

MIND THE GAP

Denmark



EMPLOYEE PERSPECTIVE

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INTRODUCTION

In this paper, we present information about the availability of human resource policies and resources that characterize quality employment in Denmark. The information presented has been selected from the European Working Conditions Survey (EWCS, 2005)

Organizations that want to remain employers-of-choice must periodically assess how shifts in the business environment might affect the effectiveness of their talent management strategies, policies and programs. Globalization and changes in the age composition of the workforce - two important 21st century trends that have affect today's businesses - make it important for managers to consider:

- How does age affect employees' preferences for an idealized job and their assessments of their employment experiences?
- Do employees' perceptions of their employment experiences vary from country to country?

What does "mind the gap" mean?

Train stations across England play recorded messages to remind passengers that they should "Mind the Gap." These words of caution urge train travelers to pay attention to the space between the door of the train car and the platform in the station for safe commutes and travels.

For this series of our research publications, we have adopted the phrase, "Mind the Gap." The Mind the Gap series aim to remind employers to pay attention to any gaps that might exist between employees' priorities and need and employers' allocation of workplace-based resources. Our Mind the Gap papers also aim to help our readers to such gaps in quality of employment in other country contexts.

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The Sloan Center on Aging & Work in Boston, in collaboration with the Middlesex University Business School in London, created the Mind the Gap series to provide employers with basic employment-related information country-by-country. There are two types of papers in the Mind the Gap series.

Employee Series: This series examines the perspectives that adults of different ages have about employment and the assessments that they make about their employment experiences. These papers focus on one central question: *Does age affect employees' preferences for an idealized job and their assessments of their employment experiences?*

Employer Series: This series examines the prevalence of human resource policies and programs at workplaces in a selected country. Because most talent-management strategies and programs are age-neutral, we compare the availability of selected human resource policies in practices in the targeted country with the availability of similar policies and practices in a small number of countries with approximate economic circumstances. These papers focus on one core question: *How does the availability of human resource policies and programs in the targeted country compare with other countries?*

Although papers in both series focus on a single country, when the information contained in two or more papers are considered in tandem, it is possible to consider whether employees' perceptions of their employment experiences vary from country to country.



Quality of Employment: Dimensions of a “Good Job” and a “Good Place to Work”

Most people would agree that “good jobs” are a “good thing.” High quality jobs offer benefits to employees and to the organizations where they work.

- **Benefits for Employees:** The quality of employment affects the health and well-being of employees. Research confirms that poor quality job (such as jobs requiring extreme work hours, jobs that are very demanding—particularly those where employees do not have access to the resources they need to meet those demands) are associated with negative outcomes, including high stress levels and physiological reactions such as cardio-vascular problems.¹
- **Benefits for Employers:** Employers often connect the quality of employment they offer to employees to their employer-of-choice strategies. There is some evidence that the adoption of policies and practices that promote the quality of employment available to employees is related to positive outcomes for organizations, such as customer satisfaction and organizational performance.² Employer-of-choice strategies can result in enhanced employee engagement which, in turn, can be linked to organizational outcomes, including financial measures. For example, higher employee engagement can reduce costs such as those associated with unwanted turnover. One study found that 59% of highly engaged employees report that they intend to stay with their employers in comparison to the 24% of disengaged employees who “intend to stay.”³ A number of studies have linked employee job satisfaction with positive performance indicators. Fortune reports positive relationships between being recognized as a “great place to work” and stock indices.^{4,5}

In this paper, we focus on eight important dimensions of the quality of employment:

- Fair, Attractive, and Competitive Compensation & Benefits
- Opportunities for Development, Learning & Advancement
- Wellness, Health & Safety Protections
- Opportunities for Meaningful Work
- Provisions for Employment Security & Predictabilities
- Workplace Flexibility
- Culture of Respect, Inclusion & Equity
- Promotion of Constructive Relationships at the Workplace

The following sections of this paper use the quality of employment framework as a structure to discuss the perspectives of employees about their employment situations.

QUALITY EMPLOYMENT IN DENMARK:

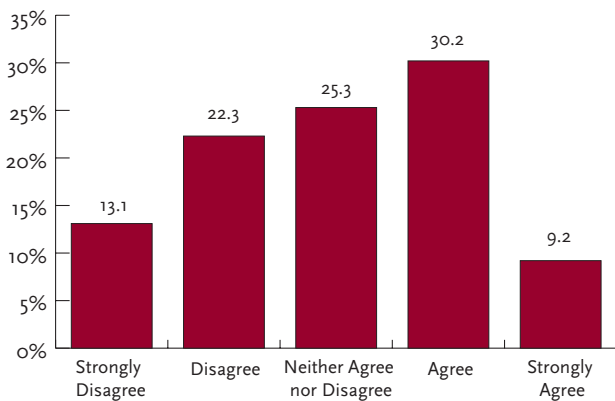
I. Indicators of Fair, Attractive, and Competitive Compensation & Benefits

- Compensation and benefits are distributed in a fair and equitable manner, meeting most of employees' basic economic needs.

