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*THE GROWTH OF PART-TIME EMPLOYMENT  
IN THE SERVICE SECTOR : EMPLOYER  
RATIONALES AND TRADE UNION IMPLICATIONS*

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Thesis submitted for the degree of Doctor of Philosophy,  
Glasgow University, Department of Social and Economic  
Research, October, 1989.

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and

J.J.S.

#### Acknowledgements:

Thanks to Alan MacGregor for the good humoured encouragement and highly constructive criticisms he supplied throughout the preparation of this thesis.



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RATIONALES AND TRADE UNION IMPLICATIONS

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## SUMMARY

This research project set out to examine the factors determining the growth of part-time labour in the service sector in Great Britain and to consider the industrial implications of this growth. It is argued that the appropriate theoretical framework for analysing the demand for this form of labour starts from the position that managements' labour use decisions are influenced, but not exclusively determined by, the range of products or service to be delivered and the nature of the production technology chosen. Given these decisions, how work is actually allocated and the mix of labour forms employed will be shaped by the economic environment within which the organisation operates; the constraints on labour utilisation applying within the organisation; and the labour supply conditions it experiences. The fact that each organisation is a physical entity shaped by its development and past decisions on technology, product lines, managerial styles, and so on, will ensure that even when these environmental factors apparently leave little room for manoeuvre organisations will not react uniformly across sectors or industries. Labour use decisions are not simply constrained by exogenous factors but also shaped by these internal considerations.

Adopting this as the appropriate analytical framework for a study of the growth of part-time employment imposes considerable resource demands. It implies that a

comprehensive examinations of this topic should be built on data drawn from those employing such labour; those who choose not to; those who, through choice or necessity, work on a part-time basis; and the main 'third parties' shaping the environment within which such employment decisions are taken. The present study was unable to gain access to primary data across this wide range of sources, instead reliance was placed on two surveys conducted in 1987 and 1988 for primary information, supplemented by the academic literature on the subject. The first survey was directed at employers in the service sector in a single labour market. One hundred and seven establishments cooperated, (a response rate of 71%), providing a wide range of information on their workforces, their product markets, their industrial relations, and their labour use strategies through semi-structured interviews and data sheets. The second survey was directed at part-time employees mainly in distributive trades, and was more narrowly focused on the attitudes and perceptions of part-time workers to trade unions. Seven hundred and thirty-four employees across Great Britain provided usable returns in this survey, a response rate of 45%. This thesis is structured round these two primary data sets.

The first chapter very briefly identifies the dimensions of the phenomenon under examination, looking at patterns of employment change in the service sector and the international and historical trends in part-time employment.

Chapter 2 examines in detail the post-war trends in part-time employment before reviewing the literature on the demand for this employment form including a detailed consideration of the 'Flexible Firm' model associated with researchers at the Institute of Manpower Studies. This leads to a classification of potential determinants of demand for such labour under seven headings. These focus on the specific content of part-time jobs; the product market conditions facing firms; the contribution of part-time labour to capital utilisation; the relative cost advantages of part-time labour; the nature of the trade union constraint on the use of such workers; supply-side recruitment/ retention problems; and the relative functional and numerical flexibility of part-time workers. The chapter concludes with a section on the influences on employment structure adopted in the remainder of the thesis.

Chapter 3 tests a number of the hypotheses embodied in the rationales specified in the previous chapter using the data from the management survey, analysing the public and private sectors separately. Management responses are detailed, and multi-variate techniques are applied to identify the variables significantly associated with the use of part-time labour in these sectors. In the latter part of chapter 3 and throughout chapter 4 the multi-variate analysis is supplemented by qualitative data to draw out the intra- and inter-divisional differences occurring in the use of part-time labour. Five independent

variables proved to be statistically significant for the sub-sample of private sector establishments, size, industry, national insurance contributions, shift systems, and a trend towards a shorter working week. In the public sector the smaller number of organisations resulted in a heavier reliance on qualitative evidence, perhaps the most notable result is dramatic variations in the strength of the influence exercised by trade unions on labour use decisions across the sector.

