



## Swiss Human Relations Barometer Autumn Newsletter 2017

# How people tick at work

### Two analyses based on the Swiss Human Relations Barometer

Employment relationships are characterized by an exchange of work for pay. When and where do employees find information about wages and when is work emotionally exhausting? Two special analyses based on the Swiss Human Relations Barometer show that satisfied employees who enjoy autonomy at work and take charge of their own career are less at risk of emotional exhaustion. And people at work form their own opinion of the pay situation - regardless of how transparent the organization's pay policy may be.

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## Introduction

Excessive and permanent demands lead to emotional exhaustion; the first phase of burnout. In Switzerland, almost 10% of employees have increased high levels of emotional exhaustion. What are influencing factors? Could it be the industry, age or working conditions? The first article in this newsletter shows that there are no differences between industries, that age plays a part, and that working conditions are key, particularly the extent of autonomy and job satisfaction enjoyed by employees at work. Furthermore, people with a greater inclination towards an independent career orientation tend to suffer from less emotional exhaustion.

People are «group creatures». They compare themselves with one another. This has consequences for information regarding pay. Not only is the absolute level of pay important. The relative level compared with others is at least as important. This means that people are interested in knowing the level of pay for other jobs and other colleagues. Where do people find this information

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and what part does organizational pay transparency play? This is the subject of the second article. An interesting conclusion: employees obtain information about pay internally and externally, and when it comes to seeking out pay information internally, an organization's pay transparency has no impact.

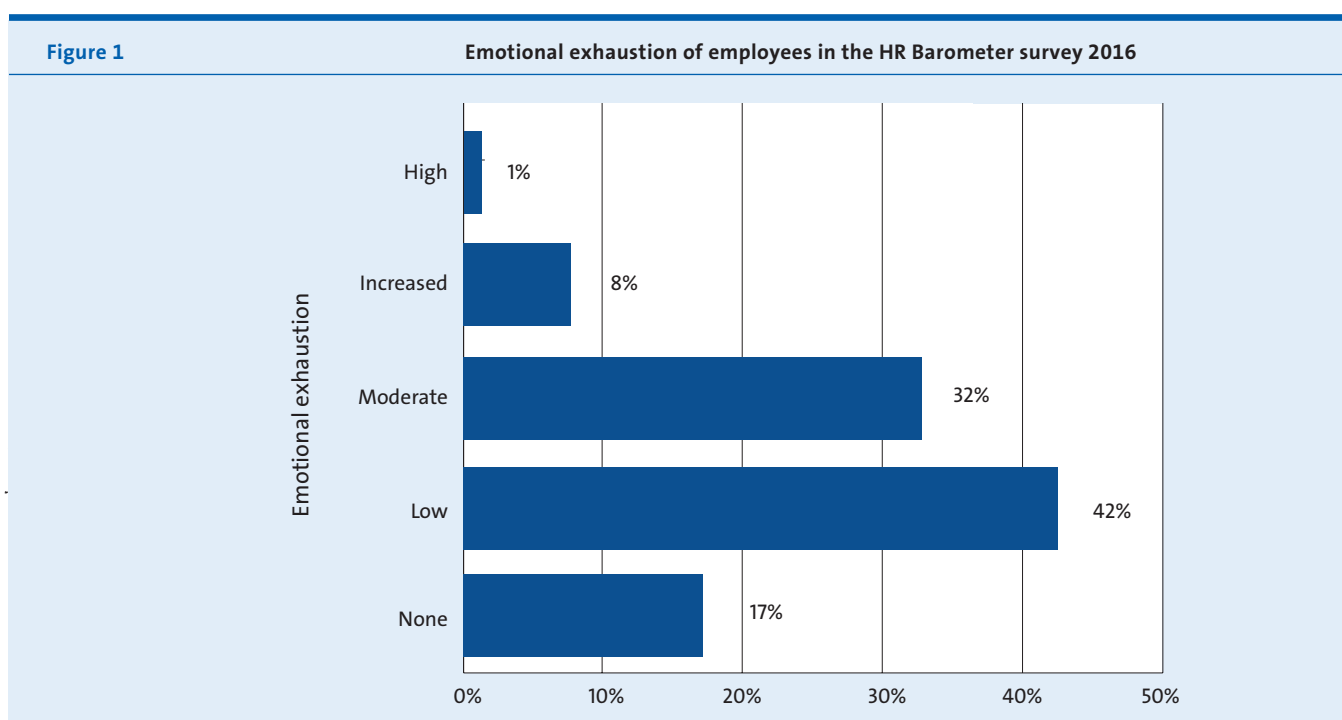
The Swiss HR Barometer is a joint project run by the University of Zurich, ETH Zurich and, more recently, the University of Lucerne. It is funded by the Swiss National Science Foundation and since 2006 it has been gathering information on how employees in Switzerland experience life at work. Representative, differentiated surveys of employees in Switzerland conducted at regular intervals are used to establish basic organizational/psychological principles for human resources policy. Work determines whether or not our life is successful. We would be delighted if the information we provide in this newsletter makes a contribution to this consideration.

