

## Abstract

Equal opportunities policies and family-friendly practices are examined using data from the 1998 Workplace Employee Relations Survey in order to assess (i) their associations with union recognition and strategic human resource management and (ii) the outcomes of what has recently been described as “tinkering around” for women at work. We find that, controlling for various factors, equal opportunities policies and their monitoring, together with “softer” family-friendly policies are strongly associated with trade union recognition. On the other hand, we find that a number of both “hard” and “soft” Human Resource Management (HRM) policies are strongly associated with flexible working practices. Employees are least likely to have access to equal opportunities and family-friendly policies in workplaces which do not recognise a union or use HRM practices, and we present evidence to suggest that this is the worst option for the employer in terms of workplace performance, as well as for those with family responsibilities.

JEL classifications: J51, J71, M12

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# **It's a Family Affair: the Effect of Union Recognition and Human Resource Management on the Provision of Equal Opportunities in the UK**

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## 1. Introduction

*“Tinkering around the edges of the gender gap with modest improvements in paternity leave and exhortations to employers to be more flexible won't do any harm. But it won't do much good either. Only when fathers and mothers bear equal responsibility for parenting can men and women share equal status at work. This is simply an economic fact of life, one which no amount of rhetoric or campaigning will alter”*

*The Industrial Society 2000*

As a recent Industrial Society report demonstrates, employers still discriminate against women, and for good reason – they are riskier employees. It may be illegal, they say, but it is perfectly rational. And, lest we be swept up in work-life balance fever, they remind us that “tinkering around the edges” will not bring about a revolution in gender equality at work. After 25 years of equality legislation in Britain, we are still in a situation where women earn hourly only 80 per cent of male earnings, constitute 80 per cent of the part-time workforce, do different jobs and acquire different skills. And above all, still bear the primary responsibility for childcare.

As a result of viewing inequality between men and women as due to discrimination, equal opportunities legislation and subsequent Codes encouraged organisations to review their practices to eliminate discriminatory organisational procedures. However, as Liff points out, once a certain approach to a problem becomes established, the success of policies is evaluated in terms of the scale and integrity of their adoption rather than in terms of their ability to achieve a particular outcome (Liff, 1989). In addition, company-level equal opportunities policies may conflict with other strategic management goals: for example, individual contracts and pay determination make equal opportunities policies difficult to enforce (Bruegel and Perrons, 1998).

Is there any evidence that workplaces are moving away from compliance with anti-discriminatory policies towards the “management of diversity”? Are unions responding to any such moves? Management of diversity is usually thought to entail a long-term and strategic view of equality issues, in contrast to the reactive, compliance route of the earlier equal opportunities perspective (Iles, *et al.* 1998). Positive benefits are thought to accrue to the employer from such an approach, and hence the “business case” (yet to be evaluated) for family-friendly policies.

A trawl of the internet yields many examples of “family-friendly” employers. They tend to be, but are not always, larger private or public sector organisations, committed to a modern, Human Resource Management (HRM) agenda. Their main reasons for providing

family-friendly benefits focus on the need to recruit and retain staff in a tight labour market (the cyclical nature of equal opportunities provision has been noted elsewhere (Bruegel and Perrons, 1998). Littlewoods, winner of the 1998/99 Employer of the Year Award, organised by Parents at Work, see the benefits of family-friendly policies thus: “The perceived benefits of being an ‘employer of choice’ are increased staff loyalty and commitment, reduced staff turnover and absenteeism, increased productivity and reduced retraining costs”. The Group Gender Champion (sic) at Barclays Technology Services says, “For us, the big issue is retention of skills and potential for the future”. She adds that family-friendly policies “also create a goodwill, caring environment”.

No doubt, all the organisations mentioned by Flametree.co.uk, a web site dedicated to the pursuit of work-life balance, are excellent examples of family-friendly employers as well as being at the forefront of HRM innovation. However, in 1998, Linda Dickens wrote in the Human Resource Management Journal that HRM, whilst claiming to harness the talents of all, does very little to reduce gender inequality for four main reasons: i) Commitment, central to HRM, will always be a problem for women with domestic responsibilities; (ii) “flexibility”, far from improving women’s labour market position, results in low-paid, low-skilled, part-time and insecure jobs; (iii) selection and appraisal methods, whilst seemingly more objective under HRM, actually discriminate against women, and finally; (iv) the devolution of personnel issues to line management means that untrained supervisors marginalize equality issues.

This paper aims to test Dickens’ assertions by an examination of the 1998 Workplace Employee Relations Survey (WERS98). HRM workplaces are contrasted with authoritarian and trade union forms of governance to examine (1) the determinants and (2) some outcomes of equal opportunity policies and family-friendly practices. Section 2 describes our hypotheses and method, Section 3 presents the regression analysis and in Section 4 benchmark workplaces are constructed allowing a comparison to be made between the main types of governance. Conclusions are given in Section 5.

## 2. Hypotheses and Method

### 2.1 The independent variables

Prior to WERS98, the Workplace Industrial Relations Survey (WIRS) series did not contain data on gender equality issues. In 1998 a number of new questions were added to address the provision of equal opportunities and family-friendly policies, and to seek information on working time arrangements. In addition, the Survey of Employees, conducted for the first time in 1998, made it possible to examine the responses of workers by gender.

WERS98 provides a number of measures of the extent to which unions are involved in workplace governance. The main indicator of unionisation used in this paper is whether a union is recognized by management for negotiating pay and conditions for part of the workforce within the establishment. In an alternative model, the union recognition variable was replaced by one which identified workplaces where union density was greater than 50 per cent, a union negotiated with management over pay and conditions, and either negotiated or was consulted on five other issues<sup>1</sup>. It was found that the substantive nature of the relationships found using either of these measures were similar and so the union recognition measure was adopted. However, we do highlight the key areas where there are differences between the effects of union recognition and a strong union, and benchmark for the strong union workplace in Table 6. The regression results for workplaces with a strong union are reported in Appendix A.

In terms of whether the workplace was governed according to HRM principles, WERS98 provides information on ten practices likely to exist under HRM. Whilst the majority of these practices cannot be thought of as unique to HRM workplaces, the use of a number of such practices would seem to indicate HRM governance. We have chosen to follow the method used by Cully *et al.* (1999: p. 284). For a recent review, see Marchington and Grugulis (2000), who outline the many methodological problems encountered when studying the effects of human resource management on aspects of organisational performance. These include problems in choosing appropriate measures of performance, the direction of causality, contamination from other (non-HR) influences, the exclusion of hard-to-measure items and the reliance on a single person to complete questionnaires and

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<sup>1</sup> The issues a union representative negotiated or was consulted on were any five or more of the following – recruitment or selection of employees, training, systems of payment, handling grievances, staff planning, equal opportunities, health and safety and performance appraisals.

interviews. We have tried to avoid this last problem by combining data from the Management Questionnaire and Survey of Employees. Whilst doing this ensures that we can match up employee responses to management responses for their particular workplace, we acknowledge that in some cases we may be observing employee responses from workers outside the largest occupational group, whereas on some items management respondents concern themselves specifically with the core group of employees.

In Dickens' article on HRM and gender equality, she highlights the key features of HRM in relation to the position of women in the workforce. She uses Storey and Sisson's definition of strong HRM as "a strategic approach to the management of labour which is integrated with business strategy" (Storey and Sisson, 1990; Dickens, 1998: p. 23). WERS98 provides us with information on whether a workplace is covered by a formal strategic plan which deals with employee development and forecasts of staffing requirements, and whether a manager responsible for employee relations is involved in the formulation of the plan. WERS98 shows us that by 1998, 39.5 per cent of workplaces with ten or more employees met this definition of strong HRM, which given Storey's comment in 1992, that few UK workplaces used strategic HRM, implies that there was a rapid growth in the use of HRM over the 1990s.

Dickens, in her 1998 article, also explained how commitment can be regarded as a principle of HRM. The need to secure employee commitment is based upon the idea that workers who feel loyal to their employer will be more productive. Good communications between employer and employees could be expected to enhance employee commitment, as could the employer demonstrating commitment to employees (Dickens, 1998: p. 24). Given that Dickens regards communications as an integral part of HRM we include a measure of communications in our model. This measure reflects whether the workplace has four or more communication methods, from a list including briefings, problem-solving groups, surveys of employee opinion, employee suggestion schemes, a joint consultative committee, and any other communication methods<sup>2</sup>. 20.4 per cent of workplaces had four or more of these. In terms of employers making a commitment to their employees in the hope of eliciting greater loyalty, whether the workplace guaranteed job security for the largest occupational group was used as our measure of employer commitment (Dickens, 1998: p. 25). 10.1 per cent of workplaces offered job security.

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<sup>2</sup> These additional communications methods are use of the management chain, regular meetings of the entire workforce, newsletters, e-mail and company noticeboards.

Dickens also considers how policies designed to maximize flexibility can have an impact on outcomes for women. We regard formal off-the job training for the largest occupational group, and most employees being trained in a job other than their own, as evidence of task flexibility, seen by Dickens as an important part of HRM. She also mentions the use of core and periphery workers to provide numerical flexibility (Dickens, 1998: p. 27). WERS98 provides information on whether there are fixed-term or temporary workers in the workforce (present in 45.1 per cent of workplaces), so we reflect this aspect of HRM in our model.

According to Dickens, selection is more “formalised, rigorous and systematic” under HRM, with HRM organizations employing “sophisticated selection techniques, even for manual workers” (Dickens, 1998: p. 29). WERS98 provides information on whether personality or performance tests are used in recruitment, or whether recruitment is based on skills, qualifications, experience or motivation rather than age, availability, employee recommendation or references, so we can see whether HRM recruitment methods are used in a workplace. She also considers performance appraisal to be an integral part of HRM, and so we include whether most employees have their performance formally appraised in our model (Dickens, 1998: p. 29). 53.7 per cent of workplaces use performance appraisal. Clearly, as Dickens says, performance-related pay is often associated with HRM. She mentions a range of different types of performance pay, from individual performance pay to profit-sharing and share ownership (Dickens, 1998: p. 30). We too use a broadly-based conception of performance pay; including profit-related pay, deferred profit sharing, employee share ownership and individual, or group, performance-related pay in our definition.

