Report on the Consultation for the 6th Workplace Employment Relations Survey (WERS6)

August 2010

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1. Introduction

This report outlines findings from the consultation undertaken, between 1 February and 17 March 2010, to inform the development of the sixth Workplace Employment Relations Survey (WERS6).

WERS is the only study of British employment relations that collects data from employers, employee representatives and employees across a sample of more than 2,500 workplaces. Fieldwork for WERS6 is scheduled to take place in 2011. It is co-sponsored by the Department for Business, Innovation & Skills (BIS), Acas, the Economic and Social Research Council (ESRC) the United Kingdom Commission for Employment and Skills (UKCES) and the National Institute of Economic and Social Research (NIESR).[1]

Consultation papers on each of the three key instruments – the Management Questionnaire (MQ), the Worker Representatives Questionnaire (WRQ), and the Survey of Employees Questionnaire (SEQ) provided background information and proposed changes to the instruments fielded in the last WERS in 2004. These background papers formed the basis for the consultation. Information about the consultation process, along with the papers, was made publicly available on the BIS and ESRC websites. Participants in the consultation were asked to comment on the proposed changes, as well as raise any further issues related to data collection.

WERS data users and relevant policy-makers and practitioners were notified of the consultation either by correspondence or through a direct request for a meeting. Messages were distributed to the two main WERS emailing lists: those of data users registered at the UK Data Archive and members of the WERS information and advice service emailing list held by NIESR; as well as key learned societies such as the British Universities Industrial Relations Association (BUIRA), Royal Statistical Society, British Academy of Management, Society for the Advancement of Management Studies and British Psychological Society. Feedback was received either through meetings with members of the research team, workshops or written submissions.

The consultation process had two components: a consultation with academic users of the WERS data, led by the ESRC research team members; and a consultation with government and social partners, led by the BIS and Acas research team members. The structure of the two consultations differed slightly. The academic consultation took written submissions that fed into a workshop with a group of academics who discussed the merits of the submissions. In comparison, relatively fewer written submissions were received by government and social partners; this component of the consultation focused on face-to-face meetings with stakeholders.

A feedback form was made available that directed participants to submit their written comments under broad headings, see Appendix A. Appendix B lists the written feedback received during the consultation period. Appendix C outlines the people and the organisations with which consultation meetings were held; and provides the agenda and list of attendees of the academic workshop.

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[1] NIESR's involvement is made possible through funding from the Nuffield Foundation.

This report presents a consolidation of both the academic, and the government and social partner consultations. Section 2, provides a brief outline of the major changes to WERS that were proposed in the consultation. Ensuring that WERS is current and responding to the policy context is one aim of the study. The importance of this aim is discussed in Section 3. The purpose of this document is to summarise the discussion that occurred throughout the consultation; it does not provide definitive conclusions or recommendations about the final instruments. Rather, it outlines the issues and broad recommendations that will be taken into consideration by the Steering Committee and research team when finalising the WERS instruments. These discussions can be grouped into: methodology (Section 4), topic areas (Section 5) and specific questions proposed for deletion (Section 6). The report concludes by outlining the next steps taken by the WERS sponsors and research team.

2. Proposals for WERS6

Preparations for the next WERS have been undertaken in climate of austerity and ever-decreasing response rates to social surveys generally. Thus, the major changes that have been proposed are to consolidate the design and content, and reduce the burden on participants.

In more recent surveys two separate groups of workplaces have been sampled: a cross-section sample of workplaces; and a panel sample of workplaces that participated in the previous survey. It is planned to amalgamate the two samples to achieve an overall sample of 2,700 workplaces, at which data will be collected from managers, employee representatives and employees. The sample will consist of 1,800 workplaces that are new to the study and 900 workplaces which were surveyed in 2004.

Earlier surveys achieved impressive response rates of around 80 per cent, but in the last survey there was a substantial drop, achieving a response rate of 65 per cent. While efforts will be made to improve the fieldwork procedures, it is considered that reducing the length of the management interview will be an important strategy in improving response. The length of the management interview has increased over time, from a median length of 93 minutes in 1990 to 115 minutes in 2004. It is proposed to develop a management questionnaire that will not exceed 90 minutes on average.

Further actions have been proposed to reduce costs of the next WERS. It is planned that the worker representative interview will be a shorter telephone interview. Responses to this proposal are discussed in Section 4.

The sponsors of WERS are committed to improving the accessibility of the survey. It is proposed that the survey be extended from an eight-page to twelve-page format in order to improve the layout of the questionnaire. Therefore, the amount of content in this instrument has been proposed to remain the same. The researchers are seeking opportunities to refresh the content while also maintaining important time-series data.

3. WERS: Fit for a Purpose?

All consultation participants remarked how important and useful WERS is and are pleased that a sixth WERS will be going ahead. It was felt that WERS had several unique features that enable it to fill a niche in the British employment relations research agenda. The most unique and valuable feature is the ability to match data collected from managers, worker representatives and employees, providing a rich source of data on different perspectives of the workplace. It is also the only data source that encapsulates employment relations at the workplace level by conducting interviews face-to-face, providing in-depth information.