*Gudela Grote & Bruno Staffelbach, editors*

## Emotional strain from work? Influencing factors and effects of emotional exhaustion amongst employees in Switzerland

Everyone is familiar with those days at work when you come home feeling tired and listless. However, when days like this are a frequent occurrence and you feel as though you can no longer cope with the volume of work, the experience is described as emotional exhaustion. According to Demerouti, Mostert, and Bakker (2010), emotional exhaustion is a chronic state of emotional and physical fatigue resulting from excessive and long-term stress. Emotional exhaustion is often described as the first stage, or directly as a dimension, of burnout (Boles, Johnston, & Hair, 1997; Maslach & Jackson, 1981) and is thus a key indicator for employees' well-being. Emotional exhaustion may be associated with negative consequences, not only for the person concerned, but also for their employer, if, for example, the employee's commitment or performance suffers as a result.

As part of the Swiss HR Barometer 2016, around 1500 employees rated emotional exhaustion based on an 8-level scale. The good news is that almost 17% of respondents declared that they were not at all emotionally exhausted and 42% were only experiencing low levels of emotional exhaustion (see figure 1). However, one in three employees exhibited moderate levels of emotional exhaustion and 9% of all respondents exhibited an in-



creased or high level of emotional exhaustion. To prevent or reduce emotional exhaustion, employers need to recognise potential causes and investigate the phenomenon more thoroughly.

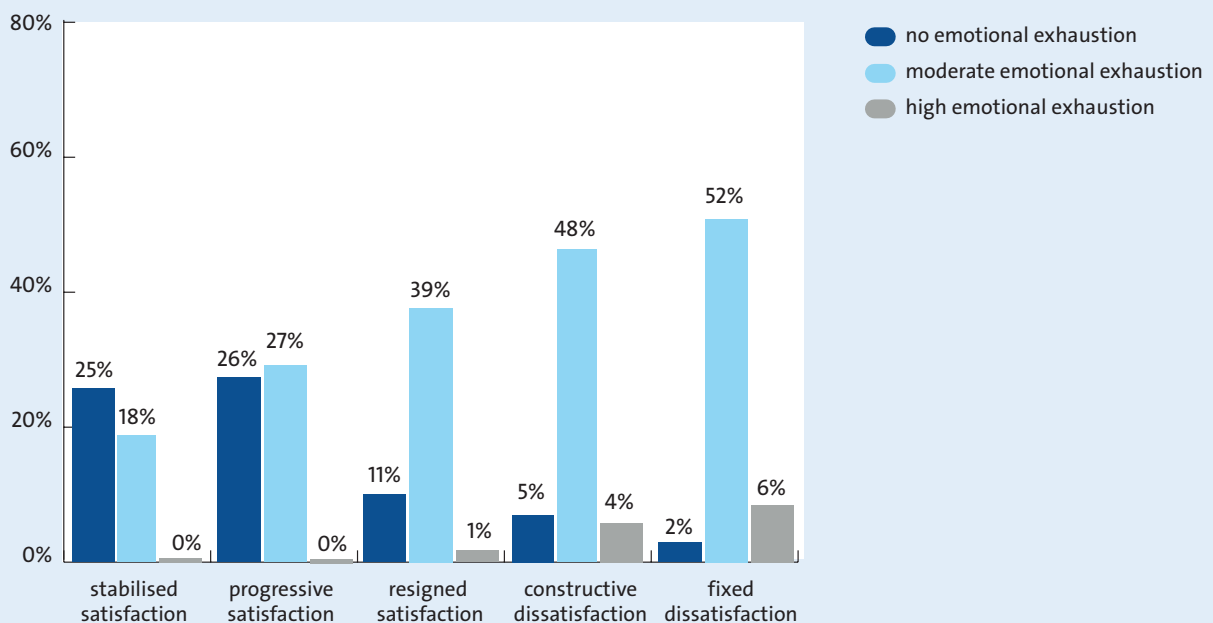
### What are the factors influencing emotional exhaustion?

