HRM is involved in business strategy development from the outset), that further indicate the importance of the HR function within an organization. The indicators show whether an HR department has a strategic partner role, implying that HR professionals have 'a seat at the table' when any kind of business decision is made. The first two indicators suggest that HR departments have an important position within organizations, while the third reveals the opposite. Specifically, more than 90% of organizations in every region except for EU-13 have an HR department. Additionally, in 71% of organizations, a person responsible for HRM has a seat on the board, with those percentages being higher in EU-15 and Other Europe (around 80%), and lower in Southeastern Europe/West Asia and EU-13 (around 55%).

However, the person responsible for HRM is involved in business strategy development from the outset in only 49% of organizations. The percentage is considerably lower in Asia-Pacific (less than 30%), but even in Latin America and Other Europe where the percentage is highest (58-69%), this still means that more than 30% of organizations do not involve HR in business strategy development.

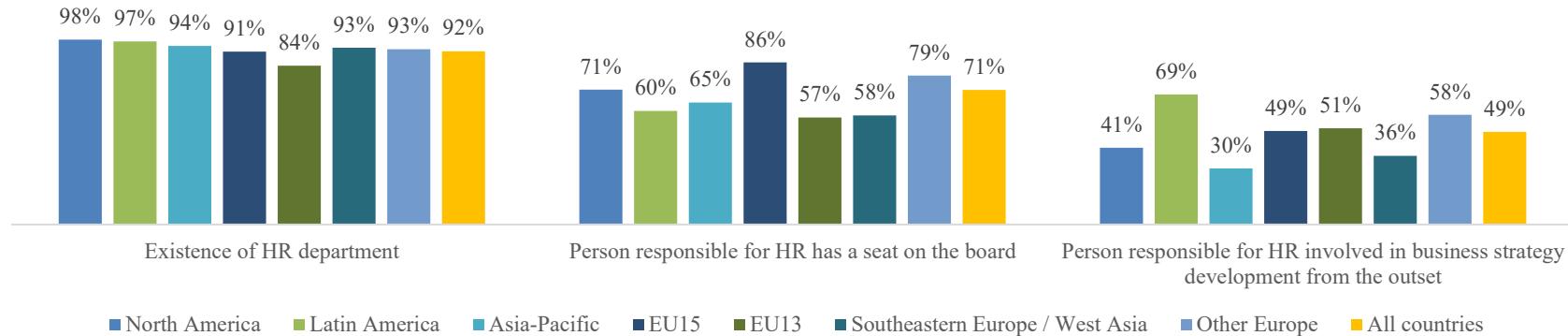


Figure 1.2 Three indicators of the role of HR department by region (percent of organizations)

HRM formalization

Figure 1.3 shows the extent to which organizations formulate business and HRM strategies. The business strategy is formalized in 77% of organizations on average. The organizations in Latin America, EU-15, Other Europe, Southeastern Europe/West Asia, and North America exceed this average, while those in EU-13 and Asia-Pacific are below the average. Having a written HRM strategy is less common in general (63% of organizations), and it occurs most often in Latin America, Other Europe, and North America, less often in Southeastern Europe/West Asia, EU-15 and EU-13, and the least in Asia-Pacific. Data on formalized HR recruitment strategies show that it is, on average, in writing in more than half (55%) of organizations – highest in Southeastern Europe/West Asia, North America, Other Europe, and Latin America, and lowest in Asia-Pacific. In turn, HR training and development strategies are, on average, written in 58% of organizations – the most in Southeastern Europe/West Asia, North America, Latin America, and Other Europe, less in EU-15 and EU-13, and the least in Asia-Pacific.

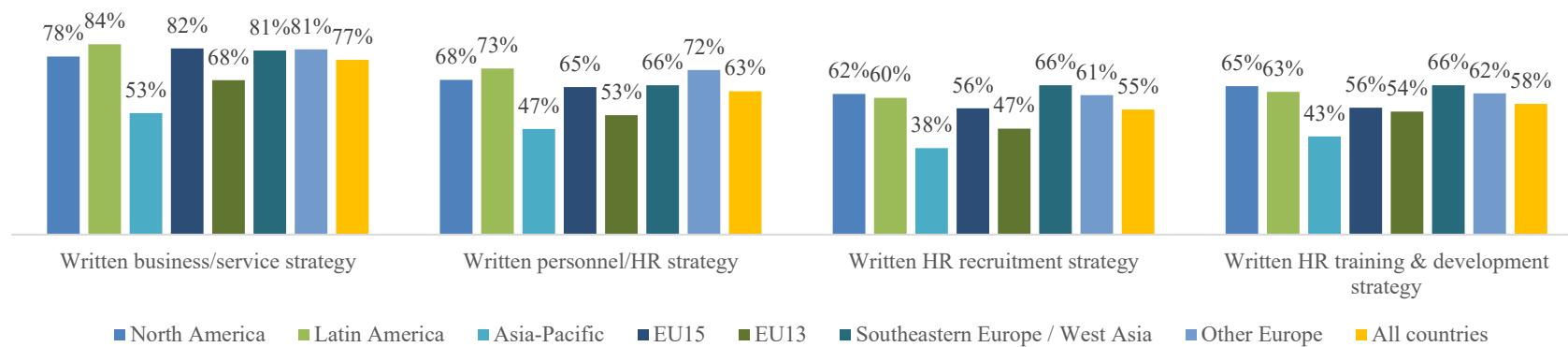


Figure 1.3 Four indicators of HRM formalization by region (percent of organizations)

Digital HRM practices

Digitalization of HRM practices follows the global trend of the adoption of digital tools to increase individual and organizational efficiency and effectiveness in all spheres of work and life. Figure 1.4 shows that digital HRM practices are most used in Other Europe and least in EU-15 and EU-13. Moreover, the figure shows that HRIS/e-HRM is the most used digital HRM practice in organizations, while algorithm-based HR processes are the least used practice.

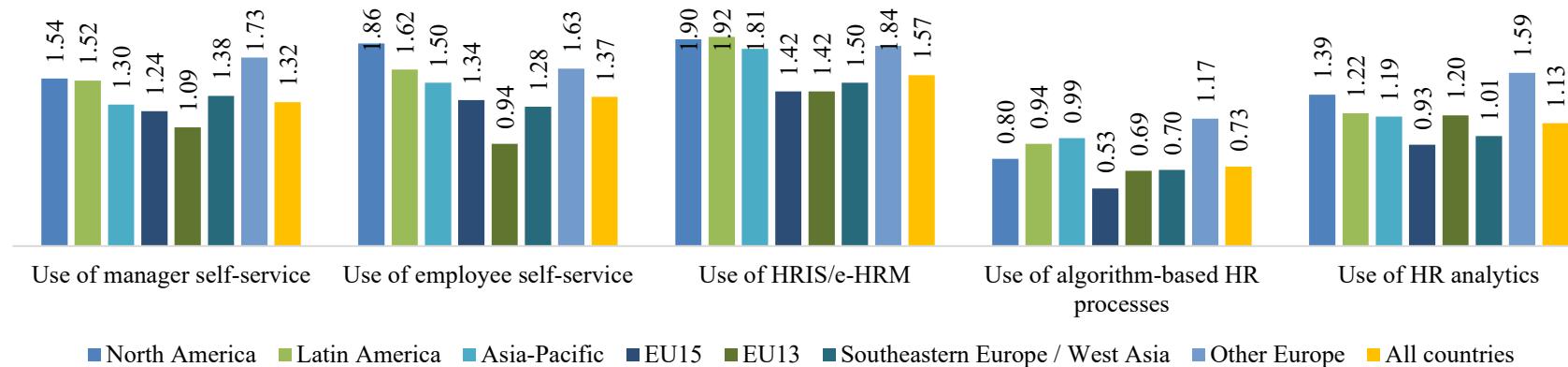


Figure 1.4 Digital HRM practices by region. Note: evaluated on a scale from 0 = 'not at all' to 3 = 'to a very great extent'

In summary, the three areas covered in this section (the HR department's role, HRM formalization, and digital HRM practices) imply that HR departments around the world have roles as business partners. Firstly, the average ratio of HR personnel to employees (1.86%) suggests that organizations believe that HRM expertise is needed for the successful attraction, motivation, and retention of employees. Second, around 90% of organizations have an HR department and around 70% of individuals responsible for HRM have a seat on the board. The area implying less of a business partner role is the involvement of the HR person in business strategy development from the outset, as slightly more than 50% of organizations do not have this. In terms of HRM formalization, more than 60% of organizations in the sample have a written HR strategy, which also indicates that HRM is considered an area worth thoroughly considering during the business planning process. Finally, in line with the overall digitalization of business, the digitalization of HRM is quickly gaining ground, showing that HRM is not being left behind.

Chapter 2 External Services: HR Outsourcing

József Poór and Csilla Judit Suhajda

Key Results

- ❖ The use of external service providers is highest among Western European (EU-15 and Other Europe regions) respondents.
- ❖ Training and development is consistently one of the most outsourced HRM activities.
- ❖ Workforce outplacement/reduction and the processing of routine queries from managers/employees (e.g., HR call centers) are the least outsourced.
- ❖ Organizations with a dedicated HR department use a larger proportion of external services compared to organizations without a dedicated HR department.

In addition to in-house HR departments (see Section 1), external HR consultants can also play an important role in developing HR strategies, performance measurement, talent development programs, executive coaching, retirement schemes, and collecting information on the incentive mix in addition to pay and compensation (Cerutti et al., 2022). Salary and benefits surveys conducted by external HR consultants "provide greater comparability than publicly available aggregated data" (Festing et al., 2012, p.149). Especially in the field of personnel development, in addition to consultants, there are a large number of training and people-development providers (e.g., trainers, coaches, etc.) (SkyQuest, 2023). Many global companies leverage HR outsourcing to streamline payroll and HR management, gaining access to advanced administrative tools and reporting capabilities while often opting for offshoring to other countries for these services. The CRANET survey data evaluate the current usage of External Services (or HRO) around the globe finding mainly that, organizations with a dedicated HR department also use a larger proportion of external services compared to organizations without a dedicated HR department.

Use of external services

We first review what trends there are in the use of external (outsourced) service practices across regional clusters. Table 2-1 shows that the use of external service providers is highest among Western European (EU-15 and Other Europe regions) respondents. These values are much lower in the case of the countries of the Latin American region.

Table 2-1 Use of external (outsourced) services by region (percent of organizations)

Regions	Payroll and benefits	Pensions	Training and development	Workforce outplacement /reduction	Human resource technology	Recruitment	Selection	Processing routine queries from managers/ employees
North America	37%	63%	53%	28%	52%	46%	20%	17%
Latin America	4%	7%	23%	3%	13%	21%	8%	6%
Asia-Pacific	33%	43%	58%	37%	55%	51%	32%	34%
EU-15	38%	76%	82%	46%	71%	74%	58%	13%
EU-13	28%	28%	68%	21%	54%	56%	36%	22%
Southeastern Europe / West Asia	23%	31%	64%	32%	49%	57%	43%	24%
Other Europe	36%	68%	62%	44%	56%	62%	44%	31%
Total	33%	50%	64%	32%	56%	57%	38%	22%

Overall, except for two regions (North America and Other Europe), the outsourcing of training and development activities is the highest. In these regions, the outsourcing of pensions has the highest rate. In prior CRANET surveys, 89% in 2004, 62% in 2008, and 64% in 2016 of organizations reported that they used external service providers in the field of training and development, which continues to be the most frequently outsourced HR area.

Table 2-2 Most used external (outsourced) service practices by region

Region	Most used external services across regions		
North America	Pensions	Training and development	Human resource technology
Latin America	Training and development	Recruitment	Human resource technology
Asia-Pacific	Training and development	Human resource technology	Recruitment
EU-15	Training and development	Pensions	Recruitment
EU-13	Training and development	Recruitment	Human resource technology
Southeastern Europe / West Asia	Training and development	Recruitment	Human resource technology
Other Europe	Pensions	Recruitment	Training and development

It is also interesting to explore which area, in terms of regional distribution, has the fewest external service providers (see Table 2-3): Workforce outplacement/reduction and the processing of routine queries from managers/employees (e.g., HR call centres) are the least outsourced.

Table 2-3 Least used external service practice by region (percent of organizations)

Region	Least used external service practice	Usage
North America	Processing routine queries from managers/employees (e.g., HR call-center)	17%
Latin America	Workforce outplacement/reduction	3%
Asia-Pacific	Selection	32%
EU-15	Processing routine queries from managers/employees (e.g., HR call-center)	13%
EU-13	Workforce outplacement/reduction	21%
Southeastern Europe / West Asia	Payroll and benefits	23%
Other Europe	Processing routine queries from managers/employees (e.g., HR call-center)	31%

Figure 2.1 demonstrates that the larger the organization, the more often it uses external service providers. In general, the use of external services rises in line with the number of employees in the organization. This trend has not changed compared to previous CRANET surveys. Interestingly, however, training and development outsourcing and recruitment outsourcing are affected little by organization size. The processing of routine queries from managers/employees has the lowest intensity among outsourced services, although its use tends to increase with the number of employees in the organization.

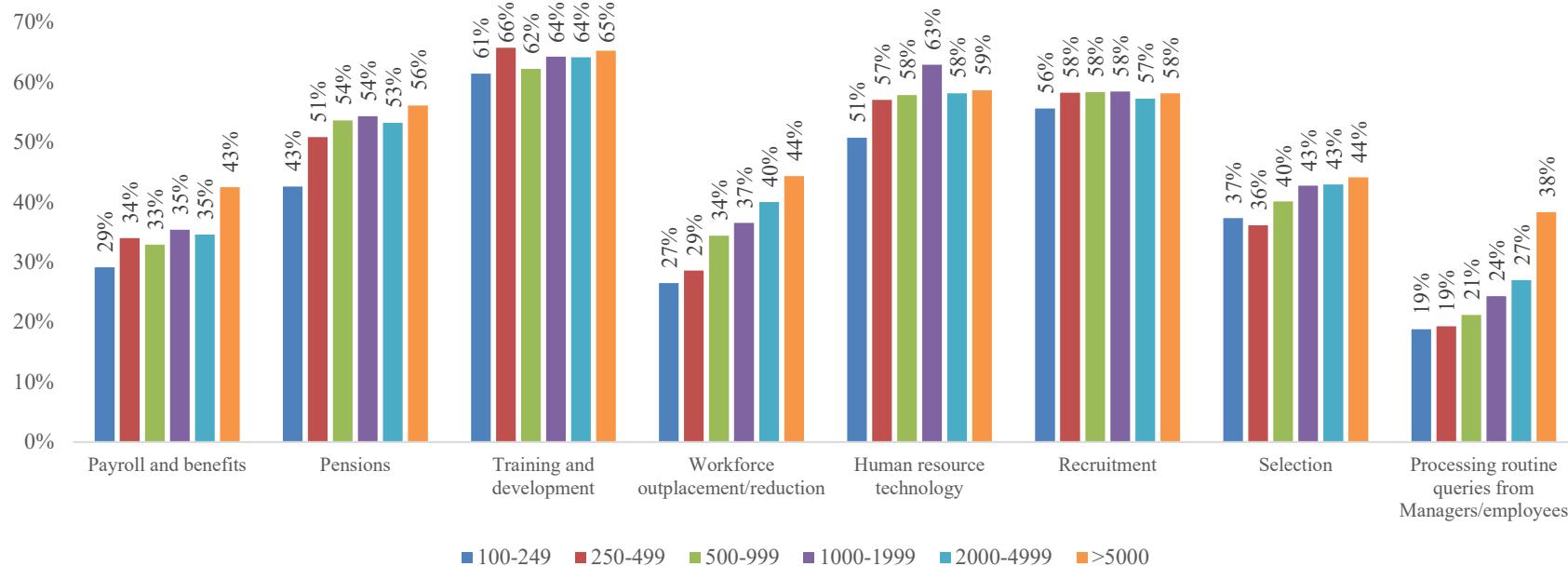


Figure 2.1 The use of external (outsourced) HR services by organization size (number of employees)

Table 2-4 below shows that in most regions, where there is an HR Department, there is a greater proportion of the use of external service providers. These results presuppose a conscious HR strategy in most regions to solve tasks using internal resources. North America and Southeastern Europe/West Asia are exceptions to this observation.

