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Inside the Workplace:

First Findings from the 2004 Workplace Employment Relations Survey

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Workplace Employment Relations
Survey (WERS 2004)

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Contents

Acknowledgements

List of Tables

List of Figures

Reporting conventions

Unless otherwise stated the results presented in this publication exclude cases where the respondent did not provide an answer (i.e. they refused to provide one or were unable to express a view). The level of missing cases never exceeds 10 per cent, unless otherwise stated. Where differences or associations are highlighted, these have all been tested and are statistically significant at the 5 per cent level.

Symbols within tables

0   Represents less than 0.5 per cent, including none.
( ) The unweighted base is between 20 and 50 observations and should be treated with caution.
–   Not applicable/No estimate available.

Inside the Workplace

First Findings from the 2004 Workplace Employment Relations Survey (WERS 2004)

Introduction

This publication reports the first findings from the 2004 Workplace Employment Relations Survey (WERS 2004). This fifth survey in the series provides a nationally representative account of the state of employment relations and working life inside British workplaces. Previous surveys were conducted in 1980, 1984, 1990 and 1998.

In common with these earlier surveys, WERS 2004 is jointly sponsored by the Department of Trade and Industry (DTI), the Advisory, Conciliation and Arbitration Service (Acas), the Economic and Social Research Council (ESRC) and the Policy Studies Institute (PSI). This joint sponsorship of the survey ensures that the survey covers as wide a range of interests as possible, in a disciplined and coherent way.

Fieldwork was conducted between February 2004 and April 2005 by the National Centre for Social Research, who were also responsible for conducting the fieldwork for the previous surveys in the series. Face-to-face interviews were conducted with around 3,200 managers and almost 1,000 worker representatives. Over 20,000 employees completed and returned a self-completion questionnaire.

The Workplace Employment Relations Survey (WERS) series has documented and comprehensively monitored the state of employment relations in workplaces in Britain over the past two decades. The survey design has remained consistent in parts throughout the series, in order to generate data which is comparable across the period 1980–2004, though equally it has responded to changing interests in the employment relations arena by adding new areas of enquiry and reducing other areas in scope. In particular, the 1998 survey underwent substantial re-design and marked the move away from detailed questioning on union organisation and collective bargaining and towards a greater focus on the management of employees.

The findings from the latest WERS provide an up to date account of the state of employment relations in Britain, together with information on changes that have occurred in workplaces since the last survey was conducted. Since 1997, legislation has been introduced or reformed in a number of areas, including: working hours; rates of pay; union recognition; work and family life; workplace conflict; equal opportunities; and, most recently, information and consultation. Legislation outlawing age discrimination is forthcoming and will be in force by the end of 2006.[1] The previous survey (WERS98) was conducted before most of these legislative

changes came into effect. The 1998 survey can therefore be considered to provide a baseline against which the impact of several key pieces of employment legislation can partly be assessed. This publication does not attempt any direct assessment of the impact of the legislation, but aims to highlight where change has occurred in a number of areas affected by government policy and where comparable data are available.[2] To this end, this report draws on data from both the 1998 Cross-Section Survey and the 1998–2004 Panel Survey. A fuller assessment will be provided in the full report of the survey findings ('the sourcebook').

About First Findings

This publication reports the first findings from the 2004 survey, three months after fieldwork for the main survey was completed. The wealth of data collected by the survey, together with space constraints, mean that there has inevitably been a degree of selectivity in the results reported here. In identifying the areas to report, the Research Team has been guided by three key principles:

- to provide results on key dimensions of employment relations and working life in Britain and, in a number of limited areas, to report on change since 1998;
- to illustrate the breadth of the survey and, in so doing, to include areas of policy relevance and highlight new data items of interest; and
- to stimulate debate on key areas of interest, and raise issues which will be looked at more fully in the sourcebook.

A full report of the findings from this survey will be published in the sourcebook, due in Spring 2006. It is expected that most items from the survey data will be lodged with the UK Data Archive, based at the University of Essex, in November 2005.[3]

The design and conduct of the survey

Whilst WERS underwent significant re-design in 1998 due to changes in the world of work, the Sponsors considered that further major revisions to both the structure and content of the 2004 survey were not necessary. Further, the need for continuity in design and content were considered to be important, particularly given the strong interest in assessing the nature and extent of change since the last survey was conducted. Nonetheless, a consultation exercise with various user groups (policy-makers, practitioners, think-tanks, academic researchers) suggested the need for change in a number of key areas and these are reflected in the final survey design and survey instruments.[4]

Coverage

An important innovation in WERS 2004 was the greater coverage of small workplaces, with funding from the Small Business Service enabling workplaces that

employed between five and nine employees to be included in the Cross-Section Survey for the first time. Their inclusion expands the scope of the survey so that it covers 700,000 workplaces (37 per cent of all workplaces in Britain) and 22.5 million employees (91 per cent of all employees in employment).[5] As Figure 1 shows the majority of these workplaces are small: some 76 per cent have fewer than 25 employees. Yet whilst they are numerous, small workplaces – which might include workshops, small retail outlets, restaurants or surgeries – account for only one quarter of all employees in employment. The majority of jobs are located in larger workplaces, such as hospitals, manufacturing plants or local government offices. Indeed, workplaces with 500 or more employees account for only 1 per cent of workplaces but 20 per cent of all employees.

To enable straightforward comparisons to be made with the results from the 1998 survey, the findings presented in this publication and in the forthcoming sourcebook focus on the subset of workplaces with 10 or more employees. All figures are weighted and are representative of this subset of the population, which accounts for 21 per cent of all workplaces and 83 per cent of all employees in Britain.[6] A separate publication, to be published alongside the sourcebook, will examine employment relations in small workplaces and organisations.

Survey structure

The survey contained both a cross-section and a panel element. For the purposes of the survey, a workplace was defined as comprising 'the activities of a single employer at a single set of premises'. A branch of a high street bank, a head office or a factory

Figure 1 Distribution of workplaces and employment, by workplace size
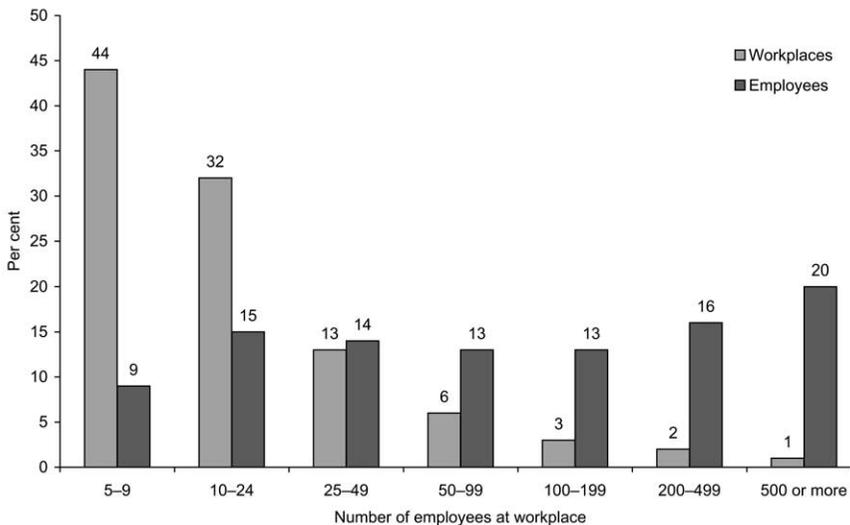
Base: All workplaces with 5 or more employees.
Figures are weighted and based on responses from 2,295 managers.

are thus workplaces in their own right. The main element of the Cross-Section was an interview with the senior manager responsible for employment relations on a day-to-day basis at the workplace (the 'Cross-Section Survey of Managers'). Most interviews with managers (86 per cent) took place on site, with the remainder being conducted elsewhere, typically at the head office. The manager was a designated personnel specialist in 28 per cent of workplaces where interviews were conducted on site.

There were three further elements to the Cross-Section Survey. First, a short self-completion questionnaire was distributed to a random selection of (up to) 25 employees (the 'Survey of Employees'). Second, interviews were conducted with both a union and non-union representative at the workplace, where present (the 'Survey of Employee Representatives').[7] This meant that, in some workplaces, two interviews were conducted with employee representatives. It represented a departure from previous surveys where a single interview took place with an employee representative, and where preference was given to interviewing union representatives in workplaces where both a union and a non-union employee representative were present. Third, a new self-completion questionnaire designed to collect quantitative data about the financial performance of the workplace (the 'Financial Performance Questionnaire'), was adopted. Findings from this questionnaire are not presented here, but will be reported in the sourcebook.

The 1998 to 2004 Panel Survey was conducted in a random sub-sample of workplaces that had participated in the 1998 survey, had continued to be in operation throughout the six-year period, and had employed at least 10 employees ('continuing workplaces').[8] In these workplaces, a single interview was conducted with the manager. The panel element of WERS is integral to understanding change. Combining data from the 1998 and 2004 Cross-Section Surveys of Managers together with data from the Panel Survey allows an assessment of how much change is due to alterations in the composition of the population of workplaces – for example, the move away from manufacturing towards service-sector workplaces – and how much is due to changes in the behaviour of continuing workplaces.

Survey content

Turning to the development of the survey instruments, valuable contributions were received from members of the Research Team and a number of academic researchers, who formed specialist teams to advise on: Governance; Partnership; Skills, Job Satisfaction and Stress; Performance and Technology; Small Workplaces; and Worker Representation. Other academic researchers, lawyers and government officials also made valuable contributions on other areas of the survey. Piloting of the revised questionnaires took place in the second half of 2003.

A number of new topics were included in the management survey, such as trust, business strategy and computer use. Additional questions covered consultation, dispute resolution, work-life balance and equal opportunities, and questions on organisational status, employee representation and payment systems were refined. In the Survey of Employees, new questions on well-being, trust and computer use were included, and questions on job satisfaction, work-life balance and consultation were revised.

Fieldwork outcomes

In the main survey, 2,295 workplaces with 5 or more employees took part, a response rate of 64 per cent.[9] In addition, 991 worker representatives were interviewed, a response rate of 78 per cent. Employee questionnaires were distributed in 76 per cent of workplaces; 22,451 of these questionnaires were completed and returned, representing a response rate of 61 per cent.[10] Provisional figures for the Financial Performance Questionnaire suggest a response rate in the region of 55 per cent. In the Panel Survey, 956 workplaces participated, a response rate of 77 per cent.

A profile of workplaces

Industry and sector of ownership

The practice of employment relations varies considerably between smaller and larger workplaces. It also varies between different sectors of industry, and between the private and public sectors in particular. Column 1 of Table 1 shows the distribution of all workplaces by industry; columns 2 and 3 show the distribution by sector of ownership. The table indicates that both industry and sector of ownership are strongly related, with the majority of workplaces within an industry falling into either the public or private sector. Overall, 70 per cent of workplaces covered by the survey were operating in private-sector services, whilst 12 per cent were operating in private sector manufacturing and the remaining 18 per cent were part of the public

Table 1 Distribution of workplaces, by industry and sector of ownership

	All workplaces	Private sector	Public sector	Part of SME*
	Column %	Row %	Row %	Cell %
All workplaces	100	82	18	46
Industry				
Manufacturing	12	98	2	71
Electricity, Gas and Water	0	(89)	(11)	(5)
Construction	4	96	4	72
Wholesale and Retail	21	100	0	33
Hotels and Restaurants	9	100	0	55
Transport and Communications	6	74	26	36
Financial Services	4	100	0	9
Other Business Services	14	95	5	69
Public Administration	3	1	99	1
Education	8	14	86	9
Health	14	65	35	50
Other Community Services	5	80	20	48

Base: All workplaces with 10 or more employees.
Figures are weighted and based on responses from 2,062 managers.
* Small and medium-sized enterprises (private-sector organisations with between 10 and 249 employees).

sector. The proportion of workplaces operating in private sector services was larger than in 1998, when it stood at two-thirds.