The analysis of the factors shaping the demand for part-time workers across the public sector was more successful than the equivalent analysis of the private sector as a whole. This reflects the heterogeneous nature of the service sector establishments across the four SIC Divisions covered in the survey. An adequate analysis required the sample to be disaggregated, and the results presented in chapter 4 indicate a distinct set of determining factors shaping the use of part-time labour in distributive trades, transport and communications, the financial sector, and in the category of 'Other Services'.

Given the coverage of the demand-side in the first half of the thesis, the second survey should, ideally, have looked at the enabling and constraining factors shaping the labour supply decisions of part-time workers. This course was not followed, firstly due to resource constraints, and secondly due to the range and quality of recent academic work in this area. Instead it was decided to focus on one of the central themes running through the first survey, the

impact of trade unions on the employment mix, and to consider the implications for trade unions of the growth in part-time labour. Data on the attitudes and perceptions of part-time employees is very difficult to acquire in this area and assistance was sought from trade unions in the conduct of a survey of these workers. The result was a national survey of workers mainly employed in distributive trades.

It is argued in chapter 6 that the growth of part-time employment has wide-ranging implications for the future of British trade unions. It could potentially affect the recruitment strategies they adopt, the range of specific services they provide, the nature of the training they provide to full-time and lay officials, the methods of union/member communications they adopt, the range of social and political issues they address, and so on. The analysis in chapter 6 mainly focuses on the issue of the unionisation of part-time workers because the question of membership precedes many of the other potential changes which an increasing proportion of part-timers in the labourforce could bring about. The literature on the unionisation of full-time employees is reviewed and a range of establishment, job and personal characteristics are identified which may exercise some influence on the unionisation decision. These are then tested on the data set of part-time workers to establish whether there are any essential differences between these two groups of workers across these characteristics. It is concluded that the main difference concerns the variable 'weekly hours worked', in



other words, part-time employment status, *per se*, is negatively associated with unionisation. Much of the discussion in chapter 6 is concerned with exploring reasons why this relationship holds and considering what changes trade unions would need to make to their policies and practices to increase the probability of part-time workers joining their organisations.

The final chapter in the thesis draws a range of general conclusions from the two primary data sources and the literature reviewed in the study. The question of the adequacy of the theoretical framework is addressed, followed by a discussion of what the study evidence suggests about the future growth in the demand for part-time labour in Britain. This is followed by an analysis of the existence and strength of trade union opposition to the growth of part-time labour, and of the adaptability of the unions to the new conditions created by the growth of part-timers and other peripheral labour forms. Finally, there is a brief consideration of potential changes in public policy as they would affect the growth in the demand for part-time employees.

## CHAPTER 1

### INTRODUCTION

This thesis is concerned with part-time employment in the service sector of the British economy. The service sector, defined as 1980 Standard Industrial Classification Divisions 6 to 9, now accounts for over 68% of employees in employment, over 50% of output and over 40% of investment undertaken by British industry (Department of Employment, 1989). In terms of employment, the relative importance of the sector has been increasing over the 150 years in which data have been available, with the relative growth in the last decade being particularly marked. In the period 1977 to 1987 the proportion of employees in service industries grew from 57.4% to 68.1%.

Despite the growing importance of service industries, they remained, until recently, a relatively neglected area of study for labour economists, industrial relations specialists and policy makers. The reasons for this neglect are complex and numerous, but they undoubtedly include, *inter alia*, the perception held by early economists that only certain types of economic activity were 'productive'. For example, the Mercantilists focused on bullion generating export activities as being the key to economic success, the Physiocrats placed a similar emphasis on agricultural activities, Adam Smith argued that labour was productive only if it generated an enduring physical product, and so on. In more recent times the subordination

of the service sector has reflected the impact of two arguments. The first suggests that manufacturing industry is the principal engine of economic growth through its impact on technical change, productivity and real per capita income. The second argues that manufacturing performance is the key to sustaining a satisfactory balance of payments. This latter view seems to be mainly rooted in the fact that the value added in manufactured exports is significantly higher than in services, and that traditionally manufacturing has accounted for the majority of British exports by value. While these points are undoubtedly true, the British economy's dramatic loss of world market share over the last thirty years has occurred in both manufacturing and services. This suggests that the appropriate policy responses to this long run deterioration in our balance of payments position should focus on underlying structural problems in both sectors, rather than relying exclusively on the regeneration of manufacturing or on the assumption that service sector exports can financially compensate for the loss of market share by British manufacturing industries.