Table 2-4 The use of external (outsourced) services relative to HR department presence by region (percent of organizations)

Region	HR Dept. Presence	Payroll and benefits	Pensions	Training and development	Workforce outplacement/reduction	Human resource technology	Recruitment	Selection	Processing routine queries from Managers/employees
North America	With HR Dept	37%	63%	53%	27%	52%	45%	20%	17%
	Without	46%	55%	64%	46%	55%	64%	36%	46%
Latin America	With HR Dept	5%	7%	24%	3%	13%	21%	8%	6%
	Without	0%	0%	0%	0%	0%	0%	0%	0%
Asia-Pacific	With HR Dept	34%	44%	59%	38%	58%	53%	33%	36%
	Without	23%	31%	42%	15%	19%	15%	15%	15%
EU-15	With HR Dept	38%	76%	82%	47%	72%	74%	59%	12%
	Without	35%	72%	82%	23%	61%	62%	38%	27%
EU-13	With HR Dept	28%	30%	70%	23%	55%	58%	38%	24%
	Without	26%	21%	61%	13%	45%	42%	28%	11%
Southeastern Europe / West Asia	With HR Dept	23%	29%	64%	32%	48%	57%	43%	24%
	Without	26%	40%	66%	20%	57%	60%	40%	20%
Other Europe	With HR Dept	37%	70%	63%	46%	57%	63%	44%	31%
	Without	27%	35%	52%	23%	40%	48%	42%	27%
Total	With HR Dept	33%	51%	64%	33%	57%	58%	39%	22%
	Without	33%	41%	60%	22%	50%	48%	35%	24%

Chapter 3 Recruitment & Selection

Jana Blštáková, Soňa Ďurišová, Marius C. Wehner

Key Results

- ❖ The most common method for filling senior managerial positions is internal recruitment.
- ❖ Social media is widely used as a recruitment method for managerial positions in North America and most European countries, whereas in Southeastern Europe/West Asia, Asia, and Latin America, it is used well-below average.
- ❖ While workforce recruitment methods and sources are becoming increasingly formal, organizations in Southeastern Europe/West Asia, Asia-Pacific, and Latin America buck this trend and use recruitment methods and sources that are more informal.
- ❖ Interviews remain the most common selection method globally.
- ❖ North America has the highest rate of implementation of all types of programs for workforce minorities.
- ❖ In North America and Latin America, more than half of organizations have implemented a program to recruit ethnic minorities; these regions are also twice as likely as other regions to implement recruitment programs for the LGBTQ+ community.

The use of a variety of recruitment and selection methods reflects the cultural differences between and within regions and different legislative environments that affect the use of HRM practices. The results presented here reflect these effects as well as demonstrating new and emerging phenomena to which companies are responding. One question that arises from is whether we will observe a converging or diverging trend in recruitment practices across the globe. Relatedly, social media is rapidly catching up with more traditional forms of employee recruitment. These changes may imply a need to review how HR professionals are being educated and trained worldwide.

Recruitment practices

The most common method for filling senior managerial positions is internal recruitment (78% on average), which is slightly higher in the EU regions and North America (91%) than in Latin America and Asia (71%).

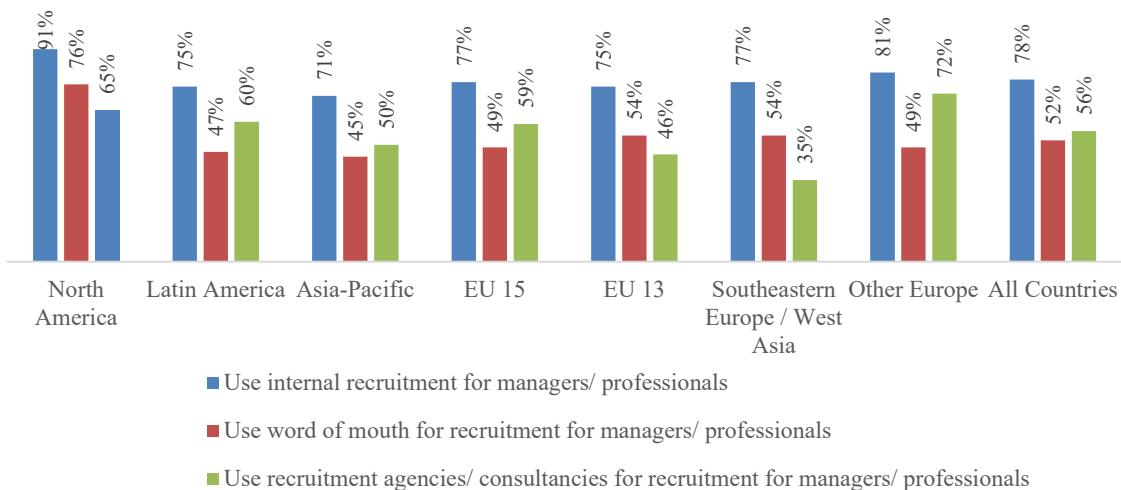


Figure 3.1 Selected recruitment methods for managers / professionals by region (percent of organizations)

When organizations do not have suitable internal managerial candidates, they reach out to the external labor market. The four most common methods of recruiting employees for managerial positions are company websites and professional job websites, recruitment agencies, and informal sources, such as referrals from employees. An interesting feature is the use of social media, which varies among companies around the world. Even for managerial positions, it is a frequently used recruitment method in North America and most EU countries (60%). In contrast, in Southeastern Europe/West Asia, Asia, and Latin America, social media is used well-below average (37%).

Recruitment agencies are a frequent source of managerial candidates, but their use varies greatly across the regions. Their use averages around 56% but is higher in the Other European countries (72%) in comparison to Southeastern Europe/West Asia and the Asia-Pacific region. Selected recruitment practices for managers/professionals across the regional clusters are depicted in Figure 3.1 (above).

Covering clerical/manual positions from internal sources is also common across the world (see Figure 3.2), despite being lower on average than for managerial positions: 66% of companies use internal recruitment for covering these lower positions. Again, it is used mostly in the EU and North America regions and less in Asia and Southeastern Europe/West Asia. To reach the external labor market, companies use job advertising on websites, and informal sources such as referrals from their employees and social media. Company websites are the most used method for recruiting employees from the external job market. Their use is highest in Europe (around 70%) and North America (80%) and lowest in Southeastern Europe/West Asia (46%). Commercial job websites seem to compliment the use of company websites. In addition, the use of social media varies between regions: In the EU regions and North America, a large majority of organizations (60%) use social media to reach the external job market for clerical/manual positions. In contrast, in Southeastern Europe/West Asia and Asia-Pacific countries, the figure is only around 29%.

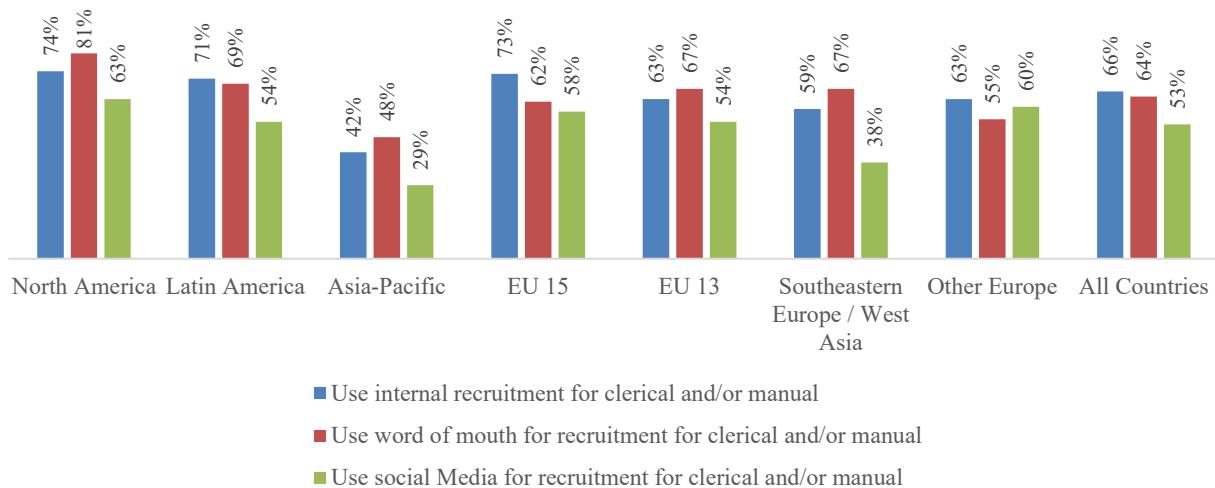


Figure 3.2 Selected recruitment methods for clerical / manuals by region (percent of organizations)

Overall, organizations based in Asia-Pacific and Southeastern Europe/West Asia seem to use recruitment methods in a less diverse way than organizations in the rest of the world. The widest range of different recruitment methods is observed in the EU regions and North America, while the lowest range of different recruitment methods is observed in Asia where the most common method is recruitment agencies.

Selection practices

The most common selection methods for managerial positions are interviews (see Figure 3.3). The one-to-one format seems to be supplementary to the panel interview. While organizations in the EU, Asia-Pacific, and Latin America regions prioritize the one-on-one interview, organizations in Other Europe and North

America prefer panel interviews. An additional method of selecting employees for managerial positions is references (used on average by 69% of organizations). They are widely used in the EU-15, Other Europe, and North America (78%) regions, while their use in the EU-13, Latin America, and Asia-Pacific regions is lower (50%).



Figure 3.3 Use of one-on-one vs. panel interviews and references for management positions by region (percent of organizations)

Although the use of application forms is frequent for clerical and manual positions, there is also evidence that organizations from Other Europe and North America also use application forms for the selection of managerial positions. In North America, Latin America, and Other Europe, the selection methods include social media profiles of candidates: more than 36% of organizations in Latin America and Other Europe use social media profile analysis for selecting managers.

Testing for managerial positions is mainly used in the technical field. Tests for ability, numeracy, and technical skills are used in EU countries, Latin America, and Southeastern Europe/West Asia (52%). Psychometric tests are dominant in the EU-15 countries, the Other European countries, and in Latin America (56%). Their uptake is lower in the EU-13 countries (33%) and North America (25%). The use of assessment centres for managers is widespread (about 30% on average), especially in Asia-Pacific, EU-15 (30%), Other Europe (41%), and Latin America (46%). Regions such as North America and EU-13 rarely use assessment centres (below 20%).

Overall, organizations from EU-13, EU-15, Other Europe, and Latin America seem to use the widest range of selection methods for managerial positions. In contrast, organizations from the EU-13 region, North America, as well as the Asia-Pacific region, use less variety of methods; for example, psychometric tests, technical tests, assessment centres, and social media profile analysis are lacking.

For selecting clerical and manual positions, the most used method is one-on-one interviews (73% on average). Panel interviews are mostly used in the North America and Asia-Pacific. The use of application forms is significantly higher for clerical and manual positions than for managerial positions. Up to 60% of organizations, mostly in North and Latin America and Other Europe (72% of organizations), use digital technologies in the process of employee selection. The use of technical, ability, and numerical tests shows wide variation. While organizations from North and Latin America and Asia-Pacific use tests frequently, organizations from EU-15 and Other Europe use tests less. It is the opposite for the usage of psychometric tests for clerical and manual positions, where these are not used in North America and EU-13 countries, but frequently used in Latin America and Asia-Pacific. Overall, the number of different selection methods for clerical and manual positions was highest for organizations from North and Latin America, the range is much lower in European countries.

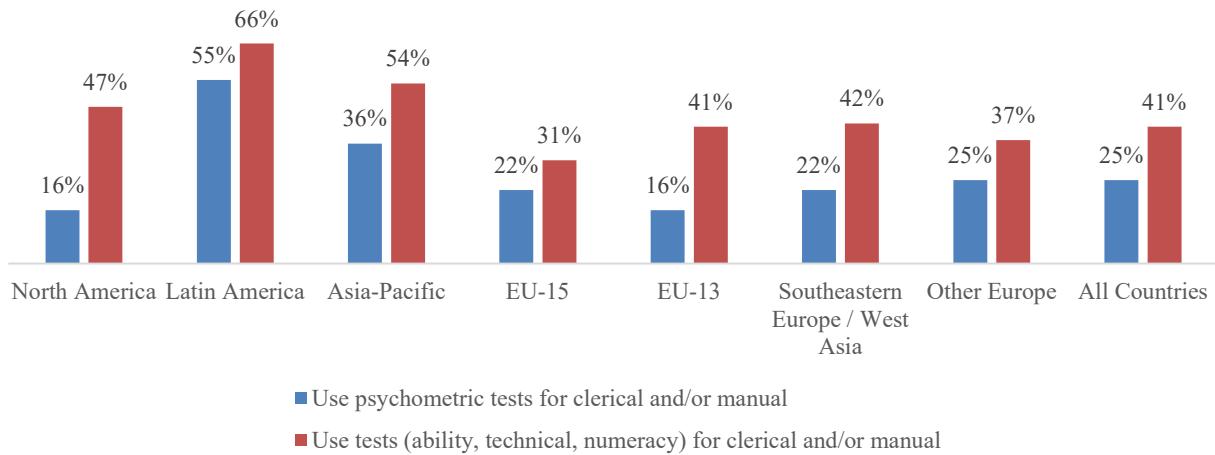


Figure 3.4 Use of technical and psychometric tests for clericals and manuals by region (percent of organizations)

Recruitment programs for minorities

The most frequently used recruitment program for minorities is the employment of women (see Figure 3.5) with 35% of companies worldwide having such a program in place. It is most widely used in North America, Latin America, and Other Europe. This is followed by programs for hiring younger workers, people with disabilities, and ethnic minorities worldwide.

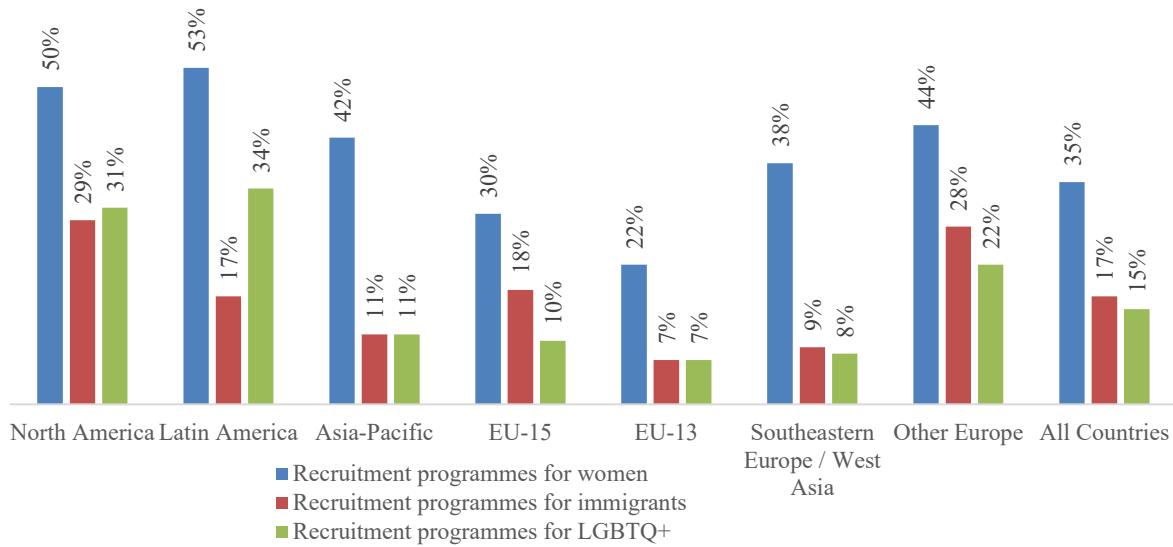


Figure 3.5 Selected recruitment programs for minorities by region (percent of organizations)

Organizations in EU-15 and Other Europe implement programs for immigrants and refugees more often than in EU-13. Southeastern Europe/West Asia and Asia-Pacific have a very even distribution of recruitment programs among different minority groups. In particular, organizations from these two regions reported that programs for refugees, LGBTQ+, or immigrants are lower than average, while recruitment programs for women, people with disabilities, and ethnic minorities are implemented most. Organizations in the North America and Latin America regions are the most active in this regard. For example, up to 57% of organizations have implemented a program for recruiting ethnic minorities, followed by programs for employing women, and people with disabilities. Significantly, organizations from these regions are also implementing recruitment programs for the LGBTQ+ community, at more than twice the rate as in other regions.

The variation in recruitment methods and sources is somewhat low between North America, EU-15, EU-13, and Other Europe. In contrast, organizations in Southeastern Europe/West Asia, Asia-Pacific, and Latin America use recruitment methods and sources that are rather informal, which may be based more on social networks (which should not be mixed up with social media), and built upon strong interpersonal ties.

Organizations from EU-15, EU-13, Other Europe, North America, and Latin America use the widest range of selection methods for their workforce, especially for managerial positions. In contrast, the variety of selection methods is lower in the Southeastern Europe/West Asia and Asia-Pacific regions, especially in tests and analyzing social media profiles. Results show differences in the application of recruitment programs for minorities across the regions as well. We identified the most diverse approach in ethnicity-related programs (standard deviation (SD) = 0.15) and the lowest diversity in generation-related programs (younger workers: SD = 0.07; older workers: SD = 0.05). North America has the highest rate of implementation of programs for minorities in all forms, except for programs for young workers and the disabled, where Latin America has higher rates. Europe showed differences between EU countries and non-EU countries, although there is a similar approach to generation-related programs and this region is the most diverse in ethnicity-related and gender-related programs. The length of EU membership and alignment with EU standards seem to result in standardized HR practices. Programs for immigrants and refugees seem to vary based on the political and geographical specifics of countries (border countries, transmitting countries, destination countries).

Chapter 4 Remote Working

Marco Rapp and Hilla Peretz

Key Results

- ❖ Pre-pandemic, 80% of organizations offered remote work to some employees; during and after COVID-19, remote work has become more common.
- ❖ Remote work varies by country, with some, like Australia, Norway, and Denmark, sustaining high usage, while others, like Turkey, see more modest changes.
- ❖ Larger organizations embrace remote work more, allowing more employees to work remotely.
- ❖ Technology and telecommunications sectors have more remote workers, while hospitality and certain manufacturing industries have fewer.