Location within larger organisations

The practice of employment relations at workplace level can also be determined by the policies and procedures established at a higher level in the organisation, such as a regional or national head office. One-third (32 per cent) of all workplaces with 10 or more employees were single, independent workplaces, with the remainder being part of a larger organisation. The probability that a workplace is part of a larger organisation increases with workplace size; the proportion stood at three-fifths among workplaces with 10–24 employees but rose to around 85 per cent among workplaces with 100 or more employees.

Belonging to a large, multi-site organisation is the norm among public sector workplaces. Private sector workplaces are more heterogenous, however, and over half (56 per cent) were classified as belonging to small and medium-size enterprises with less than 250 employees (commonly referred to as SMEs). As a result, 46 per cent of workplaces with 10 or more employees were part of SMEs. Column 4 of Table 1 shows that the proportion was particularly high in Construction (72 per cent), Manufacturing (71 per cent) and Other Business Services (69 per cent).

The segmentation of employment

The characteristics of the population of employees are well documented, at least in respect of characteristics such as age and gender, but less is known about the extent to which employees with specific characteristics are either concentrated or dispersed across workplaces. WERS collects such information on the characteristics of the workforce in each establishment.

Younger and older employees

Figure 2 illustrates the concentration of younger and older workers within workplaces. Nine per cent of employees in workplaces covered by the survey were aged between 16 and 21, but the figure shows that 15 per cent of workplaces had at least one quarter of their workforce in this age range. Private sector workplaces were more likely than public sector workplaces to have at least one quarter of their workforce aged 16–21 (18 per cent, compared to two per cent). Workplaces without union recognition were more likely to have at least one-quarter of the workforce in the 16 to 21 age range compared to workplaces where at least one union was recognised (20 per cent, compared to 6 per cent).

From 1 October 2004, employers were obliged to pay employees aged 16 and 17 the National Minimum Wage. Although only two per cent of employees covered by the survey were aged 16 or 17, in 11 per cent of workplaces this age group made up at least one-tenth of the workforce. Employees aged 16 or 17 were much more likely to compose at least one-tenth of the workforce in the private rather than the public

Figure 2 Workplace concentration of employees within specific age ranges
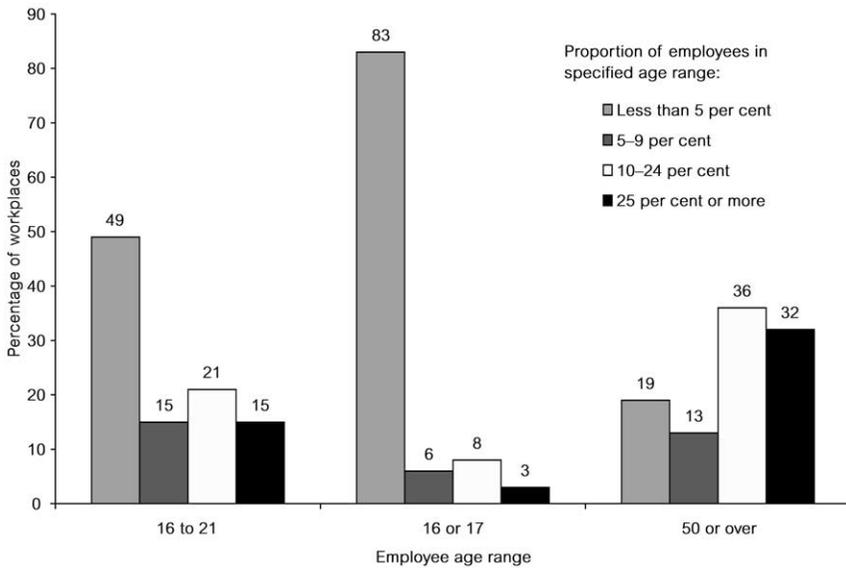
Base: All workplaces with 10 or more employees.
Figures are weighted and based on responses from at least 2,030 managers.

sector (14 per cent and less than 1 per cent respectively) and in workplaces without a recognised union than where a union was recognised (14 per cent and 5 per cent respectively).

Turning to older workers, employees aged 50 or over made up 20 per cent of employees covered by the survey, but constituted at least one quarter of the workforce in 32 per cent of establishments. They were also more likely to be concentrated in public sector workplaces, 48 per cent of which drew at least one quarter of their workforce from employees aged 50 or over, compared to 29 per cent of private sector workplaces. Employees aged 50 or over were also more heavily concentrated in workplaces which recognised unions, than in establishments where no unions were recognised. At least one-quarter of the workforce was aged 50 or over in 41 per cent of workplaces with union recognition, compared to only 28 per cent of workplaces where unions were not recognised.

Gender segregation in management

Across all workplaces, 49 per cent of employees were female, with 34 per cent of managerial positions held by women. A greater proportion of managers were female in public sector workplaces than in the private sector (46 per cent and 30 per cent respectively). However, the extent of female under-representation in management is better understood by examining the gender composition of management grades relative to the gender composition of the whole workforce within each workplace.

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).[11] Men were under-represented in management in 27 per cent of workplaces in both 1998 and 2004. Figure 3 shows the proportion of workplaces in which women were under-represented in management, by industry. It illustrates that workplaces in the Health sector were least likely to have an under-representation of women in management (57 per cent), whilst workplaces in the Financial Services sector were most likely to do so (82 per cent).

Numerical flexibility

The survey covered a number of arrangements which offer employers the potential for adjusting the size of the workforce. Three of the most common were part-time work, fixed-term employment, and temporary agency work. A large majority (83 per cent) of workplaces had part-time employees, up from 79 per cent in 1998. In 30 per cent of all workplaces part-time employees accounted for more than half of the workforce. Women made up the totality of the part-time workforce in 44 per cent of workplaces that employed part-time staff.

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.

Figure 3 Workplaces where women were under-represented in management, by industry
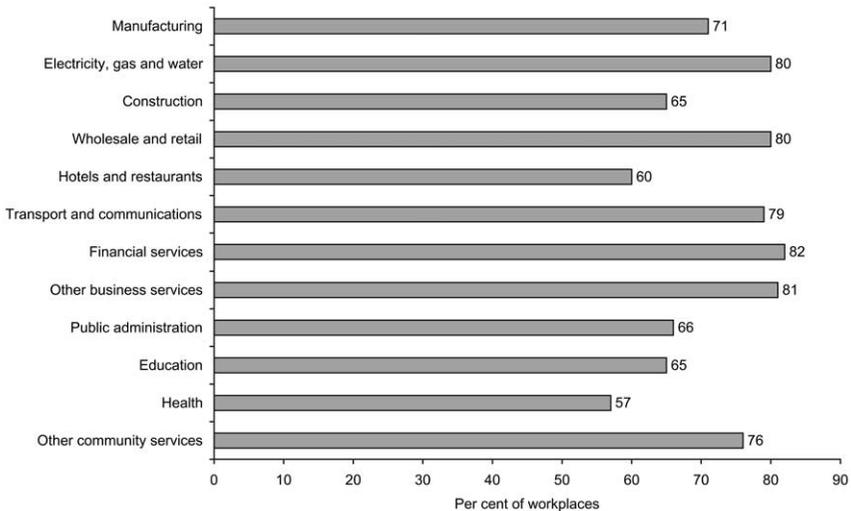
Base: All workplaces with 10 or more employees.
Figures are weighted and based on responses from 1,719 managers.

Recruitment, appraisal and training

Recruitment and selection, performance appraisal, and training each provide means of enhancing skill levels within the workplace. Employers' preference for internal or external recruitment partly reflects their approach to employee development, as internal recruitment is sometimes used as a means of providing development opportunities. Managers were asked whether internal applicants were given preference over external applicants when filling vacancies. Although the majority (68 per cent) said that both internal and external applicants were treated equally, around one fifth (22 per cent) gave preference to internal applicants, whilst the remaining 10 per cent preferred external applicants. Private sector workplaces were more likely to favour internal applicants, with a quarter preferring to recruit internally, compared to around one-tenth (12 per cent) of public sector workplaces.

The selection process itself usually involves the use of interviews, application forms and references. Other methods, such as personality or competency tests, are used less frequently but have gained importance in the search for greater objectivity in selection. Their validity and reliability continue to be subjects of debate. Personality or attitude tests were routinely used for at least some types of vacancies in 19 per cent of all workplaces (see Table 2), and were not always confined to those in managerial positions. In only 4 per cent of all workplaces was the use of these tests confined to managers, with the remaining 15 per cent using these tests for at least some non-managerial employees. The likelihood of using personality tests was related to whether the prospective recruit was to be in the largest non-managerial occupational group at the workplace (hereafter referred to as the 'core group' of employees).[12] Among workplaces using personality tests, three-fifths (61 per cent) of

Table 2 Selection tests, performance appraisals and off-the-job training, by sector of ownership, 1998 and 2004

| | % of workplaces | | | | | |
| | 1998 | | | 2004 | | |
	Private sector	*Public sector*	*All*	*Private sector*	*Public sector*	*All*
Personality tests used routinely for some occupations	19	17	19	20	18	19
Performance tests used routinely for some occupations	43	58	47	42	63	46
Performance appraisals	72	79	73	75	91	78
Off-the-job training for experienced core employees	67	95	73	82	98	84

Base: All workplaces with 10 or more employees.
Figures are weighted and based on responses from 2,191 managers in 1998 and 2,024 managers in 2004.

managers said that they used these tests when recruiting core employees. Overall, personality tests were used for this purpose in 12 per cent of all workplaces. The proportion of workplaces using personality tests for employee selection purposes remained unchanged since 1998.

Performance or competency tests were much more commonly applied, irrespective of occupation. These were routinely used in 46 per cent of workplaces (Table 2). Performance tests were also more likely to be used when recruiting core employees, irrespective of their occupation, even more so than personality tests. Overall, one-third (34 per cent) of all workplaces used such tests for these recruits. There was no change in the proportion of workplaces making use of performance tests since 1998.

Appraisals constitute one of the main tools for managing performance, serving various purposes, including the identification of training needs. The use of performance appraisals increased since 1998. In 2004, 78 per cent of managers in workplaces reported that performance appraisals were undertaken, compared with 73 per cent in 1998 (see Table 2). Performance appraisals were not always conducted on a regular basis or used for all employees. Two-thirds (65 per cent) of all workplaces conducted regular appraisals for most (60 per cent or more) non-managerial employees. This represented an increase since 1998, when the equivalent figure was 48 per cent.

Most workplace managers (84 per cent) reported that off-the-job training had been provided for some of their experienced core employees over the previous year (see Table 2). Even though provision was still not universal, this represented an increase since 1998, when 73 per cent of workplaces provided training for some of their experienced core employees. With regards to the duration of training, in around a quarter (27 per cent) of workplaces, experienced core employees had spent on average five or more days in training sessions over the previous year.

Work organisation

In recent years, much of the discussion about methods of work organisation has revolved around what are commonly referred to as 'high-performance', 'high-commitment' or 'high-involvement' work practices. At the core of this discussion lie a number of practices that are intended to enhance employee commitment and involvement, often by increasing employees' participation in the design of work processes and the sharing of task-specific knowledge as to how those processes might be improved. The most commonly-cited practices include team-working, cross-training (sometimes referred to as multi-skilling) and the use of problem-solving groups. The survey showed that the incidence of these practices was extremely varied across workplaces.

Team-working was the most common, with almost three-quarters (72 per cent) of workplaces having at least some core employees in formally-designated teams (Table 3). The incidence and operation of team-working had changed little since 1998. Where team-working was in place, it was usually embedded among staff: four-fifths (80 per cent) of workplaces with team-working extended it to at least three-fifths of core employees. However, teams did not always have autonomy. In 83 per cent

Table 3 Work organisation, by sector of ownership, 1998 and 2004

	% of workplaces					
	1998			*2004*		
	Private sector	*Public sector*	*All*	*Private sector*	*Public sector*	*All*
Some core employees work in formally designated teams	72	85	74	68	88	72
Some core employees trained to be functionally flexible	69	67	69	67	64	66
Problem-solving groups involving non-managerial employees	–	–	16*	19	33	21
Some core employees trained in team-working, communication or problem-solving	35	65	41	45	65	48

Base: All workplaces with 10 or more employees.
Figures are weighted and based on responses 2,160 managers in 1998 and 2,012 managers in 2004.
* Estimated from a combination of cross-section and panel data. See note 13.

of workplaces with team-working, teams were given responsibility for specific products and services, and in 61 per cent they could jointly decide how work was done. However, in just 6 per cent they were allowed to appoint their own team leaders. The Survey of Employees indicated that greater levels of autonomy are viewed positively by employees: those working in teams with greater autonomy were more satisfied with the amount of influence they had over their jobs than team-workers who were given limited freedom or responsibility.

