



Policy Studies Institute

NEWS RELEASE

Embargoed until 00.01 hours on 5th July 2005

Research uncovers continued union decline and increasing availability of flexible working arrangements since the late 1990s

Union representation in British workplaces has continued to decline since 1998, though the rate of decline has slowed compared with recent decades. There has also been a substantial increase in the availability of flexible working arrangements including home-working, term-time only working, flexi-time and job sharing.

These conclusions are based on a wealth of evidence from the Workplace Employment Relations Survey (2004), which is co-sponsored by the Department of Trade and Industry, Economic and Social Research Council, Policy Studies Institute and ACAS. They appear today in a first findings booklet, *Inside the Workplace*.

The survey is the largest and most up to date of its kind in Britain. The results are based on face-to-face interviews with around 3,200 managers and nearly 1,000 worker representatives across Britain. Over 20,000 employees in those same workplaces returned completed questionnaires. The large sample size and high response rate gives a clear indication of the reliability of the findings.

Compared with 1998, employees were less likely to be union members, workplaces were less likely to recognise unions for bargaining over pay and conditions, and fewer workers had their pay set by collective bargaining. Even so, the rate of decline appeared to have slowed compared with the 1980s and 1990s and the joint regulation of terms and conditions remains a reality for many employees in Britain. In 2004, one-half of employees were employed in workplaces with a recognised trade union; one-third were union members; and 40 per cent had their pay set through collective bargaining. Nonetheless, the picture differed markedly across sectors of the economy and by workplace size. Union involvement in pay setting and the joint regulation of the workplace were very much the exception in the private sector and in smaller workplaces. In the public sector collective bargaining coverage actually rose between 1998 and 2004.

The survey also records a substantial increase in the availability of flexible working arrangements, including home-working, term-time only working, flexi-time and job-sharing. Taken together with other findings from the survey such as the increased incidence of paid paternity leave and special paid leave, and increased managerial understanding of employees' responsibilities outside work, it seems that employers are taking on board the need to help employees effect a balance between their working and family lives. However, employees did not perceive such a change in employer attitudes, and were often unsure whether or not flexible working arrangements would be available to them.

A detailed summary of the research is attached as Annex A to this notice. For further information from ESRC contact: Keith Whitfield (02920 876870 or 07967 850052) for PSI contact: Alex Bryson (0207 468 2225 and 07969 179755); Helen Bewley (0207 468 2278); Hannah Liebing (0207 468 2201).



THE WERS SPONSORS' STATEMENT OF FINDINGS

5 July 2005

Some of the key findings (for workplaces with 10 employees or more) are:

Work-life balance

- Managers showed an increased understanding of employees' responsibilities outside work. Around two-thirds (65 per cent) of managers believed that it was up to individual employees to balance their work and family responsibilities. This represented a significant decline since 1998, when 84 per cent of managers took this view. However, there was little change in employees' views on the extent to which managers were understanding (55 per cent found managers understanding in 1998, compared to 58 per cent in 2004).
- The 1998-2004 WERS Panel Survey (conducted in continuing workplaces) recorded a substantial increase in the availability of a range of flexible working and leave arrangements, including : homeworking (28 per cent of workplaces, up from 16 per cent in 1998); term-time only working (28 per cent, up from 14 per cent in 1998); flexi-time (26 per cent, up from 19 per cent in 1998); job-sharing (41 per cent, up from 31 per cent in 1998); switching from full-time to part-time hours (64 per cent, up from 46 per cent in 1998); parental leave (73 per cent, up from 38 per cent in 1998): paid paternity leave (92 per cent, up from 48 per cent in 1998); and special paid leave in emergencies (31 per cent, up from 24 per cent in 1998).
- Eleven per cent of employees usually worked more than 48 hours a week. Whilst men were more likely to work longer hours than women, they were less likely to work long hours in workplaces where women were in the majority than in workplaces where they were not.

Employee representation

- One-half of employees were employed in workplaces with a recognised trade union; just over one-third (34 per cent) were union members; and 40 per cent had their pay set through collective bargaining.
- There was a continued decline of collective labour organisation. Employees were less likely to be union members than they were in 1998; workplaces were

less likely to recognise unions for bargaining over pay and conditions; and collective bargaining was less prevalent.