To investigate the question of which factors lead to emotional exhaustion, stepwise regression analyses were conducted. These analyses included socio-demographic variables, such as gender, age, education, job category and industry. In addition, attitudes towards work, career and the working environment were taken into account. Findings show that gender, education, tenure, industry and job category have no influence on emotional exhaustion amongst employees in Switzerland. However, the age of employees plays a role. The youngest age group of 16 to 25-year-olds exhibits, on average, higher emotional exhaustion than employees approaching retirement. One feasible explanation for this is that young employees have not been working for such a long time and thus feel more easily stressed and emotionally exhausted. The level of employment is also a factor that can intensify emotional exhaustion. The higher the level of employment, the greater the respondents' emotional exhaustion. The range of skills required by a job also influences emotional exhaustion. If a job requires too great a variety of different skills, this results in higher levels of emotional exhaustion.

Ultimately, job satisfaction has a particularly strong influence on emotional exhaustion. Low levels of job satisfaction go hand-in-hand with high levels of emotional exhaustion, whereas high levels of job satisfaction appear to counteract emotional exhaustion. In the HR Barometer Spring newsletter 2017, job satisfaction was investigated according to the Zurich model of job satisfaction (Bruggemann, Groskurth & Ulich, 1975). According to this, it is possible to distinguish between five different forms of job (dis)satisfaction: stabilised, progressive and resigned job satisfaction and constructive and fixed dissatisfaction. A detailed analysis regarding emotional exhaustion shows that, on average, this varies significantly between almost all types of satisfaction. Only between progressive and stabilised satisfaction is there no significant variation. With progressive and stabilised satisfaction, emotional exhaustion is, on average, at its lowest. Further investigation into the distribution of emotional exhaustion for the various types shows that, amongst the stabilised satisfaction type, one in four employees is not at all emotionally exhausted and high emotional exhaustion is not at all evident (0%) (see figure 2). In contrast, amongst the fixed dissatisfied employees, a little fewer than 2% are not emotionally exhausted at all and 6% exhibit high levels of emotional exhaustion. Overall, it is also clearly apparent that a moderate degree of emotional exhaustion rises sharply from the two satisfaction types through the resigned satisfaction to the dissatisfaction types (from left to right

Figure 2

Distribution of emotional exhaustion for the five different types of job satisfaction, according to Bruggemann, Groskurth, and Ulich (1975)



in figure 2). These findings illustrate the importance of job satisfaction for employees in connection with emotional exhaustion.

As well as a high level of job satisfaction, there are other influential factors that counteract emotional exhaustion. Two points in particular emerge from the data analysis. Firstly, an employee's attitudes, values and interests play a part in their own career progression. People who tend more towards an independent career orientation tend to be less emotionally exhausted. One possible explanation for this is that a strong tendency towards an independent career orientation results in weakening the emotional connection with the company and thus stress at work does not lead as easily to feelings of fatigue.

Employee autonomy is also significant. Autonomy means that the employee may make decisions autonomously and is generally a key criterion for the design of work systems (Grote, Ryser, Wäfler, Windischer, and Weik, 2000). When it comes to decisionmaking, a certain amount of scope enables employees to act quickly and flexibly. In the absence of this scope, employees may experience stress, which may ultimately result in emotional exhaustion.

### **What are the consequences of emotional exhaustion?**

Scientific publications show that emotional exhaustion is often a precursor to physiological problems, such as, insomnia (Kahill, 1988). This frequently manifests in increased illness-related absenteeism (Bekker, Croon, & Bressers, 2005). Poorer health is not just associated with negative consequences for the person concerned, affects also ultimately their employing organization as well. Employees exhibit diminished performance and show less commitment when they are emotionally exhausted (Cropanzano, Rupp, & Byrne, 2003; De Cuyper, Castanheira, De Witte, & Chambel, 2014). The data from the current HR Barometer survey show that these relationships are also apparent amongst employees in Switzerland. The greater the degree of emotional exhaustion, the lower self-perceived performance. There is also a positive correlation between illness-related absences and emotional exhaustion. The more emotionally exhausted an employee is, the more sick days are evident.