Few developments have shaped the world of work as much as the rapid growth of teleworking during the COVID-19 pandemic. With the prevalence of remote working, one fundamental question is how HR practices will adapt to effectively manage and engage a dispersed workforce, ensuring productivity and collaboration. Remote work boomed during the pandemic lockdown but has only receded slightly since. Using CRANET data as one of the most comprehensive datasets, we show the spread of telework over time. Due to the intense interest in this field, we extend beyond merely reporting the survey findings here and reflect in more depth about the changes that have been occurring, also including an individual country level of analysis.

The rise of remote work

Remote working is not a new phenomenon, and prior to industrialization, it used to be the modus operandi for most people working in, for example, agriculture (for a historical overview, see, e.g., Holliss, 2015). In an employment setting, early research dates back to the 1970s (Newman, 1977), when organizations first adopted and adapted work contracts to meet the needs of their traveling sales personnel. Since then, technological advancements and improved access to high-speed internet made this mode of working easier and far more popular over the last two decades. However, this barely affected the wider workforce, with 78% of organizations reporting no remote work at all in 2014. Figure 4.1 illustrates this trend over time. Notably, the number of organizations reporting some use of remote working remained stable at around 80% until the COVID-19 pandemic in 2020. What has changed over time is the percentage of employees using remote working arrangements. The yellow, green, and purple bars show a steady increase in the number of organizations, with 6-20%, 21-50%, and over 50% of employees working remotely, while the light blue bar (1-5% of employees with access to remote working) has shrunk over time.

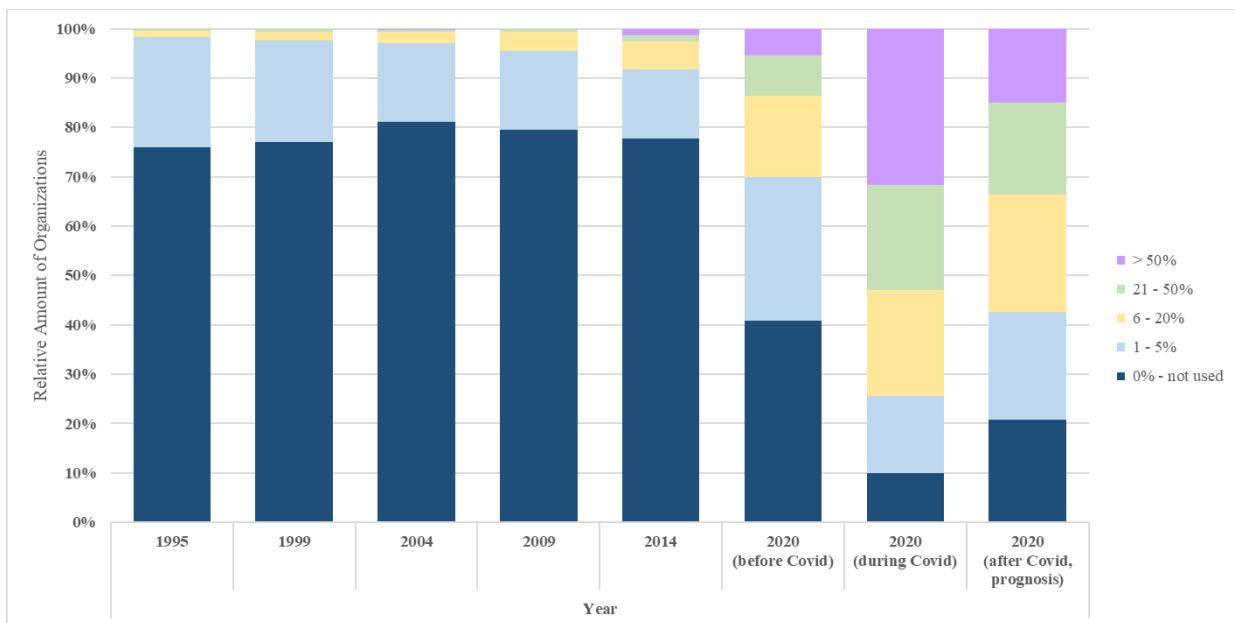


Figure 4.1 The growth of remote working overtime (percent of organizations) (N = 36,482)

What becomes most apparent is the impact of the COVID-19 pandemic. With the increasing incidence of COVID-19 infections and the resultant lockdowns imposed by governments; the majority of organizations ensured maintaining their operations by asking their employees to work from home. Working from home is not feasible for all kinds of organizations, such as hospitals or manufacturing plants, and jobs, e.g., doctors or mechanics. Thus, approximately ten percent did not or only partially operated remotely despite the pandemic (indicated by the blue, yellow, and green bars in Figure 4.1).

Our analyses corroborate that by highlighting vast country-level differences in the use of remote work before, during, and after the COVID-19 pandemic (see also Appendix Figure 11.1). Figure 4.2 illustrates the percentage of organizations *not* using remote work at all before, during, and a prognosis on remote work ‘after’ the COVID-19 pandemic. In some countries, such as Australia, Norway, and Denmark, the effects of the pandemic on the overall use of remote work appear to be long-lasting with a relatively similar percentage of organizations that do (not) use remote work at all (red and purple dots are closer together). In other countries, such as Turkey, the changes were more modest, with more organizations using it after the pandemic, but to a much lesser extent than during the pandemic.

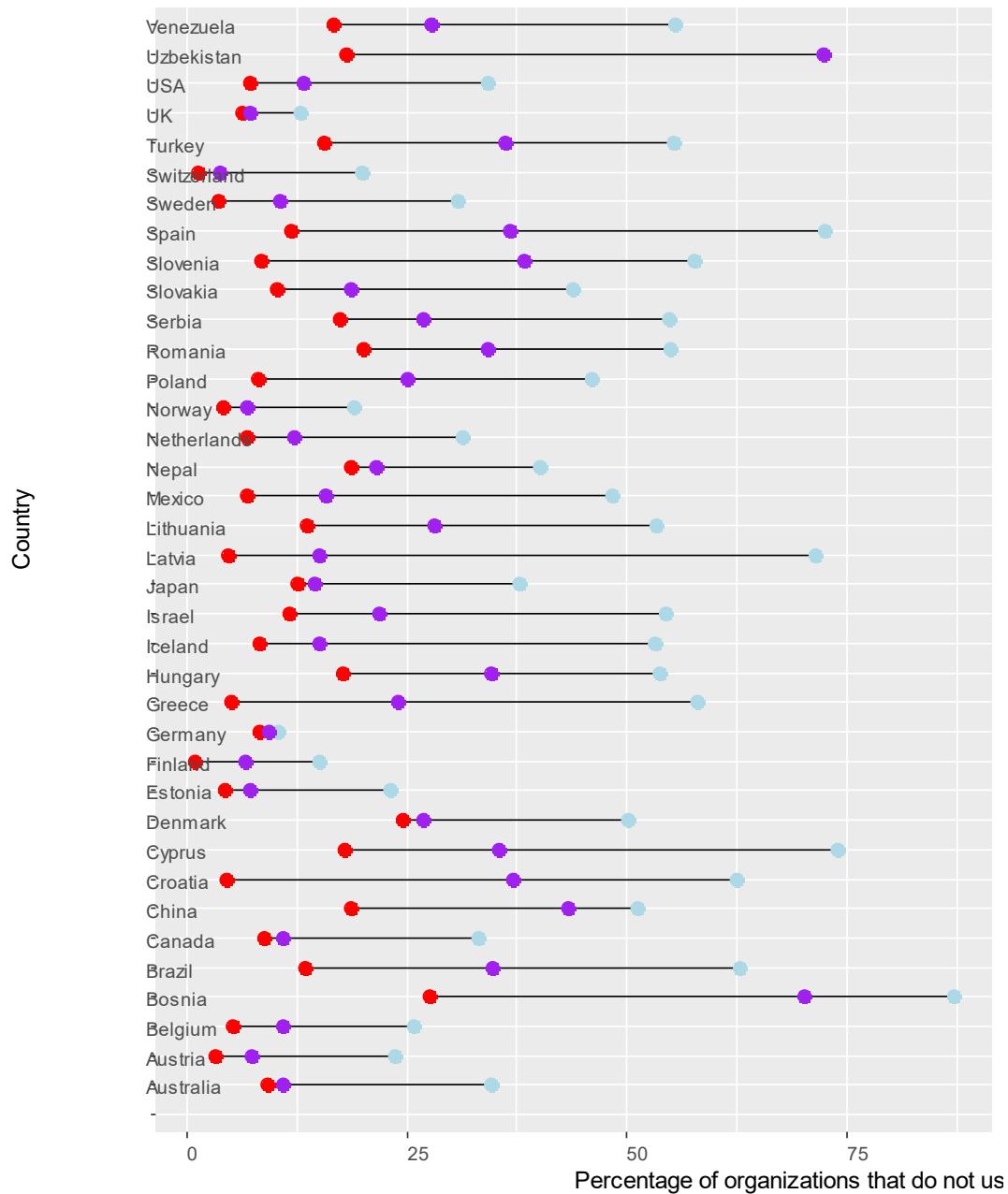


Figure 4.2 Percentage of organizations reporting to have 0% of their workforce on remote work (Light-blue dots indicate time before, red during, and purple after the COVID-19 pandemic)

There are not only differences on an organizational or industry level but also on a national level. Thus, to illustrate further the effects of external context (e.g., regulation, culture, and IT infrastructure) and internal context (e.g., organization size, industry, workforce composition) on the use of remote work, we analyzed the most recent CRANET dataset from 2021/2022 (for a more sophisticated analysis, see Peretz et al., 2018).

Our organizational-level analyses show that larger organizations tend to use remote work to a greater extent, i.e., more employees can use remote work. While there are no differences between the public and the private sector, industries vastly differ in their overall use of remote work. High-technology industries, such as the manufacturing of computers and electronics as well as the telecommunications industry, have a

significantly larger proportion of employees working remotely, while the opposite is the case for hospitality and manufacturing of basic metals and other non-metallic products.

Turning towards organizational actors, while the power of trade unions does not affect the use of remote work, the relative strength of the HR department (i.e., being part of the C-suite and involved in strategic decision-making) increases the relative use of remote work. At the country level, our results point out that national culture matters more than regulation and technological infrastructure. More specifically, organizations in cultures characterized by low levels of uncertainty avoidance, i.e., low cultural tolerance of unexpected or unpredictable situations (e.g., Ireland and Sweden), plan on using remote work to a smaller extent. Organizations in cultures that are characterized by a high-performance orientation (e.g., the United States of America or Venezuela) offer remote work to a wider range of employees. A country's technological infrastructure and governmental regulations, however, do not appear to affect the use of remote work, which is not surprising against the backdrop of the insignificant effects of technological advancements on the overall use of remote work. For the full results and model see Appendix Table 11-3.

While the COVID-19 pandemic accelerated the rise of remote working worldwide, there has been a small but steady increase since 2004. More recently, however, an increasing number of organizations are calling their employees back to the office, including major players such as Meta Inc. and Goldman Sachs (Hubble, 2023; Smith, 2022). While this is consistent with our findings, more recent figures from the European Central Bank report that around 40% of employees would prefer to work remotely for at least two days per week (Da Silva et al., 2023). While the resolution of this debate remains to be seen, our findings suggest that national culture is likely to play an important role in this negotiation process. Ultimately, this may lead to a more heterogeneous configuration of remote work across countries. In terms of recommendations, research suggests that a moderate level of remote working is beneficial for both employees and employers (Golden et al., 2008; Golden & Eddleston, 2020). However, this effect is inverted U-shaped, meaning that excessive use of remote work leads to social isolation and career penalties, such as lower salary increases.

With technological advances such as virtual and augmented reality, improvements in the overall IT infrastructure, and changing attitudes in the workforce, remote working will likely continue to gain momentum around the world. Specifically, technological advancement (e.g., tools like Zoom, Google Meet, and Microsoft Teams) can enable remote workers to participate in virtual meetings and collaborate with colleagues as if they were in the same room. This has made it possible for remote workers to work effectively in teams and stay connected with their colleagues, even if they are not physically present. Virtual and augmented reality technology has also made it possible for remote workers to feel like they are present in a physical office environment. This can help to mitigate the sense of isolation that some remote workers may feel and can facilitate communication and collaboration among remote teams.

In summary, the feasibility of remote work is very country-dependent. As remote work continues to grow in popularity around the world, it will be important for organizations and policymakers to consider the unique challenges and opportunities presented by different countries and to work together to promote the benefits of remote work for workers, companies, and the global economy as a whole.

Chapter 5 Work-Life Balance

Christiana Ierodiakonou, Denise Jepsen, and Eleni Stavrou

Key Results

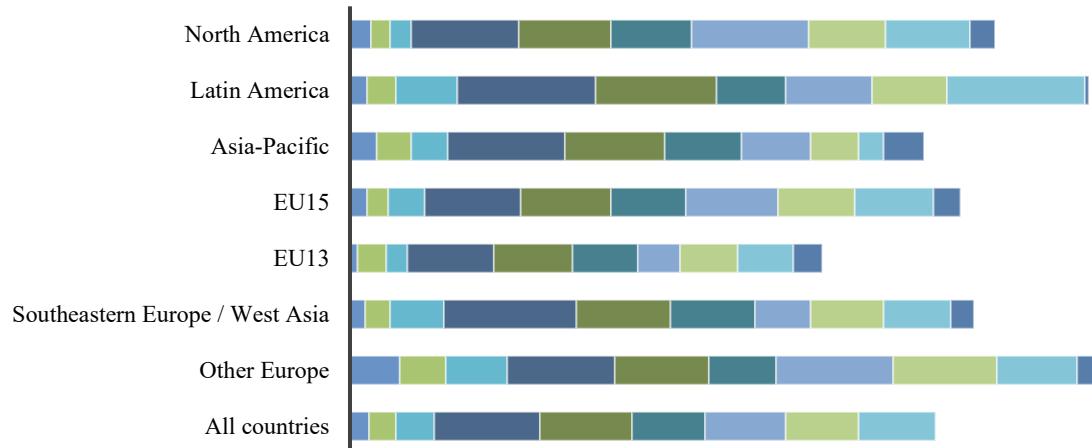
- ❖ Parenthood-related leave is the most frequently offered fringe benefit.
- ❖ Childcare-related fringe benefits beyond statutory minimums are offered to a low degree by organizations overall.
- ❖ Flexitime is highly utilized, with its highest popularity in Europe.
- ❖ Temporary/casual work is generally popular but less so in EU-15.
- ❖ Spain is the lowest user of overtime: only 58% of organizations offer this compared to over 90% elsewhere.
- ❖ Weekend work is used by over 80% of organizations in Serbia, the UK, Cyprus, Germany, and China, but is least utilized among organizations in Chile (12%).
- ❖ Part-time work is among the most popular flexible working arrangement across the world.
- ❖ Temporary/casual work and fixed-hours contracts are not as highly utilized and fluctuate more than other flexible working arrangements.

Reconciling employment with life beyond paid work has been at the forefront of research and practice for decades. The term ‘work-life balance’ is used to cover a wide spectrum of non-work aspects including family, personal life, health, and psychological well-being (Stavrou & Ierodiakonou, 2016). The premise is that one’s working life should be seen as compatible with, and not in opposition to, their personal life. We describe here the fringe benefits and flexible working arrangements that organizations offer in excess of any statutory requirements.

Fringe benefits for work-life balance

Fringe benefits, which include a variety of non-wage benefits, are typically offered by organizations in addition to statutory benefits to create a competitive benefits package that reinforces employee productivity and retention while supporting their well-being and work-life balance. The CRANET survey asked participating organizations to indicate which fringe benefits are offered to their employees beyond statutory requirements (Figure 5.1). (We focus here on parental leave as a fringe benefit: Section 8 - Compensation & Benefits - elaborates on other forms of fringe benefits.) Findings show that parenthood-related leave is the most frequently offered benefit in general. It is notable that paternity leave as a non-statutory benefit, though not offered to the same extent as maternity leave, appears as a popular fringe benefit across different regions, suggesting organizations are taking an active role in encouraging gender equity. However, childcare-related benefits beyond statutory requirements are offered to a low degree by organizations overall.

There are noticeable differences across the world that merit attention. Comparing organizational practices across the regions as shown in Figure 5.1, we note the vast majority of organizations in Latin America offer some sort of fringe benefits, in contrast to Asia-Pacific organizations where a fifth do not offer those fringe benefits. Further, some organizational practices within a region diverge from the overall picture. For example, within EU-15 countries, fringe benefits adoption is at medium levels, close to the overall means of the global sample, but adoption levels in the EU-13 are lower, and in other European countries it is noticeably higher. In North America, fringe benefit adoption is also at medium levels. Such regional differences are worth exploring further, as it is important to remember that these practices are being offered in addition to any statutory requirements. In other words, if there is a high level of maternity benefit in a country, organizations are unlikely to need to go above and beyond, so we would see fewer organizations there reporting these additional maternity leave benefits.



