

Innovative management practices in Spanish companies compared with the EU framework

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Abstract: *The paper starts with a reflection on productivity in Spain, from the 1980s until the present. During this period, new forms of work organisation and business management have been introduced. Based on various Spanish and European labour surveys, a comparison of the processes, the organisation, the remuneration, the technology, the allocation of tasks, and the working times is established. Analysed herein are the different positions put forward by theorists in this field, the impact of the 2008 economic crisis, and the restructuring of companies broke down by production sector and business size. The aim of this paper is to discover to what extent the innovation model of Spanish companies has been aligned with the average in the European Union—where their main competitors are located—during the sharpest years of the economic crisis.*

Keywords: *Organisation of work, management methods, innovative practices, productivity, human resources.*

Resumen: Partimos de una reflexión sobre la productividad en España desde los años ochenta del siglo pasado a la actualidad. Periodo en el que se introducen nuevas formas de organización del trabajo y gestión empresarial. Con fundamento en varias encuestas laborales, tanto españolas como europeas, se establece una comparación en cuanto a los procesos, la organización, la remuneración, la tecnología, la distribución de tareas y los horarios. Se analizan las diferentes posturas expuestas por los teóricos de esta temática, la incidencia de la crisis económica de 2008 y la reestructuración de las empresas discriminando el análisis por sectores productivos, así como por tamaño de los centros de trabajo de la empresa. Con ello pretendemos mostrar en qué medida las empresas españolas han seguido, en esos años de la fase aguda de la crisis económica, un modelo de innovación similar a la de la media de los países de la UE, en donde se encuentran sus principales competidoras.

Palabras clave: Organización del trabajo, métodos de gestión, prácticas innovadoras, productividad, recursos humanos

1. Introduction

It is almost a cliché to say that the Spanish economy has a productivity problem, in comparison to the countries with which it maintains its stronger commercial relations. Most analyses concentrate on identifying the culprits and seeking solutions, focusing always on the same factors: poorly trained, under-qualified workers, and new technologies scarcely spread and applied to work processes. Nonetheless, they often neglect to take into account the fact that work is a primarily social

activity, most commonly performed in cooperation with other workers within structured organisations. These organisations have more or less explicit goals, a series of resources to carry out their activity, and, above all, explicit or tacit work procedures.

Therefore, the truly relevant question is the following: are work organisations in Spain sufficiently productive within the present economic framework? The answer to this question requires an analysis of how companies organise themselves and use their human resources. Since the 1980s, many companies in Spain have been developing innovative work organisation practices in order to become more effective at reaching their goals. This has often required a higher level of involvement from employees. The first companies to implement new organisational approaches were those in the industrial sector, since they are exposed to more intense competition. Subsequently, certain management tools—'just-in-time' systems, versatility, autonomous working teams, quality circles, etc.—became more popular and began to be applied in most economic sectors.

The aim of this article is to examine how companies in Spain—within the comparative framework of the European Union—use new and flexible tools for managing human resources, particularly those related to teamwork and quality policies.

The initial hypothesis is that Spanish companies use an increasingly wide range of management tools with a frequency that is similar to that of the main European countries. If proven true, this hypothesis would rule out the theory that the allegedly poorer productivity of Spain when compared to its European competitors can be attributed to a delay in the modernisation of management practices.

This paper is structured in three main sections. First of all, the theoretical framework on the notion of flexibility and how it justifies and encapsulates the recent transformations in Western labour markets will be discussed. Secondly, the frequency of the modifications in Spanish companies will be described and compared with the frequency in their EU28 peers, with regards to:

- Work processes and organisation

- Remuneration, technology, and allocation of tasks and working time

Finally, the way that companies in Spain and the EU have addressed flexible working practices will be highlighted, as well as their similarities and differences with regards to:

- Quality policies and feedback for employees

- 'Just-in-time' systems

- Team work and employee rotation

- Pay incentives

- Outsourcing/subcontracting as a resource

These analyses will be based on data from the Spanish sample of the most recent European Company Survey (Eurofound 2015). The fieldwork, which included interviews with managers and executives in workplaces with ten or more employees, was conducted in 2013. The sample was drawn by the Foundation for Improvement of Living and Working Conditions, based in Dublin ($n = 1,474$). A comparison will be established between the Spanish sample and the overall sample from the EU-28 countries ($n = 23,672$), given that, despite their differences, they are the most suitable comparative reference to verify the working hypothesis of this paper.