- However, most of the decline in the rate of union recognition occurred amongst small workplaces: only 18 per cent of workplaces with 10-24 employees recognised unions in 2004, compared with 28 per cent six years earlier. Among workplaces with 25 or more employees, the incidence of recognition remained stable at around two-fifths (39 per cent in 2004, compared with 41 per cent in 1998). The continual decline in the rate of recognition seen among this group over the 1980s and 1990s therefore appears to have been arrested.
- There has also been a decline in the incidence of joint consultative committees. They were present in 14 per cent of workplaces with 10 or more employees in 2004. A further 25 per cent of workplaces did not have a workplace-level committee, but had a consultative forum that operated at a higher level in the organisation. The equivalent figures in 1998 were 20 per cent and 27 per cent respectively. Overall, two-fifths (42 per cent) of all employees worked in a workplace with a workplace-level joint consultative committee, compared with 46 per cent in 1998.
- The proportion of workplaces with recognised unions in which members had access to a lay union representative, either on-site or elsewhere within the organisation, was no different in 2004 than in 1998 (68 per cent). However, in 2004 fewer workplaces with recognised unions had on-site representatives (45 per cent in 2004, compared with 55 per cent in 1998).
- Union Learning Representatives have an officially-recognised role in providing training and learning opportunities to fellow union members at their workplace. The findings indicate that six per cent of all on-site lay representatives were designated Union Learning Representatives at the time of the survey.
- Mutual trust between managers and employee representatives appeared to exist in only a minority of management/union representative relationships (31 per cent), but was more prevalent between managers and non-union representatives (64 per cent).
- Whilst there has been a decline in representative forms of employee voice, there has been some growth in direct forms of communication between management and employees, including wider use of face-to-face meetings with the entire workforce or teams of employees (91 per cent, up from 85 per cent in 1998), and greater use of systematic communication through the management chain (64 per cent, up from 52 per cent in 1998).

Workplace conflict

- Overt workplace conflict has remained low since 1998. Managers in only 5 per cent of workplaces in 2004 reported some collective dispute of any kind in the year prior to the survey (six per cent in 1998). Eight per cent of workplaces reported that an employment tribunal claim had been brought against them in the preceding year (six per cent in 1998). Managers in 22 per cent of workplaces reported that one or more employees had formally raised a matter through the individual grievance procedure (21 per cent in 1998).
- Managers in 88 per cent of workplaces reported that they had a formal procedure for handling grievances, while 91 per cent reported a formal procedure for dealing with disciplinary issues or dismissals (excluding

redundancies). There was no change in the incidence of grievance procedures since 1998, but there was an increase in the incidence of disciplinary procedures (85 per cent in 1998). Of the workplaces reporting that a formal meeting was part of their procedural arrangements, almost all allowed employees to be accompanied.

- Setting out concerns in writing, formal meetings and appeals formed essential elements of the grievance procedure in 43 per cent of workplaces in 2004. These elements were present in a higher proportion (71 per cent) of workplaces in relation to disciplinary action.
- Just one per cent of workplaces did not allow their employees to be accompanied in grievance meetings, and two per cent did not allow accompaniment at disciplinary meetings.

Equal opportunities policies

- There has been an increase in the proportion of workplaces with formal written equal opportunities policies since 1998. In 2004, 73 per cent of workplaces had a formal policy in place, compared with 64 per cent in 1998.
- Workplaces in 2004 were much more likely to have equal opportunities policies which covered the new and forthcoming statutory grounds than in 1998, specifically religion (82 per cent of workplace with any formal policy, up from 72 per cent in 1998), sexual orientation (70 per cent, up from 56 per cent in 1998) and age (68 per cent, up from 61 per cent in 1998).

Gender segregation in management

- Since 1998, the proportion of workplaces where women were under-represented in management has changed very little (72 per cent in 2004, compared with 73 per cent in 1998). Men were under-represented in management in 27 per cent of workplaces in both 1998 and 2004.

The management of employees and high commitment management practices

The proportion of workplaces with a range of management practices designed to enhance employee commitment remained fairly constant. The practices that are commonly discussed under the 'high commitment' banner relate to work organisation, recruitment and training, communication, financial incentives, job-security guarantees, harmonised fringe benefits and formal disciplinary or grievance procedures. A simple measure of the proportion of workplaces combining work organisation practices with a variety of the other practices only marginally increased since 1998. However, there were some changes in the incidence of practices:

- - performance appraisals were used in 78 per cent of workplaces in 2004 compared with 73 per cent in 1998
 - 84 per cent of workplaces provided off-the-job training for some of their experienced core employees over the previous year compared with 73 per cent in 1998
 - one-fifth (21 per cent) of workplaces had groups of non-managerial employees that met to solve specific problems or discuss aspects of performance or quality compared with 16 per cent in 1998.

Numerical flexibility

- The use of arrangements which offer employers the potential for adjusting the size of the workforce was widespread. A large majority (83 per cent) of workplaces had part-time employees, up from 79 per cent in 1998. Just under one third (30 per cent) of workplaces had employees on temporary or fixed-term contracts in 2004, a similar proportion to that found in 1998 (32 per cent). The use of temporary agency staff, although less prevalent than fixed-term contracts, was still quite widespread, with 17 per cent of all workplaces employing 'temps'. The proportion was similar (18 per cent) in 1998.