	All countries	Other Europe	Southeastern Europe / West Asia	EU13	EU15	Asia-Pacific	Latin America	North America
■ Work-place child-care	10%	26%	8%	4%	9%	14%	9%	11%
■ Child care allowance	14%	24%	13%	15%	11%	18%	15%	10%
■ Career break programs	20%	32%	28%	11%	19%	19%	32%	11%
■ Maternity leave	55%	56%	69%	45%	50%	61%	72%	56%
■ Paternity leave	48%	49%	49%	41%	47%	52%	63%	48%
■ Parental leave	38%	35%	44%	34%	39%	40%	36%	42%
■ Pension schemes	42%	61%	29%	22%	48%	36%	45%	61%
■ Education/training break	38%	54%	38%	30%	40%	25%	39%	40%
■ Private Health Care	40%	42%	35%	29%	41%	13%	72%	44%
■ None of these	0%	10%	12%	15%	14%	21%	2%	13%

Figure 5.1 Percent of organizations offering fringe benefits (in excess of statutory requirements) for work-life balance by region

A similar picture of some common and other divergent patterns is observed when examining the offering of these fringe benefits across the countries included in the CRANET survey, as shown in the Appendix Table 11-1. Looking at the utilization of fringe benefits by country, we see the same pattern in relation to childcare and child allowances, with few exceptions. In contrast to the generally low adoption, 50-60% of UK organizations utilize all of these benefits, 50-60% of organizations in Croatia utilise childcare allowances and career breaks, and 41% of organizations in Brazil utilize childcare allowances.

The use of different types of leave is more varied among countries. However, some of the lowest utilization rates are in Belgium (10% use of maternity and paternity leave), Chile (8% use of maternity leave), Estonia (7% use of parental leave) and Latvia (5% use of parental leave), while some of the highest utilization takes place in Mexico (91% of maternity leave and 81% use of paternity leave), Nepal (95% of maternity leave) and Serbia (100% of maternity leave, 79% of paternity leave and 78% of parental leave). As noted, it is important to remember that at least some of these low utilization rates may reflect already generous national statutory allowances, e.g., Iceland's six-month statutory maternity leave may explain that country's low offering (14%) of additional maternity leave benefits.

Flexible working arrangements for work-life balance

Flexible working arrangements are among the typical practices used to support employee work-life balance, by varying the time, place, or duration of work to suit the needs of both employers and employees. (Note that the topic of remote working is covered separately in Section 4 of this report.) In the CRANET survey, we asked organizations to report the extent to which they use different flexible working arrangements, ranging from those that are more traditional and employer-friendly (e.g., weekend work and overtime) to newer and more employee-friendly arrangements (e.g., flexitime)¹.

Figure 5.2 reports the use of flexible working arrangements across the regions. While the percentage of organizations using different working arrangements is all medium to high, among the most widely used across the sample are weekend work, part-time work, and flexitime. In comparison, fixed-hour contracts and temporary/casual work are less widespread. Looking at the popularity of different types of flexible working arrangements, weekend, shift and overtime work are more popular in North America and Asia-Pacific compared to other parts of the world, while organizations in the EU-15 and Other Europe make more use of part-time work and flexitime compared to other regions. Further, fixed-hour contracts seem most popular in Asia-Pacific and least popular in Latin America, while part-time work seems most popular in Europe and least popular in Asia-Pacific and Latin America. Flexitime seems highly utilized overall, but it is most popular in Europe. A similar pattern exists for temporary/casual work except its popularity is lower in EU-15.

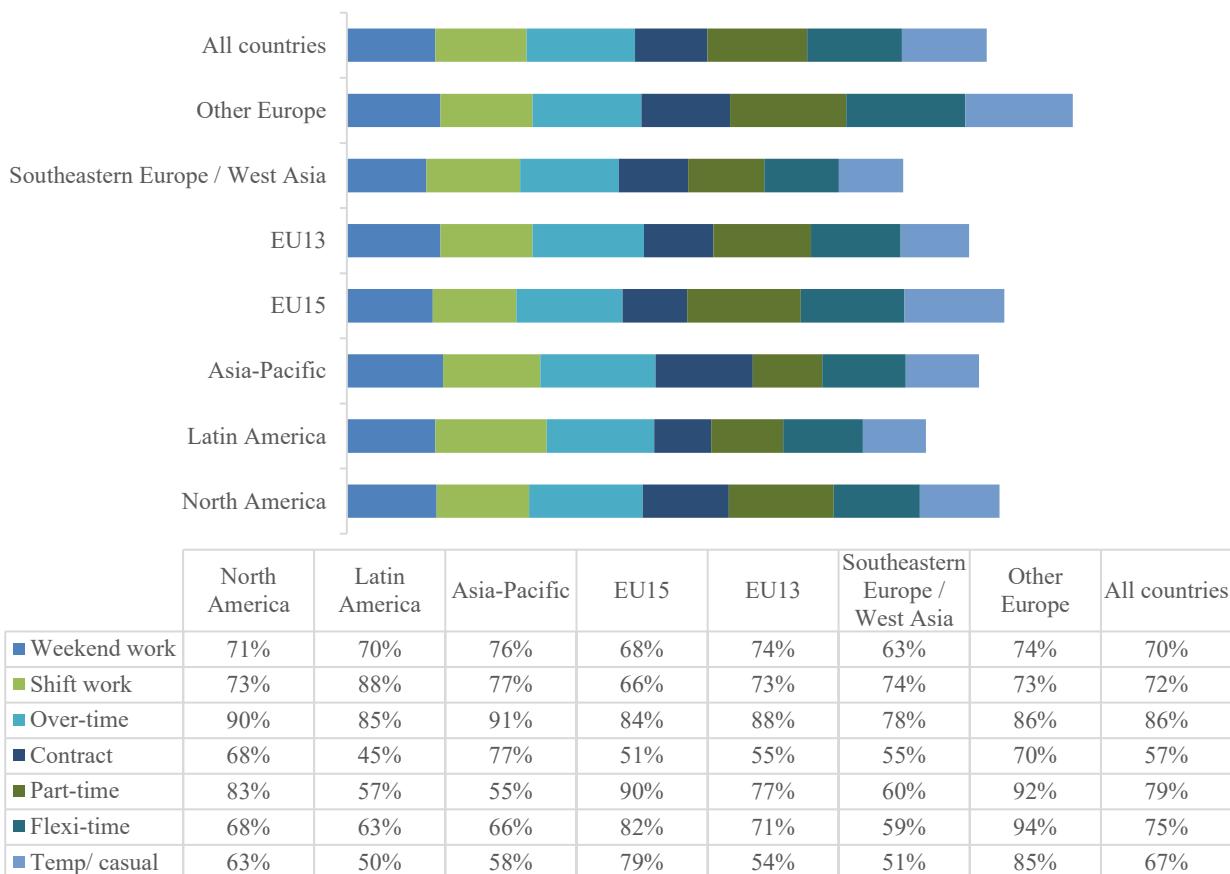


Figure 5.2 Flexible working arrangements averaged per region

¹ The survey also asked for the extent of use of teleworking, which tends to be strongly associated with work-life balance, but is not reported or discussed in this chapter, as remote working has been covered in the previous chapter.

Taking a closer look at these arrangements by country, as shown in the Appendix Table 11-2, it is worth noting overtime is utilized at 100% of organizations in Chile and Latvia, with many countries reporting utilization levels of 90% and over (China, Cyprus, Denmark, Finland, Israel, Norway, Serbia, Slovakia, Slovenia, Sweden, the UK, and the USA). The lowest utilization is found in Spain at 58%. Similar to other surveys, the CRANET survey cannot fully capture the extent of overtime work, since it is often used as an informal, non-reported practice. Overtime can be hidden within ‘optimal’ project contracts or remote working arrangements, or simply normalised within everyday working lives (e.g., Anxo and Karlsson, 2019; Boyes, 2022). In addition to overtime work, we see that weekend work is most used by organizations in Serbia (87%) and the UK (85%) with Cyprus (82%), Germany (82%), and China (81%) following closely behind, but is least utilised among organizations in Chile (12%). Differently, Mexico and Serbia (92%) demonstrate the greatest utilization of shift work, while the Netherlands demonstrates the lowest at 49%.

Part-time work is among the most popular arrangements throughout the world. Chile reports 100% utilization among its organizations and so does Austria. Closely trailing behind are Switzerland (99%), Australia, and the Netherlands (98%), as well as Belgium and Denmark (97%). Lowest use is reported among organizations in Bosnia (21%) with the next lowest in China and Venezuela (39%). Flexitime is also popular around the world, with the highest utilization reported in Switzerland (96%), Belgium and Norway (95%), Germany, Sweden and the UK (93%), and Finland (91%). Chile is lowest at 27% utilization.

In contrast, temporary/casual work and fixed-hours contracts are not as highly utilized and fluctuate more than other flexible working arrangements. For example, temporary/casual work is utilized among 100% of organizations in the Netherlands and 97% of organizations in Finland. Slovakia (94%) Norway and Sweden (93%) trail behind, while the lowest use is in Chile (17%). Regarding fixed hours contracts, Chile reports 100% utilization in its organizations, but many countries report utilization below 50%, the lowest being Austria (38%), Lithuania (18%), Mexico (33%), Sweden (37%), Turkey (30%) and Venezuela (22%).

Despite significant cross-country and regional differences, patterns and trends in the use of flexible working arrangements show that specific arrangements such as overtime, weekend, and shift work remain popular across different parts of the world. Even though these arrangements are generally regarded as more attending to the organizational rather than employee needs (Stavrou & Ierodiakonou, 2011), they offer substantial functional flexibility to organizations. These arrangements enable organizations to adjust workforce availability to fluctuating and longer demands, especially as they adapt to the new world of work and emerging business models. Since these flexible working arrangements are expected to remain popular, organizations need to manage them effectively, putting in place the policies, procedures, and services necessary to minimize their negative effects such as health issues, fatigue, and social isolation. Managed effectively, there is evidence to suggest these arrangements can benefit employees with increased flexibility, higher pay, and improved access to jobs (Brown & Lepak, 2019; Presser, 2020). At the same time, considering the new business models, new modes of working, and the newest generation joining the workforce, we can expect other flexible working arrangements to remain widespread (e.g., flexitime and part-time) or to gain popularity over time (e.g., contract work). Whether these more global pressures will lead to more convergent patterns of working arrangements remains to be seen.

Overall, we have provided here a ‘global snapshot’ of the benefits and arrangements that organizations use to facilitate their employees’ work-life balance. Considering vast regional and country differences, it is challenging to interpret and provide conclusions without further research. Overall, the degree to which organizations offer specific fringe benefits within their country and region varies considerably, indicating the complexity of identifying and explaining ‘good practice’ in HRM. Changes in fringe benefits offered by organizations could be expected. These changes may lead to more convergent patterns since in the aftermath of the pandemic work practices are changing and employees are universally becoming more demanding of benefits and services that facilitate a balanced lifestyle.

Chapter 6 Training and Development

Monica Zaharie and Milka Rimac Bilušić

Key Results

- ❖ Over half of the organizations have a training and development strategy and the responsibility for major policy decisions on is well balanced between line managers and the HR department.
- ❖ Two-thirds of organizations use external training and development providers but only 5% completely outsource all their training activities.
- ❖ There has been a sharp increase in training and development budgets from an average of 4% in the 2014-15 to 9% in 2021-22.
- ❖ Some countries, such as Chile, Serbia, and Nepal allocate less than 3% of annual payroll costs to training and development, while others allocate over 15% such as Japan, Germany, and the UK.

As a key HR function, training and development (T&D) has been generally recognized to enhance the firms' competitiveness and performance (Garavan et al., 2021). Moreover, in the current dynamic business landscape, training programs have been instrumental for companies in facing the challenges posed by the COVID-19 pandemic, helping employees to work from home more effectively (see also Section 4) and develop the required skills. Focusing on the differences and the common characteristics of T&D systems at country and world region level, this section provides a comparative analysis of the training investments, annual training days provided, evaluation of training needs, and training effectiveness that guide learning and development decisions.

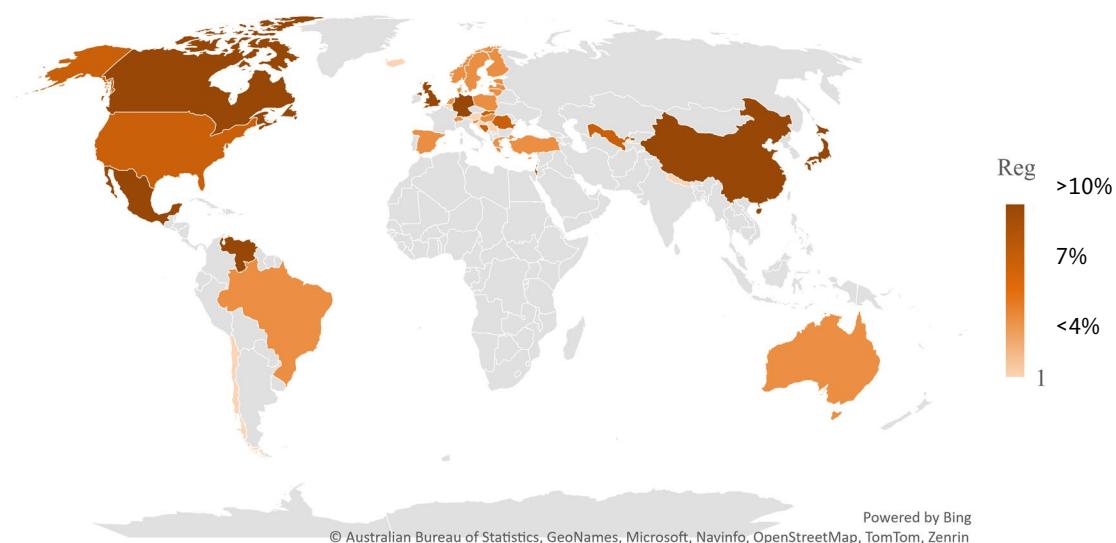


Figure 6.1 Percentage of annual payroll costs allocated to T&D by country.

The number of total training days reveals large differences between countries, with Finland and Austria having an average of less than five days of training per year, while Mexico and Venezuela have over 23 days per year. Generally, most countries have on average more training days for managers/professionals (average of twelve days per year) compared to clerical/manual workers (average of eleven days per year). This shows a significant increase in comparison with CRANET data from 2014-15 when the average training days for managers/professionals was eight days per year, and for clerical/manual workers was seven days per year. Additionally, Figure 6.1 highlights the variation in the percentage of annual payroll costs allocated to T&D by country.

Exploring the way organizations implement T&D programs, the CRANET survey findings show that 65% of organizations systematically estimate the need for training. While public and private organizations show similar frequency in evaluating training needs (with an average value of 65%, respectively 63%), significantly fewer not-for-profit organizations evaluate training needs (57%). Compared to the training needs analysis stage, fewer organizations systematically evaluate the effectiveness of the training programs (49%). Private organizations are more inclined to assess the effectiveness of their T&D initiatives (51%) than public organizations (44%) and non-for-profit (41%), denoting a stronger pressure to demonstrate value for money in their training investments. The most frequently used techniques for evaluating training effectiveness (see Table 6-1) are “Reaction evaluation immediately after training” (used by 35% of the organizations) and “meeting the objectives set for the training” (34%), while the least used technique is “assessing return on investment (ROI)” (10% of the organizations) and comparing the job performance before and after the training (20%).

Table 6-1 Techniques for evaluating training effectiveness (percent of organizations using)

Method	Percent
Reaction evaluation immediately after training	35%
Meeting objectives set for the training	34%
Informal feedback from line managers	30%
Informal feedback from employees	30%
Total number of days training	24%
Job performance before and after training	20%
Assessing return on investment (ROI)	10%

With regard to the methods that companies use for development programs or career management (Table 6-2), the most frequently used are training on-the-job (used by 91% of the organizations) and developmental assignments (82%), while the ones used by the smallest percentage of organizations are international assignments (45%).

Table 6-2 Methods of development or career management (percent of organizations using)

Method	Percent
Training on-the-job	91%
Developmental assignments/projects	82%
External training (off-the-job)	81%
E-learning and digital learning	80%
Mentoring	75%
Coaching	74%
Job enrichment	73%
Planned lateral move and/or job rotation	70%
Succession plans	68%
Formal career plans	65%
Formal networking schemes	63%
High-flyer schemes	60%
Career counselling and/or workshops	58%
Assessment and development centers	50%
International assignments	46%

Addressing the training programs to a large variety of employees is of strategic importance for companies (Scheel et al., 2014) and special attention should be paid to specific groups of employees to assure diversity and inclusivity. The survey findings (see Figure 6.2) show that women and younger workers are the employees to whom training programs are addressed most often (28% of organizations have training programs addressed to women and 27% have programs addressed to younger workers). Analyzing the findings by region, one can note that organizations from North America are those most frequently providing training programs for specific groups of employees (27%), followed by organizations from Latin America (26%), and the countries from Other Europe (26%). On the other hand, the countries that entered the EU after 2004 (EU-13) provide less frequent training programs for specific groups of employees (12%).