It was commented that WERS is invaluable due to the quality and reliability of the data collection. WERS has a strong reputation due to the high response rates and large sample sizes it has achieved to date. Further, many remarked that the ability to examine how British employment relations are changing since 1980 was extremely valuable. Maintaining the time-series of the data collected was considered to be a very high priority by many stakeholders.

Bryson and Forth[2] describe the evolution of the policy environment for WERS and how this is expected to impact on the content of the surveys:

> Traditionally WERS raison d'etre was to map the institutions and formal procedures that characterised (collective) industrial relations. This is still relevant today because these institutions are still present in many large private sector firms and in the public sector, and because the 'formalisation' of representative structures and employment procedures (e.g. dispute resolution) is an ever-present part of UK and EU policy in pursuit of 'better' employment. However, the policy context has also broadened out to what is now commonly called 'employment relations', in which there is an increased emphasis on the individual employment relationship, fairness and equity. The policy context also now encompasses issues of competitiveness, since HR is seen as a potential source of competitive advantage in the knowledge economy. This brings with it an increased interest in HR practice (broadly defined) and its links to company performance. In the context of full employment, there is now also an increased interest in the quality (as opposed to the quantity) of jobs. There is also an increasingly important international dimension to the policy context, prompted by the continuing influence of the EU on UK employment regulation and by interest in international comparisons of labour market performance, productivity and competitiveness (in the context of the globalisation of competition) (pp. 6-7).

An assessment of relevant policy changes and initiatives has been undertaken, the detail of which can be found in Appendix D. The most pertinent policy interests can be summarised as follows:

- *Agency Workers Directive* to be implemented in October 2011 will give agency workers 'equal treatment' to directly recruited employees at the workplace after 12 weeks in a given job.
- *Individual Dispute Settlement and Mediation* – the Dispute Resolution Review (DRR) led by Michael Gibbons and published in 2007.

[2] Bryson, A. & Forth, J. (2009) *Fit For Purpose? An Appraisal of WERS*.

- *Employee Engagement* – Efforts to improve workplace dialogue with a view to enhancing jobs and workplace performance.
- *Information and Consultation* – mechanisms for management and employees to discuss issues of mutual interest.
- *Retirement and pension age* – changes to retirement age so that employees can remain at work for longer and which will help boost earnings and pensions.
- *Family-friendly measures* – Policies to enable employees with family responsibilities to be able to work and for employers to have greater flexibility.
- *The Equality Act* – stronger safeguards to protect disadvantaged groups, particular interest in narrowing the pay gap with requirements for employers to publish data.

4. WERS Methodology

There were a relatively small number of comments regarding the WERS methodology from both the academic, and government and social partner consultations. The following section discusses the findings from the consultation in the following areas of: methodology, sampling, inclusion of agency workers, question design in terms of the probing and prompting and collection of information on detailed occupation.

Methodology

The approach in WERS has been to field the Management Questionnaire (MQ) and Worker Representative Questionnaire (WRQ) as face-to-face interviews and the Survey of Employees (SEQ) is a paper based self-completion survey. The Employment Profile Questionnaire (EPQ) is also a self-completion survey issued in advance of the MQ, as this provides key information on the structure of the workplace that is required to guide the interview with the manager. The Financial Performance Questionnaire (FPQ) is left with the management respondent, in private and trading sector workplaces, at the end of the interview for completion and return by post.

The methodological change proposed for WERS6 was to substitute the worker representative interview with a much shorter telephone interview. The rationale for this was to reduce fieldwork costs whilst continuing to collect data from representatives.

Academic stakeholders argued strongly against shortening the interview, particularly at the expense of data that could be matched with that from the manager and employee surveys. It was also felt that conducting the interview over the phone would limit the depth of information that has been collected in previous surveys.

Subsequently, the contracted fieldwork company, NatCen, advised that a change to a telephone interview would result in minimal cost savings. Therefore, the approach will be to attempt to conduct the worker representative interviews after the management interview during the same site visit. If this cannot be arranged the interview will be conducted over the phone using the CAPI program. The targeted length of the interview will be 30 minutes.

Sampling

Although no changes to the WERS sample were proposed, some issues were raised in the consultation. It was accepted that the industries of agriculture, fishing, and coal mining will not be covered, and had not been in the past, due to problems with data collection. Academics who have a particular interest in researching SMEs requested an increase in the selection probabilities for medium-sized workplaces. This proposal was later rejected in the academic workshop due to the implications for selection of smaller and larger workplaces and the undesirable impact on survey estimates.

There was not a strong level of interest in including workplaces with 5-9 employees, which had been included for the first time in 2004. There was some concern from data users and social partners whether the survey questions were always appropriate for workplaces of this size. It was acknowledged that many of these small workplaces belong to larger organisations and they therefore may be answering questions with the broader organisation policies and practices in mind. It was also suggested that many of these policies may not actually apply and they may indeed follow their own rules. Arguments in support of the inclusion of workplaces with 5-9 employees were around increasing the WERS coverage and representativeness of British workplaces and employees.[3]

Agency workers

At present the MQ collects data on agency workers and employees on fixed term contracts, including the numbers involved and reasons for their employment. The consultation raised the possibility of including agency staff in the survey of employees, sampling them from the workplace in which they are located. There was a strong desire among some stakeholders to understand the experiences and perceptions of agency workers compared to their employee counterparts. For example, levels of employee engagement among agency workers.