2. Theoretical Framework

The environment in which many organisations currently operate could be described as unpredictable. The reason for this unpredictability lies in economic globalisation, which generates larger markets, increasing competition in products and certain services. This context demands very short-term profitability. Investors of listed companies often require quarterly results. The strategic options traditionally implemented by companies include reducing costs (defensive strategy), and increasing the contribution of production factors, particularly human labour (offensive strategy) (Boyer 1986: 277). These two different forms of business management correspond to two different kinds of flexibility in the employment relationship. The tested practices (some of which are shown in the diagram) are not new, but due to their magnitude and, especially, to their accumulation, they can be deemed as a substantive change in the social, legal and economic benchmarks that shaped paid work for most of the 20th century (Nantehuil 2000:2).

These different practices can be classified into two large groups: 'external' flexibility and 'internal' flexibility. Internal flexibility occurs when the changes (which can be functional, pay-related, temporary or contractual) take place within the company's own workforce. External flexibility is found when the business activity is externalized to be performed by another legal or natural person, thus relocating the contractual or organisational link. Examples of external flexibility include hiring temporary agency workers, outsourcing, recruiting self-employed workers and engaging in home-based work.

This differentiation is merely theoretical, since each company combines different options for increased flexibility in its own way (rationalisation). For this reason, a comprehensive analysis of the effects of flexible practices cannot be restricted to the increasingly thinner (lightened) walls of the workforce which has an 'employment relationship' with the company. After all, flexibility in some companies results in rigidity in others (Castillo 1989:124).

Table 1 summarises the types of flexible practices available to work organisations.

Table 1
Types of flexibility and practices according to company organisation

EXTERNAL	PRODUCTIVE	<ul style="list-style-type: none"> • Outsourcing • Temporary Agency Workers • Home-based work and remote working
INTERNAL	FUNCTIONAL	<ul style="list-style-type: none"> • Versatility • Rotation of tasks or functions • Work teams • “Just-in-time” and “Total Quality Management” work processes
	CONTRACTUAL	<ul style="list-style-type: none"> • Temporary workers • Part-time staff
	TEMPORARY	<ul style="list-style-type: none"> • Unregulated extension of the working day • Overtime • Night work and rotating shifts • Working on weekends and public holidays • Part-time work
	PAY-RELATED	<ul style="list-style-type: none"> • Individualisation and variability of salary depending on performance or fulfilment of goals

Source: Compiled by the authors

As shown in Table 1 above, there is not one single form of labour flexibility. Rather, many flexibility practices of varying nature and scope can be observed in the workplace.

As often occurs with innovations, the English-speaking world was quicker than the European continent at discovering the advantages of a flexible approach to production. Ostermann (2003) points to three major changes on how (American) companies are viewed and organised.

The first transformation is related to the question of whose interest prevails in the actions of the company. In this respect, the author is categorical: 'it seems clear that, at present, the perspective in favour of shareholders prevails' (Ostermann 2003: 348). Alonso and Fernández (2013) observe a 're-ordering of business perimeters' so that 'decentralisation, branching, minimisation, outsourcing, increased flexibility, computerisation, and reticular structuring of post-fordist companies (...) are not only built upon an organisational structure enabled by computer technologies, but are based on a modification of the same business philosophy. This philosophy, rather than being determined by a productive function—the traditional input and output structure—is now geared towards a permanent flight towards its financial requirements, either as a disproportionate pursuit of increased profits in the stock market, or as an obligation and subordination to its funders' (Alonso and Fernández. 2013: 16). All of them have one common goal: maximising the yield of the company shares. The company is seen merely as a stock exchange value, whose only goal is to create value for shareholders (Philon. 2006). Consequently, company management is financialised and moves away from the realities of the productive system. This logic, based on creating immediate value, explains the acquisitions and mergers aimed at improving the economies of scale, which in turn generate a cascade restructuring process for the companies involved. In this way, certain entities that are wholly unrelated to the life of the company and not committed to it, such as pension funds and investment funds, have taken the lead by encouraging companies to take action and raise share prices. Therefore, 'boards are pressured into tracking the shares of managers more firmly' (Boltansky and Chiapello 2002: 349).

The second major change is related to redesigning company essentials. 'Today, the predominant view is that companies should limit their activities to their core competencies: that is, the activities that bring about a significant competitive advantage. This has led to a sharp increase in outsourcing and to the establishment of cooperation or partnership agreements between companies. It also means that the company is constantly reconsidering and recalculating what lies within and beyond its limits' (Ostermann. 2003: 351). The corporate value chain analysis results in a breakdown of the production process, and a separate assessment of how competitive the business is in each phase. The parts of the process that are not up to standard will be transferred to be implemented through outsourcing (Philon. 2006: 13). In this way, the demand for increased profitability overflows the company walls and trickles down to other economic players.