- Age did not play a significant role in terms of how Danes felt about compensation for the work done. Almost one-third (30%) of Danes reported that they agree with the statement "I am well paid for the work I do" and almost one-tenth (9%) strongly agreed with this statement. However, almost one-quarter (22%) disagreed and over one-tenth (13%) strongly disagreed with this statement (see Figure 1).⁶

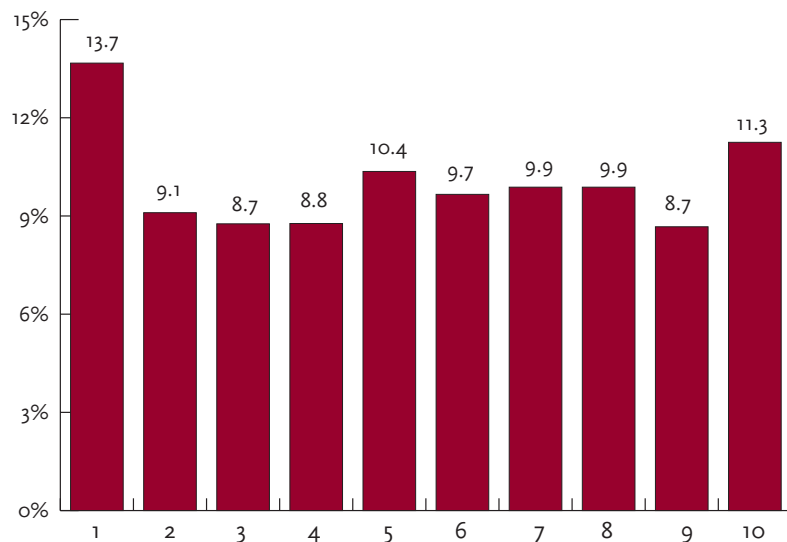


Figure 1: Response to "I am well paid for the work I do"



Source: EWCS, 2006⁶

Figure 2: Average net monthly income among Danes in 2005



Source: Fourth EWCS⁷

DKK and US\$* Bands for Income Percentile Categories for Figure 2

Percentile Brackets	DKK (2005)	US\$ (2009)
D10	9,000	1,727
D20	10,500	2,014
D30	11,500	2,206
D40	12,500	2,397
D50	13,500	2,589
D60	14,500	2,782
D70	16,000	3,070
D80	18,000	3,445
D90	21,000	4,020

* XE.com currency converter was used on August, 13, 2009

Source: Fourth EWCS⁷

- In 2005 most Danes (14%) reported earning up to 9,000 DKK in gross wages per month. This is equivalent to approximately \$1,700 today. However, one-tenth (11%) reported earning more than 21,000 DKK in gross wages per month in 2005. This is equivalent to approximately \$4,000 today (see Figure 2).⁷
- Since the early 1990s the financial attractiveness of early retirement has been reduced. As a result, between 1994 to 2005 employment rates among older workers (55-64) has increased from 51% to 59%. This is according to the Labor Force Survey conducted by Eurostat in 2006. As of 2005, the employment rate was 15 percentage points higher than the EU-15 average.⁸
- Danes reported high level of satisfaction due to flexible compensation schemes which ensure pay package that matches employee’s individual needs and wishes. Flexible compensation packages provide employees the opportunity to “buy” one or more benefits by giving up part of their cash pay.⁹

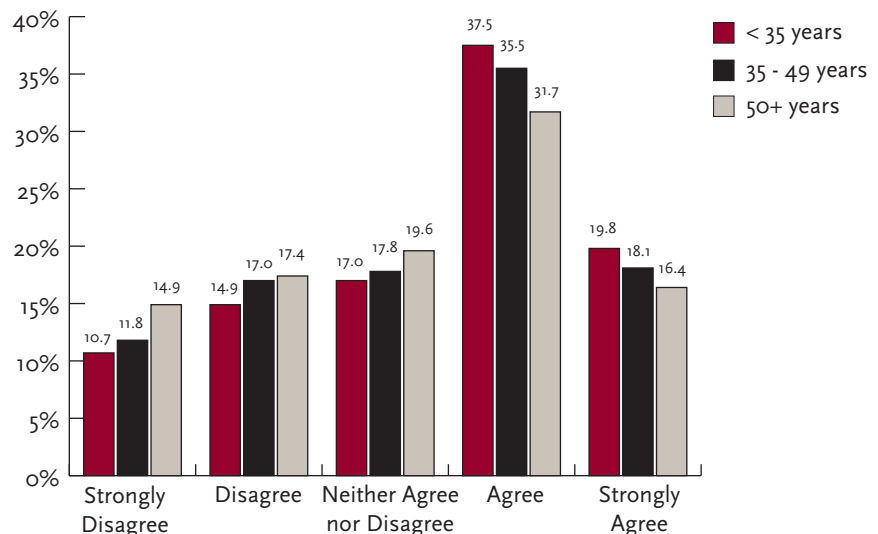
II. Indicators of Opportunities for Development, Learning & Advancement