Given that the total sample of employees will be around 23,000 to 25,000 and it is estimated that there are between half a million to one million agency workers in Britain, the SEQ would be expected to capture, with equal probability, around 500-1,000 agency workers. However, a significant barrier to achieving this is that it is not clear if sample information would be easily available for agency workers, and if it is, it is likely to be biased toward longer-term workers.

Question design: Probing and Prompting

Throughout the survey extensive use is made of interviewer probing and prompting for all possible responses, e.g. issues ever discussed in meetings between management and employees. In previous sweeps of WERS, interviewers collected the most important two or three issues in order to capture relative importance. For questions involving long lists, it was suggested that extensive prompting for each and all possible answers be avoided and instead focus on the most important. This may have an advantage of reducing the length of the survey, however a

[3] The WERS5 Technical Report estimates that inclusion of 5-9's meant that 88% of employees and 35% of all workplaces were covered.

disadvantage will be that there will be limited information on the scope and range of employment relations activities in the workplace.

Harmonisation with Census for Demographic variables

The next Census of Population is scheduled to take place in 2011 during WERS fieldwork, the Census White Paper[4] indicates that there will be some modification to questions e.g. around disability, caring and marital status, which WERS should be aware of. The general consensus among stakeholders was to retain the time-series where possible, over and above aligning to census questions. However it was agreed that this should be decided on a case-by-case basis for each of the variables affected.

Detailed SOC follow ups

Throughout the survey, occupational groups are used in follow-up questions. The most common are managers and non-managers, the largest occupational group (LOG) and all nine major occupational groups. It is recognised that asking managers to allocate employees to the nine groupings imposes significant burden and attracts error, this is illustrated in incorrect coding for the LOG during the edit. There was no objection in the consultation to the proposal of removing follow-up questions in the management interview using the nine major SOC groups. Consideration should be given to replacing these questions with a question that distinguishes between managers and non-managers, or instead refers to the LOG. It was suggested that some questions could ask about managers, the LOG and remaining non-managerial employees but this may cause confusion for respondents, particularly those in small workplaces where there may not be any remaining non-managerial employees.

5. Topic Areas for Proposed Changes

The consultation process identified many topics for which new questions could be added or existing questions could be amended in each of the three instruments. The research team identified the main topic areas which are briefly discussed below.

The impact of the 2008/09 recession

NIESR have been awarded funding for WERS from the Nuffield Foundation, based on a proposal to explore the impact of the recent recession on employment relations in British workplaces. Consultation participants were supportive of this proposal with academic stakeholders expressing an interest to explore the impact of the recession on HR policies and practices and employee voice. NIESR have proposed the addition of three new questions to the MQ and one new question to the SEQ in order to facilitate this analysis.

The first question to be added to the MQ would seek to identify the severity of the downturn for each workplace. This can partly be identified by matching on industry-level data (e.g. the percentage change in industry output at 2-digit level from the Indices of Production/Services), but a direct question is also needed in order to identify heterogeneity of experience *within* an industry. The question might ask about changes in market share or, in order to be more broadly applicable across public

[4] http://www.ons.gov.uk/census/2011-census/2011-census-questionnaire-content/2011-census-white-paper--english-.pdf

and private sectors, the ‘severity with which the recession affected operations’ (a question asked by Geroski and Gregg in their survey-based study of the recession of the early 1990s). The second question to be added to the MQ would then seek to identify the ‘first-order’ effects of the downturn on workplace’s operations; in other words, the actions they have taken in response to the problems faced during the recession (e.g. redundancies; recruitment freeze; pay freeze; reduction in working hours; change in work organisation). The third question would seek to obtain the respondent’s perception as to whether the workplace (or firm) has emerged stronger or weaker from the recession.

The items added to the SEQ would ask the employee whether any of a number of things happened to them during the recession (e.g. made redundant; wages frozen/cut; working hours reduced; workload increased). It was discussed whether this question should focus on the respondent’s current workplace, keeping it in line with all other survey questions, or their experiences of the recession more broadly. The former option would mean that the question would be irrelevant to respondents who were not at their currently workplace during the recession, and would also limit measuring the full impact of the recession (such as those who were made redundant and subsequently found another job).

NIESR will also be seeking to match the WERS data to the Annual Business Inquiry (to get financial performance data to complement the FPQ) and the Business Structure Database (to get date of closure for workplaces which have closed down).

Skills and Training

Skills and training is an important issue in the current British labour market. Further, skills acquisition and learning are critical in order to identify high performance work organisations and to look at the relationships between productivity and performance. There was very strong support in the academic consultation for understanding skill utilisation due to the ‘putative’ relationship with high-performance organisations.