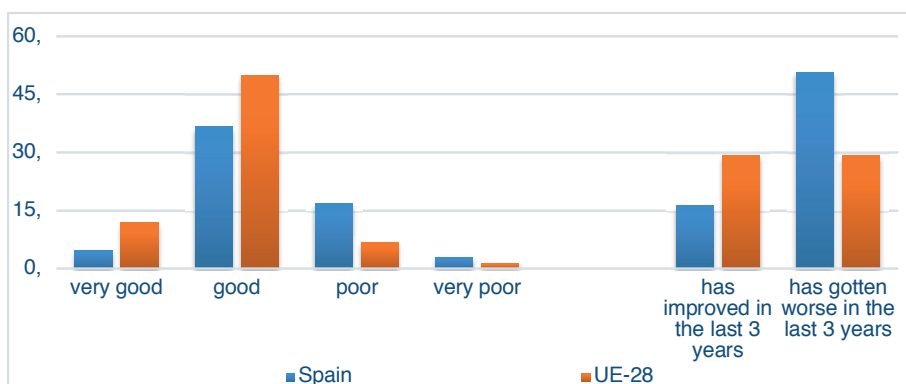
The third significant variation outlined by Ostermann is the introduction of new ideas on how work is carried out within the organisation. One of these is the increased use of technology to improve management and save effort. The other is

adopting a series of work practices that have been renamed as ‘high-performance work systems’ (Ostermann. 2003:352). These systems are justified by ‘the efforts made by companies to improve quality’ and appear in the form of work teams. To a great extent, this concept embodies the new spirit of commitment desired for reorganised companies: ‘lean businesses operating in a network with a myriad of participants, a customer-oriented organisation based on teamwork or on projects, and a general mobilisation of workers thanks to the visions of their leaders’ (Boltansky and Chiapello. 2002: 118). On the one hand, this organisational system, combining high productivity for the company with employee commitment and satisfaction, is praised by many as the most advantageous system. On the other hand, however, teamwork is often accused of being excessively demanding for workers, leading to stress and mental health issues (Pinilla and López, 2017).

2.1 The Economic Crisis and Company Restructuring

The 2008 crisis affected every European economy, but not to the same extent. The financial situation can be a motivating factor to both implement new changes, and to postpone them if they involve investments. Therefore, the starting point needs to be a characterisation of both samples in this respect (Figure 1).

Figure 1
Economic situation of companies in Spain and EU-28 and their evolution 2010-2013, (%).



Base: total workplaces with 10 or more employees. (Spain n= 1,474. EU-28 n=23,672)

Source: Third European Company Survey, 2013. Eurofound.

Spanish companies perform below the European average, both in 2013 and in terms of the trajectory they followed in the 2010-2013 period. This fact begs the following question: what has the general approach of Spanish businesses been to innovation? Initially, it seems reasonable to venture two main hypotheses: either Spanish companies have postponed technical or organisational innovations until the situation improves, or this economic situation is an optimal setting to undertake profound reorganisations (Tables 2 and 3).

Table 2

Innovation in products, processes and organisation in Spanish workplaces during 2010-2013 by activity sector and workforce size (%).

	Industry	Construction	Commerce and hospitality	Transport and communications	Financial services	Other services	Total	10-49	50-249	≥250
New products or services	41.0	26.1	54.7	38.7	45.8	49.0	45.4	43.8	55.4	60.0
New processes	33.7	26.1	40.9	26.6	37.5	44.8	37.6	41.4	57.1	64.0
Organisational change	33.7	26.1	40.9	26.6	37.5	44.8	37.6	35.0	51.9	64.0

Base: total workplaces with 10 or more employees, n: 1,474.

Source: Third European Company Survey, 2013. Eurofound.

Table 3

Innovation in products, processes and organisation in EU-28 workplaces during 2010-2013 by activity sector and workforce size (%).

	Industry	Construction	Commerce and hospitality	Transport and communications	Financial services	Other services	Total	10-49	50-249	≥250
New products or services	43.7	25.7	45.2	26.7	35.6	42.6	40.7	39.4	47.7	52.6
New processes	41.5	25.6	33.7	29.3	38.4	36.9	35.7	33.8	45.4	53.7
Organisational change	32.3	26.7	31.9	26.1	42.1	35.8	32.4	30.2	43.7	54.4

Base: total workplaces with 10 or more employees, n: 23,672.

Source: Third European Company Survey, 2013. Eurofound

It would appear that, despite the economic crisis, or perhaps—as suggested—as a reaction to it, the level of innovation has not limited companies in Spain to a greater extent than their European peers when undertaking change processes.

These global changes have resulted in various types of organisational changes, such as modified remuneration systems, the introduction and use of technology, the allocation of tasks among employees, and working time arrangements (Tables 3 and 4).