The resurgence of interest in the service sector in part reflects the dramatic changes occurring in both the level of unemployment and in the composition of employment in the 1980's. These developments have focused the attention of policy makers on the sector as a source of employment creation. (see, for example, Department of Employment 1985; The House of Commons Select Committee on Trade and Industry 1985). This has led to some

reorientation of research interests towards the sector, but as yet there is still a limited body of published work on specific aspects of service sector employment and the policy implications arising from the increased importance of these industries.

#### Section 1:

##### Patterns of Employment Change in the Service Sector

The growth of employment in services over the last decade has not been uniform through time or across industries. Considering the British economy as a whole over the last decade, just over 2 million jobs were lost between 1979 and 1983, almost 10% of all jobs in the economy, while over three quarters of a million job have been gained up to 1987 (Department of Employment, 1989). The experience of production and services industries differs dramatically in these two sub-periods. Service industries lost around 80,000 jobs in the recession of 1979-83, just over 0.5% of the total, while gaining over 1.3 million in the recovery of 1983 to 1987, a growth of approximately 10%. In contrast production industries, defined as 1980 SIC Divisions 1 to 5, lost one and three quarter million jobs in the recession and went on to lose a further half million in the growth period to 1987.

Considering only the services industries, it is useful

TABLE 1.1  
Employees in Employment in services: by industry at June each year

Great Britain SIC 1980	Division Class or group	1977	1980	1982	Change 1977-87 1987	Number	per cent
All industries and services	0-9	22,126	22,458	20,916	21,325	-801.0	-3.6
Service industries	6-9	12,699.5	13,383.7	13,117.0	14,507.5	1,808.0	14.2
Distribution, hotels, catering, repairs	6	3,956.4	4,240.1	4,058.2	4,380.9	424.5	10.7
Wholesale distribution	61	816.8	894.1	870.7	915.9	99.1	12.1
Retail distribution	64.65	2,052.4	2,134.7	1,984.1	2,073.9	21.5	1.0
Hotels and Catering	66	861.6	959.3	958.7	1,095.2	233.6	27.1
Repair of consumer goods and vehicles	67	190.4	211.8	204.5	245.2	54.8	28.8
Transport and communication	7	1,431.5	1,464.5	1,359.8	1,326.2	-105.3	-7.4
Railways	71	183.0	182.1	163.3	138.0	-45.0	-24.6
Other inland transport	72	454.7	451.0	405.6	442.3	-12.4	-2.7
Supporting services to transport	76	113.9	115.4	102.1	86.9	-27.0	-23.7
Miscellaneous transport and storage	77	140.6	161.7	151.8	149.2	-8.6	-6.1
Postal services and telecommunication	79	411.3	428.2	427.7	438.0	26.7	6.5
Banking, finance, insurance	8	1,494.9	1,668.7	1,770.8	2,299.2	804.3	53.8
Banking and finance	81	408.2	454.1	467.4	547.7	139.5	34.2
Insurance, except social security	82	200.5	220.1	219.6	239.5	39.0	19.5
Business services	83	713.7	803.5	889.0	1,271.5	557.8	78.2
Renting of movables	84	93.6	97.4	89.7	111.3	17.7	18.9
Owning and dealing in real estate	85	78.9	93.7	105.1	129.3	50.4	63.9
Other services	9	5,816.7	6,010.5	5,928.2	6,501.2	684.5	11.8
Public administration and defence	91	1,685.3	1,615.9	1,541.6	1,592.6	-92.7	-5.5
Sanitary Services	92	248.4	309.5	283.1	387.7	139.3	56.1
Education	93	1,562.1	1,585.8	1,541.3	1,645.5	83.4	5.3
Research and development	94	114.1	120.9	111.1	107.0	-7.1	-6.2
Medical and other health services	95	1,150.4	1,213.5	1,257.7	1,266.2	115.8	10.1
Other services (social welfare etc)	96	466.8	548.9	579.9	794.8	328.0	70.3
Recreational and cultural services	97	393.9	429.0	436.7	516.6	122.7	31.2
Personal services	98	195.7	184.1	176.9	190.7	-5.0	-2.6