### **Conclusions**

The findings of this analysis show that job satisfaction is highly relevant with regard to emotional exhaustion. Depending on the satisfaction type, emotional exhaustion can vary widely and is more apparent with fixed and constructive dissatisfaction as well as with resigned satisfaction. A high level of employment and a very

wide range of skills required by a job are also associated with higher levels of emotional exhaustion. In contrast, people who have a stronger tendency towards an independent career orientation and who enjoy a high degree of autonomy assigned by their employer tend to have lower levels of emotional exhaustion is highly relevant. The negative consequences for health and performance make it clear that the topic of emotional exhaustion is a relevant one. Employers and HR management should therefore pay particular attention to the factors identified to counteract emotional exhaustion amongst their employees.

*Julian Pfrombeck*

## **Pay transparency and pay seeking behaviour in Switzerland**

People are curious by nature. Employees are therefore essentially interested in how much they are earning compared to other people. In particular, the need to be treated fairly is a motivating factor in comparing their own wage with others (Adams, 1965). However, when it comes to pay policy, not all companies are equally transparent to enable a comparison to be made. Although the majority of scientific studies establish positive effects regarding pay transparency (e.g. Bamberger & Belogolovsky, 2010; Belogolovsky & Bamberger, 2014), opinions on pay transparency amongst employers vary widely (CIPD, 2015). This article investigates the state of pay transparency in Switzerland, and the extent to which pay transparency influences employees to seek information on pay.

### **Pay transparency**

According to Marasi and Bennett (2016), pay transparency can be described according to two dimensions: (1) the amount of pay information that an organization makes available to its employees and (2) how much an organization restricts communication regarding pay between employees. As part of a follow-up study to the Swiss HR Barometer 2016, more than 700 employees in Switzerland were questioned about these two dimensions. The results show that for three quarters of employees, the organization provides little information on pay. The amount of pay information provided is moderate for 10% of employees and high for 13% of employees. Regarding communication restrictions, it appears that nearly three quarters of employees may speak freely about their pay at work. In contrast, pay communication

is limited to some extent for 15% of employees and 12% of employees experience a high restriction on such communication (see figure 3).

If we combine the results of the pay information provided and communication restriction, it appears that only 21.2% experience a high level of pay transparency. This means that employees receive a lot of information on pay and can also talk freely about it. In fact, a good half of employees can talk about pay at work, although they receive little information on pay from the organization (moderate transparency). 23.7% of employees receive little information on pay from the organization and are also not allowed to talk about it (low transparency) (see figure 4).