Cross-training involves training staff to be able to undertake jobs other than their own. Two-thirds (66 per cent) of workplaces had trained at least some staff to be functionally flexible; again, this proportion has changed little since 1998 (69 per cent). A new question in WERS 2004 showed that, in most cases (88 per cent), at least some of those trained in this way were undertaking jobs other than their own at least once a week. But where cross-training was undertaken, it was less embedded in 2004 than it had been in 1998. Overall, one-fifth (19 per cent) of workplaces had trained at least three-fifths (60 per cent) of core employees to be functionally flexible. This compared with more than one quarter (29 per cent) in 1998. The decline was primarily due to a decrease in the proportion of workplaces training all of their core employees to be functionally flexible (7 per cent in 2004, compared with 15 per cent in 1998).

Problem-solving groups were much less common than either team-working or cross-training. Around 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. The equivalent figure in 1998 was 16 per cent.[13] Two-fifths (38 per cent) of workplaces with problem-solving groups involved at least 60 per cent of their non-managerial employees in such groups. These workplaces accounted for eight per cent of all workplaces. Larger workplaces were less likely than smaller workplaces to involve most of their non-managerial employees in problem-solving groups.

Almost half (48 per cent) of all workplaces had trained at least some core employees in team-working, communication or problem-solving skills in the previous year. The figure was 54 per cent among the two-thirds of workplaces that operated either team-working or cross-training for most core employees, or problem-solving groups for most non-managerial employees. It was 37 per cent among the remaining one-third of workplaces.

Representation, consultation and communication

Union membership density

WERS 2004 collected data on the membership of trade unions or independent staff associations from two sources.[14] The Survey of Employees provides a first-hand account of whether each employee is a union member, whilst the Cross-Section Survey of Managers provides the manager's estimate of the number of union members within each sampled workplace.

Findings from the Survey of Employees indicated that one-third (34 per cent) of all employees in workplaces with 10 or more employees were union members. Column 1 of Table 4 illustrates that union membership is widespread in the public sector and that union density is strongly associated with management attitudes

Table 4 Union presence, by sector of ownership and management attitudes

	Aggregate union density	No union members	Union density of 50% or more	Recognised unions
	% of employees	% of workplaces	% of workplaces	% of workplaces
All workplaces	34	64	18	30
Sector of ownership				
Private	22	77	8	16
Public	64	7	62	90
Management attitudes towards union membership				
In favour	60	8	58	84
Neutral	22	76	9	17
Not in favour	5	93	1	4

Base: All employees in workplaces with 10 or more employees (column 1) and all workplaces with 10 or more employees (columns 2–4).
Figures are weighted and based on responses from 21,540 employees (column 1) and 1,973 managers (columns 2–4).

towards membership. The two characteristics are, of course, linked as management support for union membership is much more prevalent in the public sector than in the private sector, but the association between membership density and management attitudes was just as strong among private sector workplaces.

In times when most unions try to collect membership fees by direct debit, some managers can be expected to underestimate the proportion of their employees that are union members.[15] However, their estimates nonetheless give an indication of the concentration of union membership within different types of workplace. Columns 2 and 3 of Table 4 show that almost two-thirds of workplaces (64 per cent) had no union members, and that union members made up a majority of the workforce in only one-sixth (18 per cent) of all workplaces. In 1998, 57 per cent of workplaces had no union members and union members made up the majority of the workforce in 22 per cent of workplaces.

Representative voice

Among the 36 per cent of workplaces with union members, three-quarters (76 per cent) recognised one or more unions for negotiating the pay and conditions of at least some of their employees. These workplaces accounted for 27 per cent of all workplaces, and employed 48 per cent of all employees. In 1998, the equivalent figures were 33 per cent and 53 per cent respectively.

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.

These findings only concern recognised unions with members at the workplace. WERS 2004 was the first in the series to break the link between membership and recognition by asking whether managers recognised trade unions that did not have members at the workplace. This may occur if the employer is party to an industry-wide agreement or, more commonly, if the workplace is part of a larger organisation that automatically extends recognition to all of its sites. Adding these workplaces to those covered by the traditional measure increased the proportion of workplaces recognising unions from 27 per cent to 30 per cent (Table 4), and increased the proportion of employees working in an establishment with recognised unions from 48 per cent to 50 per cent.

The proportion of workplaces with recognised unions in which members had access to a lay representative, either on-site or elsewhere in the organisation, was no different in 2004 than in 1998 (68 per cent). However, in 2004, members of recognised unions were less likely to have access to a lay representative at their own workplace (45 per cent in 2004, compared with 55 per cent in 1998). The decline in on-site representatives of recognised unions was greatest among small workplaces and in the public sector. Overall, lay union representatives were present

in 13 per cent of workplaces in 2004; these workplaces employed 39 per cent of all employees.

Joint consultative committees constitute another form of representative voice. 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. Workplace-level joint consultative committees were much more common in larger workplaces than in smaller workplaces, where direct consultation with all staff is more feasible. 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.

In establishments with workplace-level consultative committees, managers were asked about the committee that dealt with the widest range of issues. Almost all of these committees (96 per cent) had met at least twice in the past year, three-quarters (75 per cent) had met at least four times and one-fifth (18 per cent) had met 12 times or more.[16] When they met, the topics discussed included future plans (81 per cent), work organisation (81 per cent), employment issues (78 per cent), production issues (71 per cent) and financial issues (65 per cent). Employment issues and financial issues were each more likely to have been discussed if trade union representatives sat on the committee than if it had been comprised wholly of non-union representatives.

A further avenue of representative voice is provided by stand-alone non-union representatives: employees whose constituency is not determined by union membership, and do not sit on joint consultative committees, but nonetheless represent the views of employees within their workplace to managers. Stand-alone non-union representatives were present in five per cent of workplaces. They were no less likely to be found in workplaces without unions than in workplaces with a union presence, but they were rarely found where unions had their own on-site representatives.

The roles and activities of employee representatives

The Survey of Employee Representatives provides a wide range of information on the characteristics, activities and attitudes of those employees who were fulfilling a representative function on behalf of their colleagues. The findings revealed that union representatives spent more time on representative duties than their non-union counterparts. Two-fifths (43 per cent) of union representatives spent five hours or more on representative duties per week, compared with one in seven non-union representatives (14 per cent). A further one-third (33 per cent) of union representatives spent between two and four hours on representative duties each week, as did 27 per cent of non-union representatives. The remaining quarter (24 per cent) of union representatives and the remaining three-fifths (59 per cent) of non-union representatives spent one hour or less on representative duties each week. Trade union representatives in the public sector were more likely than those in the private sector to dedicate five or more hours per week to representatives' responsibilities (49 per

cent compared with 33 per cent).[17] One tenth (10 per cent) of the lay representatives surveyed worked as a representative on a full-time basis. Full-time representatives were almost wholly trade union representatives (93 per cent), with most (85 per cent) working in the public sector, particularly the Health sector.

Employee representatives were asked which issues they had spent time on in their role as representatives in the last 12 months. The many specific issues mentioned were grouped into four categories. Those most commonly mentioned by representatives (76 per cent) concerned terms and conditions (comprising rates of pay, hours of work, holiday and pension entitlements). Some 71 per cent of representatives had spent time on selection, development and staffing (a category comprising recruitment or selection of employees, employee training, staffing levels, performance appraisals, and working practices). Two-thirds of representatives (66 per cent) had spent time on welfare issues (comprising equal opportunities, health and safety, absence or staff sickness) and a similar proportion (65 per cent) had spent time on disputes (comprising disciplinary matters and grievances).

Trade union representatives were more likely than non-union representatives to have spent time on terms and conditions and disputes. The difference was most marked in respect of disputes: almost three-quarters (73 per cent) of union representatives had spent time on disciplinary matters or grievances in the past 12 months, compared with 44 per cent of non-union representatives.

Employee representatives were also asked which issue they felt to have been the most important at their establishment over the past 12 months. Terms and conditions were considered to be the most important issue by 36 per cent of representatives. Within this, rates of pay were cited as the single most important issue by almost one quarter (23 per cent) of representatives. Twenty-two per cent cited selection, development and staffing issues, 14 per cent cited individual disputes, a similar proportion (12 per cent) cited welfare-related issues, and 17 per cent cited other issues.

An important activity for trade union representatives is the recruitment of new members. Around three-quarters (77 per cent) of trade union representatives had attempted to recruit new members at their workplace in the preceding 12 month period. Around one-fifth (22 per cent) did not specify whether this activity involved attempts to recruit non-members who already had their pay and conditions negotiated by the representative's union (so-called 'infill') or employees who were not covered by such negotiations ('expansion'). Among those who did specify, over four-fifths (85 per cent) had attempted infill and two-fifths (39 per cent) had attempted expansion. One quarter (24 per cent) had attempted both. Almost all of those attempting infill (94 per cent) were successful in recruiting at least some new members. The success rate was slightly lower (83 per cent) among those attempting expansion.

A further area of interest related to the extent to which employers paid trade union representatives for time spent on representative duties at the workplace, and provided them with facilities to enable them to undertake representative duties. The majority of union representatives (89 per cent) were paid by their employer for time spent on representative activities while at work. This figure rose to 96 per cent of

trade union representatives who spent five or more hours on representative duties per week.

The extent to which trade union representatives were provided with facilities varied across a range of facility 'types'. Over one-half of union representatives (55 per cent) were provided with office space, while most (91 per cent) were supplied with office equipment (a telephone, photocopier, use of a computer or noticeboard), employer-paid administration, mail, or taxis/company cars. In almost three-quarters of cases (74 per cent), management made available rooms for meetings. Three-fifths (62 per cent) of trade union representatives were able to use e-mail, and 22 per cent were provided with space on the company intranet. A small proportion of union representatives (two per cent) said that other facilities were provided, whilst nine per cent said that no facilities were made available.

The Survey of Employee Representatives also indicated the extent to which employers paid representatives for time spent attending training related to their role. Two-fifths (40 per cent) of trade union representatives indicated that they, or other representatives of their union, had received training for their role as representatives over the preceding 12-month period.[18] Most (86 per cent) reported that management had always paid for the time taken to attend courses. A further five per cent indicated that managers had sometimes paid for time spent in training.

Union Learning Representatives have an officially-recognised role in providing training and learning opportunities to fellow union members at their workplace. The Cross-Section Survey of Managers indicated that six per cent of all on-site lay representatives were designated Union Learning Representatives at the time of the survey. In the Survey of Employee Representatives, one in seven senior union representatives (14 per cent) were designated Union Learning Representatives. There were no differences between designated Union Learning Representatives and other senior union representatives in the amount of time spent on representative duties, or the likelihood of receiving paid time off from their employer.

In order to investigate the quality of relationships between managers and employee representatives, they were asked to rate each other on three dimensions of trust: (i) whether the other party could be relied on to live up to the commitments they had made; (ii) whether the other party was sincere in their attempts to understand each other's point of view; and, (iii) whether the other party could be trusted to act with honesty and integrity. Responses were given on a five-point scale from 'strongly agree' to 'strongly disagree'. Adopting a simple convention whereby agreement on each of the three dimensions indicates trust of the other party, Figure 4 shows the extent of mutual trust between managers and employee representatives. The proportion of workplaces in which both parties agreed that they could trust the other across each of the three dimensions (labelled 'mutual trust') was much higher in respect of management/non-union relationships (64 per cent) than management/union relations (31 per cent). Trust was one-sided in 46 per cent of workplaces with union representatives and 29 per cent of workplaces with non-union representatives. In the remaining 23 per cent of workplaces with union representatives and seven per cent of workplaces with non-union representatives, neither party agreed that they could trust the other across all three dimensions (labelled 'no trust').