Dickens mentions the equality problems caused by the devolution of responsibility for personnel matters from specialists to line managers, and in particular highlights the potential problems of devolution without accompanying training (Dickens, 1998: pp. 33-34). In seeking to examine the impact of devolution to the line on prospects for women, we consider whether supervisors are trained in personnel management, which happens in 21.2 per cent of workplaces. Dickens predicts that giving line managers increased responsibility for personnel issues reduces the prospects for women, and so we assess whether providing supervisors with training on personnel matters overcomes the likely problems of devolution (Dickens, 1998: pp. 33-34).

## 2.2 Controls

It is also necessary to control for other factors likely to influence whether unionisation and HRM have an impact on provisions for women. First, as workplaces that recognize unions are predominantly in the public sector - 93.4 per cent of public sector workplaces with ten or more employees recognize a union as opposed to 20.9 per cent of private sector workplaces - any link between union recognition and the greater availability of equal opportunities and family-friendly policies could be due to better provision in the public sector rather than the ability of unions to win benefits for women.

Second, we might expect to observe a link between the gender composition of the workforce and family-friendly provisions, given that women often take a greater share of responsibility for the family. However, the likely direction of this link is not obvious. On the face of it, we might expect an employer with more female workers to be aware of the problems that women encounter finding reliable childcare and perhaps to provide policies designed to overcome these problems in order to minimise the likelihood of resulting absenteeism. However, it has been found that in the context of low pay, women are worse off where there is job segregation, and it is possible that this is also true of family-friendly working (Millward and Woodland, 1995). Wood (1999) found no significant association between the provision of family-friendly working and the gender composition of the workforce. Certainly we might expect employers to be more willing to provide money for family-friendly benefits where employees were less likely to take them up e.g. in a male-dominated workforce, as this would cost the employer less, whilst giving them the appearance of being a family-friendly employer.

Third, given Machin's finding that older workplaces are more likely to recognise a trade union, we control for whether the workplace is under ten years old to ensure that the effect we observe from union recognition is not actually due to workplace age (Machin, 2000). Fourth, Dickens points out that we would expect employers to be more likely to perceive the benefits of equal opportunities in a competitive labour market. However, she also comments that firms may not regard equal opportunities as the answer to their labour supply problems (Dickens, 1994: pp. 10-11). Indeed, there is little evidence that employers are convinced by the recruitment/retention arguments: only 35.2 per cent of employers offering family-friendly practices report increased retention of employees as a result; and employers finding it difficult to fill vacancies do not seem to use equal opportunities practices as a mechanism to overcome the shortage of labour. For example, only 9.4 per cent of

managers reporting difficulties filling vacancies use special procedures to encourage applications from women returners.

Lewis believes that flexible working is increasingly offered “to meet the changing structure of demand for labour, rather than with a goal of being family-friendly” (Lewis, 1997: p. 13). We control for the skill of employees on the basis that where employees are highly-skilled, they are more likely to be in short supply and employers may provide family-friendly benefits in an attempt to recruit and retain female staff. We define workers as highly-skilled if they come from the managerial, professional or technical occupations, on the basis that these workers are potentially more likely to be in short supply than other groups.

It is also necessary to control for how well the employer pays staff relative to similar employers in the locality. It is possible that some employers offer fewer family-friendly benefits than their competitors, but instead compensate employees with higher pay. WERS98 asks managers to rate the most recent pay increase relative to the average for similar workplaces in the locality, and so we use this information in our model in the absence of any indication of the actual pay level. Regressing pay on the level of the most recent pay increase relative to the average suggests that the assumption that a higher pay increase is associated with a higher level of pay is reasonable. The level of competition in the product market may also affect whether an employer offers equal opportunities and family-friendly policies, with greater competition perhaps reducing the amount of money the firm is able to spend on family-friendly initiatives. For this reason, we include whether the workplace has more than five competitors as evidence of a higher degree of competition.

Finally, we would expect the provision of family-friendly benefits to vary, depending on industrial sector and the size of the workplace. Research reported by Groshen has found consistent pay differences between industries, and it follows that the availability of family-friendly policies may also vary between sectors (Groshen, 1991: p. 353). We would also expect the provision of family-friendly and equal opportunities policies to be greater in larger workplaces, as smaller employers may feel less able to justify the cost relative to the number of employees they expect to use the policies<sup>3</sup>.

Obviously, union recognition and HRM practices are not mutually exclusive, and Sisson, in a study of the 1990 WIRS, found that HRM practices were more likely to occur in unionised workplaces than in the non-union sector (Sisson, 1993). WERS98 shows that 27.7 per cent of unionised workplaces have five or more HRM practices including strategic HRM,

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<sup>3</sup> We initially included a further control for the proportion of part-time workers in the workplace. However, as this was closely correlated with the gender composition of the workforce, it was later dropped.

compared with 14.0 per cent of workplaces with no union recognition, whilst 97.0 per cent of workplaces with union recognition have at least one HRM practice. Due to the fact that unionised workplaces may also be HRM workplaces, we added a series of interaction terms to our model to examine whether the effect of union recognition or HRM practices are reduced when we control for the fact that the two may appear alongside each other. However, there was little evidence of any interaction, so we have excluded these terms from our final model.

### **2.3 The dependent variables**

As WERS98 contains data on equal opportunities and family-friendly policies, we are able to look at the effect of union recognition and HRM on the likelihood of a workplace adopting a range of equal opportunities and family-friendly initiatives. We can look in detail at the types of policy union recognition or HRM governance promote. Our starting point is whether the workplace has an equal opportunities policy. We make this more relevant to our purpose by combining it with a further question which asks whether the policy addresses equality of treatment or discrimination on the grounds of gender.

In the past some commentators have argued (we would say correctly) that the existence of an equal opportunities policy does not guarantee that women compete in the labour market on an equal footing with men (Liff and Cameron, 1997: pp. 35-36). However, it seems that some employers do not even see the need for a formal equal opportunities policy as a fig-leaf to cover their failure to offer equality of opportunity. A third of workplaces do not have a formal written policy on equal opportunities, and just 58.1 per cent of workplaces have a policy which specifically addresses equality of treatment on the grounds of gender. As might be expected, this figure is much higher than for some forms of discrimination, such as equal treatment on the grounds of age, or sexual orientation (40.9 per cent and 37.6 per cent respectively).

Clearly the extent to which the employer monitors the operation of the equal opportunities policy and seeks to prevent discrimination is important. For this reason, we look at the effect of union recognition and HRM on whether the employer collects statistics on the gender of postholders (in 25.3 per cent of workplaces), the monitoring of promotions by gender (11.3 per cent), whether selection procedures are reviewed to identify indirect discrimination (20.5 per cent), and whether the employer measures the effects of equal opportunities policies on the workforce (10.9 per cent).

Besides providing information on equal opportunities policies, WERS98 also asks managers and employees to report non-managerial employees' entitlement to family-friendly benefits. Apart from working from home, women report a greater availability of practices than men, with flexible working hours being the most common option. However, 37.6 per cent of managers report that none of seven family-friendly benefits (parental leave, working from home, term-time only contracts, switching from full- to part-time employment, job-sharing, workplace nursery or financial help with childcare) are available. It should be noted that the statutory right to parental leave was not introduced until December 1999. With regard to flexibility of time, 17.9 per cent of workplaces use flexitime and 2.7 per cent allow employees to work a 4½-day week or 9-day fortnight.

It is important to know not just whether an employer offers family-friendly policies, but exactly what the entitlements are. There is a hierarchy in the extent to which family-friendly policies serve the needs of employees in enabling them to meet their responsibilities to their family whilst allowing them to progress in their careers. Providing a workplace nursery could be seen as of particular benefit as it enables employees to work full-time and provides a reliable source of childcare so that they can compete on an equal basis with those without family responsibilities. One criticism of this would be that it does nothing to redress the balance between work and family life, and regards full-time working as the norm. However, the provision of a workplace nursery alongside cultural change may be welcome. Term-time only working, switching from full- to part-time employment and job-sharing are less likely to enhance the position of women in the workforce given that part-time workers are less well-paid than their full-time counterparts and are less likely to be promoted (Hakim, 1995: pp. 438-439).

The Management Questionnaire also asks about the take-up of family-friendly policies in the last 12 months. Take-up is important, because it is often claimed that employees may be reluctant to take family-friendly entitlements if they believe that their long-term job prospects will suffer from being seen to attach importance to their family responsibilities. In her study of three organisations with differing levels of family-friendly working, Lewis found that managers regarded commitment as finite, so employees with commitments outside work were thought less committed to the company (Lewis, 1997: p. 16). Hence, it is important to observe not just whether family-friendly benefits are available, but whether employees feel more able to avail themselves of them in workplaces with a particular form of governance. Finally, the Management Questionnaire asks about

changes in the gender composition of the workforce *i.e.* whether there has been an increase in the proportion of women in managerial posts.

There are also a number of questions from the Survey of Employees that enable us to assess whether union recognition or HRM improve the prospects for women within a workplace. Employees are asked whether they are able to take paid leave at short notice to meet their caring commitments. This question gives an indication of whether workers feel able to ask for time-off at short-notice, as well as whether the employer offers paid leave to deal with family problems on an informal or formal basis. The question on the number of hours they work per week, including overtime is useful in our assessment of whether a workplace is family-friendly, because it can be assumed that if employees work longer hours, they have less time to spend with the family. Hence if employees work more hours per week on average in HRM or unionised workplaces, these forms of workplace governance can be considered less family-friendly.