While aspects related to work organisation and management models are not a part of the European Innovation Scoreboard innovation model (Eurofound 2017: 15), their strong influence, at least when applied jointly and coherently, is undeniable (Seeck and Diehl. 2016).

Table 4
Organisational changes in Spanish workplaces during 2010-2013 by activity sector and workforce size (%).

	Industry	Construction	Commerce and hospitality	Transport and communications	Financial services	Other services	Total	10-49	50-249	≥250
Remuneration system	18.7	32.1	27.5	27.9	41.7	35.9	28.8	28.2	33.2	34.6
Use of technology	37.5	42.5	49.5	59.8	50.0	57.0	49.1	47.8	58.8	60.0
Allocation of tasks among employees	33.7	34.6	46.9	43.4	36.7	44.1	41.1	40.4	43.9	44.0
Working time arrangements	20.8	27.6	26.2	24.2	27.1	35.2	27.6	26.6	33.0	38.5

Base: total workplaces with 10 or more employees, n: 1,474.

Source: Third European Company Survey, 2013. Eurofound.

The most frequent changes in Spain are in the use of technology, especially among small and medium-sized companies and in sectors such as Transport and Other Services. Modifications in working time arrangements are also relevant and have affected almost four in ten workplaces.

Table 5
 Organisational changes in EU-28 workplaces during 2010-2013 by activity sector
 and workforce size (%)

	Industry	Construction	Commerce and hospitality	Transport and communications	Financial services	Other services	Total	10-49	50-249	≥250
Remuneration system	27.7	29.4	27.7	31.7	31.0	27.6	28.2	27.5	32.3	30.0
Use of technology	43.7	40.1	39.9	40.4	39.3	44.1	41.9	40.6	49.0	52.8
Allocation of tasks among employees	32.9	31.0	32.8	34.2	35.2	33.2	32.9	32.5	35.2	34.2
Working time arrangements	16.2	16.1	20.5	18.2	13.4	17.8	17.9	17.4	20.5	21.9

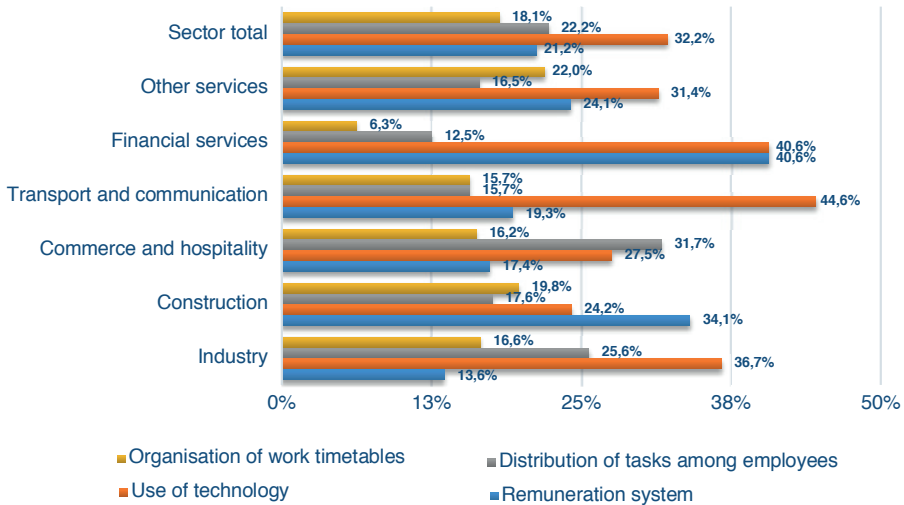
Base: total workplaces with 10 or more employees, n: 23,672.

Source: Third European Company Survey, 2013. Eurofound.

In contrast, in the average EU company, technological changes in the industrial sector stand out the most, followed by changes in the allocation of tasks among employees. Overall, both technological and organisational changes have been more frequent in Spain than in the EU-28 as a whole during the period studied.

Managers of Spanish companies reported in their interviews that the most relevant modifications to their companies—that is, those that resulted in the main consequences—were, in most cases, technological changes (Figure 2).

Figure 2
Changes in Spanish companies by level of impact across activity sectors (%).



Base: total workplaces with 10 or more employees. (Spain n: 1,474)

Source: Third European Company Survey, 2013. Eurofound.

The results match the data obtained throughout Europe, although European managers find changes in technology (42%) and changes in the allocation of tasks (33%) to be more relevant.