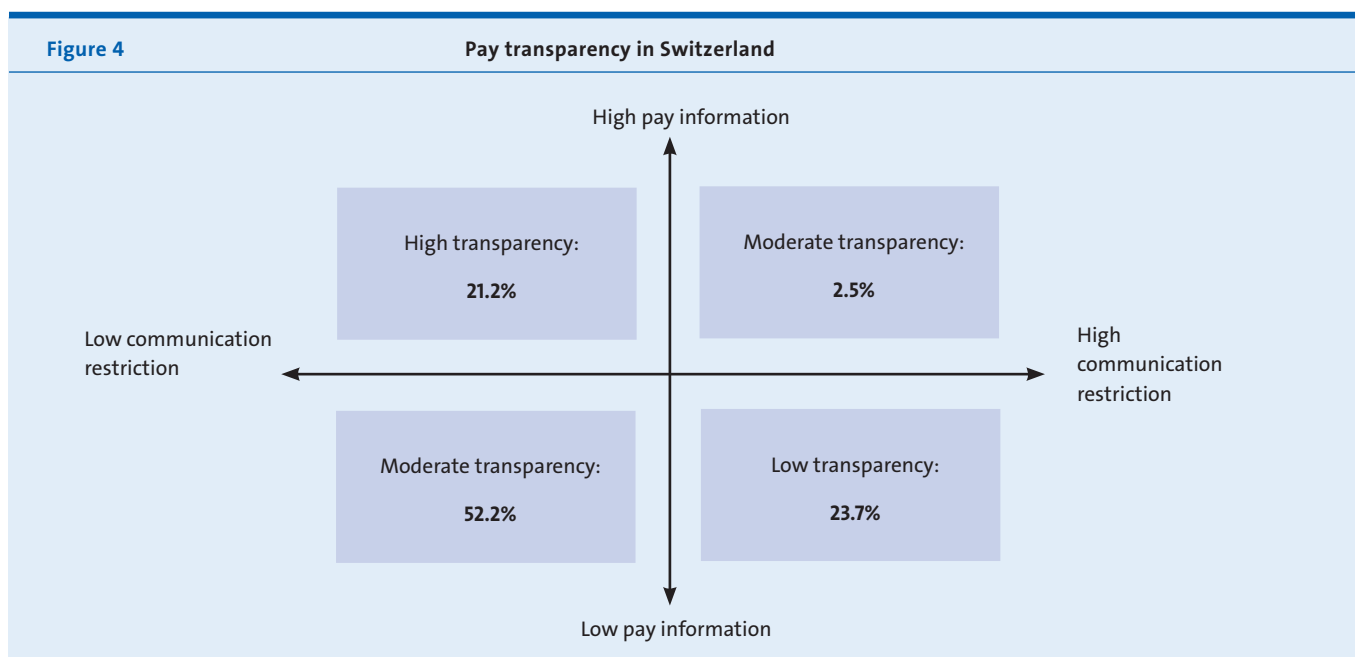
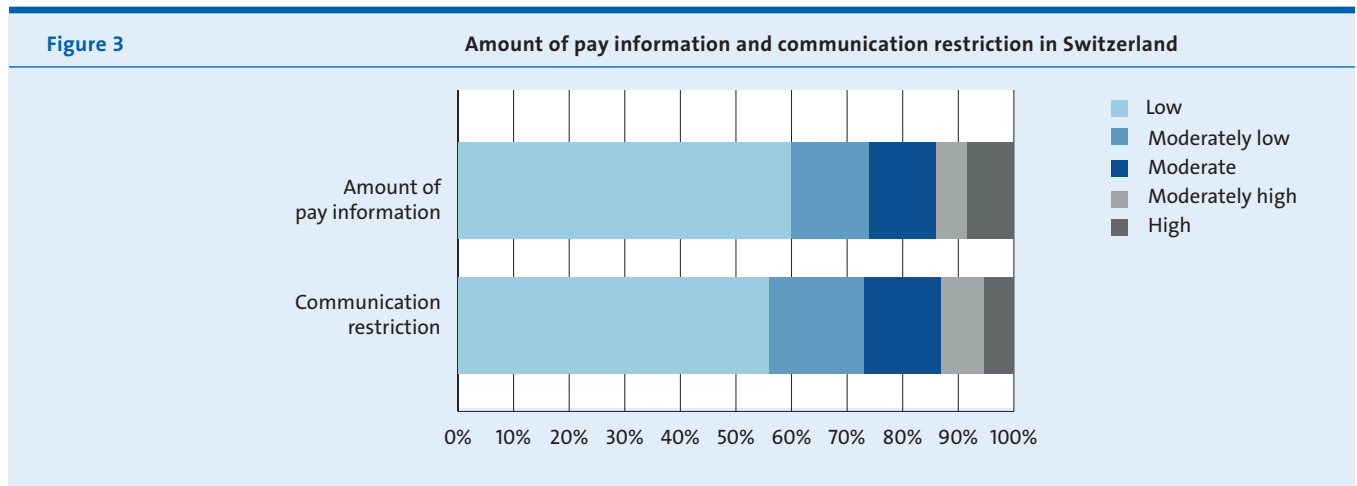
### Pay seeking behaviour

In a second step, participants in the study were asked how often they have sought information on pay in the

last three months, both within their own company and also on the external job market. The analyses show that nearly 40% of employees have sought pay information at least once within their own organization and 50% of employees have sought pay information on the external job market. Various sources are used to obtain this information (see table 1).

### Search behaviour depending on pay transparency

In a third step, an investigation was undertaken using mean value comparisons to find out whether pay transparency has an influence on employees' pay information seeking behaviour. The analyses show that in organizations that provide a lot of information on pay, more information on pay is sought particularly within the company. In contrast, if the company provides little information on pay, more information on pay is sought on the external labour market (see figure 5a).