The Survey of Employees also allows us to consider the responses of female employees to a number of questions. It is possible to consider whether there is any relationship between the pay of female workers and the form of workplace governance. In looking at this issue, it is necessary to control for the number of hours the employee works each week, as we would expect that those working fewer hours would receive less pay. The Survey of Employees also allows us to consider whether women are more likely to find managers understanding of their family responsibilities under particular forms of governance. Besides the direct question on whether employees regard the workplace as family-friendly, there are also questions which reveal how employees feel about their workplace more generally. Employees are asked to indicate their agreement with the following statements:

*I feel loyal to my organisation*

*I am proud to tell people who I work for*

*I feel my job is secure in this workplace*

Job security could be important to employees with families, as having to seek alternative employment could be disruptive for the family. Employees are also asked to rate how good they believe managers to be at treating employees fairly.

Finally, returning to the Management Questionnaire, we take a provisional look at a range of workplace performance indicators. The questions we use from WERS98 are those concerning financial performance, labour productivity, the change in labour productivity over a five year period, the climate of industrial relations within the workplace, the number of voluntary redundancies and the rate of absenteeism. The rate of voluntary resignations

provides an indication of satisfaction with the workplace as we might expect to see fewer resignations where employees are happier with their ability to balance their home and working lives. The rate of absenteeism, could also be seen as a proxy for whether a workplace is family-friendly, as employees may claim to be off sick rather than state their real reason for absence where they need to care for their family and fear that this may penalize their job prospects.

### **3. Results**

#### **3.1 Equal opportunities policies and their monitoring**

Table 1 clearly demonstrates that workplaces with a recognized trade union are more likely to have an equal opportunities policy on gender, to collect statistics on posts held by gender, monitor promotions by gender and review selection procedures to identify indirect discrimination - all suggesting that workplaces that recognize unions are more female-friendly, certainly in terms of formal policies. There is also an association, albeit less strong, between HRM and equal opportunities policies being offered. Although half of the HRM policies examined have a positive relationship with the existence of an equal opportunities policy on gender, in all other cases, only two or three of the ten policies are associated with each of the equal opportunities policies. Strategic HRM, and training supervisors in personnel management are associated with a greater incidence of three of the five equal opportunities policies we look at. In almost all cases, HRM policies contribute to a greater likelihood that one or more equal opportunities practice is offered, the exception being that a workplace with performance pay is less likely to measure the effects of the equal opportunities policy on the workforce. This is a worrying finding given Dickens' observation that there is potential for discrimination to permeate the assessment system for performance pay (Dickens, 1998: pp. 31-32).

Whilst our main preoccupation in this paper is the affect of workplace governance on the availability of equal opportunities and family-friendly policies and prospects for women, it is interesting to note the impact of the other factors included in our model. It seems that private sector employers are less likely to offer any of the equal opportunities policies in comparison with their counterparts in the public sector. It is also the case that the likelihood that an employer has an equal opportunities policy which addresses equality of treatment on

the grounds of gender is higher when a greater proportion of the workforce is female. However, we do not observe a significant difference in the provision of equal opportunities policies and the proportion of the workforce that is female with regard to the other four types of policy examined. The fact that the link between the existence of equal opportunities policies and gender composition of the workforce is not stronger suggests that employers reliant on female labour do not feel a great deal of pressure to provide equal opportunities.

We find that employers are less likely to have an equal opportunities policy to address equality of treatment on the grounds of gender where they have many competitors, which is consistent with the idea that factors external to the workplace influence the use of equal opportunities policies. It is also apparent that having equal opportunities policies may be part of a wider employer strategy, so that those offering higher relative wage increases than those for similar workers in the locality are more likely to monitor promotions by gender. In contrast, employers offering lower-than-average pay increases are less likely to review selection procedures to identify indirect discrimination. Finally, it seems that smaller workplaces are less likely to use equal opportunities policies than larger workplaces (those with between 200 and 499 employees), perhaps partly because smaller employers have less need for formal policies and monitoring procedures, and partly because smaller workplaces may be less able to afford to formulate policies and collect the relevant data.

### **3.2 Family-friendly policies**

Moving on to the family-friendly benefits available to employees, we find weaker evidence that workplaces with union recognition are more likely to offer family-friendly benefits (Table 2). However, access to parental leave and financial help with childcare are more likely where there is union recognition, and unionised workplaces are less likely to offer no family-friendly benefits at all than non-union firms. We do not find any evidence that family-friendly policies are more likely to be offered where there is a strong union, compared with non-union workplaces.

Again, there is evidence that workplaces with HRM practices are more likely to offer family-friendly benefits than those without. Workplaces using four or more communication methods seem particularly likely to offer family-friendly benefits, and those which train supervisors in personnel management, or use HRM recruitment methods also offer a number of family-friendly policies. It is interesting to note that three of the HRM practices have a negative relationship with at least one family-friendly practice. In particular, the use of

performance pay is associated with a lower likelihood that the workplace offers flexitime or a 4½-day week. This perhaps implies that employers using performance-related pay like to have a high level of control over when employees are present in the workplace. Flexitime may make it difficult for employers to compare the performance of employees, as they might work at times when managers are not present. In contrast, offering financial help with childcare, and allowing employees to switch from full- to part-time work are positively associated with performance related pay and could allow the employer to retain control over when hours are worked, so that it is easier to evaluate the performance of employees. Training employees in a job other than their own is linked with the employer being less likely to offer a workplace nursery; the only positive association being with offering the opportunity to switch from full- to part-time work. This could be taken to suggest that employers offering this particular policy have a strong interest in developing a flexible workforce; functional flexibility coming from the multiskilling of employees, and numerical flexibility from the use of part-time workers. We might then regard the fact that such a workplace is also less likely than those without such a policy to provide a workplace nursery, and is not significantly likely to offer any other family-friendly policies, as evidence that training employees in jobs other than their own is a feature of “hard” HRM.

There is clear evidence that private sector workplaces are less likely to offer family-friendly benefits than their public sector counterparts, and are more likely to offer no family-friendly entitlements at all. It also seems that parental leave, term-time only working, switching from full- to part-time work, job-sharing, a workplace nursery, flexitime and 4½-day weeks are more likely in workplaces where a greater proportion of the workforce is female, whilst a workplace is less likely to have no family-friendly benefits at all where there are more female workers. Therefore, whilst there was no evidence that employers were reacting to pressure to adopt equal opportunities policies, it is possible that women are attracted to workplaces that offer family-friendly practices, or that the employers of women have acknowledged a need to offer family-friendly working to meet their labour supply requirements.

Workplaces which are less than ten years old are more likely than older workplaces to have a workplace nursery, offer some employees financial help with childcare, and to operate flexitime. They are significantly less likely to offer no family-friendly benefits at all. We also find that non-managerial employees are more likely to be entitled to work from home, or to work flexitime, if more than half the workforce is highly-skilled. As we suggested earlier, some family-friendly entitlements are of more value to employees with family

responsibilities than others, and working from home might be expected to reduce the likelihood that an employee would be regarded as a suitable candidate for promotion. For this reason, we view the fact that home-working and flexitime are the only family-friendly benefits more likely to be available to highly-skilled employees as evidence that employers react to the need to retain highly-skilled staff in a tight labour market by offering relatively inexpensive working options. This conclusion is substantiated by the fact that where a greater proportion of employees are highly-skilled, they are actually less likely to have access to a workplace nursery, and are less likely to be able to work a 4½-day week. We see then that employees who are more highly-skilled are offered access to family-friendly policies which are based on flexible, full-time hours.

It also seems that workplaces are less likely to offer 4½-day weeks where they have many competitors, which gives some confirmation that the willingness of employers to offer family-friendly benefits is tempered by conditions in the product market. In addition, they are more likely to offer flexitime if they have many competitors, which may indicate that the policy is introduced partly to avoid overtime payments where market pressures are already tight, rather than as a specifically family-friendly policy.

Employers are less likely to offer parental leave, the opportunity to work from home and financial help with childcare where the most recent pay increase was less than that for similar workers in the locality. However, they are more likely to offer job-sharing, a workplace nursery or flexitime where they give a lower-than-average pay rise. Offering these policies could perhaps be thought of as a way of improving retention without having to offer all workers higher wages, although as was mentioned above, the real purpose of flexitime may be to reduce the need for overtime payments. It may be the case that providing a workplace nursery is actually less expensive for the employer than giving financial help with childcare, as often employees are still required to pay for use of the nursery. In addition, we might expect that assisting all employees with children to pay for childcare individually would be more expensive than employing staff to look after a number of children.

We also see that employees are less likely to have access to job-sharing or financial help with childcare where they have been given a pay rise higher than the average for similar workers. It seems that job-sharing is more likely to be used by employers who give a lower-than-average wage increase, whilst financial help with childcare is more common amongst employers paying average increases than amongst the lower- or higher-pay rise groups. There is no evidence to suggest that employers are using a deliberate strategy of offering higher pay and family-friendly working together to gain competitive advantage over their

rivals. Rather it could be suggested that family-friendly policies are more likely to be available to those groups in receipt of average, or lower-than-average pay increases, and so at least some family-friendly policies may be used as a compensation for low income.

Finally, it is interesting to note that workplace size appears to influence access to all of the family-friendly policies except parental leave and working from home. It is surprising that there is no evidence of a link between the availability of parental leave and workplace size, given that small companies have been known to argue vociferously against the requirement to provide parental leave on the grounds that they are less able to afford this benefit than larger employers (Becket, 2000). However, there could be widespread variation in the conditions attached to the use of parental leave in terms of the length of leave allowed and whether this is paid or unpaid, so it is still possible that the provisions of larger employers are more generous. Where we do observe a relationship between the availability of a policy and workplace size, we see that generally smaller workplaces are less likely to offer family-friendly policies than larger workplaces, although there are some exceptions to this pattern.