In the SEQ, there is currently a question that asks employees about their perceptions of a skills mismatch in their current job. Mismatches and skill utilisation can be further assessed by examining the formal qualifications of an individual and the qualifications required for their current job.

The SEQ consultation paper proposed that the question rating the employee’s satisfaction with ‘the training you receive’ be widened in scope to include opportunities for skill development. One reason for the proposal is that provision of formal training in smaller workplaces is limited. While this was supported by consultation participants, the WERS sponsors place a higher priority on maintaining data for time series which will assist with analysis on the impact of the recession. It should also be noted that there is nothing to assess employees’ satisfaction with opportunities for progression or career development.

The consultation process exposed a strong objection to deleting a number of questions in the MQ related to the issue of training, skills and job design, e.g. questions about control and discretion over work, job design and numbers of days the LOG spends on training.

Employee Engagement

Employee involvement and engagement continues to be a prominent topic in both academic and policy circles. It was unanimous that WERS should attempt to measure the degree of employee engagement in the workplace; however, there were conflicting views as to how this should be done.

It was acknowledged that the items in both the MQ and SEQ used to measure High Performing Workplaces (HPWP) could also be used to examine employee engagement practices and levels of employee engagement. In the SEQ there are currently several questions that can be used to gauge employees' level of engagement[5] and their perspectives of managers' efforts to engage them.[6] [7]

The consultation identified that WERS was lacking an outcome measure for employee engagement and that this could be usefully added to the SEQ. This measure would gauge employees' proactivity in the workplace, e.g. initiating better ways of doing work or the running of the workplace.

Another area of importance in the employee engagement literature is the role of the line manager. One of Timming's critiques of the SEQ is the lack of distinction between senior managers and line managers.[8] The question where this is most problematic is where employees are asked about their attitudes towards managers, in relation to several aspects of their role. The consultation reinforced this criticism and it was suggested that the question be repeated, to ask about both senior managers and line managers. With six items, however, this would have serious implications for the length of the survey. Further, making adjustments to the current questions to clarify the type of manager referred to would also impact on continuity of the data.

Work-life balance and Flexible Working

Retaining questions on the availability of flexible working, maternity, paternity, parental leave and childcare arrangements in the MQ is important to examine the growth in flexibility and 'family-friendliness' which is topical and will maintain the time-series. Key questions in the MQ are almost identical to those asked by the Work Life Balance Survey (WLBS) of Employers. Fieldwork on that survey has been postponed, thus retention of these questions is important, particularly for government policymakers.

Questions in the MQ should reflect *availability* of the full range of flexible working arrangements with a follow up on the groups of employees who avail of these. There is a closely related need to understand what employers offer in terms of maternity and paternity leave arrangements. It was suggested by consultation participants, that the questions be amended to examine the extent to which employees receive the statutory minimum, their normal rate of pay or an amount between this.

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[5] Specifically, these are questions A7, A8b-c, B9 and C1 in the 2004 SEQ.
[6] Questions B6, B8, C2 and C3 in the 2004 SEQ.
[7] It is important to note the reason why WERS had not been used more extensively in the MacLeod report was due to a reliance on the Source Book rather than raw data.
[8] Timming, A (2009) 'WERS the validity? A critique of the 2004 Workplace Employment Relations Survey of Employees', *Work, Employment and Society*, 23(3), pp. 561-570.

Modifications could also be made to existing questions to assess if employers are prepared for additional paternity leave due to come into force in April 2011.

In the SEQ, there was strong resistance to the proposed removal of the flexible working questions, because of the links with work-life balance, corporate social responsibility, performance and innovation. Some felt that the questions needed to focus on actual use of arrangements while others felt that availability, from the perspective of the employee, was the key issue. It was suggested that modifications be made to ask the employee to choose from several categories of availability across different working arrangements. The categories proposed are: not available to me, available to me but not used, and currently use the arrangement.

There was support for a question in the SEQ on employees' reports of the level of work-life conflict. It was proposed that this could replace the existing question asking employees about their manger's understanding of responsibilities outside work. Feedback from the consultation argued that these were not interchangeable questions as 'people have conflicting personal experiences with and without sympathetic managers'. There were also strong arguments for maintaining the time-series for the existing question.

Mediation and Dispute Resolution

The Dispute Resolution Review (DRR) led by Michael Gibbons, published in 2007, found that disputes were being quickly accelerated due to early formalisation. There is considerable interest, from BIS, business stakeholders and Acas, in whether the removal of the statutory dismissal and discipline procedures and the subsequent reliance on the Acas *Code of Practice* on disciplinary and grievance procedures will lead to a reduction in the number of cases going forward to tribunal. In the spirit of encouraging dispute resolution within the workplace, the Acas Code of Practice guides employers to seek ways of resolving disputes early and informally (e.g. discussions with the line manager) and through use of mediation as a mechanism for resolving disputes in the hope of preventing the dispute being taken to the Employment Tribunal.

There is a particular demand for information about awareness and use of mediation and WERS offers one of the rare opportunities to explore incidence from a full sample of the population. Existing data is partial (e.g. CIPD membership population survey, and Acas opinion poll on SMEs). It also provides an important opportunity to measure this aspect of the Gibbons proposals.