3. Flexible Work Organisation Practices

Globalisation as a mechanism for economic competition is cited as the most influential *force of change* for work organisations in recent years. There are others too, of varying intensity and interrelated with one another. They have all contributed to the trend towards greater flexibility in employment, and particularly in work systems. This new context has led a significant number of companies—the larger ones—to question the efficiency of their organisations. Extreme task division as a paradigm for achieving efficiency required a centralised control structure. The dynamism of the new market conditions requires making many pressing decisions that a company that is organised bureaucratically is not in a position to make. At the same time, the supremacy of the market, and the shift from a producer-centric view to a consumer-centric view, have led to the emergence of a new requirement for products and services: quality. In a universalised market, the quality dimension applied to the product

or service becomes the differentiating, and therefore competitive, element between companies. A paradigm developed by the economic theorists in recent years states that ‘when the quality of products improves, productivity does too, thus reducing production costs. Competition operates in terms of price, consumers are best served, and, finally, profits are increased’ (Paniagua 1999: 42). This *virtuous circle*, the key of which is the goal of quality, has become popular due to the aforementioned Japanese productive success—although its theoretical and experimental origin lies in North America. This strategy goes by the name *Total Quality*. Many companies are carrying out substantial investments and reorganisation processes in an effort to achieve this goal and enter the *Olympus of competitive companies*. Therefore, an increasing number of employees are seeing the content of their tasks affected.

3.1. Quality Policies: ‘Total Quality’ Policies As Driving Forces for Change in the Work Process

The largest companies in Spain, especially those in the industrial sector, who are subject to the same pressures as their competitors, have begun to question the efficiency of their work organisation. They have tried out some new formulas by following two main approaches. Firstly, standardising work procedures through ISO quality certifications. Secondly, encouraging certain direct participation actions for employees in order to enhance their involvement with the goals of the company. This requires a modification of the work systems of at least part of its workforce, in line with the so-called Japanese or “Just In Time” (J.I.T.) process.

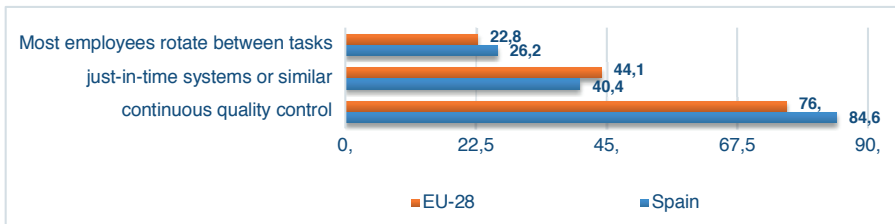
The number of companies holding an ISO quality certification worldwide is steadily growing. For companies, conforming to these standards entails a profound renovation of their internal quality control structures. The most immediate consequence of the process of adapting to ISO quality standards is a reduced level of freedom to organise their own activities, as they need to follow procedures which are often strictly prescribed. Indeed, ISO standards are a management tool ‘which, due to its normative character, could be described as being old, but its stubborn determination towards total quality and continuous improvement proves that it is not so’ (Boltansky and Chiapello. 2002: 303). Another consequence is an increase in production or service control tasks performed in a decentralised way. Quality control tasks (conformity) are no longer a ‘staff’ activity and are mostly reallocated to line workers, being added to production or service delivery tasks. The so-called *Total Quality Management* requires all members of the company to ‘do their job with the highest quality and utmost correction, in the shortest possible time and in the cheapest way possible’ (Paniagua. 1999:48). Along with more tasks and constant pressure (obsession) to reduce runtimes, quality policies cause workers to become subject to strictly

regulated operating models that, in the case of older workers, are far from what they have learned through work experience (Fernández Steinko.1997:316).

Quality-oriented policies are not the result of a temporary strategy, but rather a part of an increasingly common management model with immediate consequences for the workers involved. These consequences are twofold. On the one hand, they lead to an expanding workload, since new tasks are added to those directly related to production, inspection and control, maintenance, and repair of equipment. On the other hand, submission to strict procedures established by quality standards reduces the autonomy that these workers have to adjust their pace of execution, as well as their work means and procedures, to their different physical and mental abilities, leading to increased fatigue, especially in older workers (Volkoff. 2001: 70).

In this respect, both task rotation practices and continuous quality monitoring seem to be even more frequent in the Spanish companies. This is less so in the case of 'Just-in-time' systems (Figure 3).

Figure 3
Prevalence of certain work organisation practices Spain and EU-28 (%).



Base: total workplaces with 10 or more employees. (Spain n: 1,474. EU-28 n: 23,672)

Source: Third European Company Survey, 2013. Eurofound.

The three types of practices described are used more frequently by Spanish companies in the industrial sector, for which they were initially designed, as well as in the financial services and commerce/hospitality sectors. The higher incidence in medium and large companies is also statistically significant (Table 6).