### **3.3 Outcomes**

If we look at whether the equal opportunities and family-friendly policies achieve their objectives in practice (Table 3), we find no evidence that either union recognition or HRM have any effect on the take-up of family-friendly policies. Indeed, it seems that the strongest influence is workplace size. The evidence that some take-up is more likely to be reported in larger companies is unsurprising, as we would expect that the more employees there are, the more likely it would be that some employees use the policies on offer.

Dickens may be right to doubt whether HRM improves the prospects for women, as we find no clear evidence that HRM effects the likelihood that a workplace had experienced an increase in the proportion of women in managerial posts over the previous five years. Whilst it is more likely that there has been an increase in the proportion of women in managerial posts where the employer uses a number of communication methods, and where there is performance pay, guaranteed job security for the largest occupational group reduces the likelihood that the proportion of women in managerial posts will have increased. It is not apparent why there should be a direct link between the use of more communication methods and having a larger number of female managers, but it is possible that having four or more communication methods implies better communications generally within the firm, so

managers are made aware of the best workers for promotion. Perhaps the performance pay system also has some success in identifying strong female candidates for promotion, particularly where the performance-related pay system is related to reasonably objective measures of performance, such as the volume of sales. However, the fact that guaranteed job security is associated with a lower likelihood that the proportion of women in managerial posts has increased suggests that, as Dickens predicts, core workers are predominantly male, with guaranteed job security giving them greater tenure and reducing the likelihood that women get into the most senior positions (Dickens, 1998: p. 25).

We find that an increase in the proportion of women in managerial posts is less likely in the private sector. Given that the use of equal opportunities and family-friendly policies is lower in the private sector, this may suggest that the access that female employees have to these policies affects their ability to gain promotion. A similar explanation could be given for the fact that smaller workplaces are less likely to have experienced an increase in the proportion of women in managerial posts. We also see that an increase in the proportion of women in managerial posts is more likely where a larger proportion of the workforce is female. Besides the fact that employers with a greater proportion of female employees have a greater choice of female staff to draw upon in appointing managers than those where women are in the minority, this may also be because employers with a high proportion of female workers are under greater pressure to have female representation in the management grades. Pressure may be greater in predominantly female workplaces as any discrepancy between the proportion of the workforce that is female, and the proportion of female managers is more apparent.

Turning to the Survey of Employees, the evidence on paid leave for time-off at short-notice suggests that HRM is a family-friendly form of workplace governance, as four HRM practices are associated with an increased likelihood that employees receive paid leave for time-off at short notice. We find that workers are less likely to have access to paid leave in the private sector and in workplaces where a larger proportion of employees are female. The evidence that paid leave for time-off at short-notice is more likely where workers are highly-skilled implies that this particular benefit is used as an additional mechanism to retain workers in short-supply.

We find that employees are likely to work fewer hours per week where there is union recognition. In contrast, employees work longer hours under the HRM form of governance. In particular, employees on fixed-term or temporary contracts are likely to work longer hours. This may be because they are specifically employed to meet surges in demand, and so they

are employed at a time when there is a need for all staff to work longer hours, or because employees feel obliged to work longer hours to protect their jobs, given that they are more disposable than permanent employees. We also see that performance pay and appraisal are associated with longer working hours, suggesting that employees feel the need to display a visible presence in the workplace in order to receive a good appraisal or to maximize their performance pay. Perhaps the fact that where the employer uses performance appraisal, performance pay, and makes some use of fixed-term and temporary contracts, employees work longer hours explains why these workers are also more likely to have access to paid-leave for time-off at short notice. It could be the case that paid leave is granted in the expectation that, in return, employees will be flexible over working longer hours when necessary.

As we would expect given that 39 per cent of women work part-time, compared to 20 per cent of men, the average number of hours worked each week is lower where a greater proportion of the workforce is female. However, perhaps contrary to the expectation that highly-skilled employees would work fewer hours than those in less skilled work because of the likelihood that they earn higher rates of pay, it seems that employees work longer hours where more than half the workforce is highly-skilled. The likely explanation is that the highly-skilled are asked to work longer hours where their skills are in short-supply because, rather than being able to recruit more staff, the employer is obliged to ask existing employees to take on more work. There is evidence that employees who experience a lower-than-average pay rise work longer hours though, which implies that they raise their income by increasing the number of hours worked, or that they are persuaded to work longer hours because the employer is facing difficulties. In this respect, lower pay is associated with a lower likelihood of a family-friendly outcome.

Looking at the sample of female respondents to the Survey of Employees (Table 4), there is no statistically significant evidence that union recognition is associated with higher rates of pay, although the pay of female workers is higher where the union is strong. The evidence to link the pay of women to the use of HRM practices is also weak, although the pay of female employees is higher where HRM recruitment methods are used, and where employees are on fixed-term or temporary contracts. The pay of women workers is lower in the private sector and, consistent with the idea of job segregation, where a greater proportion of the workforce is female. As we would expect, pay is higher for women in workplaces where more than half the workforce is highly-skilled, and where employees work longer hours each week. Female pay is lower where the employer has many competitors, indicating

that employers are less able to afford higher wage rates when they face intense competition in the product market.

Generally the evidence to link the use of HRM policies with female employees having positive perceptions about their employer is weak, but female workers are more likely to make positive comments about their employer where workers in the largest occupational group receive formal, off-the-job training. Women workers are more likely to report that their managers understand their family responsibilities and are good at treating them fairly, and that they feel loyal to the organisation, are proud to tell people who they work for, and feel that their job is secure, where employees in the core group are given formal off-the-job training. It may be the case that employers who give workers formal off-the-job training also give managers training on how to deal with employees, which could explain these findings. In addition, employers who make an investment in their staff by giving them training may give workers the impression that they are valued, leading them to respond positively to these questions. Certainly, in the case of whether the employee feels that their job is secure, the worker could expect that their employer would be unlikely to make them redundant shortly after paying for them to receive training.

It is difficult to understand why having four or more communication methods might reduce the likelihood that managers are thought understanding of family responsibilities, or should lead female employees to feel that their job is less secure. One possible explanation is that communications give employees negative as well as positive news about the firm. There may be a greater flow of information about disciplinary action or dismissals, which might lead employees to believe that managers have not been understanding in particular circumstances. Perhaps this argument is most relevant in the context of job security, where good communications between management and employees could mean that workers are informed of difficulties the firm faces which may result in feelings of insecurity.

Female employees are also less likely to believe that managers are understanding of their family responsibilities where the workplace operates performance pay. One possible explanation is that the process of assessment for performance pay assumes a trade-off between commitment to the family and commitment to work. Perhaps female employees are aware that managers assume that this trade-off occurs in deciding how much performance pay they should receive. It could also be the case that workplaces which use performance pay place a heavy emphasis on achieving all the firms' performance targets. This could mean that managers under pressure to meet these targets are less understanding of their employees' family responsibilities.

We also see that female employees are less likely to find managers understanding of their family responsibilities where supervisors are trained in personnel management. This may initially appear contradictory of our earlier finding that workplaces with supervisors trained in personnel management are more likely to have equal opportunities and family-friendly policies. However, this seeming inconsistency highlights the difference between policy and practice. It is apparent that a firm practising “soft” HRM may wish to promote the fair treatment of women and give female workers access to family-friendly policies, but training supervisors in personnel management does not ensure that they implement policies as the employer would wish. Our findings go further than this though. The implication is that managers are less understanding of family responsibilities where training on personnel issues is given than where no training is given at all. Perhaps there is a tendency to use this training to instil adherence to management policies in dealing with personnel issues so that there is consistency across the workplace, rather than giving supervisors advice on how to treat employees as individuals.

We also find that female employees in unionised workplaces are less likely to feel loyal to their organisation or proud of their employer. However, union recognition could act in a similar way to the use of a wider range of communication methods, drawing employees’ attention to problems in the workplace and reducing feelings of loyalty or pride. Hence the lower level of support for employers who recognise a union may result simply from employees being better informed about the behaviour of the employer.

Taking a brief look at the other factors which may affect employees’ beliefs about their employer, it is worth noting that female employees in the private sector are more likely to feel that their jobs are secure. This suggests that workers may be reluctant to switch out of the private sector to public sector jobs which are more likely to offer family-friendly work options because of the lower level of job security. Working for an employer with a larger proportion of female employees is associated with a greater likelihood that women believe that their employer treats employees fairly, suggesting perhaps that where women are in the majority, managers come under more pressure to consider whether their actions are fair. An alternative explanation is that women are less likely to observe unfair treatment where a smaller proportion of the workforce is male, so they are less likely to see men being given preferential treatment. We also see that female employees are less likely to feel loyal to their organisation in newer workplaces. However, the fact that workplaces under ten years old do offer a number of family-friendly policies suggests that this may be a consequence of newer

workplaces not having yet built up loyalty, rather than due to the treatment of female employees.

It is surprising that employees in workplaces where more than half the workforce are highly-skilled are less likely to report that managers are understanding of family responsibilities, as we might have expected that where labour was more likely to be in short supply, managers would need to be more understanding of those with families in order to retain staff. Perhaps it is rather that where skills are in short supply it is harder for the available workforce to meet targets, and so employees are put under pressure to make themselves available for work, at the cost of being unable to meet family responsibilities. There is additional evidence that competitive pressures may conflict with the interests of female employees in that respondents are less likely to report that they are treated fairly where the employer has many competitors.

The pattern of larger workplaces being more likely to offer equal opportunities and family-friendly policies contrasts sharply with the fact that female employees in small workplace have a more positive attitude to their employer. Female workers in small workplaces are more likely to find that managers are understanding of family responsibilities and treat employees fairly, and are more likely to feel loyal to the organisation and proud of their employer. The only exception to this is that female employees in workplaces with more than 500 employees are more likely to feel that their job is secure than where there are between 200 and 499 employees.