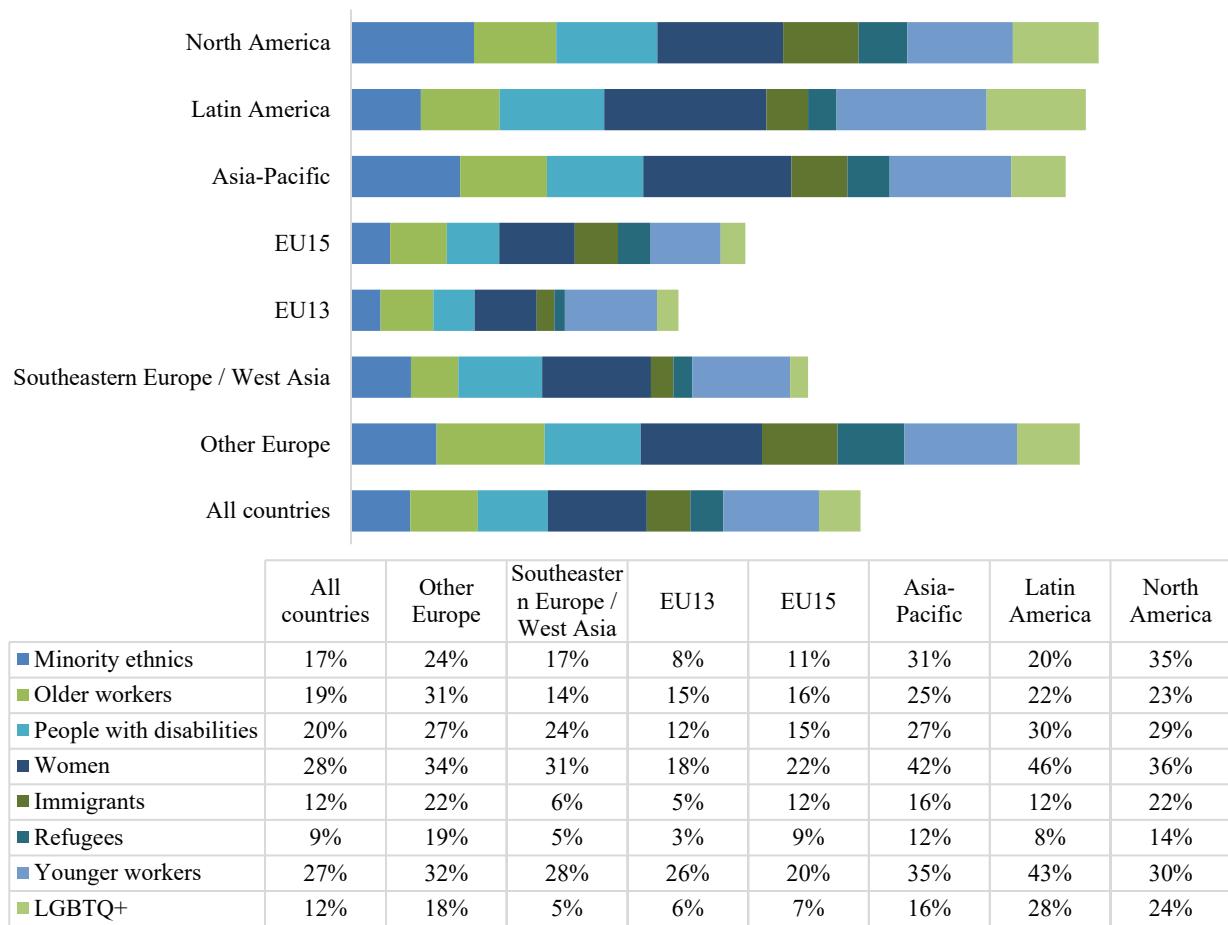


Figure 6.2 Action training/career programs for specific groups of employees by region (percent of organizations)

The CRANET survey offers an analysis of T&D practices throughout the world and enables comparisons over time, as well as across nations and world regions. Data show that organizations are continuously increasing their investments in T&D. If organizations want to remain competitive, they must follow this trend. About half of the organizations assess the effectiveness of their T&D programs, but fewer organizations use complex measures such as measuring job performance before and after the training and training ROI. A large percentage of organizations in each country use various methods of development or career management, and almost all methods have been used in more than half of the organizations.

An increase in T&D investments, measurement of T&D effectiveness, and variety in the usage of T&D methods show that organizations are aware of the importance of T&D. T&D is a crucial tool to ensure an organizational competitive advantage by enhancing employees' required skills and their capacity to adapt to the constantly changing environment. The findings provided through the CRANET study point out the importance of T&D and can be used as a benchmark.

Chapter 7 Compensation & Benefits

Paul Ligthart, Eric Poutsma, Anna Sender, & Tina Miedtank

Key Results

- ❖ Individual performance-related pay, possibly the simplest form of formula-based variable pay, remains the most commonly used across organizations.
- ❖ The survey results show substantial differences in compensation packages and benefits among countries, primarily influenced by institutional and cultural factors.
- ❖ The adoption of participation schemes remains limited, with China, Mexico, Germany, and the UK standing out as exceptions.
- ❖ Pay negotiations in many countries predominantly revolve around national, regional, or industry-wide bargaining.
- ❖ Notable discrepancies exist in the provision of benefits exceeding statutory requirements, varying across regions and countries.

Compensation constitutes a strategic component of an organization's HR strategy. As research confirms, compensation and benefits can help organizations influence the attitudes and behaviors of their existing employees as well as determine their ability to attract new employees to the labor market (Milkovich et al., 2013). For example, pay for individual performance may help to reward employees' individual contributions and thus drive individual efforts as well as attract top performers, and team-level bonuses may foster collaboration among team members. Whereas attractive benefits such as pension plans and healthcare benefits may help organizations recruit and retain their top performers, paternity, and maternity leaves may contribute to higher representation of women in the workforce. Simultaneously with these opportunities, one of the main challenges lies in designing a fair compensation system that adequately reflects job requirements, qualifications, and performance of individuals and is compliant and perceived as fair by the workforce. Here, collective bargaining plays an important role in terms of fostering employees' perceptions of the compensation system. Matching compensation and benefits policies can thus support influencing organizational strategies and policies.

Four major compensation and benefits topics are covered in the CRANET survey. The first topic covers the importance of **variable pay**. Given the growing empirical evidence on the downside of extensive individual variable performance pay, many organizations enrich individual performance-related pay with team, department, and organization-related performance components. The second topic, which is related to performance-oriented HRM, encompasses the phenomenon of **financial participation**, employee share ownership, stock options, and profit sharing. The third topic examines the level of **bargaining** where decentralization to lower levels, from national/industry-wide to organizational and individual levels, is seen as a major trend. The fourth topic refers to the **offering of benefits in excess of statutory requirements**. Some of these deal with leave arrangements or childcare relating to the increased importance for employees to develop a better work-life balance; others concern important pension, training, and development packages such as extra pension schemes, career and training facilities, and health care provisions. Organizations tend to offer these as strategic packages to be more competitive in the labor market. The following sections present a comparative overview of these four topics.

Variable pay

To foster the performance of individuals and groups, organizations may offer performance-related variable pay schemes which in extreme cases may even exceed the level of base pay. Such can vary across different personnel categories, for example higher level of variable pay is often offered to employees with supervisory positions compared to employees without supervisory positions. The variable pay schemes covered by the survey will be presented next.

Appendix Table 11-4 presents an overview of the use of financial participation and performance-related pay by organizations per country and region (proportion of organizations). The survey results indicate that for all compensation categories the diversity among countries is large. Diversity among regions and countries is based on institutional and cultural differences in the acceptance of these forms of variable pay as well as differences in business regimes. We may expect these forms of pay to appear in more voluntary regimes where the discretion of management to model the employment relationship is the largest. The patterns that emerge from this table suggest that country-specific choices exist in the use of variable pay. Additionally, the survey found that variable pay is particularly important for management and professionals and less common among administrative staff and manual employees, indicating a high utilization of variable pay for key personnel.

In general, financial participation, i.e. pay components related to sharing an organization's profit in the form of share plan, stock options, or profit-sharing mostly commonly offered by private organizations (Poutsma & Lighthart, 2017). A Share Plan (or Stock Plan) is a share-based remuneration. Employees are offered a certain number of shares to invest in the organization to enable the sharing of organizational ownership. In some countries e.g. depending on its tax regime, conditions under which shares can be acquired are associated with specific targets being achieved over a certain period. A stock option plan is a mechanism for allowing employees to acquire stock in their organization at a price determined at the time the options are granted and fixed for the term of the options. Profit sharing is a broader term and encompasses various incentive plans that provide direct or indirect payments to employees that depend on the organization's profit. These forms of variable pay are used less often than performance-related pay. In the category variable pay based on performance, pay related to group or team performance is less common than both pay related to individual performance and pay based on collective organizational level performance. Most organizations still use performance-based pay with individual performance as the basis. The survey asked also about the new category of flexible benefits and it appears that this new form of remuneration shows higher variance among countries than the other schemes. The percentage of organizations offering non-monetary benefits is not that different from performance-related pay offerings.

Performance related pay

Whereas in the previous CRANET survey, the countries in the EU-13 region (comprising the new EU member states located in Central and Eastern Europe) indicated higher scores in the use of performance-related pay than the North American region this shifted in this survey round to some Latin-American countries (Chile and Mexico) and the North American countries. Both regions indicated higher levels of performance-related pay. We can assume that these post-communist states offer ample opportunities for organizations to model the employment relationship to performance-oriented arrangements. Interestingly, in the previous and current survey levels of performance-related pay were generally high in most countries. This indicates that many organizations believe that this is an effective way to foster performance. Exceptions of organizations offering less often performance-related pay operating on average in countries like Venezuela, Japan, Spain, Sweden, Nepal, Hungary, Iceland, and Norway. In the Appendix Table 11-4, the percentage of organizations with types of financial participation, performance related pay per country for private LS (100+) per country per region is displayed.

Financial participation

The survey found that there is also considerable diversity in the use of financial participation schemes among countries. Higher usage of share plans is found in Canada, Mexico, China, Germany, the UK, South Africa, and Australia. In some cases, this high level is related to favorable tax concessions as found in Japan, Belgium, and the UK. High levels of profit sharing are also found in Canada, China, Mexico, Germany, and the UK. As expected, a high level of use of stock options is found in Brazil, Mexico, and China but also in Germany and the UK.

Narrow and broad-based financial participation

Participants indicated in our survey the eligibility of different pay components related to their different employee categories (management, professionals, clerical administrative, and operational/manual staff). Financial participation schemes are mainly used by private organizations for management and professionals implying that generally a small proportion of employees are allowed to participate in these schemes. Overall, only a minority of private organizations offer a type of financial participation scheme to their employees with some exceptions in the countries Mexico, China, Japan, Germany, Slovakia, and the UK. A detailed overview of incidence rates of employee share schemes for private LSE (100+) per country and region, (N= 3985) is found in the Appendix Table 11-4. In most of the countries, the differences between broad-based and narrow-based share plans are not big in private companies. In some countries, broad-based share plans also offered to other employee categories than management stand out strong, i.e., USA, Chile, Mexico, China, Slovakia, Nepal, Uzbekistan, Norway, and the UK. Narrow-based share plans are very popular in Australia, Belgium, Spain, Lithuania, Bosnia, and Iceland.

In case private organizations offer a type of financial participation, Figures 7.1, 7.2, and 7.3 present a comparative overview of so-called narrow-based schemes, offered to management only, and broad-based schemes, also eligible for other employee categories.

Given the similar patterns in Figure 7.1 and 7.3, it can be seen that employee share schemes are strongly related to stock option schemes. In Japan, management-only schemes are culturally not well accepted, and in the UK tax concessions partly explain the broad-based use of shares.

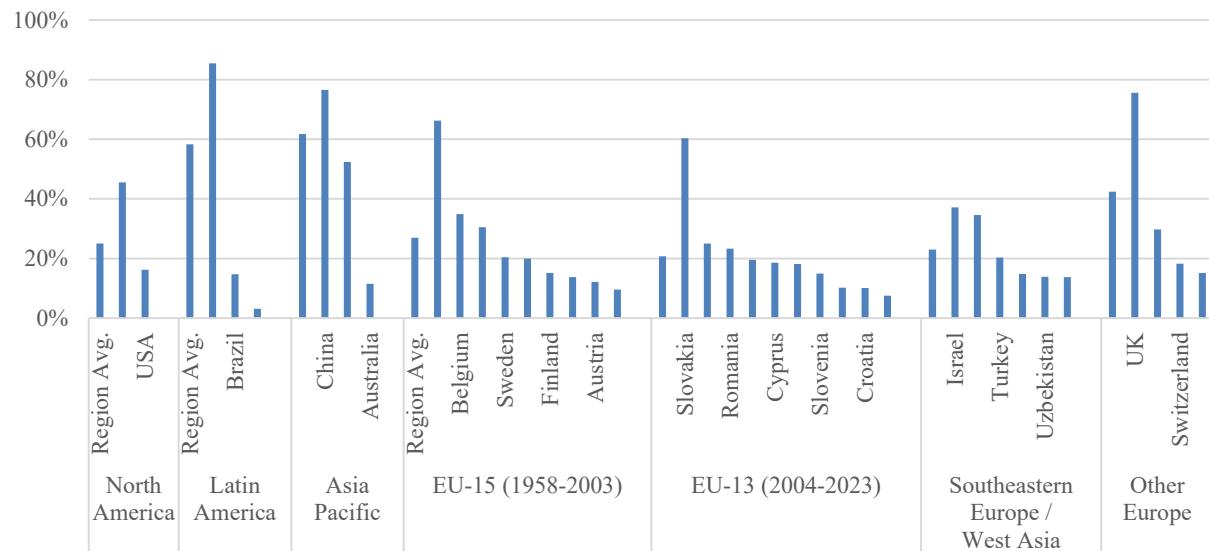


Figure 7.1 Incidence rates of employee share schemes for private LSE (100+) per country and region, (N= 3985)

In most countries, broad-based profit sharing is the most popular type of scheme, see Figure 7.2. In only a few countries, narrow-based profit-sharing schemes stand out strongly, i.e., Brazil, Belgium, Denmark, Finland, Netherlands, Hungary, Lithuania, Slovenia, Bosnia, and Iceland.

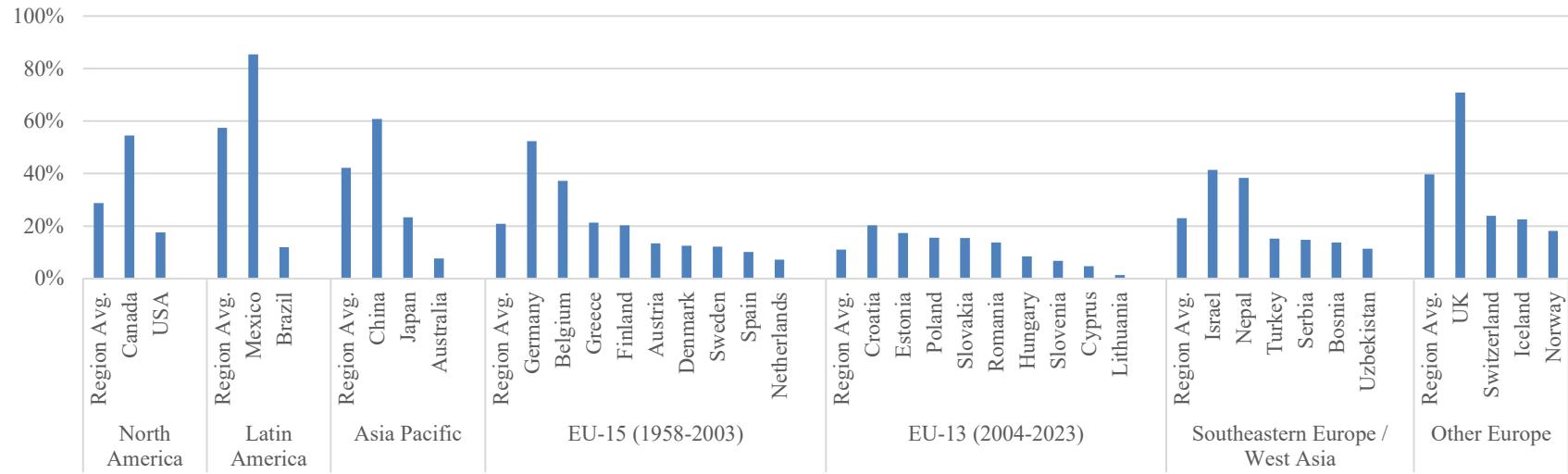


Figure 7.2 Incidence rates of profit sharing schemes for private LSE (100+) per country and region, (N= 3985)