- ▶ *Opportunities for the development of expanded skills and responsibilities are available.*

- Overall Danes reported that they felt they had opportunities to learn and grow on the job. More Danes reported that they agreed (35%) or strongly agreed (18%) with the statement. A smaller proportion reported disagreeing (16%) or strongly disagreeing (12%) with the statement.⁶
- Younger Danish workers were more likely to report opportunities to learn and grow on the job than older workers. Less than one-fifth (16%) of older Danes strongly agreed that they had opportunities to learn and grow on the job, compared to 18% of the middle aged and 20% of the younger cohorts (see Figure 3).⁶

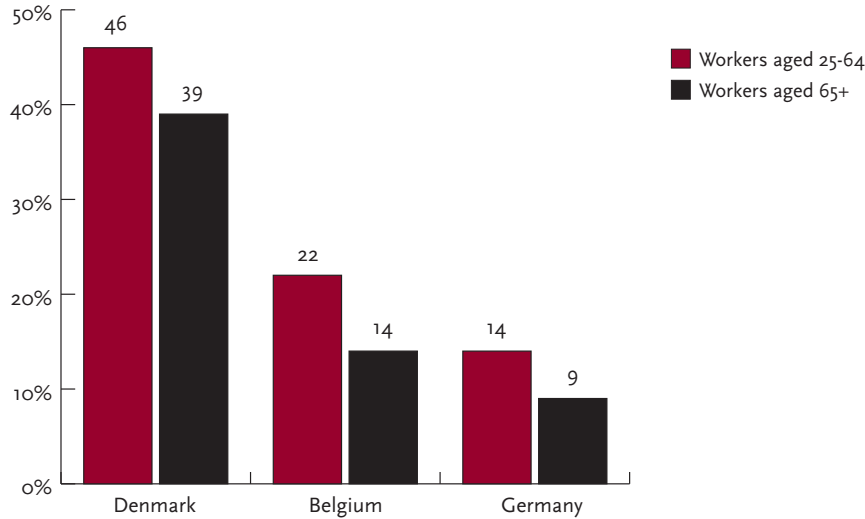
Figure 3: Opportunities to learn and grow on the job



Source: EWCS, 2006⁶

- Despite significant differences in perceptions on opportunities to grow and learn on the job by age categories, training participation in Denmark is relatively high among both younger and older workers compared to other EU-countries (see Figure 4).⁸

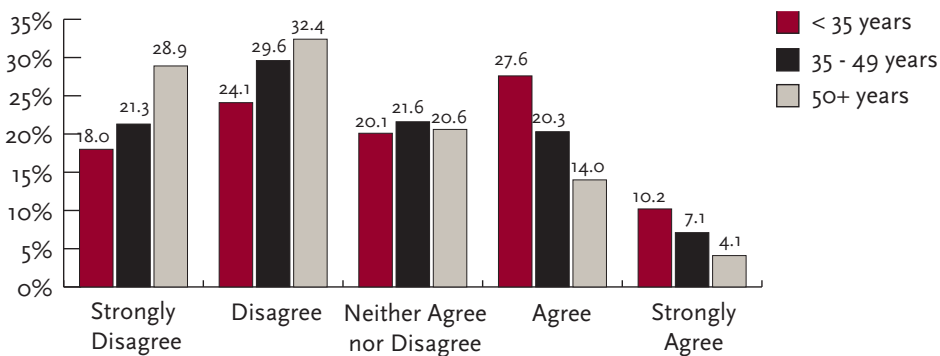
Figure 4: Participation in non-formal job related continuing education and training within a 12 month period in 2003



Source: Education at a glance, OECD 2005⁸

- Very few (7%) Danes strongly agreed that the job offered good prospects for career advancement. Danes were much more likely to strongly disagree (22%) or disagree (29%) with this statement.⁶
- Prospects for career advancement were viewed very differently by age group. A greater proportion of the oldest cohort (29%) strongly disagreed that they had good prospects for career advancement, whereas among those who strongly agreed, the largest sector were among the youngest cohort (10%) (see Figure 5).⁶