Turning to our measures of workplace performance, labour productivity is more likely to have increased compared with five years previously, and the rate of voluntary resignations is lower, where there is union recognition (Table 5). There is some evidence that HRM is associated with a greater likelihood of above-average financial performance and labour productivity, as well as being linked with a greater likelihood of labour productivity having increased. We see that the rate of voluntary resignations is lower where HRM recruitment methods are used, suggesting that they are successful in selecting the right person for the job. The validity of the suggestion that the climate of industrial relations may be better where HRM practices are used is dependent on the particular HRM policies under investigation, as whilst guaranteed job security, strategic HRM and formal off-the job training are associated with a greater likelihood of good relations between managers and employees, they are less likely to be good where there is performance pay. It seems possible that the operation of the performance pay system causes some resentment amongst employees who believe that they have not received their just rewards, which then affects the climate of relations.

There are some contradictions in our findings when we look at the effect of a workplace being in the private sector. It seems that the rate of voluntary resignations is higher in the private sector, and yet the absenteeism rate, our alternative measure of dissatisfaction is lower. One interpretation is that whilst public sector workers express their dissatisfaction with their jobs through higher absenteeism, private sector workers are more likely to react to dissatisfaction by resigning outright. It is worth noting that the rate of voluntary resignations is higher in newer workplaces and that good relations between employees and managers are less likely where more than half the workforce is highly-skilled.

Employers are more likely to report above-average financial performance and labour productivity where employees have received a higher pay rise than similar workers in the locality. Clearly this could be a case of reverse causation, with better performance providing the justification for the pay rise. Finally we note that the rate of voluntary resignations is higher in the largest and smallest workplaces (those with between 10 and 24 employees, and those with 500 or more employees respectively) compared to those with between 200 and 499 employees.

### **3.4 Discussion**

As we have seen, whilst some HRM policies are associated with improved outcomes for women, others have a negative effect. In this we would concur with Dickens that there is no distinction between policies regarded as indicative of “hard” or “soft” HRM (Dickens, 1998: p. 24). We see that policies often described as being typical of hard HRM, such as employing workers on fixed-term and temporary contracts and the use of performance pay, are associated with longer hours. In addition, in the case of performance pay, this is associated with a lower likelihood that the workplace measures the effects of its equal opportunities policy on the workforce, and that employees are able to work flexitime or a 4½-day week. Employees in workplaces which use performance pay are also significantly less likely to report that their managers are understanding of their family responsibilities, and there is a lower likelihood that relations between managers and employees are good. However, it also seems that policies which we might expect to be indicators of “soft” HRM, can actually have a negative impact on some aspects of the workplace situation. For example, training supervisors in personnel management is associated with workplaces being less likely to offer flexitime, and with managers being less understanding of family responsibilities. In the case of devolving power to supervisors, it seems that it is important

not just to offer training, but also to ensure that the training is effective in providing equal opportunities and family-friendly working. Also, guaranteeing job security and hence making a commitment to the long-term employment of staff, another policy indicative of “soft” HRM, can actually have a negative impact on the growth in the proportion of women in managerial positions. Thus “soft”, as well as “hard”, HRM policies can work to the detriment of women.

If we consider the effect of the other factors we look at in our model, as we mentioned earlier, we find some evidence that family-friendly practices are used to supplement lower pay. A lower pay rise was associated with employees having access to job-sharing, a workplace nursery and flexitime. However, it seems that employers are selective in the family-friendly policies that they offer, as those with a lower-than-average pay rise were significantly less likely to be offered parental leave, the opportunity to work at home, or financial help with childcare. It was suggested earlier that this could perhaps be because these particular policies might be more expensive for the employer. We also found that a higher than average pay increase is not associated with the employer being more likely to offer any of the family-friendly policies, and in fact being less likely to offer job-sharing or financial help with childcare. This suggests that there is no deliberate strategy by employers to combine higher pay and family-friendly policies in order to be seen as a good employer, but rather the employer offers particular family-friendly policies to supplement the pay of those in receipt of low and average pay increases.

We find some evidence that the impetus for equal opportunities is greater where there is a shortage of suitable labour, as we see that an increase in the proportion of women in management posts is more likely in workplaces more heavily reliant on skilled labour, suggesting that employers are forced to offer equality of opportunity. Highly-skilled workers do indeed have greater access to some family-friendly working practices than the less skilled, as they are more likely to be given the opportunity to work from home, to have access to paid leave when they need time-off at short notice, and to flexitime. However, in return they work longer hours, and are less likely than others to have access to a workplace nursery or to work a 4½-day week. In addition, female employees in workplaces where more than half the workforce is highly-skilled are less likely to describe their manager as understanding of family responsibilities compared to workers in less skilled occupations. Possibly as a consequence of this, managers are less likely to report that relations between managers and employees are good where more than half the workforce is highly-skilled, as compared with where employees are less-skilled.

The fact that employers are more likely to offer a range of family-friendly policies where a greater proportion of the workforce is female suggests that large employers of women do recognise a need to help their employees deal with their family responsibilities. This disproves the alternative hypothesis that family-friendly policies might be taken up more keenly by employers with a small proportion of female workers in order to appear family-friendly without incurring the cost of large number of employees asking to use such policies. However, it still seems that employers may be reluctant to offer certain family-friendly benefits where a large proportion of the workforce is female. In particular, there is no evidence that employers are more likely to offer financial help with childcare where a greater proportion of the workforce is female, and they are actually less likely to grant paid-leave for time-off at short notice. This may give us some insight into the motivation behind the use of family-friendly policies by employers with a predominantly female workforce, as the family-friendly policies which they do offer may be used in an attempt to combat absenteeism, whilst offering paid-leave for time off at short-notice may operate counter to this.

#### **4. Benchmark Workplaces**

Fernie and Metcalf (1995), building on the work of Mahoney and Watson (1993), constructed three models of workplace governance in order to compare various economic and industrial relations outcomes. This paper follows suit. For each of four types of workplace governance a benchmark workplace is constructed, and statistical analysis permits us to compare the likelihood of having various equal opportunity and family-friendly policies in each type of workplace. This approach is useful because it allows us to consider the overall likelihood that a workplace typical of each type of governance offers a particular policy. This is especially helpful with respect to the HRM workplace where we see that some individual policies show a positive relationship with our dependent variables, whilst others suggest a negative relationship. The benchmarking allows us to assess whether workplaces which use a full range of HRM policies do more for women than those with alternative forms of governance.

Refer to Table 6. The authoritarian workplace has neither union recognition nor uses any HRM practices. The workplace with union recognition involves unions in negotiations over pay and conditions. In a strong union workplace the union negotiates pay and

conditions and is negotiated or consulted on five additional issues. The HRM workplace has an HR strategy and all policies, but no union recognition.

Taking first the equal opportunities policies, it is immediately obvious that a strong union is positively associated with all five measures. A strong union workplace is five times as likely to have an equal opportunities policy on gender than an authoritarian workplace, and six times as likely to collect statistics on posts held by gender. The strong union workplace is also more likely than any other to monitor promotions by gender, and selection procedures are more likely to be reviewed to identify indirect discrimination. In addition, a strong union workplace is only slightly less likely than an HRM workplace to measure the effects of the equal opportunities policy. However, the HRM workplace is more likely to offer all of the equal opportunities policies than a workplace where there is union recognition, but where the union does not necessarily meet our definition of being strong. We see that 93 per cent of HRM workplaces have an equal opportunities policy on gender, compared to 86 per cent of workplaces with union recognition. More strikingly, nearly three times as many HRM workplaces measure the effects of their equal opportunities policy on the workforce than do workplaces which recognise a union. However, where the union is strong, the likelihood that the effect of the equal opportunities policy on the workforce is measured is only one per cent lower than for the HRM workplace.

It is apparent that the lowest incidence of equal opportunities policies by far occurs in authoritarian workplaces though. Just 1 per cent of these monitor promotions by gender, review selection procedures to identify indirect discrimination or measure the effects of equal opportunities policies on the workforce, and just 9 per cent of authoritarian employers collect statistics on posts held by gender.

Next, consider those working practices which encourage flexibility. Here, we see that HRM workplaces are more likely to offer particular flexible working practices than workplaces with other forms of governance. For example, 84 per cent of HRM workplaces allow employees to switch from full- to part-time work, as compared with only 61 per cent of workplaces which recognise a union. Similarly, 67 per cent of HRM workplaces offer job-sharing, compared with 46 per cent of workplaces where there is union recognition. There is also some evidence that HRM workplaces are slightly more likely to offer other flexible practices than workplaces with alternative forms of governance, as 19 per cent offer term-time only contracts, and 17 per cent allow employees to work from home. However, it is not the case that HRM employers offer flexible benefits to the exclusion of all other forms of family-friendly working; 10 per cent of them offer financial help with childcare, compared to

just 3 per cent of those which recognise a union. They also do not offer every type of flexible working option. Flexitime is offered by just 8 per cent of HRM workplaces, as compared with 27 per cent of strong union employers.

One possible explanation for the choice of family-friendly practices by HRM employers suggests itself when we consider the use of policies by workplaces with union governance. 55 per cent of workplace with union recognition provide employees with a right to parental leave, and 60 per cent of strong union workplaces give employees paid leave for time off at short notice compared to only 49 per cent of HRM workplaces. These practices have less to do with flexibility and the organisation of work and more with being truly “family-friendly” – helping parents resolve their care needs with no obvious immediate benefit to the employer. Most importantly, take-up of family-friendly policies is higher in a strongly unionised workplace, as is the probability that there has been an increase in the proportion of women in managerial posts.