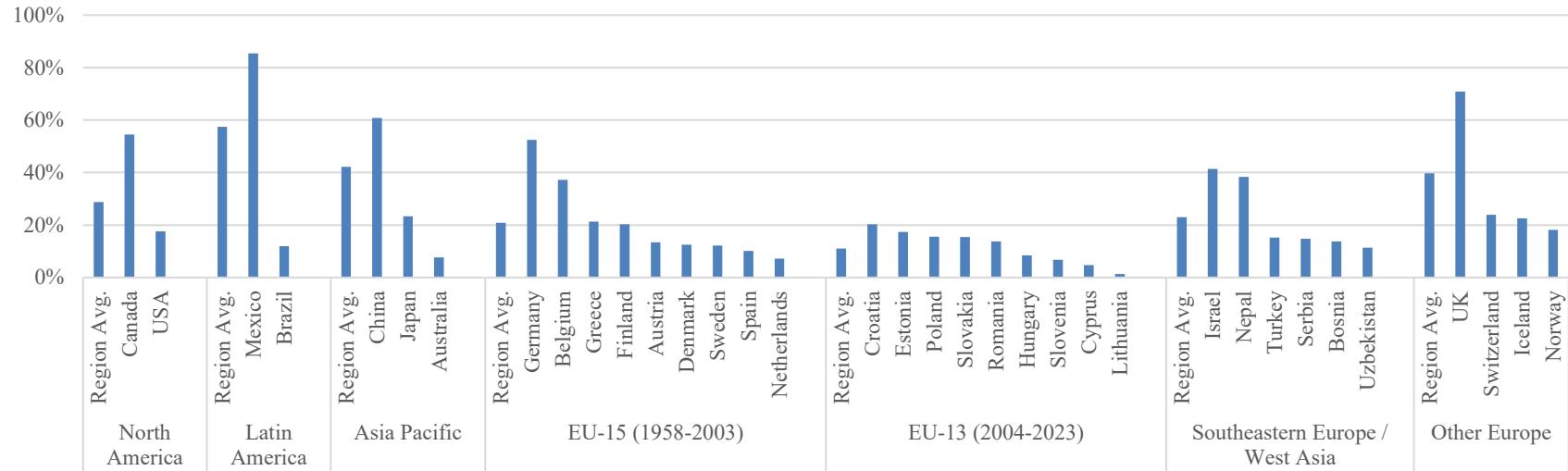


Figure 7.3 Incidence rates of stock option schemes for private LSE (100+) per country and region, (N= 3985)

Collective bargaining and pay determination level

Collective bargaining relates to the negotiation process of employment terms between an employer(s) and workers. We distinguish between different levels on which such bargaining for pay determination takes place: national or regional bargaining, organization or site bargaining, and individual bargaining. In general, nation/industry-wide bargaining is still more common in most of the continental European countries except for the new EU Member States and former communist countries, where organizational or site bargaining became the norm after the transition. At the same time, we conclude a development of hybridization where organizations are subject to bargaining in pay determination at different levels. Pay settlement for management is done more often on an organizational and individual level than for other categories of personnel. Table 7-1 presents the situation for clerical/administrative and operational/ manual personnel per region, showing that national bargaining is still the norm in Scandinavian countries (most grouped in the 'Other Europe' category). Also, Mexico, Austria, and Spain show relatively high levels of national bargaining (see Appendix Table 10-5 for a full comparison of all countries). Spain as well as Brazil show less hybridization for these categories of personnel, where pay is still settled more or less on one level. Norway however displays a hybridization development also for operational and manual personnel where substantial pay determination consists on all levels.

Table 7-1. Proportion of organizations covered by pay determinant level (single or multi-level) collective broad-based bargaining by region

Region	No collective bargaining	National bargaining only	Organization bargaining only	Multi-level bargaining
North America	15%	13%	32%	40%
Latin America	23%	18%	9%	49%
Asia-Pacific	21%	15%	19%	44%
EU-15	14%	36%	12%	37%
EU-13	21%	18%	39%	22%
Southeastern Europe / West Asia	16%	15%	44%	26%
Other Europe	19%	21%	14%	47%
All companies	18%	24%	22%	36%

In the Appendix Table 11-5, results that presents this hybridization through multi-level bargaining for all non-managerial categories of personnel (so-called broad-based). It should be noted that, in addition to Norway, multi-level bargaining became more or less the norm in Mexico, China, and Germany. Employers that mainly use organizational-level bargaining are mainly located in Eastern and Central European countries (except Slovenia).

Benefits in excess of statutory requirements

Organizations often offer additional benefits as strategic packages to be more competitive in the labor market. Table 7-2 presents an overview of the proportion of organizations that offer additional benefits regarding career breaks, pensions, education / training breaks, and private health care. To interpret the findings of this table it must be noted that the survey asks for organizational initiatives to provide these benefits *in excess of statutory requirements*. Most social democratic and former communist welfare states have had collective arrangements on offer where organizations do not feel the need to provide additional benefits. This is shown by the relatively lower levels of organizational involvement across these additional benefits in these country clusters, i.e. EU-13 (2004-2023).

Much more diversity across benefits is noticeable in the other regional clusters. In other countries, employer involvement became relevant through various private collective agreements (e.g., Netherlands, Germany, and Austria), while in other more liberal economies, only minimum standards are provided. For example, organizations in the US combine lower employer involvement with only minimal statutory provisions. High levels of career breaks are found in Latin America and Other Europe countries, high levels of pension schemes characterize countries in North America and Other Europe, Educational / training breaks in Other Europe countries, and high levels of private health care arrangements in Latin America.

Table 7-2. Percentage of organizations with additional beneficial schemes in excess of statutory requirements by region

Region	Career break	Pension	Education / training break	Private health care
North America	11%	61%	40%	44%
Latin America	33%	45%	39%	72%
Asia-Pacific	19%	36%	25%	13%
EU-15 (1958-2003)	19%	48%	41%	41%
EU-13 (2004-2023)	11%	22%	30%	29%
Southeastern Europe/ West Asia	28%	29%	38%	35%
Other Europe	33%	62%	54%	42%

There are still substantial differences in compensation packages offered across countries and regions. Both institutional as well as cultural reasons likely explain the individual differences between countries. When looking at different pay components, the important role of institutional differences becomes apparent such as taxes, statutory provisions, and legislation in general. Additionally, the diffusion of participation schemes is still limited; with China, Mexico, Germany, and UK being exceptions. In most countries, only a minority of organizations use participation schemes. Importantly, financial participation schemes appear to be stimulated by country-specific legislation and tax concessions. National, regional, or industry-wide bargaining is still the main form of pay negotiations in many countries although in some countries organizational-level agreements are the norm (e.g., Central and Eastern European countries). Multi-level bargaining became the norm in other countries (e.g., Norway). There are also substantial differences in offering benefits in excess of statutory requirements across regions and countries. Most probably this is also related to the extent of statutory provisions and the willingness of private parties including companies to deliver these benefits.

Chapter 8 Employee Relations

Arney Einarsdottir and Miguel R. Olivas-Luján

Key Results

- ❖ Overall decrease in unionization globally from the last CRANET survey in 2015 as about 31% of participating organizations had more than 50% of employees in unions in 2015, while in 2021 it has dropped to 23.45%. “No union” membership in organizations has also slightly increased since 2015, from 24.5% to 27.18%.
- ❖ EU-15 countries continue to have the highest levels of employees who are trade union members while the EU-13 countries are among those least likely to have employees who are trade union members.
- ❖ Three Nordic countries (Iceland, Sweden, and Denmark) have the highest unionization levels, along with Japan.
- ❖ The USA and Turkey have the highest percentage of organizations with no union membership in this sample, at about 70%.
- ❖ There is evidence of the continued global downward trajectory in union density within organizations and in collective bargaining.
- ❖ The status and influence of unions are relatively low in North America and work councils are not commonly used for employee participation in decision making.

In this section, results are presented about employee relations through trade union membership and organizational recognition of trade unions. Union density, or the proportion of the employed labor force, is typically used as a measurement of union strength in labor markets (Ryan & Lavelle, 2021). The extent of employee membership in unions, or union density within organizations, is presented here as well as perceptions of trade union influence on organizations. Furthermore, results are presented of recognition of trade unions for collective bargaining and the existence of a participatory approach in employee relations, through the use of joint consultative committees or work councils.

Table 8-1 Proportion of employees that are members of a trade union by region (percent of organizations)

Region	0%	1-5%	6-20%	21-50%	>50%
North America	59%	10%	11%	6%	15%
Latin America	29%	23%	12%	16%	20%
Asia-Pacific	49%	14%	7%	19%	13%
EU-15	9%	18%	20%	20%	33%
EU-13	42%	17%	16%	16%	8%
Southeastern Europe / West Asia	43%	9%	6%	21%	20%
Other Europe	11%	16%	26%	14%	33%
All countries	27%	16%	16%	17%	23%

The Other European countries and the EU-15 states have the highest percentage of organizations where more than 50% of employees belong to a trade union. This indicates the highest union density in these two regions (Table 8-1) while North America has the highest proportion of organizations with no employee union membership (59%) and Asia-Pacific has the second highest (49%). Three Nordic countries (Iceland, Sweden, and Denmark) have the highest unionization levels, along with Japan. In about 97% of Icelandic organizations, more than 50% of employees are members of a union, and in Sweden and Denmark about 64% fall into that category, which is close to 52% in Japan. On the other hand, in Israel, China, and Latvia

no organization has more than 50% of their employees as members of a trade union. The USA and Turkey have the highest percentage of organizations with no union membership in this sample, at about 70%.

Results indicate an overall decrease in unionization globally from the last CRANET survey in 2015 as about 31% of participating organizations had more than 50% of employees in unions in 2015, while in 2021 it has dropped to 23%. “No union” membership in organizations has also slightly increased since 2015, from 25% to 27%.

Table 8-2 Extent to which trade unions influence organizations by region

Regions	N	Mean	Standard Deviation
North America	465	0.99	1.42
Latin America	521	1.32	1.26
Asia-Pacific	417	1.5	1.28
EU-15	2019	1.86	1.18
EU-13	544	1.32	1.42
Southeastern Europe / West Asia	544	11.32	1.42
Other Europe	646	2.15	1.39
All countries	5501	1.58	1.35

Note: On a scale from 0=Not at all to 4=To a very great extent

The perceptions of trade union influence on organizations are greatest in the Other European countries and the EU-15 countries. The perceptions of the lowest level of influence can be seen in North America and the new EU states (see Table 8-2). This is in line with the results regarding membership in trade unions presented in Table 8-1. Correlation analysis confirms those results through strong correlations ($r = 0.67$) between the extent of membership in trade unions and union influence on organizations, as perceived by respondents responsible for HR management. On average, the greatest influence is perceived by UK, Japanese, Swedish, Norwegian, and Icelandic organizations (in this order) while the lowest level of influence is perceived by Chilean, Estonian, Romanian, and US organizations.

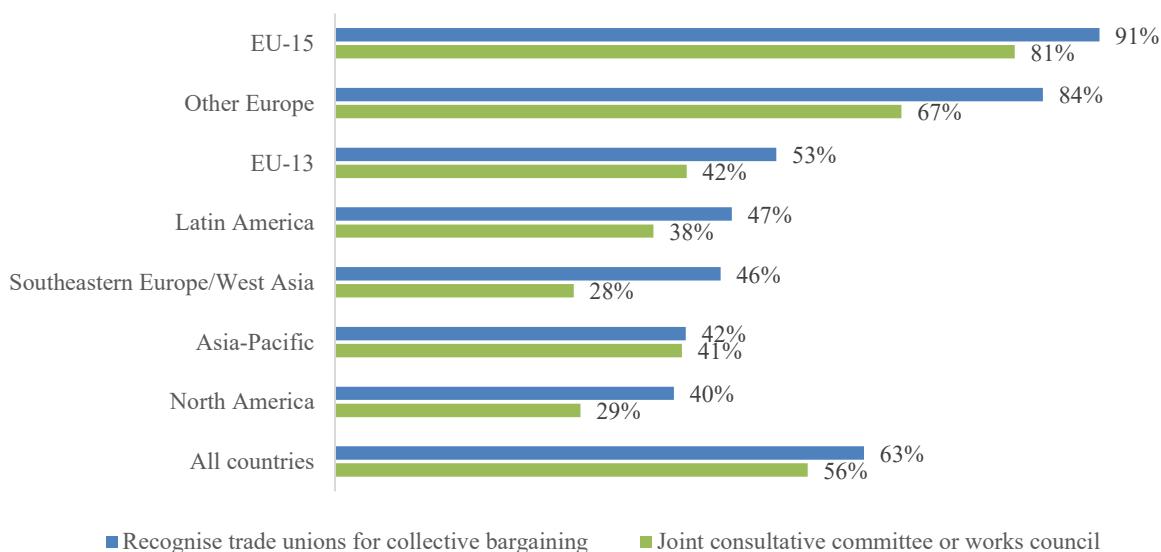


Figure 8.1 Recognition of trade unions for collective bargaining and use of works councils by region (percent of organizations)

The majority of organizations in our sample still do recognize trade unions for collective bargaining (63%) and use one form of participatory approach such as work councils or joint consultative committees in their employee relations (56%). This is a slightly lower level for both recognition and work councils than in the last two CRANET survey rounds in 2009 and 2015 (CRANET Survey on Comparative Human Resource Management: International Executive Report, 2017) when 70% of organizations recognized trade unions and 60% used some form of works councils. It should be noted that work councils can be seen as democratic instruments to represent employee interests to management to develop further industrial and societal democracy (Nienhüser, 2020). The EU-15 countries and Other Europe countries do recognize trade unions most extensively for collective bargaining and the same applies to usage of work councils. The lowest level of recognition of trade unions for collective bargaining can be seen in North America and Asia Pacific while the least extensive use of work councils is by organizations in Southeastern Europe/West Asia and North America, respectively.

All participating organizations in Spain and Sweden, recognize trade unions for collective bargaining, and about 90% or above in Iceland, Japan, Belgium, and Denmark. In Chile, Estonia, Romania, China, USA, and Mexico the absence of recognition of unions for collective bargaining is above 60%. When it comes to work councils, organizations in the Netherlands and Sweden use them most extensively (above 90%). They are also used somewhat extensively by organizations in Norway, Spain, Finland, Belgium, Austria, and Denmark (above 80%) while they are not used at all in Chile and not used by more than 80% of respondents in the USA.

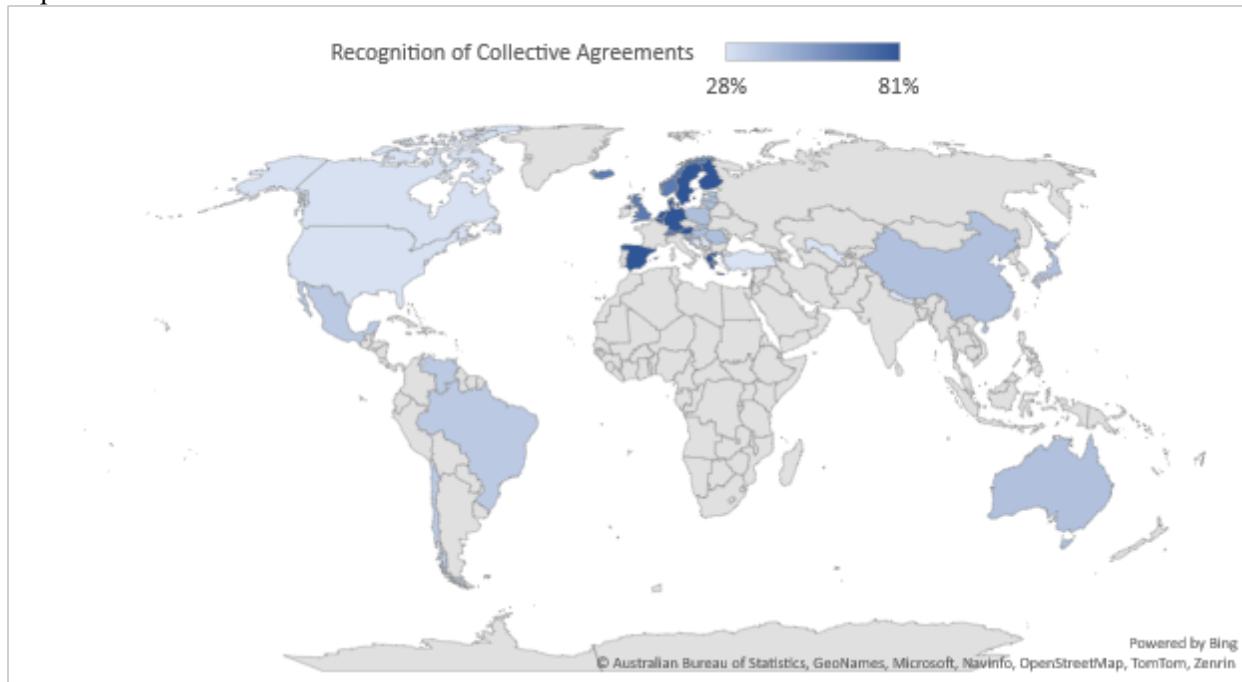


Figure 8.2 Recognition of collective agreements map

Overall, the results suggest that unions have greater influence in the Other European countries (Iceland, Norway, Switzerland, and the UK) and the old EU countries (Austria, Belgium, Denmark, Finland, Germany, Greece, Netherlands, Spain, and Sweden), which can primarily be traced to the five Nordic countries. The results also indicate a continued global downward trajectory in union density within organizations and in their recognition of collective bargaining by organizations. Unions continue to have a relatively strong and unaffected status in organizations operating in the five Nordic countries. These countries (except Iceland), also concurrently use most extensively joint consultative committees/work councils. The status and influence of unions are relatively low in North America and work councils are not commonly used for employee participation in decision making.