Table 6

Prevalence of certain work organisation practices in Spain by activity sector and workforce size (%)

	Industry	Construction	Commerce and hospitality	Transport and communications	Financial services	Other services	Total	10-49	50-249	≥250
Continuous quality control	90.4	83.6	86.0	80.6	87.5	79.7	84.6	83.5	88.8	88.5
'Just-in-time' systems or similar	42.4	42.2	37.3	41.7	58.3	38.4	40.4	39.3	48.9	60.0
Most employees rotate between tasks	32.6	25.4	27.2	24.8	18.8	21.7	26.2	27.2	20.7	23.1

Base: total workplaces with 10 or more employees. Spain n: 1,474.

Source: Third European Company Survey. 2013. Eurofound.

Furthermore, in one third of Spanish companies, employee performance is assessed on an individual basis at least once a year. The percentage is considerably below that of the EU-28 as a whole (Table 6).

Table 7

Prevalence of certain work organisation practices in EU-28 by activity sector and workforce size (%)

	Industry	Construction	Commerce and hospitality	Transport and communications	Financial services	Other services	Total	10-49	50-249	≥250
Continuous quality control	83.3	73.7	73.2	71.7	70.5	74.3	76.0	74.5	83.6	87.1
Just-in-time systems or similar	50.8	42.6	47.7	39.4	35.0	35.4	44.1	42.2	52.9	67.5
Most employees rotate between tasks	24.5	29.3	22.7	18.7	15.4	20.9	22.8	23.7	18.0	18.1

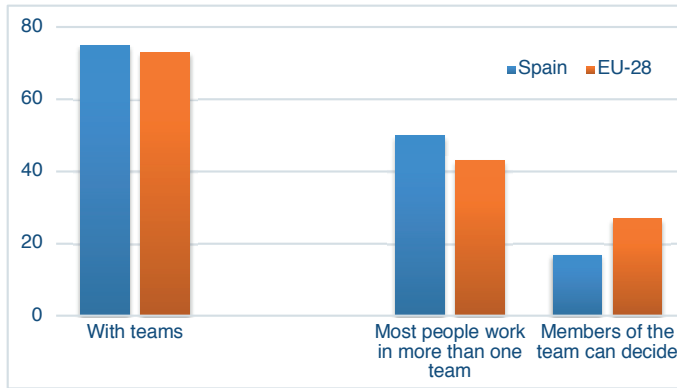
Base: total workplaces with 10 or more employees. (EU-28 n: 23.672)

Source: Third European Company Survey. 2013. Eurofound.

Out of all the iconic new practices in human resources management, the most noteworthy is using teams as the minimum work unit (Pinilla and López. 2017:82). In this regard, while prevalence in Spain is similar to the EU average, scores differ with regards to working in multiple teams at the same time. The Spanish score for this category is considerably above average. However, the prevalence of teams assigning some degree of autonomy to its members is far below average in the case of Spain (Figure 4 and Tables 8 and 9).

Figure 4

Prevalence of teamwork in companies in Spain and EU-28 and team characteristics (%).



Base: total workplaces with 10 or more employees. (Spain n: 1,474. EU-28 n: 23,672)

Source: Third European Company Survey, 2013. Eurofound.

Table 8

Prevalence of teamwork in companies in Spain and team characteristics by activity sector and workforce size (%).

	Industry	Construction	Commerce and hospitality	Transport and communications	Financial services	Other services	Total	10-49	50-249	≥250
With teams	72.9	83.3	73.6	63.1	70.8	79.3	75.0	73.3	84.6	92.3
Most people work in more than one team *	51.2	65.1	43.7	33.3	57.1	52.9	50.1	48.8	53.5	62.5
Members of the team can decide *	13.4	16.4	15.6	12.8	5.9	23.1	17.0	17.2	13.9	16.7

Base: total workplaces with 10 or more employees. (Spain n: 1,474. Base * 1075)

Source: Third European Company Survey, 2013. Eurofound.

Table 9
 Prevalence of teamwork in EU-28 companies and team characteristics by activity sector and workforce size (%).

	Industry	Construction	Commerce and hospitality	Transport and communications	Financial services	Other services	Total	10-49	50-249	≥250
With teams	71.8	78.9	71.7	62.8	70.5	77.9	73.2	71.0	84.2	91.0
Most people work in more than one team *	44.3	54.5	38.5	34.4	33.8	47.1	43.3	43.5	42.7	40.5
Members of the team can decide *	23.1	20.4	28.2	26.7	27.9	32.0	26.9	28.2	21.1	19.1

Base: total workplaces with 10 or more employees. (EU-28 n: 23,672. Base*: 17571)