Employees generally work shorter hours in a workplace with union recognition, although those in a strong union workplace work the longest hours. However, even when controlling for the number of hours worked, female employees receive the highest level of earnings in workplaces with strong unions. This implies that women are better-off financially in unionised workplaces than where a range of HRM practices are used. Perhaps there is some trade-off between the availability of family-friendly practices and the level of pay received, so that HRM employers offer family-friendly practices rather than higher wages as a means of retaining staff. Another alternative is that unionised employees manage to extract more financially from employers, both through higher pay, and possibly the use of a more costly range of family-friendly practices such as parental leave or paid leave for time-off at short notice. Also, it seem that the family-friendly benefits offered by employers who recognise a union are different to those offered in HRM workplaces in that whilst HRM workplaces offer a number of flexible practices, the flexibility may actually operate to the advantage of the employer rather than the employee. For example, employees working part-time may be required to be flexible to suit the employer, but may not have the freedom to decide themselves when it is convenient to work. This could explain why flexitime is unlikely to be included in the package of flexible benefits offered by the HRM employer; flexitime could require the employer to concede some control over when the employee chooses to work. From the point of view of a female employee, the decision to offer flexitime may be beneficial in terms of developing a career as it might provide the flexibility to manage work and family life without being pushed into the female-only ghetto of part-time

work, resulting in low pay. A final point to note on the availability of family-friendly policies is that authoritarian workplaces are far less likely to offer any such policies, flexible or otherwise, than workplaces with other forms of governance.

In terms of the effect of workplace governance on female employees' feelings about their work, perhaps surprisingly, they are more likely to report that managers understand their family responsibilities, treat them fairly, and that they are proud of their employer and feel that their job is secure in an authoritarian workplace. Indeed 67 per cent of female employees report that managers are understanding of their family responsibilities in authoritarian workplaces as against 57 per cent of those in HRM workplaces. The HRM workplace fares worst on this particular issue, although generally it is employees in union workplaces who are least likely to report feelings of satisfaction on these questions. It is important not to exaggerate the differences between the four different types of workplace governance in terms of perceptions though, as particularly in the case of employees feeling proud of, or loyal to their employer, there is only a small difference in the responses of employees under each form of workplace governance. It is also important to recognise that the feelings of female workers on these questions may be due in large part to factors other than the existence of equal opportunities, and availability of family-friendly policies. So for example, a trade union might have grown up in response to perceptions of unfair treatment in the workplace, and the union may promote a particular view of what constitutes fair treatment. As a consequence, employees in unionised workplaces may be more sceptical than others that their employer treats them fairly. That is not to say that failure by the union to push for fair treatment actually causes the dissatisfaction though. It is also worth noting that female employees in HRM and authoritarian workplaces are more likely to feel that their job is secure than those in union workplaces. Perhaps this is because unions have found it difficult to establish themselves in new industries though. As unions have traditionally had a strong foothold in manufacturing, the decline of this sector has created insecurity for union workers.

With regard to economic outcomes, HRM workplaces have a much higher chance of above-average financial performance and labour productivity compared to unionised workplaces, although the authoritarian workplace performed worst of all. Similarly, HRM workplaces have experienced the greatest improvement in labour productivity over a five-year period, and are most likely to report a good relationship between managers and employees. However, the quit and absenteeism rates are lowest in the strong union workplaces, and the absenteeism rate is actually highest in the HRM workplace, which would of course impose costs on the employer.

## 5. Conclusions

The rhetoric of HRM suggests that women are better off under such a model. We find weak evidence that this is the case when we examine the individual policies which constitute HRM, but do find that workplaces which use the full range of HRM practices and have the typical characteristics of HRM workplaces do provide access to equal opportunities and family-friendly policies. Unionised employers are more likely to have formal equal opportunities policies in place than non-union employers. They are also more likely to offer some family-friendly practices than workplaces without a union. Employees in workplaces with union recognition work fewer hours than those in the non-union sector, and female workers are better paid in workplaces with strong unions than under any other form of workplace governance. In addition, union recognition does not appear to have a negative effect on any of our performance measures. This suggests that union recognition can assist employees in gaining access to equal opportunities and family-friendly working whilst not threatening employer performance.

We have found clear evidence that whilst firms are more likely to offer family-friendly policies under specific circumstances, they withhold from giving employees the full range of family-friendly options, perhaps based on the perception that some may be more expensive to implement. Whilst employers do perhaps offer family-friendly policies as a supplement to lower pay, it seems that they use these policies in a thoughtful and targeted way. In particular we note that where the workforce is dominated by highly-skilled workers, the employer favours family-friendly policies based on flexible, but full-time hours. We also note that where there is greater competition in the product market the employer is less likely to make use of equal opportunities or family-friendly policies, suggesting some support for the view that employers are less likely to offer such policies when the workplace is under pressure from external market conditions. It is also apparent that private sector workplaces are far less likely than those in the public sector to offer equal opportunities and family-friendly policies, or outcomes.

We observe a distinction between the form of workplace governance in terms of the types of equal opportunities and family-friendly policies used, and the outcomes observed. Union governance fares best on the provision of equal opportunities and their policing. HRM workplaces, on the other hand, offer flexible working and illicit higher levels of performance from their staff. Authoritarian workplaces are the least likely to offer equal opportunities or family-friendly practices, as well as being poor performers on the economic indicators, but do

seem able to maintain the goodwill of their female employees. We see a need to extend this work by considering in greater depth whether offering equal opportunities policies and family-friendly working affects workplace performance, as opposed to just “tinkering around the edges”, and this is our next area for investigation.

**Table 1<sup>4</sup>**

	Equal opportunities policy addresses equality of treatment on grounds of gender	Statistics collected on posts held by gender	Promotions monitored by gender, ethnicity etc.	Selection procedures reviewed to identify indirect discrimination	Measure effects of equal opportunities policy on workforce
Union recognition	+++	+	+	++	
<i>HRM practices:</i>					
Guaranteed job security for largest occupational group (LOG)	+				
Supervisors trained in personnel management	++		+		+++
Strategic HRM <sup>5</sup>	++			+++	++
HRM recruitment methods			++	+++	
Formal off-the-job training for LOG					+
Most employees trained to do job other than their own					
Four or more communication methods		+++			
Performance pay	+++				--
Performance appraisal for most employees	+				
Employees on fixed-term or temporary contracts		++	++		
<i>Private sector</i>					
Proportion of workforce female	++				
Workplace less than 10 years old					
More than half workforce highly-skilled					
Many competitors	-				
<i>Control Group: Pay increase same as similar workers in locality</i>					
Pay increase lower-than-average				-	
Pay increase higher-than-average			++		
<i>Number of employees:</i>					
<i>Control Group: 200-499</i>					
10-24	---	---	---	---	---
25-49	---	---	---	---	---
50-99	---	---	--	---	---
100-199	--	---		---	---
500 or more					
Constant			---	--	
Number of observations	1439	1447	1447	1447	1446

<sup>4</sup> From the WERS98 Management Questionnaire, unless stated otherwise. Workplaces with 10 or more employees. Probit regressions unless reported otherwise. Controls for industry also included. +++ significant and positive at the 0.01 level; ++ significant and positive at the 0.05 level; + significant and positive at the 0.10 level. Same significance levels for negative coefficients. Probability weights used for all regression analysis.

<sup>5</sup> See Appendix A for full variable descriptions.

**Table 2**

	Non-managerial employees entitled to:									
	Parental leave	Work from home	Term-time only contracts	Switch from full- to part-time work	Job-sharing	Workplace nursery	Financial help with childcare	No family-friendly entitlements	Flexitime	9-day fortnight/4½-day week
Union recognition	+++						+	---		
<i>HRM practices:</i>										
Guaranteed job security for LOG				+	+++			-		
Supervisors trained in personnel management	+		++		++				-	+
Strategic HRM			+++							
HRM recruitment methods					+	+++	++		++	
Formal off-the-job training for LOG	++							-		+++
Most employees trained to do job other than their own				+		-				
Four or more communication methods	+				+	+	+		+++	+++
Performance pay				+			+		-	-
Performance appraisal for most employees		++					+			
Employees on fixed-term or temporary contracts									+++	
Private sector	---	---	---	-	---	--		+	--	
Proportion of workforce female	+		+++	+++	+++	++		---	++	+
Workplace less than 10 years old						++	+	-	++	
More than half workforce highly-skilled		+++				-			+++	---
Many competitors									+	--
<i>Control Group: Pay increase same as similar workers in locality</i>										
Pay increase lower-than-average	---	-			++	+	---		+	
Pay increase higher-than-average					-		-			
<i>Number of employees:</i>										
<i>Control Group: 200-499</i>										
10-24			--	---		---		+		
25-49				---	--	---				
50-99				-		--				++
100-199										
500 or more					++	+++	+	---	+	--
Constant	--	--	---	---	---	---	---	---	---	---
Number of observations	1447	1447	1447	1447	1447	1447	1447	1447	1449	1449

**Table 3**

	Any take-up of family -friendly policies	Increase in proportion of women in managerial posts	From Survey of Employees:	
			Paid leave for time-off at short notice	Hours worked per week, including overtime <sup>6</sup>
Union recognition				-
<i>HRM practices:</i>				
Guaranteed job security for LOG		---		
Supervisors trained in personnel management				
Strategic HRM				
HRM recruitment methods			+	
Formal off-the-job training for LOG				
Most employees trained to do job other than their own				
Four or more communication methods		+++		
Performance pay		+	++	+
Performance appraisal for most employees			+++	+++
Employees on fixed-term or temporary contracts			+++	++
<i>Private sector</i>				
Proportion of workforce female		+++	---	---
Workplace less than 10 years old				
More than half workforce highly-skilled		+	+++	+++
Many competitors				
<i>Control Group: Pay increase same as similar workers in locality</i>				
Pay increase lower-than-average				+
Pay increase higher-than-average				
<i>Number of employees:</i>				
<i>Control Group: 200-499</i>				
10-24		---		
25-49	---	---		
50-99	---	-		
100-199				+
500 or more	+			
Constant	+++		+++	+++
Number of observations	1066	1446	17349	17998

<sup>6</sup> Weighted Least Squares regression from Survey of Employees questionnaire.