Figure 5: Job offers good prospects for career advancement



Source: EWCS, 2006⁶



III. Indicators of Wellness, Health & Safety Protections

- ▶ *Well-being is promoted through workplace policies, and social protections are offered in case of illness.*

- A greater proportion of workers who reported work affecting their health were older workers (44%) compared to younger workers (39%).⁶
- In terms of absenteeism, approximately one-quarter (24%) reported having been absent during the last 12 months due to health problems. The average number of days taken off for health related reasons was 22 days in the year.⁶
- Among all working Danes, the most frequently reported health problems were backache (68%), muscular pains (66%), stress (65%), fatigue (64%) and headaches (46%). Injuries were reported by a quarter (25%) of working Danes.⁶
- Most working Danes reported being either very well informed (40%) or well informed (43%) about health and safety risks at their job.⁶
- According to Ankestyrelsen, there was a notable rise in early retirement (38%) from 2007 to 2008 in Denmark. The average age of early retirees was 46 years old. The most frequently reported reason for early retirement was related to psychological problems. This was true for approximately half (48%) of all early retirees in 2008. Gender did not determine likelihood of reporting psychological problems as 50% of men compared to 47% of women reported psychological problems as a reason for early retirement on 2008. There were however, notable age effects among those who reported psychological problems. Psychological problems were reported by 80% of workers aged 20-29 year olds compared to only 23% among 60-65 year olds. Instead medical conditions (such as heart, lung and cancer related diseases) explained most of the early retirement among the older age group.⁹

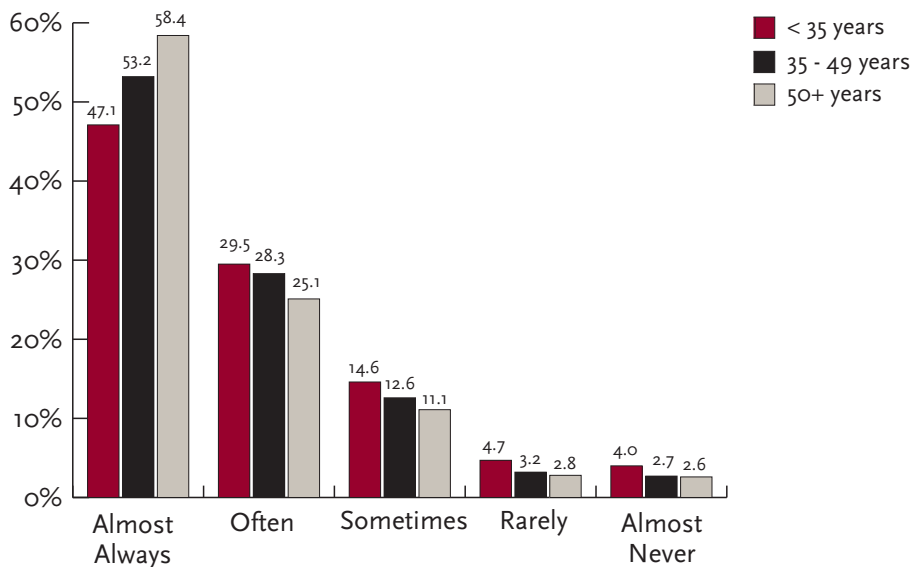
IV. Indicators of Opportunities for Meaningful Work

► *Opportunities for meaningful and fulfilling work are available.*

- The vast majority of Danish workers reported either almost always (53%) or often (28%) the feeling of work well done. This was supported by the majority reporting almost always (44%) or often (25%) having the opportunity to do what they do best.⁶
- Older workers were more likely to report almost always (58%) feeling of work well done compared to those aged 35-49 years old (53%) and those aged 35 years or less (47%). The reverse was noted among those who reported almost never feeling of work well done as can be seen in Figure 6.⁶