Information requirements can be summed up as follows:

- Attempts at informal dispute resolution via discussions at the workplace (prior to use of formal procedures).
- Awareness of mediation.
- Incidence of mediation as part of the formal grievance procedures.
- Provision for mediation services in formal grievance procedures.
- Use of mediation services.
- Types of issues for which mediation has been used.
- Provider of mediation services.

Perceive effectiveness of mediation in providing lasting solutions to workplace disputes.

Further, the academic consultation identified a request to measure perceived procedural justice in the workplace. This could potentially include measures of how individuals feel they have been treated by management systems in relation to requests or grievances. Existing items in the SEQ measure procedural justice on a generic basis, e.g. attitudinal items on whether managers ‘deal with employees honestly’ and ‘treat employees fairly’. The consultation process revealed a relatively weak demand for further measures of procedural justice.

Equality and Diversity

The introduction of the Equality Act and the new provisions that require all public bodies to introduce Single Equality Schemes (SES) necessitates review of the equality and diversity questions. In all instruments the terminology of ‘equal opportunities’ should be amended to ‘equality and diversity’ to reflect changes in policy and practice. Currently, managers are asked whether recruitment or selection, promotion and pay is monitored and reviewed across four equality strands and it may be necessary to expand this to include religion or belief as well as sexual orientation.

Some government stakeholders reported pay equity to remain a high priority in analysis and the Equality Act calls for greater transparency in monitoring the gender pay gap. Extra questions on employer pension and bonuses would mean that pay discrepancies across some of the equality strands could be examined.

The SEQ collects demographic characteristics of sex, age, marital status, dependent children, caring responsibilities, disability and ethnic group. It does not currently include questions on sexual orientation and religion or belief. Concern was raised about the sensitivities of collecting information in self-completion forms. The research team agreed that further testing would be required to examine the acceptability of these items and an exploration of how the data would be used in analysis.

The emergence of equality representatives were regarded as an important issue in representation and advancement of the equality and diversity agenda. It was requested that the survey measures the number of equality representatives that exist at the workplace.

Migrant Labour

There was strong support from stakeholders across government, social partners and academia that WERS should attempt to assess the use of migrant labour in workplaces. However, the academic consultation highlighted the significant challenges in obtaining data in this area. Participants were in general agreement that a distinction between EU and non-EU migrant workers would be very useful to examine the impact of the single market on the British workforce. This could be used in analysis to examine whether a strong presence of migrant workers in the workplace has an impact on employment relations issues such as wage structure, productivity and skill levels. For example, does pay determination in workplaces with a high proportion of migrants differ to those in similar workplaces with no migrant workers? And, does the level and type of representation differ in workplaces with a high level of migrants? It would also be useful to be able to examine the migrant composition of workplaces in future WERS and whether this changes over time.

Further advice from David Metcalf and Jonathan Wadsworth from the Migration Advisory Committee (MAC) strongly suggests that a question asking all employers whether any migrant workers are employed at the workplace is both viable and extremely valuable. This would lead to follow-up questions on the proportion or number of EU and non-EU migrants. Survey work undertaken by MAC shows that employers do not appear to have difficulty answering questions of this nature. Bearing in mind the impact this would have on the length of the survey, it was suggested that the question asking managers to estimate the proportion of workers 'from a non-white ethnic group' be deleted. Some stakeholders expressed a dislike of the phrase but argued for the question's retention to maintain a time-series.

Considering length limitations also in the SEQ it was suggested that a question on country of birth (comparable to that used in the LFS) would be sufficient to be able to report on issues of migrant labour from the employee's perspective. It was also felt that it would be desirable but not essential to have a question on most recent entry to the UK if the employee was not born in the UK.

Pensions and Employee Benefits

The receipt of fringe benefits is an important element of an employee's reward package which is currently given only marginal attention in WERS. Pension provision is one area of particular interest, given concerns about the low level provision of workplace-based schemes among small employers and low levels of employee take-up more generally. Questions in the MQ ask about the provision of a specified list of benefits to managerial employees and employees in the largest occupational group, but the survey gains no other indication of variations in the receipt of fringe benefits according to occupation or other employee characteristics. It would thus arguably be more valuable to collect such data in the SEQ. The item would need to refer to the receipt of employer contributions, since the simple provision of a scheme is now a legal requirement for all employers with 5 or more employees.

Governance and where decisions are made

The issues of governance and autonomy of the workplace are taken together as there is considerable overlap. There are several aspects: **autonomy** of management, **corporate social responsibility**, type of **ownership** and overall **control**. In 2004, a number of new questions that examine the relationship between workplaces and parent organisations were introduced to the MQ but this was reported as being only moderately successful.

Autonomy of management is measured by asking about where policies for 13 employment relations are determined. To continue to accurately examine ownership it was proposed that the question asking about changes in the business status be modified to include 'acquisition by venture capital/private equity' but due to expected small numbers 'initial public offering' should not be added.

Questions proposed to develop even a very sparse measure of corporate social responsibility involve over 16 items. Some of these items are already covered e.g.

gender equality aspects and work-life balance, and standards in relation to customers/clients.