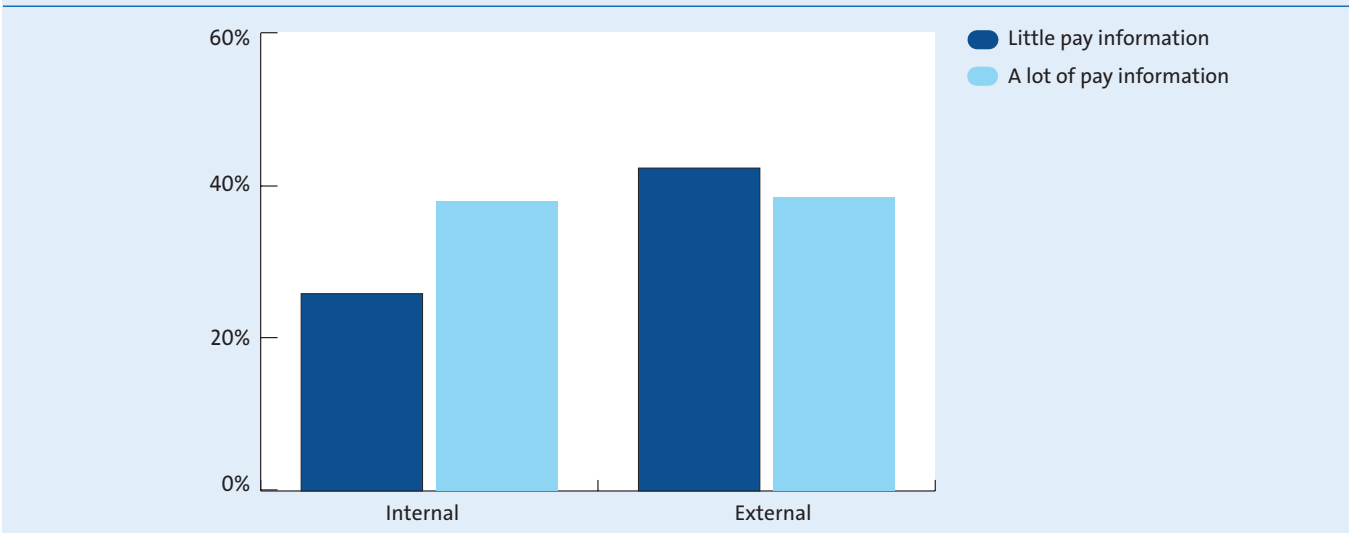
**Table 1**

**Sources for internal and external pay information**

Internal pay information	External pay information
<b>1) Personal conversations</b> e.g. work colleagues, line managers, HR managers	<b>1) Personal conversations</b> e.g. professional colleague, former work colleagues
<b>2) Pay information published by the company</b> e.g. salary bands	<b>2) Websites with aggregated pay information</b> e.g. salary calculators, Glassdoor
<b>3) External institutions</b> e.g. trade unions	<b>3) Companies that publish pay information</b>
<b>4) Access by virtue of role</b> e.g. line manager, HR department	<b>4) Institutions</b> e.g. trade unions, Swiss Federal Statistical Office
<b>5) Access by accident</b> e.g. receipt of an incorrect payslip	<b>5) Media, newspapers</b>
	<b>6) Whilst looking for jobs</b>