Figure 4 Extent of trust between managers and employee representatives
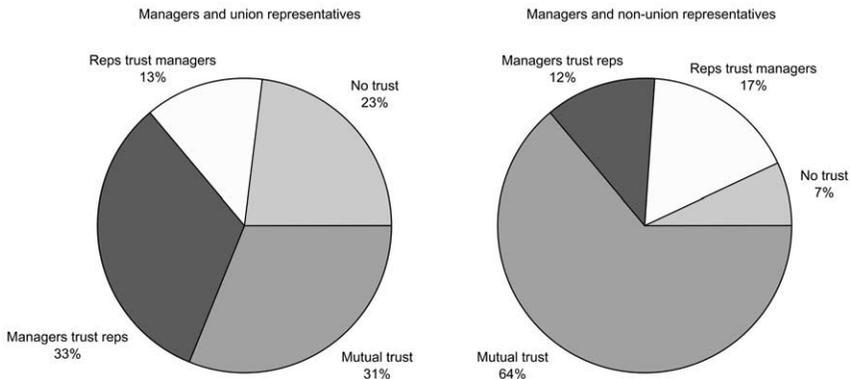
Base: Workplaces with 10 or more employees where an employee representative is present.
Figures are weighted and based on responses from 808 managers, 656 union representatives and 238 non-union representatives.

Direct communication

The survey asked about the incidence of nine methods of direct communication between managers and employees (Table 5). There was widespread use of meetings, in the form of team briefings or meetings with the whole workforce. The use of noticeboards to communicate with employees and the systematic use of the management chain or cascading of information were also very common. Also used, but to a lesser extent, were regular newsletters to all employees, employee surveys, e-mail, the company intranet and suggestion schemes.

The use of team briefings or workforce meetings increased since 1998, but only in the private sector (see Table 5). The issues commonly discussed at these two types of meetings were similar, and included production issues (57 and 60 per cent respectively), future plans (51 and 68 per cent respectively), work organisation (49 and 57 per cent respectively), training (45 and 57 per cent respectively), and health and safety (45 and 56 per cent respectively).

Although the main function of meetings is likely to be the transmission of information from managers to employees, most meetings also allow time for employees to raise questions or make comments. Managers were asked how much time was allowed during team briefings and workforce meetings for feedback from employees. In almost all cases, at least some time was set aside for employees' questions or comments. In about two-thirds (64 per cent) of workplaces at least a quarter of the time in team briefings was made available, whilst in 11 per cent it was limited to less than a tenth of the time. The equivalent figures for workforce meetings were 59 per cent and 13 per cent respectively.

Arrangements designed specifically to encourage employees to express their views to managers include suggestion schemes, staff attitude surveys and problem-solving groups. The latter have been covered earlier in the booklet and are therefore not

Table 5 Direct communication and information sharing, by sector of ownership, 1998 and 2004

	% of workplaces					
	1998			*2004*		
	Private sector	*Public sector*	*All*	*Private sector*	*Public sector*	*All*
Direct communication						
Meetings with entire workforce or team briefings[a]	82	96	85	90	97	91
Systematic use of management chain	46	75	52	60	81	64
Regular newsletters	35	59	40	41	63	45
Noticeboards[b]	–	–	–	72	86	74
E-mail[b]	–	–	–	36	48	38
Intranet[b]	–	–	–	31	48	34
Suggestion schemes	29	35	31	30	30	30
Employee surveys[b]	–	–	–	37	66	42
Information disclosure over						
Investment plans	47	59	50	40	50	41
Financial position of workplace	56	82	62	51	76	55
Financial position of organisation[c]	66	67	66	51	53	51
Staffing plans	55	81	61	61	81	64

Base: All workplaces with 10 or more employees.
Figures are weighted and based on responses from 2,178 managers in 1998, and 2,047 managers in 2004.
Notes:
  [a] Due to a number of changes in the wording of the questions in order to better identify meetings between senior managers and the workforce, and briefing groups, responses to each of these two types of meetings have been combined for comparison purposes with 1998. The single measure captures all kinds of meetings.
  [b] No comparable data for 1998.
  [c] Workplaces that were part of a larger organisation.

discussed here. Suggestion schemes constitute a less formal and more common method of gathering employees' views than problem-solving groups. Thirty per cent of all workplaces operated a suggestion scheme (31 per cent in 1998), compared to 21 per cent of workplaces that had some non-managerial employees participating in problem-solving groups. Around two-fifths (42 per cent) of workplaces had conducted a staff attitude survey in the previous two years. Four-fifths of these workplaces made the results available, in written form, to the employees that took part in the survey.

In order to assess the types of information provided to employees about developments at their place of work, managers were asked whether they regularly gave employees, or their representatives, information about internal investment plans, the financial position of the workplace and the organisation, and staffing plans. Of the four areas explored, managers were more likely to regularly disclose information

about staffing plans than about the financial position of the company or about investment plans (see Table 5). The incidence of information disclosure on each of these issues, other than staffing plans, decreased since 1998.

Reward and remuneration

Methods of pay determination

Methods of pay determination are central to understanding industrial relations in Britain since they are linked to employee pay levels, the distribution of wages between and across workplaces, and the ways in which employers seek to recruit, retain and motivate employees. By far the most common form of pay determination in 2004 was unilateral pay setting by management, either at the workplace or at a higher level in the organisation. Seventy per cent of workplaces set pay for at least some of their employees in this way. Around one-quarter (27 per cent) of workplaces set pay for at least some of their employees through collective bargaining with unions. However, because collective bargaining is more prevalent in larger establishments, the percentage of employees who had their pay set through collective bargaining was much higher (40 per cent). In the public sector, collective bargaining was the dominant form of pay setting – it was present in around four-fifths (83 per cent) of public sector workplaces and covered about four-fifths (82 per cent) of public sector workers. By contrast, only 14 per cent of private sector workplaces used collective bargaining, with around one-quarter (26 per cent) of private sector employees having their pay set through collective bargaining. Industry differences in the use and coverage of collective bargaining were also marked: it dominated Public Administration and Electricity, Gas and Water, but was almost non-existent in Hotels and Restaurants.

The WERS series has shown that, since the mid-1980s, the proportion of workplaces setting pay through collective bargaining has been in decline. This decline continued between 1998 and 2004. In tracking this change, the findings are based on pay-setting variables that were consistently recorded in 1998 and 2004.[19] These time-consistent measures produce a lower estimate of collective bargaining coverage than the measure available only in 2004. However, they provide a good measure of the extent and direction of change in pay bargaining. Using the time-consistent measure of collective bargaining, the percentage of workplaces engaging in any collective bargaining over pay fell from 30 per cent in 1998 to 22 per cent in 2004 (see Table 6). The decline was largely confined to the private sector, where the incidence fell from 17 per cent to 11 per cent of workplaces.

In the private sector no single pay determination method has replaced collective bargaining. Rather, there has been some movement away from 'mixed methods' of pay determination towards the use of a single pay determination method within the workplace, with the pay determination method used varying across workplaces. The pattern of change was somewhat different in the public sector. The incidence of collective bargaining has remained broadly constant, with 77 per cent of public sector workplaces using collective bargaining in 2004 compared with 79 per cent in

1998. However, this has been accompanied by an increase in the incidence of pay-setting by management, which rose from 21 per cent in 1998 to 28 per cent in 2004, and a decline in the incidence of 'other' pay methods attributable to the diminished role currently played by Independent Pay Review Bodies in settlements within the National Health Service.

Again, using time-consistent measures, the proportion of employees who have their pay set through collective bargaining has also declined. In 2004, 35 per cent of employees had their pay set through collective bargaining, down from 38 per cent in 1998. The shift was largely accounted for by a rise in the percentage of employees whose pay was set by management (up from 49 per cent to 57 per cent). However, the picture differed markedly across sectors of the economy. In private manufacturing,

Table 6 Pay determination methods, 1998 and 2004

	% of workplaces					
	1998			*2004*		
	Public sector	*Private sector*	*All*	*Public sector*	*Private sector*	*All*
All collective bargaining						
Only multi-employer	28	2	8	36	1	7
Only single-employer	19	4	7	12	4	5
Only workplace-level	0	1	1	1	1	1
No collective bargaining						
Only set by management, higher level	9	24	21	7	23	20
Only set by management, workplace	1	32	25	1	43	35
Only set by individual negotiations	0	6	5	0	5	4
Only other methods[a]	4	3	3	1	1	2
(Pay Review Body[b])	–	–	–	(1)	(0)	(1)
Mixture of methods	39	28	31	41	23	26
All methods	100	100	100	100	100	100
Any collective bargaining	79	17	30	77	11	22
Any set by management	21	81	69	28	79	70
Any individual negotiations	1	16	13	2	15	13
Any other methods[a]	39	8	14	32	2	7
(Pay Review Body[b])	–	–	–	(32)	(0)	(6)

Base: All workplaces with 10 or more employees.
Figures are weighted and based on responses from 2,125 managers in 1998 and 1,994 managers in 2004.
Notes:
  [a] In 2004 many responses coded as 'Other methods' in the interview were subsequently back-coded to specific methods, thereby lowering the incidence of 'Other' methods in comparison with 1998.
  [b] In 1998, pay determination via Independent Pay Review Bodies was given as an example of 'other' methods, whereas in 2004 it was separately coded.

one-third (34 per cent) of employees had their pay set through collective bargaining in 2004, down from 43 per in 1998. It also fell a little in private services – from 20 per cent to 18 per cent. However, it rose in the public sector from 66 per cent to 75 per cent. This is largely because many health professionals currently have a bargained settlement under Agenda for Change.

Variable payment systems

The survey covered three types of incentive payment systems: performance-related pay, profit-related bonuses and employee share schemes. Performance-related payment systems comprise results-based payments, in which the level of pay is determined by the amount of work done or its value, and merit-based systems, in which pay is related to a subjective assessment of performance by a supervisor or manager. Performance-related payment arrangements were used in two-fifths (40 per cent) of workplaces. As in earlier surveys, the use of performance-related pay was more prevalent in the private sector (44 per cent) than in the public sector (19 per cent). Within the private sector, the use of profit-related pay and employee share schemes was less common than performance-related pay. Just over one third (37 per cent) of private sector workplaces gave profit-related payments or bonuses, whilst one -fifth (21 per cent) operated an employee share scheme.

Non-pecuniary rewards

The wages of many employees are augmented by the provision of additional non-pecuniary rewards, and the survey asked whether managers and core employees were entitled to a number of these 'fringe benefits'. Substantial differences were found between managers and core employees over the entitlement to each of these benefits. Managers were more likely than core employees to have access to a company car (45 compared to 15 per cent) and private health insurance (38 compared to 16 per cent). They were also more likely to be entitled to an employer pension scheme (71 compared to 64 per cent), more than four weeks of paid annual leave (67 compared to 59 per cent) and sick pay in excess of statutory requirements (62 compared to 54 per cent). Overall, 19 per cent of core employees were not entitled to any of the five benefits listed, compared to only 12 per cent of managers. Single status, where both groups in a given workplace had the same entitlements (including where neither of them were entitled to a given benefit), pertained in around half (48 per cent) of workplaces (43 per cent in the private sector and 73 per cent in the public sector). The corresponding figure for 1998 was lower, at 41 per cent.