In terms of overall control it was requested that an attempt be made to distinguish between firms with concentrated ownership and those with dispersed ownership by amending the existing question on ownership to also determine whether 25% of the organisation is owned by a family if it is publicly listed.

Pay Structures

The UK Low Pay Commission (LPC) felt that WERS was not the most appropriate forum to collect information on the payment of and compliance with the National Minimum Wage (NMW). But there was interest in understanding the role of the NMW in pay determination at the workplace.

An area where there is a lack of information that would be best collected by WERS is pay structures in workplaces. WERS is strong on data on contingent pay but neglects to cover the underlying pay structures within an organisation that examine whether there is, for example, age or progression components and existence of bonuses. There is interest in exploring whether progressive pay structures only exist in the public sector, what role unions play in their establishment and whether progression exists for low-paid workers.

It was suggested that the questions asking managers if pay differs across employees and the factors driving these differences be modified to more accurately examine pay structures within the workplace.

Health and Well-being

This was identified as an emerging issue by the consultation. Some stakeholders felt that health and well-being will become of equal importance to employee engagement and that the two agendas will become intertwined. There was interest in examining whether the ‘well-being’ of their workforce is on employers’ agenda and what initiatives were being undertaken.

The SEQ already has questions to measure stress and it is likely that these will be adapted to assess well-being use both the Warr scales of anxiety-contentment and depression-enthusiasm, but the MQ does not currently collect information on the provision of well-being measures. However, it was highlighted that this would be difficult to measure by adding just one question. Further, although there was interest expressed in the academic consultation in furthering exploration of well-being in the survey, it was concluded at the workshop that WERS is not the appropriate vehicle to achieve this.

Retirement age and older workers

At the time of consultation, the then Government was intending to announce changes to the Default Retirement Age (DRA), which currently stands at 65 years of age but is not compulsory. The possible change could be to abolish or raise the current age.

The MQ collects the proportion of workers aged 50 and over at the workplace and it is proposed to refine the collection of age in the SEQ at the older age brackets. WERS already incorporates some questions on recruitment of older workers and on monitoring recruitment, promotion and pay by age. However, a lot of questions would be needed to assess the contribution of older workers and how working arrangements can be changed to keep them at work. These are already covered in the Survey of Employers' Policies, Practices and Preferences (SEPPP) and were not regarded as a high priority for WERS.

Social Support

The degree of social support in the workplace is argued to be a key factor (alongside job control) in shaping the relationship between job demands and psychological well-being. Questions on other surveys typically seek to identify the supportiveness of the supervisor or of colleagues, or the availability of more general social support within the workplace (e.g. the friendliness of colleagues). The supportiveness of line managers and colleagues were regarded to be the most relevant issues.

Employees and Unions

There are currently no representative datasets which allow the exploration of the effectiveness of different unions in representing their members. The MQ identifies which unions are known to be present in the workplace, but it is not possible to determine which of these unions an individual union member identified in the SEQ belongs to. If such data were collected, it would enable analysis of items such as the effectiveness of workplace union representation and the preference for union representation by union identity. It was proposed to add a tick-box question to the SEQ which listed the five or six largest unions by membership, along with an 'other' category. However, some stakeholders argued that examining the effectiveness of the largest five unions should not be considered a high priority for WERS. It was also suggested, as an alternative, that the union an employee belongs to could be derived from the MQ where this is only a single union present in the workplace.

There are currently no surveys which provide a representative sample of workplace employee representatives. The WRQ is deliberately targeted at senior representatives. If the SEQ were to include a question asking whether the respondent were a union or non-union representative in their workplace, this would provide a larger sample of union and non-union employee representatives, from which much could be learned about their characteristics, employment experiences and attitudes. Valuable comparisons could also be made with the wider population of employees.

6. Responses to Proposed Question Deletions

Broadly, it could be argued that the two groups for whom there were separate consultation exercises: government and social partners, and academics, differ in the way they use WERS data and outputs. The consultation exercise confirmed that government and policy practitioners are more likely to rely on outputs such as the source book; while academics are more likely to analyse the microdata in order to produce their own outputs. Thus, input into the consultation varied in that government and social partners were more likely to comment on thematic issues relating to WERS, while academic submissions centred on specific question proposals. In doing so, the academic consultation argued that deleting questions in the MQ pertaining to Investors in People; job autonomy and control; teamwork; and product market strategy would all be 'fatal flaws'. With regard to the SEQ these were identified as the questions on flexible working practices and the provisions to assist with childcare.

7. Conclusion and Next Steps

Many of the proposals presented in the consultation papers focused on question deletions or streamlining questions in the hope of reducing the survey length. The target is to achieve a 90-minute MQ interview on average; a 30-minute WRQ interview; and the SEQ will be designed over 12 pages with improved formatting (i.e. single column pages and increased font size).

If all original proposals for question deletions were accepted the interview is expected to take 81 minutes, which would allow approximately nine minutes for new content. However, as some proposals for deletions were rejected through the consultation process, it is anticipated that the room available for new questions will be approximately five minutes.