Chapter 9 Communication

Rūta Kazlauskaitė and Marina Pletscher

Key Results

- ❖ Top-down communication from employers to employees is widespread globally while bottom-up communication from employees to employers varies substantially by country.
- ❖ Managers and professionals are generally better informed about organizational matters compared to clerical and manual staff.
- ❖ EU-15 and Other European countries predominantly use formal briefings, with Finland having the highest rate of organizations briefing both managers/professionals and clerical/manual employees on all organizational issues.
- ❖ North America, especially the USA, relies heavily on top managers, immediate superiors, workforce meetings, and electronic channels for communication.
- ❖ The Asia-Pacific region reports the lowest usage of top-down communication through various channels.
- ❖ Communication through works councils and trade union representatives is most common in EU-15 and Other European countries.
- ❖ The Netherlands leads in using works councils (60%), while Greece (12%) and Sweden (14%) use them the least.
- ❖ Belgium (60%) is prominent in communication through trade union representatives, while Austria (11%) uses this channel the least.

In this section, the usage of internal communication practices is presented. First, the extent to which different categories of employees (managers/professionals vs. clerical and/or manual) are informed about major issues in the organization (business strategy, financial performance, and organization of work) is reported. Next, the most prevalent methods of top-down communication are presented, and the use of bottom-up communication methods concludes the section. Results are presented as percentages of organizations using specific communication practices in a country and/or region.

Formal briefings on strategy, performance, and work organization

As findings of this survey show, organizations across all regions tend to inform managers and professionals on all organizational matters considerably more often than clerical and/or manual staff (see Table 9-1). Regarding the information content, managers and professionals are primarily informed about business strategy (87%), followed by financial performance (84%) and organization of work (82%), while clerical and/or manual staff are mostly briefed about the organization of work (67%), followed by business strategy (48%) and financial performance (48%).

Comparison across regional clusters shows that the difference in the scope of formal briefing between managers/professionals and clerical and/or manual employees is particularly high in Latin America, Asia-Pacific, and Southeastern Europe/West Asia, while in EU-15 and Other Europe, it is less salient. This trend is consistent with the situation reported in the previous CRANET survey round.

Table 9-1 Formal briefings on major work areas across regions by region (percent of organizations using)

Region	Managers / Professionals			Clerical and/or Manual		
	Business strategy	Financial performance	Organization of work	Business strategy	Financial performance	Organization of work
North America	91%	87%	85%	37%	41%	57%
Latin America	90%	79%	80%	39%	38%	76%
Asia-Pacific	90%	90%	85%	26%	24%	45%
EU-15	87%	86%	83%	65%	59%	74%
EU-13	81%	81%	82%	37%	45%	70%
Southeastern Europe / West Asia	80%	76%	76%	27%	27%	52%
Other Europe	91%	85%	84%	64%	67%	72%
All countries	87%	84%	82%	48%	48%	67%

Some sizable differences among countries within regional clusters have been noted as well. In Latin America, the gap between formal briefing on business strategy provided to managers and professionals and clerical and/or manual employees is most pronounced in Chile, where clerical and/or manual staff are not briefed on business strategy or financial performance at all, and Venezuela, where only 22% and 28% of organizations respectively do that. In the Asia-Pacific region, China stands out with only 14% of organizations briefing clerical and/or manual staff on business strategy and 16 % on financial performance.

In Europe, formal briefings are mostly used in EU-15 and Other Europe. Among the EU-15 countries, Finland stands out with the highest percentage of organizations formally briefing employees in both categories about all organizational issues, whereby 100% of organizations inform managers/professionals on business strategy, and 83 percent brief clerical and/or manual employees. Conversely, the lowest number of organizations that formally brief managers and professionals about business strategy is reported in Germany (72%), while those informing clerical and/or manual employees the least are located in Greece (39%). In Other Europe the highest numbers of organizations briefing managers/professionals and clerical and/or manual on business strategy are reported in Norway (96% and 86% respectively) and Switzerland (97% and 76% respectively).

In EU-13 similar numbers of organizations to those in EU-15 formally brief their managers and professionals about business strategy (with Lithuania scoring the highest – 91% and Latvia making an exception with a score as low as 36%); however, the numbers of organizations briefing clerical and/or manual employees on business strategy are considerably lower in EU-13 countries, among which Estonia stands out with the highest (54%) and Latvia with the lowest (19%) percentage of organizations applying this practice. In Southeastern Europe/West Asia formal briefings are used the least among the European countries, with Serbia being the leader in briefing managers and professionals in all areas (> 96%), and Turkey (40%), closely followed by Serbia (39%), outperforming their counterparts in other countries within the cluster regarding clerical and/or manual staff briefings on business strategy, where no more than 22% of organizations do it.

Top-down communication

The usage of top-down communication channels is rather consistent across the regions. Informing employees through immediate superior (79%), directly from senior managers (76%), and through electronic channels (72%) are the three most common methods used across regions (Table 10-2), which is similar to the situation reported in the previous CRANET survey round. A slight variation may be observed in North America and Other Europe, where direct communication from senior managers is the most prevalent channel of top-down communication (91% and 85%), and in Asia-Pacific, where team briefings are the third most widely used method, outperforming electronic communication (54 and 47 % respectively).

Table 9-2 Prevalence of top-down communication methods by region (percent of organizations using)

Region	Direct from senior managers	Through immediate superior	Through regular workforce meetings	Through electronic communication	Through team briefings	Through trade union representatives	Through works council
North America	91%	85%	68%	81%	72%	21%	17%
Latin America	78%	82%	65%	82%	73%	28%	35%
Asia-Pacific	55%	56%	38%	47%	54%	28%	20%
EU-15	74%	82%	62%	73%	61%	33%	39%
EU-13	75%	80%	55%	75%	57%	20%	18%
Southeastern Europe / West Asia	74%	82%	48%	63%	49%	30%	20%
Other Europe	85%	76%	68%	76%	58%	41%	42%
All countries	76%	79%	59%	72%	60%	29%	30%

North America scores particularly high on communication through top managers, immediate superiors, workforce meetings, and electronic channels (the USA in particular), while the lowest levels of top-down communication usage (through all channels but trade unions and works council) are reported in the Asia-Pacific region. Most pronounced differences in top-down communication across regions can be observed in communication through works council and trade union representatives. Communication through the works council is particularly common in Other Europe (Norway – 61%), EU-15 (Belgium – 71% and the Netherlands – 70%), and Latin America (Mexico – 52%), while significantly less so in North America and EU-13. Communication through trade union representatives is particularly common in Other Europe (Norway – 67%), while less so in EU-13 (3% in Lithuania and 6% in Estonia) and North America (14% in the USA).

Bottom-up communication

The usage of bottom-up communication channels is less consistent across the regions than top-down communication (Table 9-3). Overall, communication through employee/attitude surveys (different from the previous survey round) and immediate superiors (consistent with the previous survey round) are the two most used bottom-up communication channels. The least popular channel is through the works council (consistent with the previous survey round). The situation, however, varies across the regions.

The usage of bottom-up communication channels tends to be most prevalent in Other Europe, where organizations use way more often than in other regions all channels except for suggestion schemes. Among specific channels, organizations in Other Europe – Iceland and Switzerland more than others – favor communication through immediate superior (Switzerland – 82%, Iceland – 80%), employee/attitude surveys (Switzerland – 76%, Iceland - 70%), and electronic communication (Iceland –76%, Switzerland – 66%). By contrast, EU-15 countries mostly consult employees through immediate superiors (Spain being the lead (76%) and Sweden (38%) using it the least) and through attitude surveys (with Finland scoring the highest –74% and Greece the lowest –33%). Suggestion schemes are the most prevalent channel in Asia-Pacific (China in particular – 72%), Southeastern Europe/West Asia and EU-15 use suggestion schemes notably less often than other regions.

Communication through works council and trade union representatives is most common in EU-15 and Other Europe. In EU-15, the Netherlands communicates through works council more than other countries – 60%, while in Greece (12%) and Sweden (14%) it is used the least, and communication through trade union representatives is most prevalent in Belgium (60%) and least in Austria (11%). Latin America (Chile in particular – 97%) and Other Europe (Iceland in particular – 76%) score high on electronic communication. North America primarily relies on employee/attitude surveys (both the USA and Canada), while all other channels are used to a considerably lesser degree (in the USA in particular).

Table 9-3 Prevalence of bottom-up communication channels by region (percent of organizations using)

Region	Direct to senior managers	Through immediate superior	Through regular workforce meetings	Through electronic communication	Through suggestion schemes	Through employee/attitude surveys	Through trade union representatives	Through works council
North America	31%	39%	43%	44%	36%	54%	17%	13%
Latin America	29%	47%	43%	55%	40%	51%	21%	12%
Asia-Pacific	24%	28%	29%	33%	50%	53%	22%	16%
EU-15	33%	53%	43%	39%	29%	54%	32%	36%
EU-13	30%	44%	37%	42%	31%	40%	21%	20%
Southeastern Europe / West Asia	31%	45%	34%	33%	28%	32%	24%	13%
Other Europe	53%	69%	50%	61%	39%	61%	40%	37%
All countries	33%	49%	41%	43%	34%	50%	27%	25%

Our survey findings, like those of the previous survey round, show the trend of managers and professionals being formally briefed on all important organizational matters, and business strategy in particular, considerably more often than clerical and/or manual staff, who are primarily informed on the organization of work.

The situation regarding the top-down communication is overall consistent with the results of the previous survey round. Verbal communication through immediate superiors, closely followed by direct communication from senior managers and electronic communication, remain the most prevalent channels of top-down communication. These findings overall tend to be consistent across the regions, with only some minor variations.

Some changes have been noted in the use of bottom-up communication channels. Employee/attitude surveys have been reported as one of the three most prevalent channels in most regions. This is a considerable upward change in comparison to the previous round. Communication through immediate superior, like in the previous survey round, remains another most widely used channel. However, in contrast to top-down communication, the usage of bottom-up communication channels is less consistent across the regions.

Overall, top-down communication channels are used more often than bottom-up communication channels. This trend is less recognizable only in Other Europe and Asia-Pacific, where both, top-down and bottom-up communication are reported at similar levels.

Chapter 10 References

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Chapter 11 Appendix

Table 11-1 Fringe benefits for work-life balance by country (in alphabetical order)

Country	Workplace childcare	Childcare allowances	Career break programs	Maternity leave	Paternity leave	Parental leave	Pension schemes	Education/ training break	Private health care schemes	None of these
Australia	8%	2%	23%	63%	59%	55%	16%	41%	9%	11%
Austria	19%	13%	44%	67%	68%	53%	53%	77%	28%	6%
Belgium	2%	9%	10%	10%	10%	41%	59%	31%	48%	10%
Bosnia		2%	60%	89%	40%	51%	19%	40%	6%	2%
Brazil	4%	41%	4%	68%	62%	19%	31%	19%	65%	7%
Canada	18%	15%	20%	61%	57%	53%	51%	41%	42%	7%
Chile	3%			8%				14%	94%	
China	12%	17%	11%	59%	49%	28%	37%	22%	12%	23%
Croatia	5%	63%	49%	17%	24%	21%	24%	21%	33%	15%
Cyprus	2%	2%	6%	65%	52%	48%	27%	52%	44%	6%
Denmark	1%	1%	26%	42%	42%	32%	45%	18%	46%	15%
Estonia	3%	4%	1%	17%	19%	7%	3%	33%	26%	33%
Finland	4%	4%	5%	40%	38%	38%	27%	43%	79%	14%
Germany	28%	27%	29%	62%	53%	49%	57%	45%	23%	4%
Greece	6%	30%	9%	61%	48%	62%	43%	51%	73%	13%
Hungary	6%	11%	10%	46%	50%	39%	8%	52%	28%	
Iceland			19%	14%	13%	17%	8%	36%	53%	27%
Israel	4%	4%	28%	44%	29%	55%	43%	24%	40%	21%
Japan	26%	33%	38%	65%	56%	65%	46%	21%	17%	22%
Latvia	3%	10%	2%	17%	17%	5%	5%	24%	14%	7%
Lithuania	5%			25%	21%	17%	17%	23%	31%	43%
Mexico	13%	7%	55%	91%	81%	53%	63%	56%	76%	0%
Nepal	6%	20%	22%	95%	69%	40%	38%	64%	66%	
Netherlands	2%	3%	14%	68%	65%	66%	71%	34%	48%	15%
Norway	6%		4%	36%	36%	21%	77%	57%	49%	11%
Poland	4%	25%	13%	49%	42%	31%	31%	9%	49%	16%
Romania	2%	7%	9%	83%	71%	55%	29%	30%	53%	7%
Serbia	7%	9%	32%	100%	79%	78%	27%	42%	39%	
Slovakia	9%	34%	14%	53%	40%	42%	47%	20%	15%	15%
Slovenia	2%			42%	42%	41%	22%	25%	5%	15%
Spain	6%	9%	28%	35%	35%	24%	19%	29%	41%	31%
Sweden	0%	2%	2%	44%	43%	20%	51%	37%	35%	20%
Switzerland	16%	24%	35%	77%	72%	22%	69%	57%	14%	9%
Turkey	23%	27%	11%	59%	43%	13%	22%	19%	72%	8%
UK	61%	52%	57%	74%	59%	64%	70%	58%	54%	2%
USA	8%	8%	7%	53%	43%	37%	66%	39%	45%	15%
Uzbekistan	6%	16%	30%	36%	24%	18%	13%	35%	34%	38%
Overall	10%	14%	20%	55%	48%	38%	42%	38%	40%	13%

Table 11-2 Flexible working arrangements by country (in alphabetical order)

	Weekend work	Shift work	Overtime	Contract work	Part-time work	Flexi-time	Temp/casual work
Australia	69%	65%	89%	95%	98%	77%	89%
Austria	67%	59%	84%	38%	100%	95%	70%
Belgium	55%	76%	76%	83%	97%	33%	74%
Bosnia	62%	72%	66%	36%	21%	28%	30%
Brazil	74%	78%	88%	49%	51%	62%	37%
Canada	69%	71%	84%	76%	81%	77%	76%
Chile	12%	94%	100%	100%	100%	27%	17%
China	81%	78%	92%	75%	39%	64%	56%
Croatia	77%	82%	88%	68%	69%	66%	84%
Cyprus	82%	84%	92%	50%	68%	56%	67%
Denmark	51%	48%	90%	63%	97%	80%	81%
Estonia	64%	69%	84%	69%	85%	85%	42%
Finland	74%	68%	90%	44%	93%	91%	97%
Germany	82%	74%	79%	70%	94%	93%	69%
Greece	76%	81%	87%	59%	53%	48%	48%
Hungary	75%	61%	88%	55%	80%	82%	36%
Iceland	57%	65%	84%	69%	92%	93%	83%
Israel	71%	76%	90%	85%	89%	82%	73%
Japan	66%	79%	88%	72%	76%	64%	47%
Latvia	57%	76%	100%	62%	86%	67%	62%
Lithuania	70%	59%	82%	18%	83%	71%	41%
Mexico	77%	92%	82%	33%	52%	73%	56%
Nepal	38%	66%	70%	63%	86%	69%	69%
Netherlands	56%	49%	84%	68%	98%	60%	100%
Norway	72%	61%	98%	47%	81%	95%	93%
Poland	63%	83%	88%	69%	85%	75%	74%
Romania	74%	71%	83%	51%	66%	57%	34%
Serbia	87%	92%	92%	47%	43%	65%	51%
Slovakia	79%	79%	95%	83%	81%	81%	94%
Slovenia	76%	83%	91%	49%	79%	72%	49%
Spain	58%	84%	58%	25%	84%	76%	89%
Sweden	70%	59%	95%	37%	93%	93%	93%
Switzerland	72%	67%	65%	62%	99%	96%	76%
Turkey	57%	80%	84%	30%	54%	54%	31%
UK	85%	87%	91%	88%	93%	93%	86%
USA	71%	74%	92%	65%	84%	64%	57%
Uzbekistan	63%	59%	59%	52%	43%	37%	38%
Venezuela	72%	78%	83%	22%	39%	50%	67%
Overall	70%	72%	86%	57%	79%	75%	67%