to disaggregate the picture by industry, ownership forms, sex and employment status. Table 1.1 identifies the changes in employment in services by industry (SIC Class) from 1977 to 1987. It can be seen that changes within Divisions are as marked as changes between Divisions, an indication that any analysis of employment change in these industries must be sensitive to the dangers of generalising about the sector as a whole. Some industry classifications, such as Business Services (83), Real Estate (85) and Other Services (Social Welfare etc) (96), grew by over 50% in the decade. In contrast, employment in Railways (71), Transport support services (77) and Public Administration and Defence (91) declined significantly, in the first two cases by over 20%.

Data on employment by ownership of establishment are not available, but a rough public/private sector employment distribution can be constructed from data on those industries within the sector which are dominated by private or public sector based activities. Divisions 6 and 8 are dominated by distribution, hotels and catering, banking finance, insurance and business services, which are almost entirely private sector based activities. Division 9 is dominated by public sector employment in education, health and public administration, while Division 7, Transport and Communication, contains a rapidly changing mix of ownership forms due to the privatisation of British Airways, British Telecom, the National Freight Corporation and the deregulation of bus transport. Leaving Division 7 out of the calculations produces private and public sector

services of approximately equal employment size, with public sector service employment falling by less than 1% in the 1979-83 recession in contrast to a growth of almost 2% in privately owned services. The private sector also gained more jobs in the recovery to 1987, increasing employment by 14% against a growth rate of 9% in publicly owned services.

Breaking down service sector employment change over the decade to 1987 by sex and by full-time/part-time employment status produces the results shown in Table 1.2. It can be seen that the number of full-time employees grew in this period by 700,000, almost 8%, with part-time employees growing in number by over 1 million, or almost 30%. By 1987 part-time employees formed slightly over 32% of all employees in the service sector. Overall female employment has grown faster than male, partly as a result of relatively higher growth rates in those industries traditionally employing a high proportion of female labour, and partly because of a shift towards female employment independent of an industry effect (Robertson et al. 1982). Given that the growth of part-time labour is central to the issues discussed in the thesis, it is worth placing this recent dramatic growth in part-time employment in its historical and international contexts. However, before doing so it is useful to identify the definition of part-time working used throughout this thesis.

## Section 2:

### Definition of part-time Working

The most general definition of part-time working available is any work-time arrangements involving less than full-time hours. Clearly this is vague and requires the definition of what is regarded as full-time employment. Thus in practice official definitions tend to use a cut-off point for the maximum number of hours someone can work and still be classified as a part-time worker. In Britain the definition adopted in most official statistics defines part-time workers as those working for not more than 30 hours per week (except teachers - 25 hours). This definition was first used in the 1971 Census of Population, before that census respondents were asked whether they worked 'less than the normal week'. The slow trend towards a shorter working week that has occurred in the period since the adoption of this definition may eventually require a downward adjustment of the 30 hour figure, but the official definition is adopted throughout this thesis.

## Section 3:

### Part-time Employment: International and Historical Trends

International trends in part-time employment are considered first, but before examining patterns of part-time employment in OECD countries it is necessary to enter two caveats. The first concerns definitions of what



TABLE 1.2  
Services Sector Employment Change (Employees in Employment) 1977-1987 (000s)

	<u>1977</u>		<u>1987</u>	
	Male	%	Female	%
Full-time	5,500	43.1	3,600	28.6
Part-time	600	4.4	3,000	23.9
			800	5.4
			3,900	27.8
				26.8

Source: Department of Employment Gazette, January 1989

constitutes part-time work. These tend to differ across countries rendering comparisons of levels and proportions problematic (OECD, 1985). The second concerns the fact that OECD data relates to a point in time and hence cannot take account of seasonal patterns in part-time employment or the incidence of part-year work or other non-traditional employment forms that could be viewed as 'part-time' employment on a weekly hours basis. This point also holds for the Census of Population data, the most common source of part-time employment statistics in Britain.