The WERS research team will consider the findings from the consultation in developing proposals for the instruments for WERS6, taking into consideration the requirement to maintain time-series data, as well as taking the opportunity to innovate with new data items. The proposals will be presented to the WERS Steering Committee for their input.

It is expected that the main topic areas that will be retained following consultation will be the areas of employee skills, work organisation, flexibility and employee engagement. In addition, it was agreed that questions would need to be added to cover the impact of the recession. If these topics are accommodated and if space remains, attempts will be made to cover the new equality strands and reinstate questions on work organisation and business performance. Broadly speaking the same topics have been prioritised for inclusion in the survey of employees, with the addition of a question on pay benefits or variable pay systems and a recession question, space permitting.

Table 1 outlines the next steps that will be taken following the consultation process. All new questions will be subject to cognitive testing and an assessment of the success of these questions in the field will determine if they are carried forward to the first pilot. Where changes can be made which do not impact negatively on the time series or which do not have an impact on respondent burden then these will be taken forward.

Table 1: WERS6 Timetable

Task	**Timing**
Drafting of Questionnaires	May 2010
Cognitive testing	June-July 2010
Finalise Questionnaires for first pilot.	Early August 2010
Pilot 1	August – September 2010
Pilot 2 – ‘Dress Rehearsal’	October – November 2010
Finalisation of instruments and fieldwork procedures	December 2010
Main stage fieldwork	January - August 2011
First findings released	Early 2012

Appendix A – WERS6 Consultation Feedback Form

Please enter your comments under the most appropriate heading and use the variable identifiers when commenting on specific variables. There is no requirement to comment on all areas.

Return the form by 17 March 2010 to Mark McConaghy (by email: mark.mcconaghy@bis.gsi.gov.uk or fax: 0207 215 2641).

Overall WERS Design (incl. sampling, sample size, & inclusion of workplaces with 5-9 employees)	
Management Questionnaire (MQ)	
Method	
Question modifications	
Question deletions	
New topic areas	
Employee Profile Questionnaire (EPQ)	
Financial Performance Questionnaire (FPQ)	
Other	
Worker Representative Questionnaire (WRQ)	
Method	
Question modifications	
Question deletions	
New topic areas	
Other	
Survey of Employees Questionnaire (SEQ)	
Method	
Question modifications	
Question deletions	
New topic areas	
Other	
Other comments	

Appendix B – Written Submissions Received

Name	Organisation
Richard Saundry	(through Acas)
Peter Harwood	(through Acas)
Pauline Heather	DWP Ethnic Minorities Team
Gill Dix	Acas
Carol Stanfield	UKCES
Henrique Duarte	
Jonathan Michie	
Ethnic Minorities Team	DWP
Steve Hodder	Hodder Consulting
Linda Seymour	Sainsbury Centre for Mental Health
Steve Palmer, Jessie Evans, Tim Butcher	UK Low Pay Commission
Kim Hoque	Nottingham
Gindo Tampubolon	Manchester
Jo Brewis	Leicester
David Marsden	LSE
Andy Charlwood	York
Francis Green	Kent
Mary Welch	UCLAN
Alan Felstead	Cardiff
Andrew Robinson	Leeds
Lilian M de Menezes	City
Wu Ming	Nottingham
Stanley Siebert	Birmingham
Paul Latrille	Swansea
Phil Whyman	UCLAN
Andrew Pendleton	York
Kim Hoque	Nottingham
Karen Mumford	York
British Psychological Society	
Industrial Relations Research Unit (IRRU)	Warwick University
Jim Arrowsmith	Massey

Appendix C – Details of face-to-face meetings and workshops

Appendix C.1 Meetings held with government and social partners

Name	Organisation	Date
Mike Emmott	CIPD	17 February 2010
David Perfect	EHRC	19 February 2010
David Yeandle	EEF	19 February 2010
Jane Carr, Wayne Diamond, Sheila Honey	Employment Market Analysis & Research, BIS	22 February 2010
Asad Ghani, Hulya Hooker, Richard Scott	Employment Market Analysis & Research, BIS	23 February 2010
Sarah Veale	TUC and Acas Council	23 February 2010
Paul Sellers	TUC	23 February 2010
Neil Carberry, Guy Bailey	CBI	24 February 2010
Karen Haseldine, Nicola Dissem	Employment Relations, BIS	23 February 2010
Simon Rowley	Employment Relations, BIS	26 February 2010
Andrew Death	Employment Relations, BIS	1 March 2010
Kate Hitchcock	UK Borders Agency	2 March 2010
Ian Drummond, Janette King, Karen Grierson	Enterprise Directorate, BIS	2 March 2010
Sue Arrand	Migration & Employment Agency Standards, BIS	3 March 2010
Gail Davis	Employment Relations, BIS	3-March-2010
Amy Lee, Isabelle Swarc	Department of Work and Pensions	4 March 2010
Chris Thresh	Employment Relations, BIS	8 March 2010
Stephen Childerstone	Employment Relations, BIS	8 March 2010
Alistair Hatchett, Ken Mulkeran, Anna Warbec	Income Data Service (IDS)	9 March 2010
Martyn Henderson	Government Equality Office (GEO)	10 March 2010
Bernard Carter	Employment Relations, BIS	10 March 2010
Karen Wilshaw	Employment Relations, BIS	12 March 2010
Dan James	Migration Advisory Committee	12 March 2010
Nita Clarke	IPA	15 March 2010
Steve Palmer, Jessie Evans, Tim Butcher	UK Low Pay Commission	16 March 2010
Bill Wells	EMAR	17 March 2010
Tim Harrison	EMAR	18 March 2010
Jane Bird, Keith Mizon, Gill Trevelyan	Acas	22 March 2010
David Metcalf Jonathan Wadsworth	Migration Advisory Committee	12 April 2010