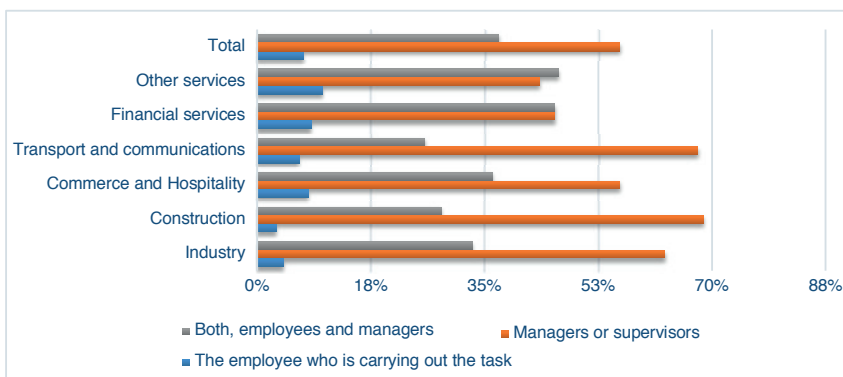
Source: Third European Company Survey, 2013. Eurofound.

In line with the data showing a lower level of autonomy for members of Spanish work teams, it is noteworthy that the employee undertaking the task does not generally choose how to organise and execute it (Figure 5).

This lower level of autonomy in Spanish work teams could be attributed not only to lower levels of trust, but also to the higher weight of manual or low-skilled work in Spanish economy when compared to other European economies (Pinilla and López, 2017:83).

Figure 5

Who chooses the planning and execution of tasks in Spanish companies? By activity sector (%).



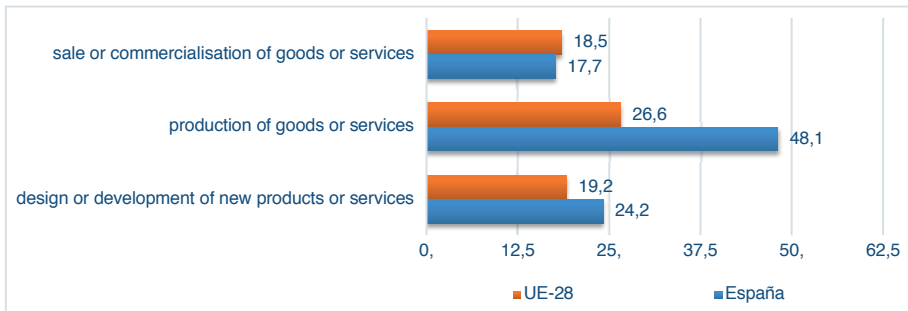
Base: total workplaces with 10 or more employees. (Spain n: 1,474)

Source: Third European Company Survey, 2013. Eurofound.

As for the frequency of outsourcing in Spanish and European companies, findings show that companies in Spain turn to outsourcing systems more than European firms.

In both Spain and Europe, the production of goods and services is the most prevalent out of all outsourcing types, although the proportion in Spain is nearly double the European average (Figure 6).

Figure 6
Types of outsourcing in Spanish and EU-28 companies



Base: total workplaces with 10 or more employees. (Spain n: 1,474. EU-28 n: 23,672)

Source: Third European Company Survey, 2013. Eurofound.

Table 10

Type of outsourcing in Spanish companies by activity sector and workforce size (%).

OUTSOURCING OF	Industry	Construction	Commerce and hospitality	Transport and communications	Financial services	Other services	Total	10-49	50-249	≥250
Design or development	17.1	37.1	20.2	25.8	32.6	28.0	24.2	24.1	24.6	24.0
Production	37.3	60.7	41.1	61.2	78.8	52.5	48.1	46.1	60.2	62.5
Sales or marketing	15.3	17.9	19.9	17.9	23.4	16.8	17.7	17.5	18.8	16.0

Base: total workplaces with 10 or more employees. (Spain n: 1,474)

Source: Third European Company Survey, 2013. Eurofound.

Table 11
 Type of outsourcing in EU-28 companies by activity sector and workforce size (%).

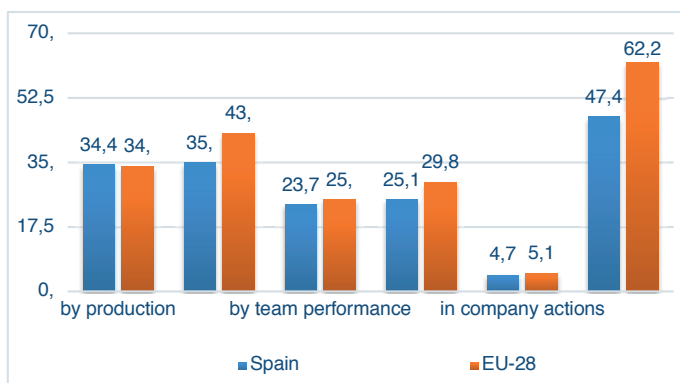
OUTSOURCING OF	Industry	Construction	Commerce and hospitality	Transport and communications	Financial services	Other services	Total	10-49	50-249	≥250
Design or development	18.7	27.8	17.2	14.0	20.9	20.2	19.2	18.7	21.9	21.7
Production	30.5	38.4	22.5	19.7	25.8	24.8	26.6	25.9	30.1	30.2
Sales or marketing	15.9	19.1	21.1	17.8	21.2	17.6	18.5	17.9	21.2	20.7

Base: total workplaces with 10 or more employees. (EU-28 n: 23,672)

Source: Third European Company Survey, 2013. Eurofound.