Given this, during the recessionary conditions occurring in most OECD countries between 1979 and 1983 part-time employment grew in almost every state. However, after 1983 the share of part-time employment fell in several countries, especially in Scandinavia, West Germany and the USA. It should also be noted that the share of part-time employees in total employment varies greatly, accounting for around 24% in the U.K. and the Scandinavian countries (excluding Finland) down to around 5% in Italy, Ireland and Greece. (OECD, 1987). The international comparisons carried out by De Neubourg (1985) indicate that in the eight market economies covered in his study in which part-time employment grew, the rate of increase was higher in countries in which part-time employment represented a relatively low proportion of all employees up to the mid-1970's thereby leading to a reduction in the range of part-time employees as a proportion of total employees across the advanced capitalist world. In all OECD countries

women are substantially over-represented in the part-time labour force.

Clearly the growth in part-time employment in Britain is part of a wider international trend, but the rate of increase in part-time labour recorded in Britain over the last decade is amongst the highest in the western world (OECD 1987 op cit). and certainly cannot be explained exclusively in terms of international factors.

The changes recorded in Britain's employment structure as a result of the growth of part-time employment is not simply a feature of the 1980's, but can be traced back, almost without interruption, to 1951. Between that date and 1981 the number of full-time employees in Britain fell by 2.3 million (1.9 million males, 0.4 million females) while the number of part-time employees increases by 3.7 million, 3 million of these being female. In other words, employing women on a part-time basis has been the only source of net employment in Britain in the post-war period.

#### Section 4: Outline of the Thesis

Changes in the structure of employment as persistent and dramatic as those briefly outlined above have very wide ranging policy implications. For example, issues such as the level and nature of education and child care provision, the tax status of employees, the coverage of employment protection measures, the provision of state financial

support for those on low incomes, levels of trade union density, trade union recruitment strategies, social attitudes to employment, anti-unemployment measures etc, etc, are all likely to be both affected by, and contribute to, the relative growth of part-time employment. Given the relative importance of this phenomenon, the quantity of academic work undertaken to explain this growth and consider its policy implications is surprisingly limited.

Any comprehensive analysis of the growth of part-time employment in Britain requires three key elements. Firstly, an examination of the enabling and constraining factors shaping the labour supply decisions taken (mainly) by married females over the period under study. Secondly, an analysis of the labour use decisions made by employers as they affect the mix of full-time employees, part-time employees, and workers with other employment statuses. Thirdly, an integration of the legal, institutional, and behavioural factors affecting these supply and demand decisions. This thesis uses two primary data sources, one on the demand side, one on the supply side, to analyse aspects of part-time employment in Britain in the late 1980's. Data and other resource limitations dictate that a fully comprehensive picture cannot be presented, but it is hoped that useful insights can be drawn from the following analysis which contribute to our understanding of an important labour market phenomenon.

The two data sets that form the empirical basis of this research were generated by surveys of public and private service sector employers and of part-time employees working in private sector services undertaken in late 1986 and in the spring of 1987. The employer survey was broadly focused, attempting to identify the determinants of the demand for part-time employees. Included in the potential determinants considered were a range of industrial relations variables and employer perceptions of the relationship between part-time employment and trade unions. The part-time worker survey built on this aspect of the employer survey by concentrating mainly on the industrial relations aspects of part-time status.

Before presenting the analysis of these survey results the post-war trends in the growth in part-time employment are examined and a review of the British literature on the demand for part-time workers is presented in Chapter 2. The description and analysis of the results of the employer survey follow in Chapters 3 to 5. The last of these summarises the results and draws conclusions which provide a bridge to the second survey covering part-time employees. The analysis of this data set and conclusions on the implication of the growth of part-time employment for trade unions are presented in Chapter 6, with a discussion of general conclusions and policy implications occurring in Chapter 7.