**Table 4**

From Survey of Employees (female respondents only):							
	Pay of female workers <sup>7</sup>		Managers understand family responsibilities	Employees treated fairly	Feel loyal to organisation	Proud of employer	Feel job secure
Union recognition		Union recognition			--	--	
<i>HRM practices:</i>		<i>HRM practices:</i>					
Guaranteed job security for LOG		Guaranteed job security for LOG					
Supervisors trained in personnel management		Supervisors trained in personnel management	-				
Strategic HRM		Strategic HRM					
HRM recruitment methods	++	HRM recruitment methods					
Formal off-the-job training for LOG		Formal off-the-job training for LOG	+	++	+++	+++	++
Most employees trained to do job other than their own		Most employees trained to do job other than their own					
Four or more communication methods		Four or more communication methods	-				---
Performance pay		Performance pay	-				
Performance appraisal for most		Performance appraisal for most					
Employees on fixed-term or temporary contracts	+++	Employees on fixed-term or temporary contracts					
Private sector	---	Private sector					+++
Proportion of workforce female	---	Proportion of workforce female		+++			
Workplace less than 10 years old		Workplace less than 10 years old			-		
More than half workers highly -skilled	+++	More than half workers highly -skilled	--				
Many competitors	-	Many competitors		--			
Number of hours worked each week	+++						
		<u>Control Group:</u> Pay increase same as similar workers in locality					
<u>Control Group:</u> Pay increase same as similar workers in locality		Pay increase lower-than-average					
Pay increase lower-than-average		Pay increase higher-than-average			+	+++	
Pay increase higher-than-average							
		<i>Number of employees:</i>					
<i>Number of employees:</i>		<u>Control Group:</u> 200-499					
Control Group: 200-499		10-24	++	++			
10-24		25-49	+++	+++	++	+	
25-49		50-99					
50-99		100-199					
100-199		500 or more	---				+
500 or more							
		Constant			+++		
Constant	-	Number of observations	9205	9271	9391	9405	8975
Number of observations	9077						

<sup>7</sup> Including an additional control variable for the number of hours worked.

**Table 5**

	Financial performance better than average	Labour productivity better than average	Labour productivity increased compared to five years ago	Good relationship between managers and employees	Rate of voluntary resignations over 12 months <sup>8</sup>	Proportion of employees absent over 12 months <sup>9</sup>
Union recognition			++		---	
<i>HRM practices:</i>						
Guaranteed job security for LOG			++	++		
Supervisors trained in personnel management						
Strategic HRM	++	+		++		
HRM recruitment methods			+++		---	
Formal off-the-job training for LOG				++		
Most employees trained to do job other than their own		+				
Four or more communication methods						
Performance pay	+++	+++		--		
Performance appraisal for most employees						
Employees on fixed-term or temporary contracts						
Private sector					++	--
Proportion of workforce female				-		
Workplace less than 10 years old					+++	
More than half workforce highly-skilled				-		
Many competitors						
<i>Control Group: Pay increase same as similar workers in locality</i>						
Pay increase lower-than-average						
Pay increase higher-than-average	++	++				
<i>Number of employees:</i>						
<i>Control Group: 200-499</i>						
10-24	+				+++	
25-49	++		-			
50-99	++					-
100-199			--			
500 or more	+				+	
Constant	--			+++	+++	+++
Number of observations	1263	1212	1294	1448	1295	1219

<sup>8</sup> Logistic Weighted Least Squares regression.

<sup>9</sup> Logistic Weighted Least Squares regression.

**Table 6<sup>10</sup>**

	Typical workplace <sup>11</sup>	Authoritarian workplace	Union recognition workplace	Strong union workplace	HRM workplace
<i>From Management Questionnaire:</i>					
Equal opportunities policy on gender	0.63	0.17	0.86	0.90	0.93
Statistics collected on posts held by gender	0.22	0.09	0.37	0.55	0.45
Promotions monitored by gender	0.05	0.01	0.15	0.33	0.29
Selection procedures reviewed to identify indirect discrimination	0.13	0.01	0.34	0.51	0.43
Measure effects of EO policies on workforce	0.04	0.01	0.13	0.36	0.37
<i>Non-managerial employees entitled to:</i>					
Parental leave	0.31	0.12	0.55	0.54	0.50
Work from home	0.08	0.02	0.12	0.17	0.17
Term-time only contracts	0.08	0.02	0.16	0.07	0.19
Switch from full- to part-time work	0.47	0.19	0.61	0.49	0.84
Job-sharing	0.20	0.03	0.46	0.51	0.67
Use workplace nursery or nursery linked to workplace	0.002	0.00002	0.003	0.03	0.02
Financial help with childcare	0.01	0.001	0.03	0.04	0.10
No family-friendly entitlements	0.32	0.59	0.15	0.21	0.09
Flexitime	0.11	0.05	0.20	0.27	0.08
9-day fortnight/4 ½-day week	0.004	0.002	0.008	0.01	0.009
Any take-up of family-friendly policies	0.70	0.60	0.70	0.83	0.80
Increase in proportion of women in managerial posts	0.28	0.16	0.32	0.33	0.29
<i>From Survey of Employees:</i>					
Equal number of men and women	0.27	0.25	0.26	0.23	0.33
Paid leave for time off at short notice	0.38	0.25	0.42	0.60	0.49
Hours worked per week, including overtime	33.2	31.8	31.9	36.7	36.0
<i>Women only:</i>					
Pay per week	182.30	154.71	198.13	222.50	193.37
At least five days training over past year	0.15	0.11	0.17	0.19	0.19
Permanent contract	0.94	0.95	0.92	0.96	0.94
Managers understand family responsibilities	0.62	0.67	0.60	0.59	0.57
Employees treated fairly	0.56	0.58	0.52	0.53	0.53
Employees feel loyal to organisation	0.73	0.74	0.72	0.76	0.75
Employees proud of employer	0.62	0.63	0.60	0.62	0.62
Employees feel job is secure	0.66	0.71	0.59	0.57	0.71
<i>From Management Questionnaire:</i>					
Financial performance better than average	0.56	0.40	0.52	0.58	0.82
Labour productivity better than average	0.52	0.30	0.55	0.57	0.80
Labour productivity increased compared to five years ago	0.79	0.61	0.84	0.94	0.96
Good relationship between managers and employees	0.94	0.94	0.94	0.91	0.99
Quit rate (% in last 12 months)	12.9	19.5	8.2	6.6	11.6
Absenteeism rate (% of working days lost over 12 months)	2.6	2.0	3.3	0.8	4.1

<sup>10</sup> See footnotes for Table 1. All results for benchmarked workplaces calculated from Tables 1-5 and Appendix B.

<sup>11</sup> Definitions of benchmarking workplaces: (1) *Typical workplace*: All variables at weighted means. (2) *Authoritarian*: No union recognition or HRM policies and all other variables at weighted means. (3) *Union recognition*: Union recognition and all other variables at weighted means. (4) *Strong union*: Union density greater than 50 per cent, negotiates pay and conditions and negotiates or is consulted on at least five other issues, all other variables at weighted means. (5) *HRM*: No union recognition, all HRM policies and all other variables at weighted means.

## Appendix A

### Dependent variables

<b>Table 1 (Management Questionnaire)</b>	<b>Variable description</b>
Equal opportunities policy addresses equality of treatment on grounds of gender	Formal written policy on equal opportunities or managing diversity which specifically addresses equality of treatment on the grounds of gender
Statistics collected on posts held by gender	Statistics are collected on the number of posts held by men and women
Promotions monitored by gender, ethnicity etc.	
Selection procedures reviewed to identify discrimination	
Measure effects of equal opportunities policy on workforce	Employer has tried to measure the effects of the equal opportunities policies on the workplace or on employees at the establishment
<b>Table 2</b>	
Parental leave	Whether any non-managerial employees are entitled to parental leave
Work from home	Whether any non-managerial employees are entitled to work at or from home in normal working hours
Term-time only contracts	Whether any non-managerial employees are entitled to term-time only contracts
Switch from full- to part-time work	Whether any non-managerial employees are entitled to switch from full-time to part-time employment
Job-sharing	Whether any non-managerial employees are entitled to job sharing schemes
Workplace nursery	Whether any non-managerial employees are entitled to use a workplace nursery or nursery linked with the workplace
Financial help with childcare	Whether any non-managerial employees are entitled to financial help/subsidy to parents for childcare
No family-friendly entitlements	Non-managerial employees not entitled to any of the above family-friendly policies
Flexitime	Flexitime for any non-managerial employees in the workplace
9-day fortnight/4½-day week	9-day fortnight or 4½ day week for any non-managerial employees in the workplace
<b>Table 3</b>	
Any take-up of family-friendly policies	At least some non-managerial employees take up their entitlement to one of the first seven family-friendly policies in Table 2.
Increase in proportion of women in managerial posts	Increase in the proportion of women in managerial posts over the past five years.
<b>From Survey of Employees:</b>	
Paid leave for time-off at short notice	Employee reports that if they needed to take a day off at short notice, for example to look after a sick family member, they would usually use some form of paid leave.
Hours worked per week, including overtime	Number of hours the employee usually works each week, including unpaid hours.

<b>Table 4</b>	<b>Variable description</b>
Pay of female workers	Pay before tax and other deductions, as reported by employees
Managers understand family responsibilities	Level of agreement with the statement “Managers here are understanding about employees having to meet family responsibilities”
Employees treated fairly	Level of agreement with the statement “Managers here are good at treating employees fairly”
Feel loyal to organisation	Level of agreement with the statement “I feel loyal to my organization”
Proud of employer	Level of agreement with the statement “I am proud to tell people who I work for”
Feel job secure	Level of agreement with the statement “I feel my job is secure in this workplace”
<b>Table 5 (Management Questionnaire)</b>	
Financial performance better than average	Assessment of workplace financial performance relative to average for establishments in same industry
Labour productivity better than average	Assessment of labour productivity relative to average for establishments in same industry
Labour productivity increased compared to five years ago	Whether labour productivity has risen or fallen compared with five years ago
Good relationship between managers and employees	Managers rating of the relationship between management and employees generally at the workplace
Rate of voluntary resignations over 12 months	Number of permanent employees (full- and part-time) who left or resigned voluntarily over the last twelve months as a proportion of the current workforce
Proportion of employees absent over 12 months	Proportion of working days lost through employee sickness or absence over the past year (excluding authorized leave of absence, employees away on secondment or courses and days lost through industrial action).