Joint regulation of terms and conditions

WERS 2004 asked managers whether they normally negotiated with, consulted, or informed union or non-union representatives over twelve terms and conditions of employment, including pay. These data are not directly comparable with those collected in 1998 and so an analysis of change in joint regulation is not possible. In

Table 7 Joint regulation of terms and conditions[a,b]

	% of workplaces			
	Nothing	*Inform*	*Consult*	*Negotiate*
Issue				
Pay	70 (16)	6 (10)	5 (13)	18 (61)
Hours	71 (18)	5 (10)	8 (20)	16 (53)
Holidays	71 (19)	9 (17)	5 (13)	15 (52)
Pensions	73 (22)	11 (25)	6 (16)	10 (36)
Staff selection	78 (42)	10 (26)	9 (23)	3 (9)
Training	75 (36)	10 (24)	13 (31)	3 (9)
Grievance procedure	69 (15)	9 (20)	14 (36)	9 (28)
Disciplinary procedure	69 (15)	9 (21)	13 (35)	8 (29)
Staffing plans	75 (33)	11 (26)	12 (34)	3 (7)
Equal opportunities	72 (22)	10 (23)	14 (40)	5 (15)
Health and safety	69 (17)	9 (19)	17 (49)	5 (15)
Performance appraisal	75 (33)	9 (20)	12 (33)	4 (14)

Base: All workplaces with 10 or more employees.
Figures are weighted and based on responses from at least 2,007 managers.
Notes:
  [a] Managerial respondent was asked 'whether management normally negotiates, consults, informs or does not involve unions' on 12 items. Also asked with respect to non-union employee representatives.
  [b] Figures in parentheses relate to workplaces with recognised trades unions and are based on responses from at least 1,004 managers.

two-thirds of workplaces (67 per cent) management did not engage with employees on any of the twelve listed items. If one considers individual items, this absence of engagement with staff is most pronounced with respect to staff selection and least apparent in the case of disciplinary and grievance procedures and health and safety matters (Table 7). Management were most likely to negotiate over pay, followed by hours and holidays, and least likely to negotiate over staffing plans, training and staff selection.

The recognition of a trade union plays a considerable role in determining the nature of joint regulation over pay and conditions. Sixty-one per cent of workplaces recognising unions normally negotiated over pay, one-half negotiated over hours and holidays, over one-third negotiated over pensions and over one-quarter negotiated over grievance and disciplinary procedures (see the figures in parentheses in Table 7).[20] In the absence of a recognised union, management only negotiated, consulted or informed employees on one of the twelve items, on average. In unionised workplaces, managers negotiated, consulted or informed employees on an average of nine items.

Addressing workplace conflict

The measurement of workplace conflict has remained a key indicator on the barometer of employment relations across the WERS series. It is also an area that has been subject to dynamic change during the period, most notably in the gradual

decline in collective conflict, measured through industrial action, and the concurrent rise in individualised conflict, measured most overtly in the number of employment tribunal claims.

The level of workplace conflict using these measures was similar in 1998 and 2004. In both years, the incidence of industrial unrest was low, with managers in only five per cent of workplaces in 2004 reporting some collective dispute during the 12 months prior to the survey (six per cent in 1998). Three per cent of workplaces reported that industrial action had taken place during the previous 12 months (compared with two per cent in 1998), while four per cent reported threatened industrial action (three per cent in 1998). Turning to disputes with individual employees, 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). The incidence of claims is by no means even, with five per cent of all workplaces having at least ten claims brought against them (four per cent in 1998).[21] Another mechanism for individuals to voice discontent within the workplace is by raising a grievance. 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).

The discussion now turns to the procedures that establishments have in place to deal with workplace conflict, and to the nature and coverage of those procedures.

Grievance and disciplinary procedures

Managers were asked about the presence of 'formal procedures' for dealing with both grievances raised by individuals, and for handling discipline and dismissals (excluding redundancy). 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). In both instances, formal procedures were somewhat less likely to be in place in smaller workplaces, the private sector and in workplaces without a recognised union.[22] There was no changed in the incidence of grievance procedures since 1998, but there was an increase in the incidence of disciplinary procedures (85 per cent).[23]

The WERS 2004 survey was designed to probe beyond the mere presence of a formal procedure. Three dimensions were explored: whether parties are required to put in writing the matters relating to a grievance, or concerning the disciplinary action; whether employees are required to attend a formal meeting in either instance; and whether the employee has the right to appeal against the final decision. Figure 5 shows the incidence of individual elements. Of those claiming to have formal procedures, by no means all reported the presence of each of the three components (as discussed below). Conversely, less than two per cent of workplaces reported having *none* of the three elements.

The single most widespread feature was the right for employees to appeal against decisions, present in more than nine in ten workplaces for both grievance (94 per cent) and disciplinary actions (95 per cent). The use of formal meetings was similarly widespread for both discipline (95 per cent) and grievance procedures (92 per cent).

Figure 5 Procedures for handling grievances and disciplinary actions
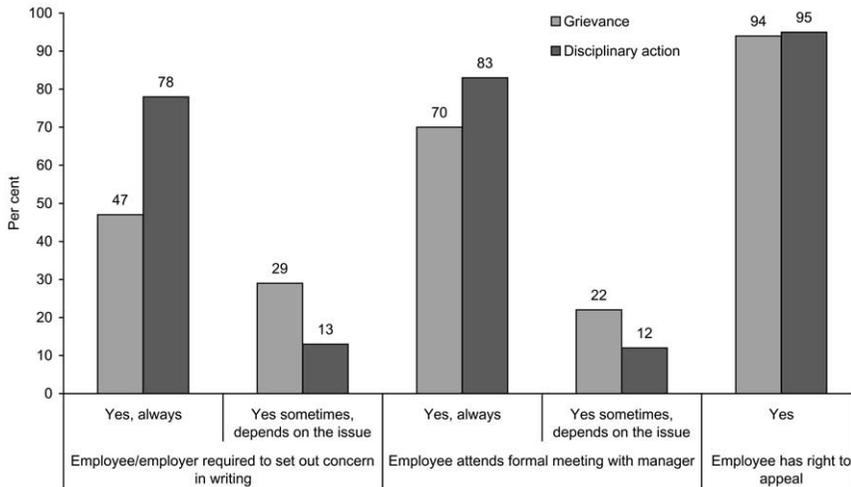
Base: All workplaces with 10 or more employees.
Figures are weighted and based on responses from at least 2,045 managers.

Though in the case of the latter, the use of such meetings was more likely to be dependent on the issue involved. The requirement to put matters in writing in disciplinary situations was marginally less widespread (91 per cent of workplaces), but was considerably less common for grievance procedures (76 per cent). For the latter, it was also much more likely to be dependent upon the issue involved, such that, overall, employees were always required to put grievances in writing in fewer than half of all workplaces (47 per cent).

The Employment Act 2002 created a new prescribed framework for handling discipline and grievances at work, setting out statutory procedures which encompassed each of the three components described in Figure 5. The so-called 'three-step' statutory procedure came into effect in October 2004. Using WERS 2004, it is possible to explore how many workplaces have arrangements in place which apparently meet the requirements of the new legislation. In handling grievances raised by individuals, 43 per cent of workplaces reported that all three elements applied. A further 12 per cent of workplaces used or required all elements, depending upon the particular issue raised by the employee. Formal meetings and appeals formed essential elements of the grievance procedure in 67 per cent of workplaces in 2004. The incidence of workplaces with arrangements which matched the three-step procedure in relation to disciplinary action was somewhat higher: 71 per cent of workplaces had each step in place, irrespective of the issues in question. Arrangements in a further seven per cent of workplaces replicated the three steps, but only on certain issues. Arrangements matching the 'three-step procedure' were more prevalent in larger workplaces, in the public sector and in workplaces with a recognised union.

Since September 2000, employees have had a statutory right to be accompanied by a fellow worker or trade union official at grievance or disciplinary meetings.[24] Of

the workplaces reporting that a formal meeting was part of their procedural arrangements, almost all allowed employees to be accompanied. 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. These workplaces were all located in the private sector, and none had a recognised union present. In around two-thirds of workplaces, a trade union representative or work colleague was among the permitted companions (67 per cent in grievance meetings and 62 per cent in disciplinary meetings), though in around three-tenths of workplaces, the employee had the freedom to choose who should accompany them at a meeting (27 per cent in grievance meetings and 30 per cent in disciplinary meetings). Data on accompaniment collected in 1998 are not directly comparable with 2004, and so an analysis of change is not possible.[25]

What role might the companion play in supporting an employee? The legislation defines the companion's role as presenting the worker's case and supporting their position, however, the companion is not entitled by statute to answer questions put directly to the worker. In instances where companions were allowed at grievance meetings, 78 per cent of workplace managers described the role as asking questions on behalf of the employee. In 47 per cent of cases, they were allowed to answer questions. Similarly, in a disciplinary situation, 80 per cent of managers said that companions were permitted to ask questions, whilst 49 per cent said that companions were allowed to respond on behalf of the employee.

Collective dispute procedures

Formal procedures for handling collective disputes were less widespread than those for handling individual matters, and were more the domain of workplaces with a recognised union – though not exclusively so. Forty-three per cent of workplaces had a dispute procedure in place. These procedures were more common in larger workplaces and, overall, around 58 per cent of employees were in workplaces with such a procedure. Of workplaces with a recognised union, 77 per cent had a collective procedure. Conversely, of workplaces without recognised unions, 29 per cent had a procedure in place. Procedures addressed a range of issues, including pay and conditions (85 per cent), health and safety (86 per cent), the organisation of work (82 per cent) and redundancy (72 per cent).

Equal opportunities policies and practices

Since 1997, a range of legislation has been introduced aimed at fostering greater workplace equality. WERS 2004 collected information both on the incidence of equal opportunities policies, and on related practices which aim to promote equal treatment.

There has been an increase in the proportion of workplaces with formal written equal opportunities policies or policies on managing diversity since 1998. In 2004, 73 per cent of workplaces had a formal policy in place, compared with 64 per cent in 1998.[26] Formal written equal opportunities policies were more commonly found in

larger workplaces. For example, most workplaces with at least 100 employees (96 per cent) had a formal written equal opportunities policy compared with about three-fifths (63 per cent) of workplaces with between 10 and 24 employees. Formal equal opportunities policies were almost universal in public sector workplaces (98 per cent) and in workplaces with recognised unions (95 per cent). The results for the private sector and workplaces without recognised unions were 67 per cent and 63 per cent respectively. Four-fifths of workplaces had formal equal opportunities policies where more than half of the workforce was female, compared with almost two-thirds of workplaces (65 per cent) where less than half of the workforce was female. Equal opportunities policies were also more commonly found in workplaces where at least 10 per cent of the workforce was from an ethnic minority group, compared with workplaces without ethnic minority employees. Workplaces where at least 5 per cent of the workforce included disabled employees were also more likely to have equal opportunities policies in place, compared with workplaces employing no disabled employees.

Among workplaces with a formal written equal opportunities policy, the grounds most commonly covered were sex, race and disability (four-fifths of workplaces with equal opportunities policies covered all these groups). The proportion of workplaces with policies covering these areas has remained largely stable since 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, 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). Marital status also continued to feature strongly in equal opportunities policies (67 per cent), whilst trade union membership was covered in almost half of all policies (45 per cent). In 1998, the figures were 65 per cent and 47 per cent, respectively.

Moving beyond the presence of policies, managers were also asked about their use of practices for monitoring and reviewing recruitment, selection and promotion processes, and whether they reviewed relative pay rates in relation to gender, ethnicity, disability and age. Table 8 shows that less than one-quarter of workplaces carried out each of these activities. Monitoring recruitment and selection, and reviewing recruitment and selection procedures to identify indirect discrimination, were approximately twice as common as the other practices. Larger workplaces, public sector workplaces and workplaces with a recognised union were more likely to carry out monitoring and reviewing activities.