THE DEMAND FOR PART-TIME EMPLOYEES: AN OVERVIEW

Introduction:

The steady growth of part-time employees as a proportion of total employees in employment in the British labour market is one aspect of much wider changes that have been taking place in the structure of the labour force in the post-war period. Male activity rates have fallen steadily since the early 1950s, female activity rates have risen steadily over the same period, male unemployment rates have varied cyclically on a steeply rising trend from the mid-60's, and the proportion of the labour force self-employed has risen dramatically over the last decade.

This chapter will present an overview of the academic literature on one aspect of these structural changes, the relative growth in part-time employment. The first section of the chapter will briefly describe post-war trends in part-time employment; the second section will critically review the academic literature of the last twenty years which attempted to explain these trends in terms of employer demand for part-time workers; the third section will attempt to systematically describe the range of employer rationales for the use of part-time labour identifiable from this literature; and the fourth section will present an outline of the major factors shaping the

employment structures of organisations, including the full-time/part-time labour mix. It is these factors which inform the content and analysis of the employer survey reported in subsequent chapters.

## Section 1

### Part-time Employees: A Description of Post-War Trends in Britain

The existence of serious labour supply problems appears to be the central explanation for the reluctant but systematic use of part-time workers during the second world war (Summerfield, 1984). However, a more positive view of the productive role of such workers evolved by the war's end. Employers are reported as perceiving positive advantages in this form of employment, arising from the higher individual productivity levels of part-time employees, the impact of these workers on the productivity of full-time employees, the lower absentee rates recorded for part-time employees, and their willingness to undertake tasks unpopular with full-time labour (Summerfield, 1984). These advantages to the employer may reflect the fact that part-time workers were commonly used in monotonous or fatiguing activities which tend to suffer from marked productivity declines towards the end of full shifts, which were frequently of 10 to 12 hours duration. Splitting the shift by the use of part-time labour could therefore produce productivity increases.

The tight conditions experienced in the war-time labour market continued, with some cyclical variations, throughout the twenty year period following demobilisation. Women workers (both full and part-time) were encouraged by the Government to remain in the labour force as married women were perceived to be the principal untapped reserve of labour in the population. The unbroken trend in the growth of part-time labour as a proportion of total employees dates from these labour market conditions of the late 1940s and early 1950s. Early post-war attempts to identify the factors which would enable more women to enter the labour market stressed the increased availability of part-time jobs, improved child care facilities, access to shopping facilities and improved industrial conditions as the key variables affecting the participation rates of married women (Thomas, 1948).

The survey that identified these enabling factors also identified the broad occupational distribution of women workers but did not distinguish between full-and part-time jobs. The first survey providing this information was undertaken in 1957, and shows that almost half of part-time female workers were employed in domestic occupations, with office work, shop assistance and factory operatives also being important sources of part-time jobs (Klein, 1965). This survey identified only 3% of women working part-time as employed in managerial occupations. Then, as now, most female part-time employees were classified as unskilled, with a clear distinction occurring between the types of



occupations typically undertaken by unmarried and married part-time workers. The shift down the skill hierarchy commonly experienced by married women on their return to the labour market after family formation appears to have occurred throughout the post-war period, as the same phenomenon is described by Martin and Roberts as affecting married women in the 1970s (1984).

Official data on the size and distribution of the part-time labour force before 1971 is available only for manufacturing industry. However Department of Employment estimates for the whole economy based on the Family Expenditure Survey are available which show a rapid growth in part-time employment in the 1960's (Department of Employment, 1973). In manufacturing the number of female part-time workers increased in all industries, irrespective of whether the total female workforce in these industries was rising or whether the industries were traditionally heavy users of female labour. In public services the government actively promoted the use of part-time labour, especially in the areas of health and education, principally as a means of drawing qualified women back into these professions who had left after marriage.