## Independent variables

Management Questionnaire	Variable description
Union recognition	At least one union recognized by management for negotiating pay and conditions for any section of the workforce
Strong union	Union density greater than 50 per cent, negotiates pay and conditions and negotiates or is consulted on at least five other issues
Guaranteed job security for largest occupational group (LOG)	
Supervisor trained in personnel management	
Strategic HRM	Formal strategic plan which covers employee development and forecasts staffing requirements, with manager responsible for employee relations involved in formulation
HRM recruitment methods	Personality or performance tests used in recruitment, or recruitment based on skills, qualifications, experience or motivation only.
Formal off-the-job training for LOG	Most employees in LOG receive formal off-the-job training.
Most employees trained to do job other than their own	60 per cent or more of the largest occupational group formally trained to be able to do jobs other than their own
Four or more communication methods	Communication methods include briefings, problem-solving groups, surveys of employee views, employee suggestion schemes, a joint consultative committee, or other communication methods, including the use of the management chain, regular meetings of the entire workforce, newsletter, e-mail or company noticeboards.
Performance pay	Some employees receive profit-related payments or bonuses, or deferred profit-sharing, or participate in employee share ownership scheme or individual or group performance-related schemes.
Performance appraisal for most employees	
Employees on fixed-term or temporary contracts	At least some employees on fixed-term or temporary contracts.
Private sector	
Proportion of workforce female	Number of female employees in workforce as proportion of total workforce
Workplace less than 10 years old	
More than half-the workforce highly -skilled	More than half the workforce in managerial, professional or technical occupations
Many competitors	More than five competitors.
Pay increase compared with similar workers in locality	Size of most recent pay increase compared with similar workers in the locality
Size of workplace	Number of employees
Industry dummies	Major group industrial sector
<i>From Survey of Employees:</i>	
Number of hours worked each week	Number of hours the employee usually works each week, including overtime and unpaid extra hours.

## Appendix B

Table 1

	Equal opportunities policy addresses equality of treatment on grounds of gender	Statistics collected on posts held by gender	Promotions monitored by gender, ethnicity etc.	Selection procedures reviewed to identify indirect discrimination	Measure effects of equal opportunities policy on workforce
Strong union		+	+++	++	+
<i>HRM practice:</i>					
Guaranteed job security for LOG	++				+
Supervisors trained in personnel management	++				+++
Strategic HRM	++			+++	++
HRM recruitment methods			++	+++	
Formal off-the-job training for LOG					+
Most employees trained to do job other than their own					
Four or more communication methods		+++			
Performance pay	+++				--
Performance appraisal for most employees	+				
Employees on fixed-term or temporary contracts		+	+		
Private sector	---	---	---	---	---
Proportion of workforce female	++			+	
Workplace less than 10 years old					
More than half workforce highly-skilled					
Many competitors					
<u>Control Group:</u> Pay increase same as similar workers in locality					
Pay increase lower-than-average				--	
Pay increase higher-than-average	-		+		
<i>Number of employees:</i>					
<u>Control Group:</u> 200-499					
10-24	---	---	---	---	---
25-49	---	---	---	---	---
50-99	---	---	---	---	---
100-199	--	---		---	---
500 or more	+				
Constant			---		-
Number of observations	1413	1421	1421	1421	1420

**Table 2**

	Non-managerial employees entitled to:									
	Parental leave	Work from home	Term-time only contracts	Switch from full- to part-time work	Job-sharing	Workplace nursery, or nursery linked with workplace	Financial help with childcare	No family-friendly entitlements	Flexitime	9-day fortnight/4½-day week
Strong union										
<i>HRM practices:</i>										
Guaranteed job security for LOG				+	+++			-		
Supervisors trained in personnel management	++		++		++			-		+
Strategic HRM			+++							
HRM recruitment methods					+	+++	+++		++	
Formal off-the-job training for LOG	++							-		+++
Most employees trained to do job other than their own				++				-		
Four or more communication methods	++				+	+	+		+++	+++
Performance pay				++					-	-
Performance appraisal for most employees		++								
Employees on fixed-term or temporary contracts									+++	
Private sector	---	--	---	--	---	---		+++	---	-
Proportion of workforce female	+		+++	+++	+++	++		---	++	+
Workplace less than 10 years old						++	+	-	++	
More than half workforce highly-skilled		+++				-			+++	---
Many competitors									++	--
<u>Control Group: Pay increase same as similar workers in locality</u>										
Pay increase lower-than-average	---	-			++	+	---			
Pay increase higher-than-average					-		-			
<i>Number of employees:</i>										
<u>Control Group: 200-499</u>										
10-24			++	---	-	---		+++		
25-49				---	---	---		+++		
50-99				---	-	--				
100-199										
500 or more					++	++		---		++
Constant		---	---	-	---	---	---		--	--
Number of observations	1421	1421	1421	1421	1421	1421	1421	1421	1423	1423

**Table 3**

			From Survey of Employees:	
	Any take-up of family-friendly policies	Increase in proportion of women in managerial posts	Paid leave for time-off at short notice	Hours worked per week, including overtime <sup>12</sup>
Strong union				---
<i>HRM practices:</i>				
Guaranteed job security for LOG		---		
Supervisors trained in personnel management				
<i>Strategic HRM</i>				
HRM recruitment methods			+	
Formal off-the-job training for LOG				
Most employees trained to do job other than their own				
Four or more communication methods		+++		
Performance pay		+	++	
Performance appraisal for most employees			+++	+++
Employees on fixed-term or temporary contracts			+++	+++
<i>Private sector</i>				
Proportion of workforce female	-	---	---	---
Workplace less than 10 years old		+++	---	---
More than half workforce highly-skilled		+	+++	+++
Many competitors	+			
<i>Control Group: Pay increase same as similar workers in locality</i>				
Pay increase lower-than-average		-		++
Pay increase higher-than-average				
<i>Number of employees:</i>				
<i>Control Group: 200-499</i>				
10-24	---	---		
25-49	---	---		
50-99	---	-	-	
100-199				+
500 or more	+			
Constant	+++		+++	+++
Number of observations	1042	1420	16970	17598

<sup>12</sup> Weighted Least Squares regression from Survey of Employees questionnaire.

**Table 4 - Female employees only**

	From Survey of Employees:							
	Pay of female workers			Managers understand family responsibilities	Employees treated fairly	Feel loyal to organisation	Proud of employer	Feel job secure
Strong union	+		Strong union			++		
<i>HRM practices:</i>			<i>HRM practices:</i>					
Guaranteed job security for LOG			Guaranteed job security for LOG					
Supervisors trained in personnel management			Supervisors trained in personnel management	--				
Strategic HRM			Strategic HRM					
HRM recruitment methods	++		HRM recruitment methods					
Formal off-the-job training for LOG	+		Formal off-the-job training for LOG		++	+++	+++	++
Most employees trained to do job other than their own			Most employees trained to do job other than their own					
Four or more communication methods			Four or more communication methods	--				---
Performance pay			Performance pay	-				
Performance appraisal for most employees			Performance appraisal for most employees					
Employees on fixed-term or temporary contracts	+++		Employees on fixed-term or temporary contracts					
Private sector	---		Private sector			++	+	+++
Proportion of workforce female	---		Proportion of workforce female		+++			
Workplace less than 10 years old	+		Workplace less than 10 years old					
More than half workers highly -skilled	+++		More than half workers highly -skilled	--				
Many competitors			Many competitors		--			
Number of hours worked each week	+++							
			<u>Control Group:</u> Pay increase same as similar workers in locality					
<u>Control Group:</u> Pay increase same as similar workers in locality			Pay increase lower-than-average					
Pay increase lower-than-average	-		Pay increase higher-than-average			+	+++	
Pay increase higher-than-average								
			<i>Number of employees:</i>					
<i>Number of employees:</i>			<u>Control Group:</u> 200-499					
<u>Control Group:</u> 200-499			10-24	++	++			+
10-24			25-49	+++	+++	+++	++	
25-49			50-99					
50-99			100-199					
100-199			500 or more	---				
500 or more								
			Constant		--	+		
Constant	-		Number of observations	8976	9039	9161	9172	8758
Number of observations	8851							

**Table 5**

	Financial performance better than average	Labour productivity better than average	Labour productivity increased compared to five years ago	Good relationship between managers and employees	Rate of voluntary resignations over 12 months	Proportion of employees absent over 12 months
Strong union			++		--	
<i>HRM practices:</i>						
Guaranteed job security for LOG			++	+	-	+
Supervisors trained in personnel management						
Strategic HRM	++	+		++		
HRM recruitment methods	+		+++		---	
Formal off-the-job training for LOG				+		
Most employees trained to do job other than their own		+				
Four or more communication methods						
Performance pay	+++	+++		--		
Performance appraisal for most employees						
Employees on fixed-term or temporary contracts						
Private sector	+			++	+++	---
Proportion of workforce female				-		
Workplace less than 10 years old					+++	
More than half workforce highly-skilled				--		
Many competitors						
<u>Control Group: Pay increase same as similar workers in locality</u>						
Pay increase lower-than-average						
Pay increase higher-than-average	++	++				
<i>Number of employees:</i>						
<u>Control Group: 200-499</u>						
10-24	++				+++	
25-49	++		--		+	--
50-99	++		-			--
100-199			--			
500 or more	+				++	
Constant	---			++	---	+++
Number of observations	1243	1193	1272	1422	1272	1202

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