The incidence of monitoring was more common where workplaces reported that they had an equal opportunities policy in place. For example, 31 per cent of workplaces with a formal written equal opportunities policy monitored recruitment and selection by gender, compared to only 4 per cent of workplaces which did not have a formal written policy. The employer was more likely to carry out each of the monitoring activities by gender where more than half the workforce was female, with the exception of reviewing relative pay rates. Workplaces were more likely to carry out monitoring by ethnicity and disability where there were some employees from an ethnic minority, or who were disabled. However, there was little evidence that

Table 8 Equal opportunities practices, by presence of equal opportunities policy

| | % of workplaces | | | | |
| | Recruitment and selection | | Promotions | | Review relative pay rates |
	Monitor	Review procedures	Monitor	Review procedures	
Gender					
All workplaces	24	19	10	11	7
Written policy	31	26	13	14	9
No written policy	4	2	1	2	2
Ethnicity					
All workplaces	24	20	10	11	5
Written policy	31	27	13	14	6
No written policy	3	2	1	2	1
Disability					
All workplaces	23	19	9	10	4
Written policy	30	25	11	14	5
No written policy	5	3	1	2	1
Age					
All workplaces	20	16	7	9	6
Written policy	24	21	9	12	7
No written policy	12	4	1	2	4

Base: All workplaces with 10 or more employees.
Figures are weighted and based on responses from at least 2,023 managers.

workplaces with a high proportion of ethnic minority or disabled staff were any more likely to monitor by these characteristics, than workplaces with a low proportion of these groups. Also, the proportion of younger and older employees had little bearing on the likelihood that the workplace carried out each of the monitoring activities by age.

Work–life balance

Since 1997, legislation has been introduced aimed at promoting work–life balance. WERS collected data on hours of work and also explored a number of leave and flexible working arrangements aimed at supporting employees with caring responsibilities, including working parents. The survey also considered management's attitudes to work–life balance – both from managers' and employees' perspectives.

Hours of work

The 1998 Working Time Regulations restricted the circumstances under which employees could be required to work more than 48 hours a week. The 2004 Survey

of Employees showed that 11 per cent of employees usually worked more than 48 hours a week. Working long hours was less common amongst women than men, even when only full-time workers were considered.

The likelihood that women usually worked more than 48 hours a week did not differ significantly between workplaces where women were, and were not, in the majority (5 per cent and 6 per cent respectively). However, the gender composition of the workforce displayed a stronger correlation with the likelihood that men worked long hours. Only 11 per cent of men worked, on average, more than 48 hours a week in workplaces where more than half the workforce was female, compared to 21 per cent of men in workplaces where women were not in the majority. This finding also held after controlling for occupation, with the exception of the professional occupation. In short, men were less likely to usually work long hours in workplaces where women were in the majority .

WERS 2004 introduced a new question to the Survey of Employees which asked about the frequency with which employees had worked more than 48 hours a week over the previous 12 months. Fifty-four per cent of employees had not worked in excess of 48 hours a week over the previous year, whilst 18 per cent had worked these hours less than once a month. Nine per cent of employees had worked more than 48 hours a week once a month over the past year, and a further 11 per cent worked these hours two or three times a month. Ten per cent of employees reported that they had worked more than 48 hours a week every week over the previous 12 months. Employees tended to work more than 48 hours a week with greater frequency in the private sector, and in workplaces without a recognised union. In addition, men worked more than 48 hours a week with much greater frequency than women, even when part-time workers were excluded from the comparison.

Flexible working arrangements

Managers were asked whether a range of flexible working arrangements were available to at least some employees. These arrangements included: the ability to reduce working hours (e.g. switching from full-time to part-time employment); the ability to increase working hours (e.g. switching from part-time to full-time employment); the ability to change shift patterns; 'flexitime' (no set start or finish time, but an agreement to work a set number of hours per week or per month); 'job-sharing' (sharing a full-time job with someone else); 'homeworking' (working at or from home in normal working hours); working during school term-time only; working 'compressed hours' (e.g. a nine day fortnight/ four and half day week); annualised hours; and, zero hours contracts. Figure 6 illustrates the results.[27] Generally, these practices were most common in larger workplaces, in the public sector, and in workplaces where a union was recognised. Workplaces where more than half the workforce was female were more likely to allow some employees to use each of the listed practices with the exception of homeworking and flexitime.

From the Panel Survey, it was possible to observe how access to zero and annual hours contracts, term-time only contracts, homeworking, job-sharing, flexitime and

Figure 6 Flexible working arrangements
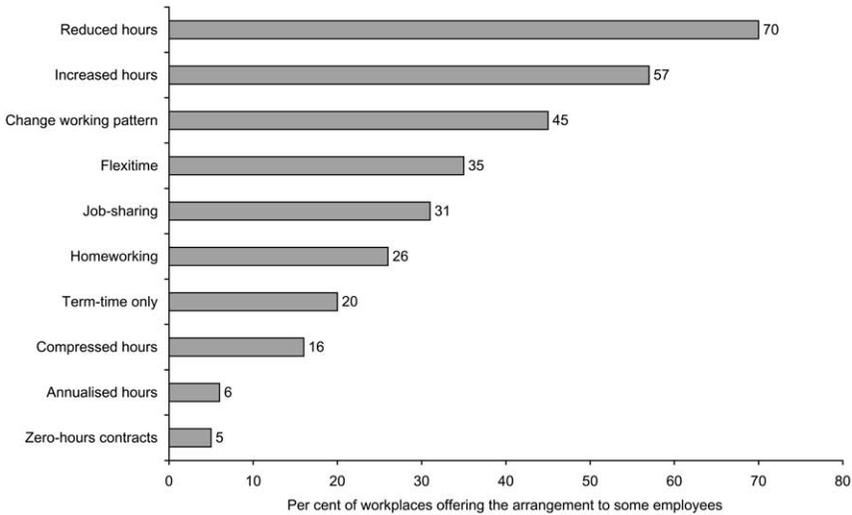
Base: All workplaces with 10 or more employees.
Figures are weighted and based on responses from 2,050 managers.

switching from full-time to part-time employment changed between 1998 and 2004 in continuing workplaces.[28] Table 9 shows that the proportion of workplaces providing each of these practices to at least some of their non-managerial employees has increased over this period.

With the exception of annualised hours and zero hours contracts, the Survey of Employees also asked whether the same set of flexible working arrangements would be available to employees if they personally needed them. A high proportion of employees did not know whether the practices would be available (between 16 and 37 per cent, depending on the arrangement).[29] The most common arrangement reported was flexitime (38 per cent, up from 32 per cent in 1998), followed by the opportunity to reduce working hours (32 per cent).[30] Almost one-third of employees (31 per cent) reported that increased hours of work would be available, or that they would be able to change their pattern of working hours, including shifts (27 per cent). Around one-fifth of employees thought they would be able to share a full-time job with someone else (19 per cent, increased from 15 per cent in 1998), or work the same number of hours per week across fewer days (20 per cent). Fourteen per cent of employees believed that they would be allowed to work only during school term-time, if required, and the same proportion expected that they would be able to work at or from home (up from nine per cent in 1998).

Female employees were more likely than men to report that each of the arrangements would be personally available to them, with the exceptions of homeworking and the ability to change their working pattern. Also, the likelihood that employees reported availability of all the practices was higher in workplaces where more than

Table 9 Flexible-working and leave arrangements for non-managerial employees in continuing workplaces, 1998 and 2004

	% of continuing workplaces	
	1998	*2004*
Flexible working arrangement		
Switching from full-time to part-time hours	46	64
Flexitime	19	26
Job-sharing	31	41
Homeworking	16	28
Term-time only	14	28
Annualised hours	8	13
Zero hours contracts	3	5
Leave arrangement		
Parental leave	38	73
Paid paternity/discretionary leave for fathers	48	92
Special paid leave in emergencies	24	31

Base: All continuing workplaces with 10 or more employees in 1998 and 2004.
Figures are weighted and based on responses from at least 847 managers.

half of the workforce was female, the only exception being homeworking, which was more common in workplaces where women were not in the majority.

Women with dependent children aged 18 or under were also more likely than women without dependent children to report that each of the practices would be available, with the exceptions of flexitime, homeworking and changing the working pattern. Men with dependent children were more likely than men without dependent children to believe that they would have access to flexitime and homeworking if needed, but they were less likely to consider that they could reduce their hours or work during school term-time only. There was little difference in the availability of all other arrangements for men with and men without dependent children. Employees who cared for a family member or friend with a long-term physical or mental illness or disability were more likely than employees without such caring responsibilities to consider that they could reduce their working hours if needed, but were no more likely to report access to any of the other flexible working practices.

Leave arrangements to support employees with caring responsibilities

WERS 2004 asked a series of questions about the availability of leave arrangements to support employees with caring responsibilities. Generally, the focus of the questions was on provision beyond the statutory entitlement. Table 10 presents the findings by sector of ownership. In terms of paid leave, and as a proportion of all workplaces in the sample, fully paid maternity leave for some or all of the maternity leave period was most commonly provided (57 per cent), followed by fully paid

Table 10 Extra-statutory leave arrangements to support employees with caring responsibilities, by sector of ownership

	% of workplaces		
	Private sector	*Public sector*	*All workplaces*
Fully-paid maternity leave[a]	51	84	57
Fully-paid paternity or fully-paid discretionary leave for fathers[b]	49	84	55
Paid parental leave or special paid leave for parents[c]	21	47	25
Special paid leave for family emergencies	43	80	49
Leave for carers of older adults	4	16	6

Base: All workplaces with 10 or more employees.
Figures are weighted and based on responses from at least 1,928 managers.
Notes:
  [a] The base is all workplaces with at least some female employees.
  [b] The base is all workplaces with at least some male employees.
  [c] Respondents were asked 'With the exception of maternity, paternity and time off for emergencies, how do mothers and fathers usually take time off to look after their children?'. Included in the possible answers were unpaid parental leave, paid parental leave, special paid leave, sick leave and some other leave arrangement. More than one response was permitted. Ten per cent of workplaces cited paid parental leave and 19 per cent cited special paid leave.

paternity and or discretionary leave (55 per cent). The availability of each arrangement was higher in the public sector.

There was some variation in the incidence of extra-statutory leave arrangements according to a number of workplace characteristics. Larger workplaces and organisations more commonly provided these arrangements. Workplaces with a recognised union were also more likely to have enhanced leave arrangements in place. With the exception of fully paid maternity leave, extra-statutory leave arrangements were more commonly found in workplaces with higher proportions of women.

Managers were also asked how many weeks of fully-paid maternity and how many days of fully-paid paternity leave/discretionary leave were provided. Substantial proportions of managers did not know the amount.[31] Of those who were able to provide an answer, about a quarter said that fully-paid maternity leave was provided for six weeks or less. Forty four per cent provided between seven and twenty five weeks and twenty nine per cent said that at least six months of fully-paid maternity leave was provided. On average 16 weeks of fully-paid maternity leave was provided. Of those managers who were able to state the number of fully-paid days of paternity leave/discretionary leave for fathers, over half (51 per cent) said that at least ten days were provided. Overall, a mean of eight days of fully-paid leave was available.

The Panel Survey provides data on the change in the availability of a limited number of leave arrangements in continuing workplaces between 1998 and 2004.[32] It indicated a significant increase in the availability of parental leave, paid paternity/

discretionary leave for fathers, and special paid leave in emergencies for at least some non-managerial employees in continuing workplaces (see Table 9).

Responsibility for managing work-life balance

Arrangements for flexible working and time off work provide one indicator of employer commitment to work-life balance. Another indicator is provided by managers' attitudes to this aspect of working life. 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).

Managers were less likely to think that it was up to the individual to balance their work and family responsibilities where women made up more than half the workforce, compared with managers in workplaces where women were not in the majority (60 per cent compared to 71 per cent). Likewise, employees were also more likely to report that managers were understanding where a greater proportion of the workforce was female. Consistent with this, 61 per cent of women believed that managers understood their responsibilities outside of work, compared to 54 per cent of men. On the other hand, there was some dissonance in employee and manager viewpoints when attitudes were explored by the size of the workplace. Managers in smaller workplaces were more likely than those in larger workplaces to agree or strongly agree that it was up to individuals to balance their work and family responsibilities (69 per cent in workplaces with 10–24 employees, compared to 48 per cent in workplaces with 500 or more employees). By contrast, employees working in smaller workplaces were more likely to strongly agree or agree that managers understood their responsibilities outside of work (70 per cent in workplaces with 10–24 employees compared to 51 per cent in workplaces with 500 or more employees). Managers more commonly considered that it was up to individual employees to balance their work and family responsibilities in the private, rather than the public sector (69 per cent, compared to 47 per cent), and in workplaces without recognised unions, than in workplaces where unions were recognised (72 per cent, compared to 50 per cent). Employees more commonly found managers understanding of their responsibilities outside of work in the public sector rather than in the private sector (61 per cent, compared to 56 per cent), but they were less likely to report that managers were understanding of their responsibilities in workplaces where a union was recognised, than where there were no recognised unions (55 per cent, compared to 61 per cent).