Employee and workplace well-being

- Whilst job satisfaction with influence and pay has remained unchanged since 1998, there has been an increase in the percentage of employees satisfied with the sense of achievement they get from work (from 64 per cent in 1998 to 70 per cent in 2004).
- Management's rating of the employment relations climate improved since 1998, although employees' views changed little over the period. Managers in 30 per cent of continuing workplaces reported that relations had 'improved a lot'. The same proportion reported that they had 'improved a little', and they deteriorated in only 4 per cent of continuing workplaces since 1998. Employees were more negative about relations than their employers: they had poorer perceptions of relations than management in half of all cases (51 per cent) in 2004, whereas the opposite was true in only 13 per cent of cases.

Notes to Editors:

1. Copies of *Inside the Workplace: First Findings from the 2004 Workplace Employment Relations Survey* by Barbara Kersley, Carmen Alpin, John Forth, Alex Bryson, Helen Bewley, Gill Dix and Sarah Oxenbridge can be obtained free from the DTI's publication order line on 0870 1502 500 (+44 870 1502 500) or email them at: publications@dti.gsi.gov.uk quoting the URN number 05/1057 or ISBN: 0 85605 370 8. It can also be downloaded from the DTI's Employment Relations Directorate website: www.dti.gov.uk/er/inform.htm or from the Routledge website: www.routledge.com/textbooks/0415378133. Editors are welcome to reproduce any of the figures or tables contained in the booklet.
2. WERS 2004 is the fifth in series of workplace employment relations surveys. Previous surveys were conducted in 1980, 1984, 1990 and 1998. The Survey comprises two elements: (i) the Cross-Section Survey which involves face-to-face interviews with managers responsible for employment relations at the workplace on a day-to-day basis, face-to-face interviews with worker representatives and a Survey of Employees; (ii) the Panel Survey which involves face-to-face interviews with managers in a random sub-sample of workplaces that took part in the 1998 survey. These workplaces were revisited to provide an accurate picture of how workplaces have changed over the intervening period between the two surveys. The principal topics that the current survey addresses are: training and recruitment; consultation and communication; employee representation at work; payment systems and pay determination; collective and individual dispute resolution procedures; equal opportunities; work-life balance; employee well-being; and workplace performance. The employment size threshold was lowered to include workplaces with at least 5 employees, to provide a separate analysis of employment relations in small businesses.
3. The findings are based on interviews with around 3,200 managers (2,195 in respect of the Cross-Section Survey and 991 in respect of the Panel Survey), almost 1,000 employee representatives, and over 20,000 employees completed questionnaires, representing response rates of 64 per cent, 77 per cent, 76 per cent and 61 per cent, respectively. Main fieldwork for the survey ran from February 2004 to April 2005 and was conducted by the National Centre for Social Research (NatCen). All findings reported in the booklet relate to workplaces with 10 or more employees. Further information on the survey is available at <http://www.dti.gov.uk/er/emar/wers5.htm>.
4. Two publications arising from the survey and written by the survey research team will be published in Spring next year. The sourcebook of the survey findings, *Inside the Workplace: Findings from the 2004 Workplace Employment Relations Survey* will map the state of employment relations in British workplaces in 2004 and early 2005, and will be published by Routledge. It will describe the principal structures, practices and outcomes of workplace employment relations. The book will also examine change since the last survey was conducted. The analysis will be based on workplaces with 10 or more employees. A separate publication, to be published by the WERS

Sponsors and in collaboration with the Small Business Service, will examine employment relations in small businesses and organisations.

5. In November 2005 the survey data, fully anonymised, will be deposited in the UK Data Archive for further analysis by bone fide researchers.
6. Details about the WERS Sponsors: The Department of Trade and Industry (DTI) drives the UK's ambition of 'prosperity for all' by working to create the best environment for business success in the UK. The Advisory and Conciliation and Arbitration Service (Acas) aims to improve organisations and working life through better employment relations. The Economic and Social Research Council (ESRC) is one of the UK's leading research funding and training agency addressing economic and social concerns. The Policy Studies Institute (PSI) is one of the UK's leading independent research organisations. It undertakes and publishes research studies relevant to social, economic and environmental policy. The PSI's involvement in the study was made possible with a grant from the Nuffield Foundation.
7. Details of the authors of Inside the Workplace: First Findings from the 2004 Workplace Employment Relations Survey: Barbara Kersley is a Principal Research Officer at the Department and Trade and Industry (DTI); Carmen Alpin is a Senior Research Officer at DTI; John Forth is a Research Fellow at the National Institute of Economic and Social Research (NIESR) and on contract to DTI; Alex Bryson is a Principal Research Fellow at the Policy Studies Institute (PSI); Helen Bewley is Research Fellow at the Policy Studies Institute; Gill Dix is a Principal Research Officer and Head of Research and Evaluation at the Advisory, Conciliation and Arbitration Service (Acas); and, Sarah Oxenbridge is a Senior Research Officer at Acas.
8. The authors write in a personal capacity and their views do not necessarily reflect those of the sponsoring bodies.