Figure 6: Your job gives you the feeling of work well done



Source: EWCS, 2006⁶

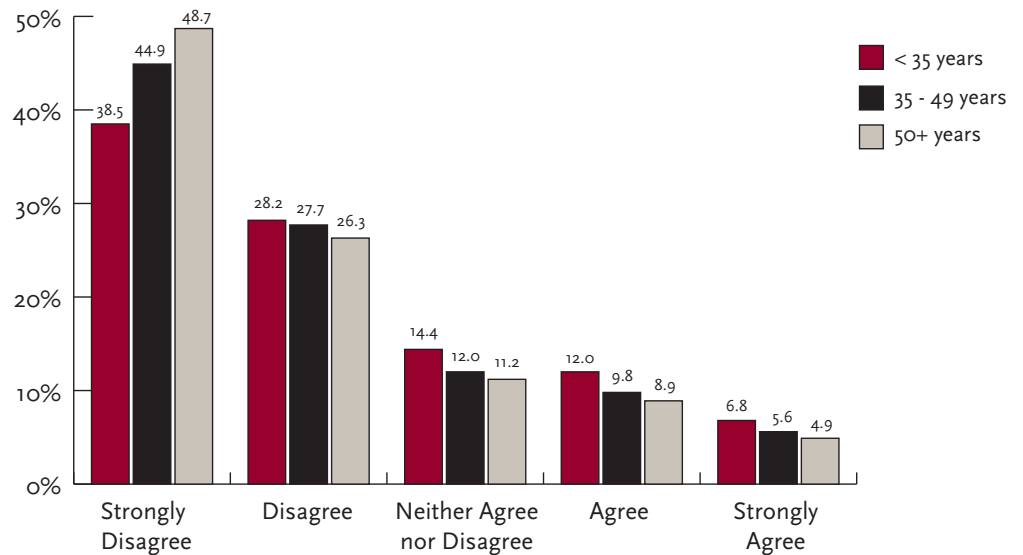
V. Indicators of Provisions for Employment Security & Predictabilities



- ▶ *Terms of employment are communicated clearly, with an emphasis on smooth transitions through jobs and careers.*

- As a result of Flexicurity, (a combination of a flexible labor market, a generous welfare system and an active labor market policy.) Denmark is characterized by very high mobility (compared to other countries) due to only modest level of job protection. Furthermore, Danish workers may be willing to tolerate greater risk of losing their jobs due to the comprehensive social safety net and low stigmatizing effects of social security in Denmark.¹⁰
- Even with one of the lowest levels of job protection among OECD-countries, Danish workers have a feeling of high job security among all subgroups of workers.¹⁰
- Despite Flexicurity, findings from the EWCS found that most Danish workers were not concerned about losing their job. Almost half (44%) of Danish workers strongly disagreed with the possibility of losing their job within the next 6 months. A minority reported either agreeing (10%) or strongly agreeing (6%) with this statement.⁶
- Concerns about job loss were generally less prevalent among older workers as compared to younger workers. Older workers (49%) were more likely to strongly disagree with the possibility of losing their job in the next 6 months compared to middle aged (45%) and younger workers (39%). The opposite trend was noted among those who strongly agreed with the possibility of losing their job over the next 6 months (see Figure 7).⁶

Figure 7: Might lose job in the next 6 months by age category



Source: EWCS, 2006⁶

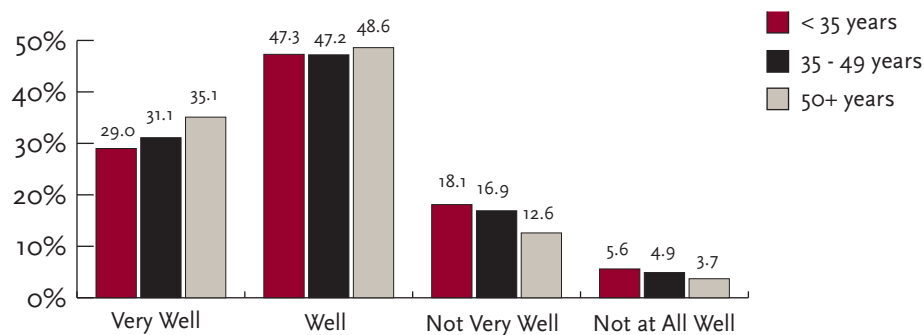
VI. Indicators of Workplace Flexibility

- ▶ *Options, choice, and control over work conditions and hours are available.*

- Most Danish workers felt that there was a good fit between work and family commitments. Indeed almost a third (32%) reported the fit as very well and almost half (48%) as the fit being well. A much smaller proportion reported the fit being not very well (16%) or not well at all (5%).⁶
- Older workers (35%) were more likely to report that work and life commitments fit very well compared to middle aged and younger workers (31% vs. 29%, respectively). Furthermore, older workers (4%) were less likely to report the fit between work and life commitments as not at well compared to middle aged and younger workers (5% and 6%, respectively) (see Figure 8).⁶



Figure 8: Whether working hours fit in with family or social commitments outside work by age category