Employee well-being

The 2004 Survey of Employees contains an extensive set of questions relating to employee well-being. This section deals with two of these measures: job satisfaction and job-related well-being.

Job satisfaction

Employees were asked how satisfied or dissatisfied they were with eight aspects of their job. Table 11 presents the results. Employee job satisfaction varied markedly across the eight items covered by the survey, being highest with respect to 'the work itself', 'scope for using own initiative' and 'sense of achievement'. It was lowest in respect of 'involvement in decision-making' and pay.

Responses from individual employees on each of the eight items were positively correlated, but employees were not equally satisfied across the various items. One-quarter (27 per cent) of employees were 'satisfied' or 'very satisfied' on seven or eight items, 23 per cent were satisfied on less than three items, while one-half (51 per cent) of employees expressed a mixture of satisfaction and dissatisfaction across the eight measures. An overall measure of satisfaction was created and was found to vary across workplaces, and between individuals within the same workplace.[33] The mean score on this overall job satisfaction measure differed across workplaces to a statistically significant degree, confirming that employees' job satisfaction is partly determined by workplace factors, and is not attributable solely to their demographic or job-related characteristics.[34]

Three of the job satisfaction questions presented in Table 11 were also asked in 1998 - those relating to influence, pay and sense of achievement. Whilst satisfaction with influence and pay has remained unchanged since 1998, there has been an increase in the percentage of workers satisfied with the sense of achievement they get from work (from 64 per cent in 1998 to 70 per cent in 2004).

Job-related well-being

New to the Survey of Employees in 2004 was a six-item measure that examines employees' job-related well-being. The question captures how often the job makes an employee feel tense, calm, relaxed, worried, uneasy and content.[35] Each item is

Table 11 Job satisfaction

	% of employees				
	Very satisfied	*Satisfied*	*Neither*	*Dissatisfied*	*Very dissatisfied*
Sense of achievement	18	52	19	8	3
Scope for using initiative	20	52	18	8	3
Influence over job	12	45	28	11	3
Training	11	40	26	16	7
Pay	4	31	24	28	13
Job security	13	50	22	11	5
Work itself	17	55	19	7	3
Involvement in decision-making	8	30	39	17	6

Base: All employees in workplaces with 10 or more employees.
Figures are weighted and based on responses from at least 21,024 employees.

Table 12 Job-related well-being

	% of employees				
	All of the time	Most of the time	Some of the time	Occasionally	Never
Job makes you feel					
Tense	4	15	42	27	12
Calm	3	30	29	27	11
Relaxed	3	23	27	29	18
Worried	2	10	35	32	21
Uneasy	2	8	28	33	29
Content	5	33	30	22	11

Base: All employees in workplaces with 10 or more employees.
Figures are weighted and based on responses from at least 21,288 employees.

informative in its own right. For instance, almost one-fifth of employees (19 per cent) said that their job made them feel 'tense' all or most of the time, whereas 39 per cent said that they felt job-related tension only occasionally or never (Table 12). However, these items are particularly powerful when combined into a job-related well-being index.[36] The index indicated that job-related well-being is higher in small workplaces and small organisations than in larger ones, among employees who are not union members, falls with increased education, and is U-shaped with respect to age. As in the case of job satisfaction, the means in job-related well-being differed across workplaces to a statistically significant degree, suggesting that well-being is partly determined by the workplace, and not just by demographic or job-related characteristics.[37]

Management–employee relations

Having considered a variety of different aspects of the employment relationship throughout this booklet, this final section examines an overall indicator of the state of employment relations in British workplaces and looks at change since 1998. Managers and employees were both asked to rate the relationship between managers and employees at their workplace. As Table 13 indicates, managerial perceptions of management-employee relations appear to have improved since 1998. Analysis of the Panel Survey supports this finding, as in 30 per cent of continuing workplaces 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: linking employee perceptions to those of their employers in 2004, employees had poorer perceptions of relations than management in half of all cases (51 per cent), whereas management ratings were worse than the employee's in only 13 per cent of cases. Furthermore, a comparison of employees' perceptions in 1998 and 2004 suggested little perceived improvement.

Table 13 Managers' and employees' perceptions of management–employee relations, 1998 and 2004

| | Managers[a] | | Employees[b] | |
	1998	2004	1998	2004
	% of workplaces		% of employees	
Very good	41	47	16	19
Good	47	46	40	41
Neither	8	6	27	24
Poor	3	1	12	12
Very poor	1	0	6	4

Base: All workplaces with 10 or more employees (columns 1 and 2), and all employees in workplaces with 10 or more (columns 3 and 4).

Figures are weighted and based on responses from 2,188 (column 1) and 2,045 managers (column 2), and 27,719 (column 3) and 21,278 employees (column 4).

Note:

[a] Managers were asked: "How would you rate the relationship between management and employees generally at this workplace?"

[b] Employees were asked: "In general, how would you describe relations between managers and employees here?"

Summary

This publication provides an initial account of the state of employment relations and working life inside British workplaces from the latest WERS. The results are hot off the press – the last management interview was conducted in April 2005. A number of key dimensions of employment relations are examined in this booklet, but the results presented here merely sketch out some of the emerging findings. A comprehensive account of the survey findings will be available in Spring next year. Rather than drawing definitive conclusions at this point, this final section considers some of the key changes in employment relations since the last survey in 1998.

There were many aspects of employment relations that had not changed to any substantial degree over the intervening six years: the degree of numerical flexibility; the incidence of various dispute, grievance and disciplinary procedures; the incidence of industrial action; employees' satisfaction with their pay or management-employee relations; and the under-representation of women in managerial posts.

The survey also indicated relative stability in the proportion of workplaces with methods of work organisation that are commonly discussed under the 'high commitment' or 'high involvement' banner. The incidence of a broader 'high involvement' approach will be examined further in the sourcebook. A simple measure of the proportion of workplaces combining work organisation practices with a variety of other practices which are said to be complementary, only saw a marginal increase over the period.[38]

In other areas, the results showed some significant changes. Most striking of all, perhaps, was the 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. Even so, the rate of decline appeared to have slowed from that seen in earlier periods and the joint regulation of terms and conditions remains a reality for many employees in Britain: 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, with union involvement in pay setting and the joint regulation of the workplace very much the exception in the private sector and in smaller workplaces.

There has also been a decline in the incidence of joint consultative committees. 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, and greater use of systematic communication through the management chain. These trends are a continuation of changes that can be traced back through the 1990s and late 1980s, but they are of particular interest at present in view of the introduction of new rights for employees to be informed and consulted about developments at their workplace.

Managers appeared more sanguine about the state of employment relations than they were in 1998. But although overt workplace conflict has remained low since 1998, and managers' perceptions of management-employee relations have improved, there was little change in employees' views over the period. Much of the debate around improved employment relations has been dominated by discussions concerning 'partnership' between employees and management. A prerequisite for such a relationship is mutual trust between managers and employee representatives. This appeared to exist in only a minority of management/union representative relationships, but was more prevalent between managers and non-union representatives, perhaps reflecting the more limited role of the non-union representative, which tends to eschew the more conflictual aspects of employment relations.

The surveys record a substantial increase in the availability of flexible working arrangements, including homeworking, term-time only working, flexi-time and job-sharing, at least among continuing workplaces. Taken together with increases in the 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 unaware of what was available to them.

These, and other associations between managers' attitudes, workplace practices and employee perceptions, will comprise one of the many areas of further investigation in the full report. One of the main strengths of WERS lies in its comprehensiveness, not only in respect of the wide range of issues it covers relating to work and working life, but also its collation of views and experiences from the three key actors in workplace relations – managers, employees and employee representatives. Such strengths provide great opportunities. The first findings presented in this booklet provide an indication of the potential offered by WERS to attain a greater

appreciation of the state of British workplace relations in the early years of the 21st century. It is our hope and expectation that the subsequent in-depth analyses presented in the sourcebook, and conducted by other researchers in the future, will further enrich our knowledge and understanding in this area.

Notes

1 Detailed information about the changes that have been made to employment relations legislation since 1997 is available from the DTI website: www.dti.gov.uk/er/

2 It should be noted that the analysis of the survey data will only allow for a broad assessment of the impact of the legislation rather than a categorical assessment.

3 The UK Data Archive can be found at www.data-archive.ac.uk. Some items (e.g. detailed industry codes), which may lead to identification of the respondents, will be withheld until April 2007. Researchers will not be able to publish material based on analysis of the survey data until the sourcebook has been published in Spring 2006.

4 For further information about the design and development of WERS 2004 see www.dti.gov.uk/er/emar/wers5.htm

5 The survey population is all British workplaces with five or more employees, excluding those within the following Sections of Standard Industrial Classification (2003): A (Agriculture, Hunting and Forestry); B (Fishing); C (Mining and Quarrying); P (Private Households with employed persons); and Q (Extra-territorial organisations and bodies). The sample for the cross-section was drawn from the Inter-Departmental Business Register (IDBR) during September 2003. In addition to the industry exclusions, workplaces that took part in the 1998 WERS were also excluded to avoid duplication in sample selection between the cross-section and the panel.

6 Weights have been applied to ensure that the final achieved sample is representative of the survey population from which it has been drawn (the IDBR) and to take account of any non-response bias by workplace size and by sector. The weighting strategy differs to that used in 1998 when weights were applied simply to reflect the inverse of the probability of selection. This approach ignored the variations in the out of scope rates across strata and any non-response bias. For comparisons to be made between the 2004 and 1998 Cross-Section Surveys, new weights have been devised for the 1998 survey in line with the approach taken for the 2004 survey data.

7 The selection rule adopted for the survey of worker representatives in WERS 2004 was: a) either the most senior representative of the largest recognised union or, if there were no recognised unions, the most senior representative of the largest non-recognised union; and b) either the most senior non-union employee representative on the most wide-ranging consultative committee at the workplace or, in the absence of such a committee, the most senior stand-alone non-union employee representative.

8 The Panel Survey questionnaire was based on that used in the 1998 Cross-Section Survey of Managers. However, it is much shorter and collects much less detail about particular practices, containing one-third of the questions.

9 The response rate for workplaces with 10 or more employees equated to 65 per cent, compared with 80 per cent in 1998.

10 Questionnaires were distributed in 76 per cent of workplaces with 10 or more employees; the response rate in these workplaces was 60 per cent. The equivalent figures in 1998 were 81 per cent and 66 per cent respectively.

11 Management refers to 'Managers and Senior Officials': Major Group 1 of the Standard Occupational Classification (2000).

12 This is based on information provided by the manager on the number of employees at the workplace working in each of the nine Major Groups of the Standard Occupational Classification (2000).

13 A change in the wording of the question on problem-solving groups in the 2004 Cross-Section Survey, restricting it to groups of solely non-managerial employees, meant that direct comparisons with the question in the 1998 Cross-Section Survey were not robust. This comparable estimate for 1998 is therefore derived from a combination of cross-section and panel data.

14 Hereafter, the term 'union membership' is used to refer to membership of trade unions or independent staff associations.

15 Managers underestimated aggregate union membership density by seven percentage points, when compared with employees' own accounts.

16 Just over one-fifth (22 per cent) of workplaces with 25 or more employees had a multi-issue committee which had met at least twice in the last 12 months. These workplaces employed 43 per cent of all employees in establishments with 25 or more. The equivalent figures in 1998 were 27 per cent and 46 per cent, respectively.