Appendix C.2 ESRC workshop agenda and list of participants

Workshop to discuss proposed changes to the
Workplace Employment Relations Survey (WERS)
Friday 19 March 2010
10.00 – 13.00 at the Medical Research Council, Regents Park, London

Attending

Stephen Wood, University of Sheffield (Chair)
Nick Bacon, Nottingham University Business School
Andy Charlwood, University of York
Scott Court, Economic and Social Research Council
Peter Elias, ESRC Strategic Adviser for Data Resources
Alan Felstead, Cardiff University
Richard Garrett, UK Commission for Employment and Skills
Francis Green, University of Kent
Kim Hoque, Nottingham University Business School
Mark McConaghy, Department for Business, Innovation and Skills
Lilian M de Menezes, CASS Business School
Brigid van Wanrooy, Acas
Keith Whitfield, Cardiff University

Agenda

1. Welcome and introductions; background to the consultation (Stephen Wood)
2. Overview of the proposed changes (WERS Research Team)
3. Discussion about the proposed changes to the questionnaires
    - SEQ
    - WRQ
    - MQ
4. Priorities for new question areas
5. Summary of the feedback from the discussion

Appendix D – Major Policy initiatives in the run up to WERS6

- *Agency Workers Directive* to be implemented in October 2011 will give agency workers 'equal treatment' to directly recruited employees at the workplace after 12 weeks in a given job. Business stakeholders in particular were interested to see how the Directive will impact on employers and their ability to deploy workers flexibly. Although the Directive is not due to be implemented until after fieldwork is complete, WERS6 provides a good opportunity to gather benchmark data on the use of agency labour prior to the implementation.

- *Individual Dispute Settlement and Mediation* – the Dispute Resolution Review (DRR) led by Michael Gibbons and published in 2007 found that disputes were being quickly accelerated due to early formalisation. There is considerable interest in whether the removal of the statutory dismissal and discipline procedures and the subsequent reliance on the Acas Code of Practice on Dismissal and Grievance Procedures will lead to less formalisation of disputes.

- *Employee Engagement* – While there have been no policy initiatives to come out of the MacLeod Review on Employee Engagement, it has generated a substantial amount of debate, and has potentially had an indirect impact on policy and practice.

- *Information and Consultation* – The information and consultation regulations which came into force from 2007 have sought to introduce mechanisms for management and employees to discuss issues of mutual interest, and to consider how constructive dialogue can be promoted.

- *Health, Work and Wellbeing* – is a significant inter-departmental initiative that has resulted in numerous programs to promote wellbeing at work. It is aimed at keeping people in work or getting them back to work if they have been ill.[9] HWWB is based on evidence that people who remain in work tend to be healthier. Some of the initiatives have included a change from the 'sick note' to the 'fit note' which requires the doctor to determine whether the person is fit for work or some aspects of their work.

- *Retirement and pension age* – At the time of writing, the Government was intending to announce changes to the Default Retirement Age (DRA), which currently stands at 65 years of age but it is not compulsory. The change could possibly be abolishment of the DRA or raising it. The new pension arrangements that require an employer contribution will be phased in from October 2012 to Oct 2017. Implementation will be staged by size of the organisation and amount of the contribution (gradually building up to the full 3 per cent). There will also be an opt-out option for employees.

- *Family-friendly measures* – Policies are currently being considered which focus on paid parental leave being available to either parent (from 26-39 weeks), but this will not come into effect until April 2011. The Right to Request flexible working is currently targeted at those with children up to age 16 and those who care for family members or someone they live with. Arrangements for special leave, parental leave

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[9] See http://www.workingforhealth.gov.uk/

and emergency leave are also complex and while parental leave as a statutory right in unpaid, some employers are offering it as paid.

- *The Equality Act* –At the time of writing the Equality Act received Royal Assent. The Act seeks to bring together the main equality strands and provide a more coherent legislative basis to tackle discrimination and unfair treatment both in employment and in relations to education and supply of goods and services.
- *Annual leave* – The Working Time Directive has increased annual leave entitlements from 4 weeks to 4.8 weeks (5.6 weeks to include public holidays) in April 2009.
- The recast *European Works Council Directive* to be implemented into domestic legislation by June 2011 extends provisions for training of EWC members and consultation on adaptation issues connected with company restructuring and on training for EWC representatives.

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URN 10/1120