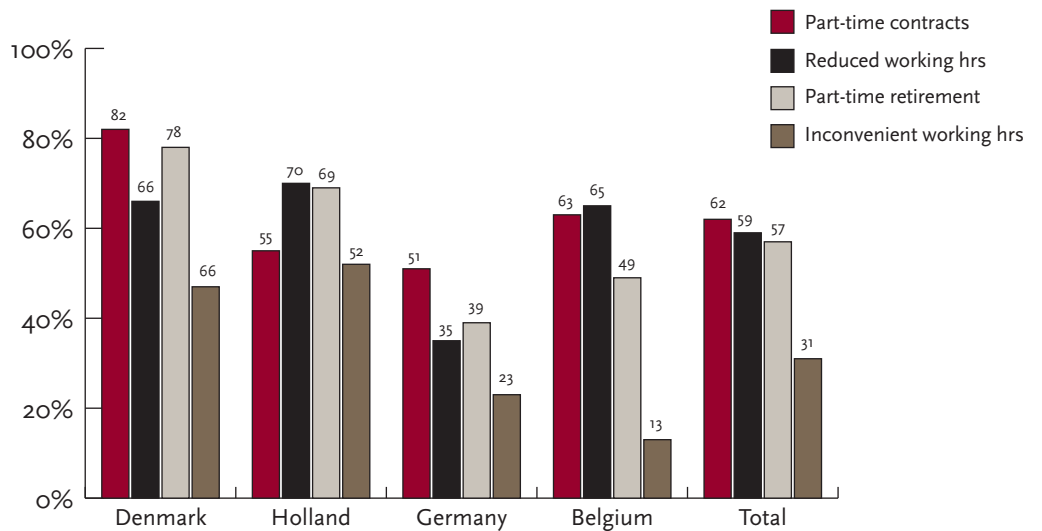


Source: EWCS, 2006⁶

- High levels of satisfaction with family and life balance were also reported by the Confederation of Danish Employers (DA) in 2008. The Danish Employers represents 12 employers organizations with a membership of more than 28,000 Danish private companies in manufacturing, retail, transport, services and construction. According to the DA, this was due to Danish workers having the ability to determine their work hours. Indeed, 70% of Danish workers reported playing a significant role in determining their work hours.¹¹

- According to the EWCS in 2005, the vast majority of Danes worked full-time (83%).⁶ Among workers in the private sector in 2008, many had flexible working hours. Just under a quarter (23%) reported being able to determine their own hours, another 16% reported having a flex-time arrangement, and 14% could arrange their working hours through negotiation with the workplace.¹¹
- A comparative survey was conducted by Bredgaard and Tros in 2006 on flexibility and security for older workers in the Netherlands, Denmark, Germany and Belgium. The sample consisted of 3458 personnel managers at the firm level (age 50 and older employees) in four selected branches (education, public administration, transport and iron/metal industry). Survey findings indicated Denmark provided more flexible hours for older workers (age 50 or older) working under part-time contracts and part-time retirement compared to other countries including Holland, Germany and Belgium. Moreover, the option of dispensation from inconvenient working hours (overtime, shift work, night work) was available (especially in Denmark and Holland) (see Figure 9).⁸

Figure 9: Availability for work time flexibility options among older workers (50+) by country



Source: Bredgaard & Tros, 2006⁸

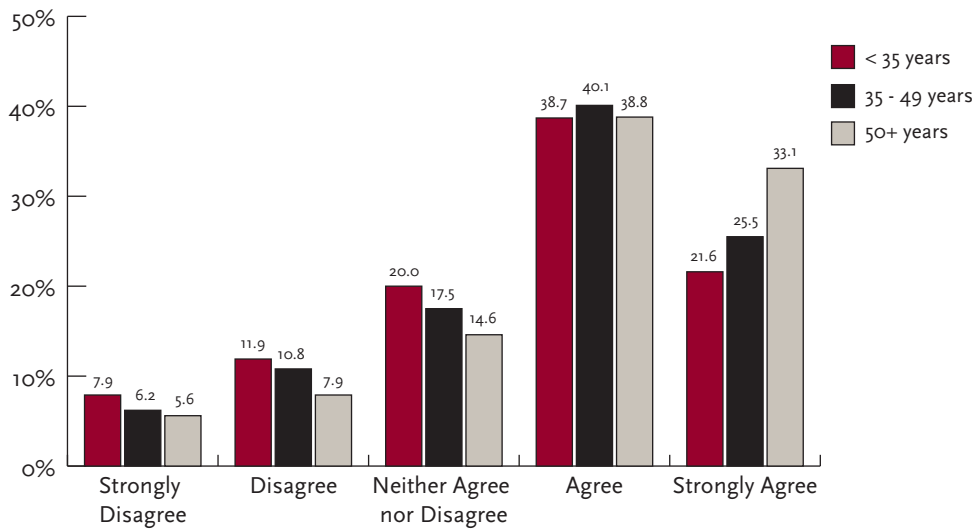
VII. Indicators of Culture of Respect, Inclusion & Equity

- ▶ *Diversity, inclusion, and employee personal growth are valued.*

- Over half of all Danish workers (66%) reported that they felt “at home” in their organization, however, just under one fifth (17%) either disagreed or strongly disagreed with this sentiment.⁶
- One third of older adults (33%) were more likely to strongly agree with feeling “at home” compared to middle aged (26%) and younger worker (22%). The reverse trend was noted among those who reported strongly agreeing with the statement (see Figure 10).⁶