Another predominant practice aimed at encouraging employees to make an extra effort is linking pay, or most frequently a portion of it, to performance. The prevalence of this practice in Spain is well below the EU average as a whole and for most of its forms (Figure 7).

Figure 7
 Incidence of variable pay and its forms in Spain and EU-28 (%).



Base: total workplaces with 10 or more employees. (Spain n: 1,474. EU-28 n: 23,672)

Source: Third European Company Survey, 2013. Eurofound.

Pay incentives are, on average, not as prevalent in Spanish companies as they are in EU firms. Scores are similar only for the complementary payment according to production.

4. Conclusions

The data contained in the European Company Survey provides an overall view of various substantial aspects of the policies currently in place in European companies. Although small in size, the Spanish sample enables us to reflect on the similarities and differences in the evolution of innovative management practices in the workplace.

Over the studied time period, companies in Spain have followed a similar path as their European peers with regards to testing changes in management forms, despite the fact that the economic crisis has affected the Spanish economy more acutely than other European economies. Therefore, it is unclear whether the greater impact of the crisis has contributed to limiting the testing of changes or has encouraged these changes in order to take advantage of the greater docility of the workforce. In any case, it seems that the level of innovation, despite the economic crisis—or alternatively, as suggested, in response to it—has not limited Spanish companies more than their European peers in undertaking change processes.

These global transformations have been translated into several types of organisational changes, such as remuneration system modifications, the introduction and use of technology, the allocation of tasks among employees, and working time arrangements.

Changes in the use of technology are the most frequent in Spain, especially among small and medium-sized companies and in sectors such as Transport and Other Services. In general, Spanish managers consider technological changes to be the most relevant for their companies, whereas their European peers more frequently point to changes in the organisation of tasks.

Furthermore, technological change applied to the industrial sector stands out among EU companies on average. However, Spain has innovated to a lesser extent than its European competitors in this sector.

Overall, the frequency of both technological and organisational changes has been greater in Spain than in EU 28 as a whole in the period studied.

The three types of practices described (quality controls, just-in-time and task rotation) are used more frequently by Spanish companies in the industrial sector, for which they were initially designed, as well as in the financial services and commerce/hospitality sectors. The higher incidence in medium-sized and large companies is also statistically significant.

Among the new management practices, the assessment of performance on an individual basis seems to be gaining importance. In this regard, in one third of all Spanish companies, employee performance is assessed on an individual basis at least once a year. The percentage is considerably lower than in the EU-28 as a whole.

Out of all the iconic new practices in human resources management, the most noteworthy is using teams as the minimum work unit. In this regard, while prevalence in Spain is similar to the EU average, scores differ as regards to working in multiple teams at the same time. The Spanish score for this is considerably above average. However, the prevalence of teams assigning some degree of autonomy to its members is far below average in Spain. In line with this fact, members of work teams in Spanish companies have a lower level of autonomy: the employee performing the task does not choose how the task is organised and executed. This seems to indicate a less intelligent use of the qualifications of Spanish employees.

On the other hand, companies in Spain turn to outsourcing systems to a greater extent than European firms. In both Spain and Europe, the production of goods and services is the most prevalent out of all outsourcing types, although in Spain to a much larger extent.

Another predominant practice aimed at encouraging employees to make an extra effort is linking pay, and most frequently a portion of it, to performance. The prevalence of this practice in Spain is well below the EU average as a whole, and for most of its forms.

In conclusion, the level of management innovation in Spanish workplaces does not differ substantially from the average of the EU countries. New practices have been tested frequently, with some natural differences by workforce size and sector. It is obvious that Spanish companies follow the same behaviour patterns as their competitors in Europe, and therefore the allegedly poorer productivity of Spain when compared to its European competitors cannot be attributed to a delay in the modernisation of management practices.

This article provides a comparative description of previously unexploited data extracted from a very interesting Pan-European study. However, it is not without its limitations. Given the differing productive structures of the countries of which the EU sample is comprised and the different features of their employment relations systems, these comparisons should be viewed as an initial approach to a rigorous description of change processes used for management of workplaces in Spain. More specific analyses of the rich data contained in the aforementioned survey should be carried out.

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