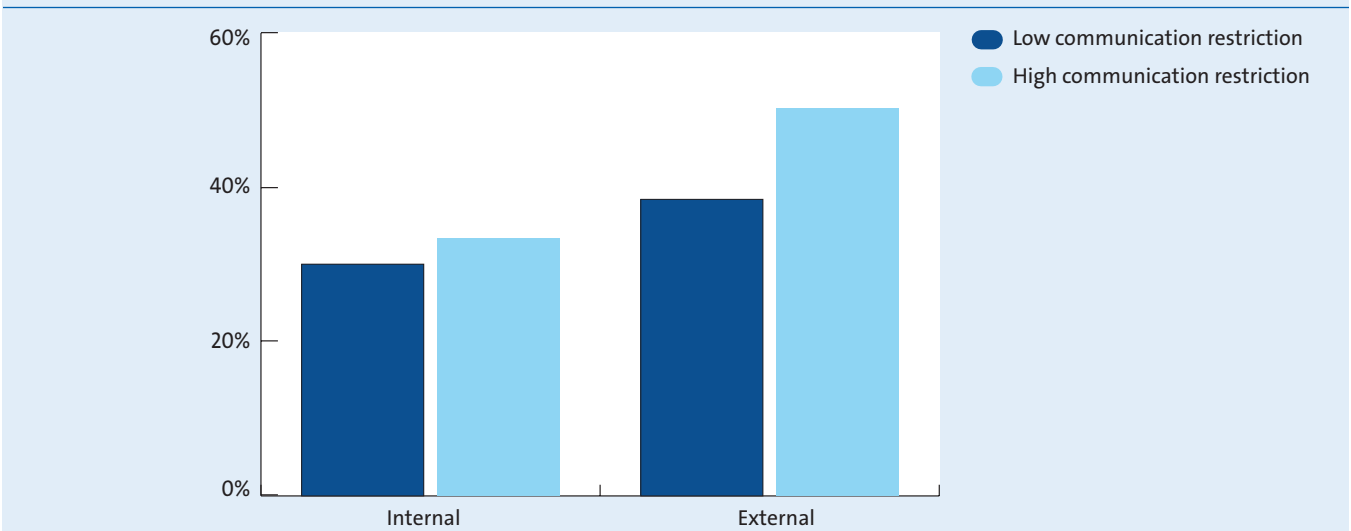
**Figure 5a**

**Internal and external pay information seeking depending on organisational pay transparency**



**Figure 5b**

**Internal and external pay information seeking depending on organisational pay transparency**





Restricted communication gives rise to the following picture (see figure 5b): If a company has a high restriction on pay communication, the search for pay information by employees is high, both internally and externally. In contrast, if the communication restriction is low, the search for pay information is less distinct. This finding indicates that companies with a restriction trigger exactly the opposite behaviour amongst employees to what is desired. The greater the restriction on pay communication, the more employees need to seek out pay information within and outside the company.

### Conclusion

To summarise, the investigation shows that only one in five companies in Switzerland provides a lot of information about pay for their employees and allows their employees to talk freely about pay. Employers may fear that pay transparency would lead to employees comparing their pay with others and that differences in pay may lead to jealousy and conflict. However, an increasing number of cases show that high pay transparency results in employee satisfaction and motivation (e.g. Whole Foods Market, Buffer). Distributional and procedural fairness also play a crucial role in how employees respond to pay differences. Companies should develop pay systems with clear criteria to enable explanations to staff regarding how salaries and pay increases are arrived at. This enables employees to understand pay differences and to know exactly what they need to do to obtain a pay increase.

Regardless of pay transparency, it appears that the search for pay information is a widespread phenomenon amongst employees in Switzerland and employees seek pay information more frequently on the external labour market than in their own company. It also appears that employees in companies with a high level of pay transparency also actually obtain information about pay more frequently. With the appropriate pay transparency, a company can thus contribute towards open discussion in the workplace on the subject of pay. However, restrictions on communication appear to result in companies falling short of their objective. One reason for this could be that a restriction on pay communication in Switzerland is not legally enforceable (Swiss Federal Court, 2010), or indicates that the company has something to hide and thus employees seek pay information despite organizational restrictions on communication.

Alexandra Arnold

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## News

- Julian Pfrombeck joined the Swiss HR Barometer project team in April 2017. He is a doctoral student and academic assistant at the chair of work and organizational psychology of Professor Gudela Grote at ETH Zurich. We should like to extend a warm welcome to Julian Pfrombeck!
- In May 2017, Dr. Anna Sender and Dr. Anja Feierabend presented their paper entitled «All that glitters is not gold: job insecurity and the effects of HRM devolution» at the workshop on research advances in organisational behaviour and HRM in Paris (France). Their study was based on HR Barometer data from 2014 and Swiss data from the 2014 CRANET study.
- In June 2017, Dr. Anja Feierabend presented the study «All that glitters is not gold: job insecurity and the effects of HRM devolution» at the ZGP Trend Forum in Zürich. The study was based on HR Barometer data from 2014 and Swiss data from the 2014 CRANET study.
- In August 2017, Dr. Alexandra Arnold presented a study at the Academy of Management conference in Atlanta (USA) entitled «Bridging the gap between pay communication and pay reactions: Pay information seeking behaviour», based on longitudinal data from the HR Barometer 2016.
- Dr. Wiebke Doden has been awarded an early post-doc mobility grant from the Swiss National Science Foundation to spend 18 months at the Queen Mary University of London (Prof. Dr. Rob Briner) and at the London School of Economics and Political Science (Prof. Dr. Jaqueline Coyle-Shapiro). We wish her every success!

## Publishing notes

The newsletter of the Swiss Human Relations Barometer is published twice in 2017. It provides information on current research projects based on the data of the HR Barometer. You can subscribe to the newsletter free of charge or download it from the website [www.hrbarometer.ch](http://www.hrbarometer.ch).

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