Figure 10: Feeling “at home” in the organization by age category



Source: EWCS, 2006⁶

- Less than one in ten Danish workers reported some form of harassment on the job. The two most frequently reported forms of harassment were being subjected to threats of physical violence (6%) and bullying/harassment (6%). A smaller proportion of Danish workers reported age discrimination (3%). Among older workers, 4% reported age discrimination.⁶

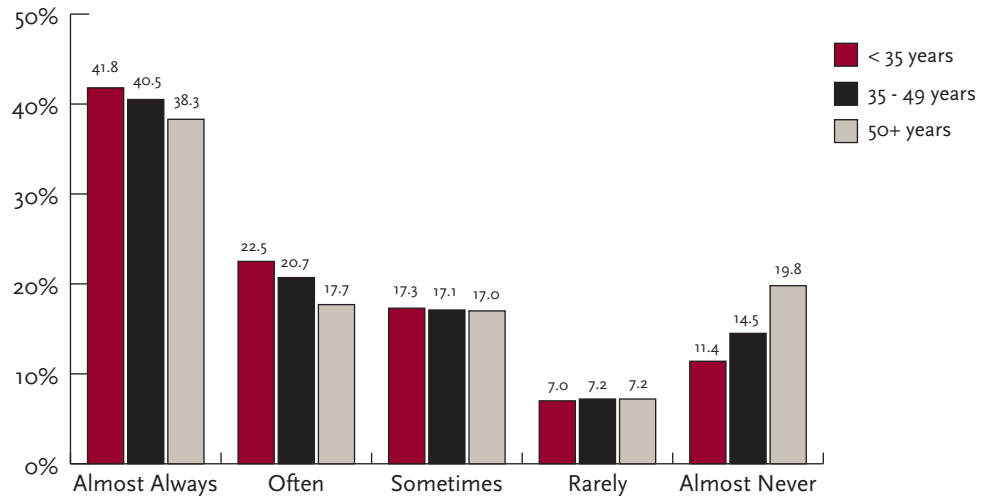
VIII. Indicators of Promotion of Constructive Relationships at the Workplace

► Interactions with supervisors and coworkers are professional and respectful.



- Danish workers for the most part felt they could get assistance from their boss since almost two thirds (61%) almost always or often agreed with this statement. However, a notable number (15%) reported almost never being able to get assistance.⁶
- Older workers were more likely to feel that they almost never could get assistance from the boss compared to younger workers. The opposite was true among those who reported almost always being able to ask for assistance (see Figure 11).⁶

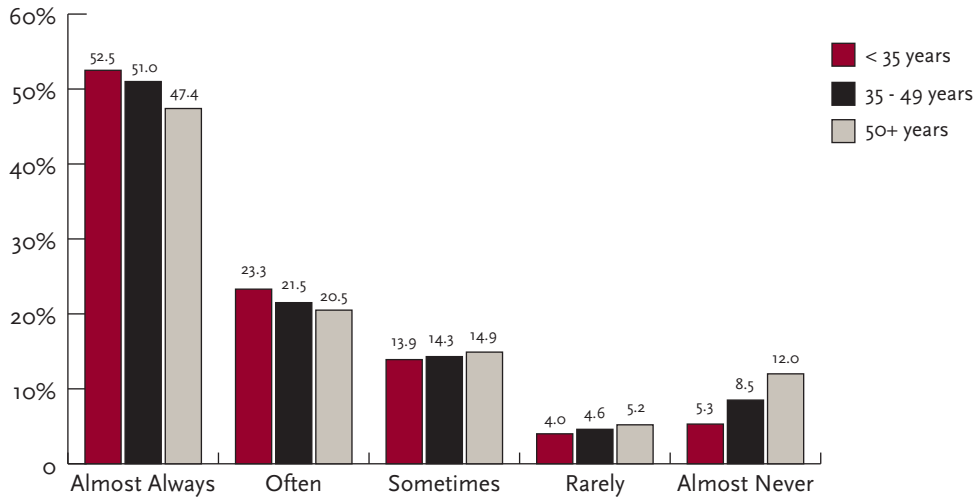
Figure 11: Can get assistance from superiors / boss if ask for it by age category



Source: EWCS, 2006⁶

- Almost three quarters (72%) of Danish workers reported either almost always or often feeling they can get assistance from colleagues if ask for it. Less than one in ten (9%) reported almost never getting assistance from colleagues.⁶
- Older workers were also less likely to feel that they could ask for assistance from colleagues. Indeed 12% of older workers reported almost always never being able to get assistance compared to 8% middle aged workers and 5% younger workers. The opposite was true for those who reported almost always being able to ask for assistance from colleagues (see Figure 12).