17 Union representatives in the public sector were also more likely to spend one hour or less per week on their duties (30 per cent, compared with 16 per cent of private sector union representatives). However, most of these public sector union representatives were operating in the Education sector. The public sector figure was very similar to that found in the private sector when representatives from the Education sector were excluded.

18 Due to changes in the questionnaire, we can assess changes in the provision of training over time only amongst the two-thirds of union representatives who were the sole representative of their union at the sampled workplace. Among this subset of union representatives, the percentage receiving training in 2004 (29 per cent) was no different to that observed in 1998 (27 per cent).

19 The earlier estimates for 2004 are based on data from four sources: a broad indicator of the method of pay determination for each occupational group at the workplace; detailed information on pay setting for 'core employees'; managers' overall estimate of the percentage of employees covered by collective bargaining; and information on the scope of joint regulation. Comparable data for the latter two sources are not available in 1998.

20 Currently, the statutory recognition procedure stipulates that bargaining occurs over pay, holidays and hours worked. The concern has been to ensure that the statutory underpinning to collective bargaining does not stray into areas that are not commonly covered under voluntary arrangements. However, recent research indicates that, in over half of all new recognition agreements, the scope of bargaining is defined broadly in terms of 'pay and conditions'. This might conceivably extend to issues such as pensions and training. Table 7 indicates that negotiation over these issues occurs in a sizeable percentage of establishments recognising unions, but is less common than in the case of the three issues currently included in the statutory list. However, in nearly one-third (31 per cent) of workplaces recognising unions managers maintained that they negotiated on none of the twelve issues. If analysis is confined to union workplaces where negotiation occurs on at least one item, negotiation over pensions occurs in over half of unionised workplaces (52 per cent) – 43 per cent in the private sector and 60 per cent in the public sector. Negotiation over training occurs in 14 per cent of unionised workplaces where negotiation over one or more issues occurs.

21 The measure of claims captured through incidence across workplaces at the two points in time provides an incomplete picture: the actual volume of Employment Tribunal claims has been volatile, rising from just under 92,000 in 1998/9 to 130,000 in 2000/1 and then falling again to 112,000 in 2001/2 and 98,500 in 2002/3.

22 In 2004, 86 per cent of workplaces in the private sector had a grievance procedure in place compared with 99 per cent of workplaces in the public sector. Eighty-nine per cent of workplaces in the private sector had a disciplinary procedure in place compared with 99 per cent of workplaces in the public sector.

23 There was a change in the wording of the question between 1998 and 2004 with the former asking about the presence of procedures to deal with 'non-managerial employees' while the 2004 survey asked about procedures covering 'all employees'.

24 The law gives workers the right to be accompanied at a discipline or grievance hearing. The WERS survey uses the term employee throughout and for consistency this term was maintained (and is reported here) in relation to questions on accompaniment. Similarly the term 'meeting' is used in place of 'hearing'.

25 The base for exploring the right to accompaniment changed across the two surveys. In WERS 2004, the right to accompaniment was explored only in workplaces in which formal meetings were reported to be part of the management of discipline and grievances. In the WERS98 survey, which preceded this legislation, workplaces with a formal grievance procedure were asked about accompaniment and for disciplinary handling, all workplaces were asked about accompaniment. This makes comparison across the two surveys problematic.

26 Excluding cases where managers reported that the policy did not explicitly mention equality of treatment or discrimination in respect of particular groups reduces the incidence of formal policies to 64 per cent (compared with 57 per cent in 1998).

27 Responses from the WERS 2004 Cross-Section Survey of Managers indicated that 68 per cent of workplaces with five or more employees, and 76 per cent of workplaces with 10 or more employees, provided two or more practices to at least some employees to use from a range of arrangements including: working reduced hours, job-sharing, flexi-time, annual hours, term-time only working, compressed hours, or having some part-time workers. This compares to 63 per cent and 70 per cent respectively according to analysis of the Second Work-Life Balance Survey (WLB2). This represents a statistically significant increase in the provision of flexible working practices in the region of 5 to 6 per cent broadly between 2003 and 2004. The Second Work–Life Balance Survey Report indicates that only 44 per cent of workplaces with five or more employees provided at least two of these practices. This is based on a definition used in the WLB2 report which required there to be take-up of the policies in the 12 months prior to being surveyed, rather than just an entitlement, as in WERS 2004 (with the exception of part-time work). Whilst a comparable figure for WERS 2004 is not available, it is clear that there has been a significant increase in the provision of flexible working practices over this period.

28 An analysis of change between the 1998 and 2004 cross-section surveys is difficult because of changes in question wording in the 2004 survey.

29 The percentages presented here use the total number of responses as the base, rather than just responses from employees who answered 'yes' or 'no' to the question. This is so that a reliable comparison can be made with 1998 since, in 1998, employees were not given the option of stating that they did not know whether a practice was available.

30 The 1998 Survey of Employees asked about a limited range of flexible working arrangements (homeworking, job-sharing and flexitime). Thus it is not possible to provide comparative figures for 1998 for all the data items.

31 Of those managers who said that they provided fully paid maternity leave 33 per cent said that they were unsure how many weeks were provided. Of those who were asked how many days of fully paid paternity or discretionary leave was provided, 15 per cent said they did not know.

32 A number of changes were made to the questions on leave arrangements in 2004: a completely new question was devised for parental leave (and the entitlement was not confined to non-managerial employees), the questions on time off for emergencies and paternity leave became multiple-response, and the focus on the provision of paternity leave was fully paid leave, rather than paid leave more generally as in 1998.

33 Recoding each item into a $(2,-2)$ scale, where $2 =$ very satisfied and $-2 =$ very dissatisfied, principal components analysis identified a single factor with an eigen value above one (4.0) accounting for 50 per cent of the variance in scores. Cronbach's Alpha for the scale is 0.85. The scale, running from $+16$ (very satisfied on all eight items) to -16 (very dissatisfied on all eight), has a mean of 3.8 and variance of 30.3.

34 One-way anova analysis indicates the between workplace variance is statistically significant ($F = 2.999$, $p < 0.001$).

35   The items have their origins in psychologists' scales designed to measure 'job-specific' as opposed to 'context-free' well-being.

36   Recoding each item so that they all 'point' in the same direction into a $(2, -2)$ scale, where 2=all of the time and -2=never, principal components analysis identified a component containing all six items with an eigen value of 3.41 accounting for 57 per cent of the variance in scores. Cronbach's Alpha for the scale is 0.85. The scale, running from $+12$ ('all the time' positive feelings on all six items) to -12 ('never' positive feelings on all six) has a mean of 1.20 and variance of 21.9.

37   Oneway anova analysis indicates the between workplace variance is statistically significant ($F = 2.104$, $p < 0.001$).

38   Workplaces were required to have each of the practices presented in Table 3, with the exception of problem-solving groups, which was excluded because of the non-comparability of the cross-section questions in 1998 and 2004. In the area of recruitment and development, they were also required to have at least one of the practices presented in Table 2. In the area of communication, the requirement was for workplace meetings or information sharing on at least one of the areas presented in Table 5. Financial incentives were measured by the use of profit-sharing or performance-related pay. Welfare-related practices were indicated by the presence of job-security guarantees, harmonised fringe benefits or formal disciplinary or grievance procedures. Job-security guarantees were present in 14 per cent of workplaces (9 per cent in the private sector; 34 per cent in the public sector). The proportion of workplaces combining each of these sets of practices was 16 per cent; there had been a marginal increase since 1998, when the proportion was 13 per cent. In both years, these workplaces employed 28 per cent of employees. Adding a requirement to operate problem-solving groups reduces the incidence in 2004 to 6 per cent of workplaces, employing 15 per cent of employees.

Further information

The sourcebook of the survey findings, *Inside the Workplace: Findings from the 2004 Workplace Employment Relations Survey* by Barbara Kersley, Carmen Alpin, John Forth, Alex Bryson, Helen Bewley, Gill Dix and Sarah Oxenbridge will be published by Routledge in Spring 2006. The book will map the state of employment relations in British workplaces in 2004 and early 2005. 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. The advertisement on the following page provides information on how one may place an order for this book.

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. The timing of the publication of this report will also coincide with the publication of the sourcebook (Spring 2006). Copies of this report will be made available via the DTI's publication order line on 0870 1502 500 (+44 870 1502 500) or email them at: publications@dti.gsi.gov.uk. It will also be available to download from the DTI's Employment Relations Directorate website: www.dti.gov.uk/er/inform.htm

The survey data will be made publicly available for secondary analysis for bone fide research purposes from the UK Data Archive, based at the University of Essex in November 2005. The previous surveys in the WERS series are also available from the Archive (see www.data-archive.ac.uk).

Additional information about the design and development of WERS 2004 is currently available from the DTI website (www.dti.gov.uk/er/emar/wers5.htm), alongside information about the 1998 survey and a bibliography of papers based on data from the WERS series. The full technical report based on the 2004 survey will also be available to download from the same website in November 2005.

INSIDE THE WORKPLACE

Findings from the 2004 Workplace Employment Relations Survey
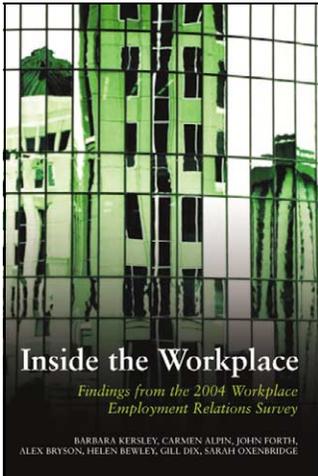
Inside the Workplace provides an in-depth exploration of the findings from the 2004 Workplace Employment Relations Survey (WERS 2004), the fifth in the series of surveys conducted by the Department of Trade and Industry (DTI), the Economic and Social Research Council (ESRC), the Advisory, Conciliation and Arbitration Service (Acas), and the Policy Studies Institute (PSI). The WERS series is widely regarded as providing one of the most authoritative portraits of contemporary employment relations at the workplace in Britain.

Across Britain, managers and worker representatives were interviewed in over 3,000 workplaces. Over 20,000 employees returned completed questionnaires. The survey links the views from these three parties, providing a truly integrated picture of employment relations within workplaces.

As well as providing an up to date account of the state of employment relations in Britain, this book will also provide information on the changes that have occurred since the last survey was conducted (1997/8). Eagerly anticipated, *Inside the Workplace* will highlight change in a number of areas affected by government policy, including the Working Time Directive, equal opportunities, work-life balance, workplace conflict and statutory trade union recognition procedures.

Inside the Workplace provides a unique contribution to the study of employment relations and an invaluable resource for students, academics and practitioners in the fields of employee relations, human resource management, organizational behaviour and sociology. A website accompanies the book and provides additional resources as well as a downloadable .pdf of the First Findings booklet.

CONTENTS

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Including an online version of the First Findings pamphlet and additional data tables

This booklet reports the first findings from the 2004 Workplace Employment Relations Survey (WERS 2004), and provides information on what has changed inside British workplaces since 1998. WERS 2004 is the fifth in the series of surveys conducted by the Department of Trade and Industry (DTI), the Economic and Social Research Council (ESRC), the Advisory, Conciliation and Arbitration Service (Acas), and the Policy Studies Institute (PSI). Previous surveys in the series were conducted in 1980, 1984, 1990 and 1998.

The booklet will be followed by two further publications in Spring 2006, one providing an in-depth exploration of the survey findings and the other reporting on employment relations in small workplaces.

WERS 2004 provides a nationally representative account of the state of employment relations and working life inside British workplaces. The WERS surveys have generally been considered to be one of the most authoritative sources of information on employment relations in Great Britain.

WERS 2004 involved interviews with around 3,200 managers and about 1,000 worker representatives. Over 20,000 employees completed and returned a self-completion questionnaire. The survey links the views from these three parties, providing a truly integrated picture of employment relations within workplaces.

The researchers were **Barbara Kersley** and **Carmen Alpin**, from DTI, **John Forth**, from the National Institute of Economic and **Social Research** and on contract to DTI, **Gill Dix** and **Sarah Oxenbridge**, from Acas, and **Alex Bryson** and **Helen Bewley**, from PSI.