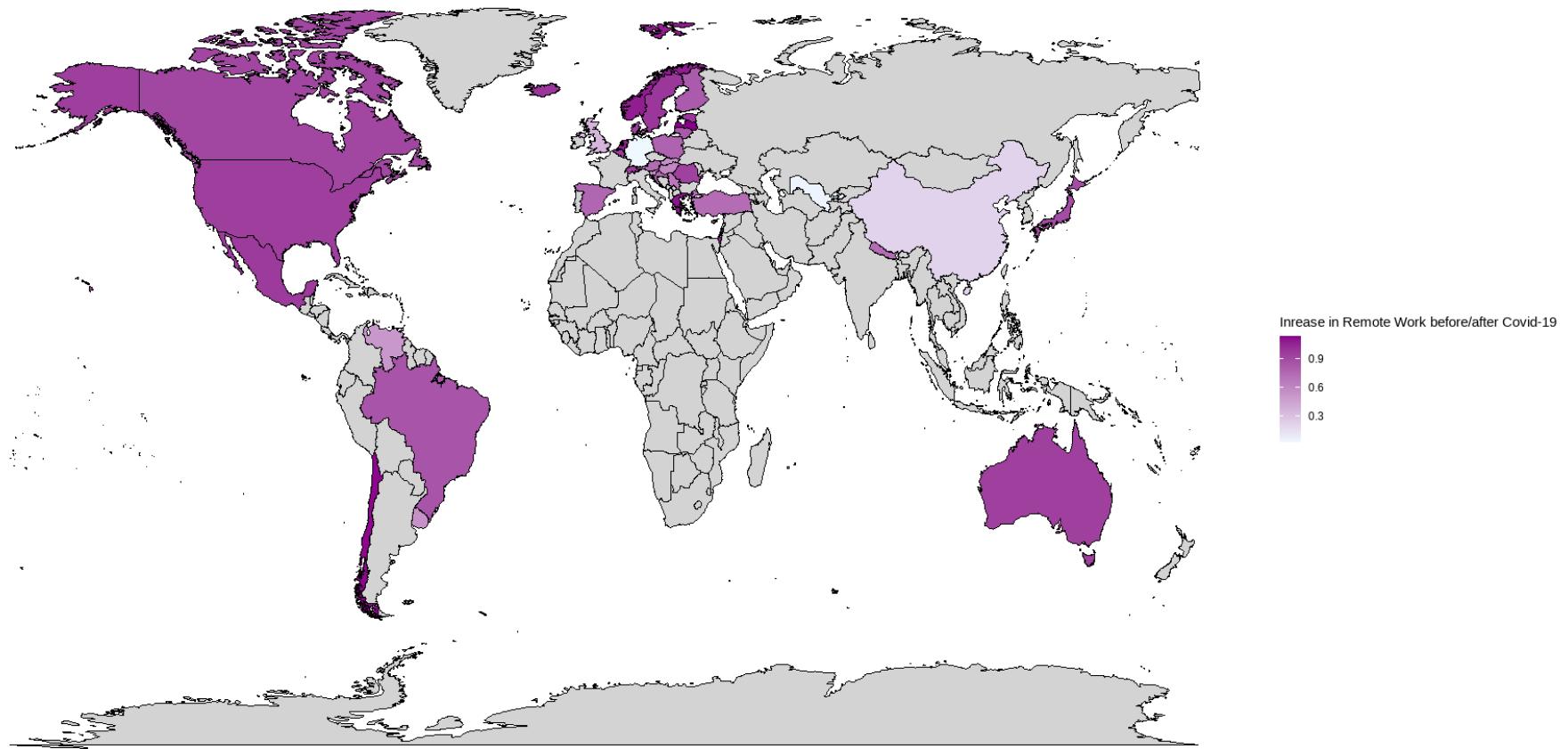


Figure 11.1 Change in the use of remote work before and after the COVID-19 pandemic, per country. Note that darker colours indicate a stronger increase in the amount employees that use remote work. Grey colours are countries not included in the 2021/2022 CRANET dataset

Table 11-3. Multinomial model of internal and external context on the relative use of remote work after the COVID-19 pandemic

	1-5%/0%	6-20%/0%	21-50%/0%	>50%/0%
<i>Level 1 (Organizations)</i>				
(Intercept)	-7 . 379 (5 . 318)	-5 . 927 (4 . 426)	-3 . 253 (3 . 673)	-1 . 720 (4 . 066)
Size (log)	0 . 219*** (0 . 063)	0 . 319*** (0 . 058)	0 . 308*** (0 . 057)	0 . 227*** (0 . 056)
Public sector (dummy)	-0 . 246 (0 . 236)	-0 . 238 (0 . 218)	-0 . 107 (0 . 217)	0 . 124 (0 . 211)
MNE (dummy)	-0 . 008 (0 . 198)	0 . 376* (0 . 182)	0 . 697*** (0 . 181)	0 . 977*** (0 . 178)
Workforce composition	-0 . 017*** (0 . 004)	-0 . 009** (0 . 003)	0 . 001 (0 . 003)	0 . 016*** (0 . 003)
Strategic integration of HRM	0 . 044 (0 . 154)	0 . 102 (0 . 144)	0 . 232 (0 . 142)	0 . 376** (0 . 138)
Influence of Trade Unions	0 . 136 (0 . 075)	0 . 122 (0 . 069)	0 . 095 (0 . 069)	0 . 052 (0 . 068)
<i>Level 2 (Countries)</i>				
Formal Institutions	-0 . 030 (0 . 034)	-0 . 023 (0 . 028)	-0 . 016 (0 . 023)	-0 . 018 (0 . 025)
Uncertainty Avoidance	-0 . 770 (0 . 495)	-0 . 902* (0 . 410)	-1 . 185*** (0 . 338)	-1 . 325*** (0 . 377)
Future Orientation	0 . 459 (0 . 591)	1 . 021* (0 . 487)	0 . 554 (0 . 392)	0 . 869* (0 . 434)
Performance Orientation	1 . 868** (0 . 720)	1 . 490* (0 . 604)	1 . 613** (0 . 516)	1 . 181* (0 . 561)
Gender Egalitarianism	-0 . 632 (0 . 631)	-0 . 892 (0 . 531)	-0 . 978* (0 . 438)	-1 . 114* (0 . 480)
Technological Infrastructure	-0 . 004 (0 . 015)	-0 . 018 (0 . 013)	-0 . 001 (0 . 011)	0 . 003 (0 . 012)
1/0 x VCov(~1,~1)	0 . 322 (0 . 020)	0 . 145 (0 . 013)	-0 . 032 (0 . 002)	-0 . 107 (0 . 009)
2/0 x VCov(~1,~1)	0 . 145 (0 . 013)	0 . 187 (0 . 008)	0 . 041 (0 . 001)	-0 . 071 (0 . 006)
3/0 x VCov(~1,~1)	-0 . 032 (0 . 002)	0 . 041 (0 . 001)	0 . 072 (0 . 000)	0 . 037 (0 . 001)
4/0 x VCov(~1,~1)	-0 . 107 (0 . 009)	-0 . 071 (0 . 006)	0 . 037 (0 . 001)	0 . 133 (0 . 005)
Countries		21		
Deviance		7,704.9		
N		2,851		

Note. Significance: *** = p < 0.001; ** = p < 0.01; * = p < 0.05; Industry dummies included but not depicted for simplicity.

Table 11-4. Percentage of organizations with types of financial participation, performance-related pay per country for private LSE (100+) per Country per Region

		Financial Participation (only private sector)			Performance Related Pay (private and private/(semi-public) organizations)		
		Share plan	Options	Profit Sharing	Performance Related Pay	Bonus based on ind. goals	Bonus based on team goals
North America	* REGION *	25.0%	44.9%	28.8%	64.7%	72.7%	55.0%
	Canada	45.5%	50.0%	54.5%	67.0%	75.8%	69.2%
	USA	16.2%	42.6%	17.6%	63.6%	71.3%	48.8%
Latin America	* REGION *	58.3%	68.9%	57.4%	76.1%	82.7%	65.9%
	Brazil	14.7%	65.3%	12.0%	25.3%	51.9%	32.9%
	Chile	3.1%	0.0%	0.0%	90.6%	98.4%	17.2%
	Mexico	85.4%	89.2%	85.4%	91.1%	92.5%	89.4%
	Venezuela	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Asia Pacific	* REGION *	61.7%	47.9%	42.2%	71.2%	75.9%	69.0%
	Australia	11.5%	23.1%	7.7%	69.2%	73.1%	30.8%
	China	76.5%	73.2%	60.8%	93.3%	88.7%	92.8%
	Japan	52.4%	16.5%	23.3%	30.1%	52.4%	34.0%
EU-15 (1958-2003)	* REGION *	27.0%	36.2%	20.9%	61.0%	62.7%	49.1%
	Austria	12.1%	44.6%	13.4%	64.6%	66.5%	39.8%
	Belgium	34.9%	37.2%	37.2%	68.2%	88.6%	61.4%
	Denmark	20.0%	16.3%	12.5%	54.0%	59.8%	40.2%
	Finland	15.2%	20.3%	20.3%	50.0%	70.9%	60.5%
	Germany	66.2%	80.5%	52.4%	84.2%	83.4%	72.2%
	Greece	30.5%	23.2%	21.3%	55.7%	76.0%	62.3%
	Netherlands	9.6%	47.0%	7.2%	54.0%	64.4%	31.0%
	Spain	13.8%	23.3%	10.1%	48.5%	42.9%	38.7%
	Sweden	20.4%	23.4%	12.2%	57.1%	42.0%	38.5%
EU-13 (2004-2023)	* REGION *	20.7%	19.0%	11.1%	60.7%	74.3%	55.5%
	Croatia	10.1%	13.0%	20.3%	48.6%	78.6%	52.9%
	Cyprus	18.6%	16.3%	4.7%	48.9%	80.0%	51.1%
	Estonia	19.6%	23.9%	17.4%	76.6%	74.5%	61.7%
	Hungary	10.2%	12.7%	8.5%	38.2%	61.8%	48.0%
	Latvia	18.2%	0.0%	0.0%	84.6%	84.6%	92.3%
	Lithuania	7.5%	10.0%	1.3%	64.7%	75.3%	67.1%
	Poland	25.0%	21.9%	15.6%	50.0%	76.5%	50.0%
	Romania	23.3%	19.5%	13.8%	61.0%	74.4%	61.6%
	Slovakia	60.3%	35.9%	15.4%	82.9%	79.3%	61.0%
	Slovenia	14.9%	25.7%	6.8%	76.3%	77.5%	33.8%
Southeastern Europe/ West Asia	* REGION *	23.0%	32.4%	23.0%	69.5%	66.5%	51.8%
	Bosnia	13.8%	17.2%	13.8%	74.2%	83.9%	54.8%
	Israel	37.1%	47.1%	41.4%	63.0%	75.3%	47.9%
	Nepal	34.6%	44.4%	38.3%	63.0%	48.1%	46.9%
	Serbia	14.8%	23.9%	14.8%	79.5%	87.5%	71.6%
	Turkey	20.3%	20.3%	15.2%	62.0%	49.4%	34.2%
	Uzbekistan	13.9%	34.2%	11.4%	76.2%	64.3%	54.8%

Table 11-4. Percentage of organizations with types of financial participation, performance-related pay per country for private LSE (100+) per Country per Region

	* REGION *	Financial Participation (only private sector)			Performance Related Pay (private and private/(semi-public) organizations)		
		Share plan	Options	Profit Sharing	Performance Related Pay	Bonus based on ind. goals	Bonus based on team goals
Other Europe	Iceland	42.4%	49.7%	39.7%	63.7%	62.8%	49.2%
	Norway	15.1%	11.3%	22.6%	42.1%	40.4%	29.8%
	Switzerland	29.8%	24.8%	18.2%	41.1%	42.7%	25.8%
	UK	18.3%	56.0%	23.9%	65.0%	60.2%	37.4%
		75.6%	75.6%	70.8%	86.0%	86.6%	80.8%
		Countries on average	33%	39.3%	27.7%	64.8%	69.1%
		Max	85.4%	89.2%	85.4%	93.3%	98.4%
		top 15%	58.8%	58.3%	44.7%	83.2%	85.1%
		bottom 15%	11.8%	14.5%	7.4%	48.5%	50.5%
		Min	0.0%	0.0%	0.0%	0.0%	0.0%

Table 11-5. The proportion of organizations covered by pay determinant level (single or multi-level) collective broad-based bargaining per country per region

		no collective bargaining	national bargaining only	Organization bargaining only	Multi-level bargaining
North America	* REGION *	15.1%	13.2%	32.1%	39.6%
	Canada	12.7%	21.3%	22.0%	44.0%
	USA	16.3%	9.4%	36.9%	37.5%
Latin America	* REGION *	23.2%	18.3%	9.2%	49.3%
	Brazil	19.3%	43.3%	14.7%	22.7%
	Chile	100.0%	0.0%	0.0%	0.0%
	Mexico	4.8%	11.0%	9.0%	75.2%
	Venezuela	100.0%	0.0%	0.0%	0.0%
Asia Pacific	* REGION *	21.2%	15.3%	19.4%	44.1%
	Australia	34.4%	39.1%	9.4%	17.2%
	China	22.7%	3.4%	14.4%	59.5%
	Japan	8.7%	34.0%	39.8%	17.5%
EU-15 (1958-2003)	* REGION *	14.4%	36.2%	12.1%	37.2%
	Austria	8.4%	43.7%	2.8%	45.1%
	Belgium	15.5%	17.2%	20.7%	46.6%
	Denmark	32.7%	39.6%	5.9%	21.8%
	Finland	3.3%	36.7%	14.2%	45.8%
	Germany	7.8%	15.1%	16.9%	60.2%
	Greece	24.1%	16.4%	29.2%	30.3%
	Netherlands	3.3%	39.7%	21.5%	35.5%
	Spain	1.6%	45.6%	12.4%	40.4%
	Sweden	17.3%	51.3%	6.1%	25.4%

Table 11-5. The proportion of organizations covered by pay determinant level (single or multi-level) collective broad-based bargaining per country per region

		no collective bargaining	national bargaining only	Organization bargaining only	Multi-level bargaining
EU-13 (2004-2023)	* REGION *	21.1%	17.8%	39.0%	22.1%
	Croatia	9.6%	37.4%	42.6%	10.4%
	Cyprus	23.1%	19.2%	23.1%	34.6%
	Estonia	12.9%	5.7%	74.3%	7.1%
	Hungary	19.3%	13.7%	39.8%	27.3%
	Latvia	63.8%	1.7%	31.0%	3.4%
	Lithuania	14.2%	13.3%	48.3%	24.2%
	Poland	14.5%	16.4%	32.7%	36.4%
	Romania	21.4%	11.2%	42.2%	25.1%
	Slovakia	17.8%	12.1%	34.6%	35.5%
	Slovenia	27.9%	33.3%	23.0%	15.8%
Southeastern Europe/ West Asia	* REGION *	15.5%	15.0%	43.7%	25.8%
	Bosnia	4.3%	14.9%	59.6%	21.3%
	Israel	21.4%	22.3%	26.8%	29.5%
	Nepal	17.8%	21.5%	19.6%	41.1%
	Serbia	7.7%	14.4%	61.5%	16.3%
	Turkey	15.7%	8.4%	53.0%	22.9%
	Uzbekistan	20.2%	5.3%	55.3%	19.1%
Other Europe	* REGION *	18.5%	20.6%	13.7%	47.2%
	Iceland	12.6%	46.6%	11.7%	29.1%
	Norway	15.7%	17.6%	16.4%	50.3%
	Switzerland	44.3%	22.4%	18.4%	14.9%
	UK	3.1%	9.4%	9.0%	78.5%
All companies					
Max					
top 15%					
bottom 15%					
Min					

Table 11-6 The proportion of organizations covered by pay determinant level for clerical/ administrative, operational/manual personnel per country per region (N= 5899)

		National/ regional Bargaining	Organization /site Bargaining	Individual Bargaining
North America	* REGION *	39.40%	55.50%	36.00%
	Canada	42.70%	48.00%	30.00%
	USA	37.80%	59.10%	38.80%
Latin America	* REGION *	63.80%	46.50%	34.70%
	Brazil	64.00%	29.30%	16.70%
	Chile	0.00%	0.00%	0.00%
	Mexico	80.60%	67.10%	52.60%
	Venezuela	0.00%	0.00%	0.00%

Asia Pacific	* REGION *	36.20%	40.40%	25.10%
	Australia	53.10%	17.20%	25.00%
	China	27.80%	40.20%	27.50%
	Japan	49.50%	55.30%	18.40%
EU-15 (1958-2003)	* REGION *	66.80%	35.60%	34.40%
	Austria	88.80%	47.00%	38.60%
	Belgium	62.10%	55.20%	20.70%
	Denmark	57.10%	20.50%	27.70%
	Finland	80.80%	38.30%	23.30%
	Germany	47.10%	50.00%	39.60%
	Greece	44.10%	48.70%	22.60%
	Netherlands	71.90%	44.60%	24.80%
	Spain	85.50%	29.50%	17.10%
	Sweden	75.20%	22.10%	49.10%
EU-13 (2004-2023)	* REGION *	34.80%	52.20%	24.10%
	Croatia	46.10%	47.00%	13.90%
	Cyprus	44.20%	55.80%	38.50%
	Estonia	8.60%	78.60%	32.90%
	Hungary	37.30%	59.60%	41.00%
	Latvia	5.20%	34.50%	8.60%
	Lithuania	32.50%	65.00%	35.00%
	Poland	38.20%	54.50%	20.00%
	Romania	28.30%	51.30%	18.70%
	Slovakia	39.30%	54.20%	33.60%
	Slovenia	47.90%	32.10%	5.50%
Southeastern Europe / West Asia	* REGION *	30.70%	54.80%	25.00%
	Bosnia	27.70%	63.80%	8.50%
	Israel	36.60%	42.00%	42.90%
	Nepal	44.90%	42.10%	18.70%
	Serbia	26.90%	76.90%	19.20%
	Turkey	31.30%	51.80%	26.50%
	Uzbekistan	12.80%	58.50%	24.50%
Other Europe	* REGION *	56.90%	48.70%	33.80%
	Iceland	73.80%	34.00%	25.20%
	Norway	64.80%	49.70%	35.80%
	Switzerland	36.20%	29.30%	29.30%
	UK	59.60%	70.00%	39.90%
	All companies	52%	44.90%	31.00%
	Max	88.80%	78.60%	52.60%
	top 15%	72.09%	60.05%	38.83%
	bottom 15%	27.76%	29.45%	16.93%
	Min	0.00%	0.00%	0.00%