Figure 12: Can get assistance from colleagues if ask for it by age category



Source: EWCS, 2006⁶

SUMMARY AND CONCLUSION:

MINDING THE GAP

Eight dimensions of the quality of employment were examined among workers in Denmark using primarily the European Community Workers Survey (ECWS) from 2005. Overall, Danish workers indicated high quality of employment particularly in terms of workplace flexibility and in terms of compensation and benefits. Despite a notable proportion of Danish workers reported not being paid well for what they do, overall Danes reported high level of satisfaction due to flexible compensation schemes which ensure pay package that matches employee's individual needs and wishes. However, the majority of Danes did not feel that the job offered good prospects for career advancement.⁹

A concerning trend was a notable rise (by 38%) in early retirement from 2007 to 2008 among all workers. It is possible that this trend may in part be explained by changes in rules regarding early retirement in the Danish counties. The most frequently reported reason for early retirement was related to psychological problems, particularly among younger workers. Instead medical conditions (such as heart, lung and cancer related diseases) explained most of the early retirement among the older age group.

Overall, older Danish workers were well positioned in terms of non-formal job-related continuing education and training rates (compared to other European countries) and in terms of flexible work hours.

ABOUT THE INSTITUTE

Established in 2007 by the Sloan Center on Aging & Work, the Global Perspectives Institute is an international collaboration of scholars and employers committed to the expansion of the quality of employment available to the 21st-century multi-generational workforce in countries around the world.

The Global Perspectives Institute focuses on innovative and promising practices that might be adopted by employers and policy-makers.

The Institute's research, publications, and international forums contribute to:

- ▶ a deeper understanding of the employment experiences and career aspirations of employees of different ages who work in countries around the world;
- ▶ informed decision making by employers who want to be employers of choice in different countries; and
- ▶ innovative thinking about private-public partnerships that promote sustainable, high quality employment.

In addition to the Mind the Gap series, the Global Perspectives Institute publishes a Statistical Profile Series that highlights workforce demographic trends in different countries and a Global Policy Series that focuses on selected workforce policy in certain country contexts.

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The Sloan Center on Aging & Work at Boston College promotes quality of employment as an imperative for the 21st-century multi-generational workforce. We integrate evidence from research with insights from workplace experiences to inform innovative organizational decision making. Collaborating with business leaders and scholars in a multi-disciplinary dialogue, the Center develops the next generation of knowledge and talent management.

The Sloan Center on Aging & Work is grateful for the continued support of the Alfred P. Sloan Foundation.

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1 For example, see:

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Butler, A. B., Grzywacz, J. G., Bass, B. L., & Linney, K. D. (2005). Extending the demands-control model: A daily diary study of job characteristics, work-family conflict and work-family facilitation. *Journal of Occupational and Organizational Psychology*, 78(2), 155-169.

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Johnson, J. V., & Hall, E. M. (1988). Job strain, work place social support, and cardiovascular disease: A cross-sectional study of a random sample of the Swedish working population. *American Journal of Public Health*, 78(10), 1336-1342.

Lewis, S. Brookes, M., Mark, A. & Etherington, D. (2008). *Work engagement, work-family enrichment and gender: A positive approach to quality of working life*. Working Paper. London: Middlesex University Business School.

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2 For example, see:

Allen, T. D., Eby, L. T., Poteet, M. L., Lentz, E., & Lima, L. (2004). Career benefits associated with mentoring for protégés: A meta-analysis. *Journal of Applied Psychology*, 89(1), 127-136.

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3 Towers Perrin. (2005). *Winning strategies for a global workforce: Attracting, retaining and engaging employees for competitive advantage*. Stamford, CT: Towers Perrin. Retrieved from <http://www.towersperrin.com/tp/getwebcachedoc?webc=HRS/USA/2006/200602/GWS.pdf>

4 Great Places to Work Institute. *What makes a great place to work: Financial results*. Retrieved from <http://www.greatplacetowork.com/great/graphs.php>

5 Unfortunately, most of the research linking employer-of-choice strategies with business outcomes tends to focus on correlational relationships. Such studies do not definitively establish that being a “best place to work” causes positive organizational performance; indeed, it also might be true that high profits and strong financial growth cause higher employee engagement and foster perceptions that a particular workplace is an employer of choice.

- 6 European Working Conditions Survey: Every five years, the Foundation conducts a survey to study working conditions in Europe. The survey has been carried out four times: in 1990/91, 1995/96, 2000 (extended to cover the 10 new member states, Bulgaria, Romania and Turkey in 2001/02) and 2005 (31 countries).
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- MTG01: United States, Employer
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