The main employers' rationale behind the increasing use of part-time labour in this period was the recruitment difficulties they experienced in labour markets which were typically very tight. This recruitment problem had two dimensions. In the unskilled and semi-skilled occupations which constitute the vast majority of part-time jobs the

problem was finding full-time workers who were willing to accept the terms and conditions of employment on offer, given the alternative job opportunities available. In the minority of skilled part-time jobs (mainly nurses and teachers) the problem was simply an inadequate number of appropriately skilled workers available in the labour market who were willing to work full-time (Klein, 1965; Hallaire, 1968). Klein also reported that the respondents to her survey of manufacturing firms identified the ability to adjust the size of their labour force via the manipulation of part-time numbers in the face of fluctuations in demand as an important reason for their increased use.

The labour market shortages of the 1960's resulted in a change in the skill profile of the part-time labour force in Britain. A major survey of women's employment conducted in the mid-1960s identified only four industries as accounting for three quarters of female part-time employment (miscellaneous services, distribution, professional services and engineering) with a very high proportion being found in Miscellaneous Services (Hunt, 1968). As in earlier surveys, the majority of part-time employees were classified as unskilled. However the growth in part-time work in the 1960s did have the effect of changing the image of such employment, shifting from a perception of part-time work as exclusively low-skilled, monotonous, and unrewarding, to one which also encompassed relatively well paid and rewarding employment undertaken by women from a 'middle-class' background.

Labour market conditions through much of the 1970s and 1980s differed dramatically from those applying in the twentyfive years following the second world war. The problem of labour shortage was transformed into a problem of high and sustained unemployment. Fears in the early 1970s that women would be treated as a residual in the labour force and hence would be first to lose their jobs proved to be groundless. Female participation rates continued to rise up to the late 1970s, flattened out during the recession of the early 1980s, and continue to rise steeply in the late 1980s. As outlined in chapter one, the number of part-time jobs increased by around one million in the 1970's and by a similar amount in the 1980's in a labour market with fewer employees in employment. Part-time employment continued to grow in manufacturing industries up to 1977/8 but the vast majority of part-time employment growth over the last twenty years has been in the service sector.

This growth has not led to a significantly different skill mix in the part-time labour force. The large scale Women and Employment Survey conducted in 1980 found that over 70% of part-time workers in the service sector were classified as unskilled (Martin and Roberts, 1984). This survey also identified only four occupational groups which accounted for over two-thirds of part-time female employees (cleaning, catering, hairdressing and clerical activities), a result confirmed using more detailed occupational categories by Elias and Main, (1982).

The evidence on the extent to which part-time workers have been substituted for full-time employees is mixed (Dex and Perry, 1984; Rubery and Tarling, 1986; Robinson and Wallace, 1984). The first two studies referenced found some evidence of substitution in manufacturing industries in the 1970's, especially in industries with a declining work force. In the 1980's substitution appears to have also occurred in the service sector, with differences in the treatment of full and part-time employees under employment protection legislation and differences in National Insurance contributions being identified as contributory factors (Beechey and Perkins, 1987; Disney and Szyszczak, 1984).

The potential importance to the employer of the increased flexibility conferred by lower levels of employment protection, has been identified as an important reason for the growth in demand for part-time workers by Hunt (1975), Beechey and Perkins (1987) and McIntosh (1980). These studies suggest that the use of part-time workers can confer a flexibility which allow employers to more closely match their levels of labour use to the pattern of product demand they experience. The general concept of 'flexibility' has occupied a central place in the policy debate on the reform of the labour market over the last decade, with the Conservative government arguing that labour market inflexibilities are the principal cause of the high rates of unemployment experienced in Britain in the 1980's (Department of Employment, 1985).

The 'Flexible Firm' model, which is discussed in some detail below, suggests that the use of part-time workers can offer numerical flexibility, a characteristic which is of particular value to establishments facing fluctuations in the level of demand for their products or services, and to those operating in a highly competitive environment which generates significant downward pressure on costs. It has been argued by the authors of this model that the conditions applying in Britain throughout the 1980s were conducive to the adoption of more flexible labour use strategies, which, in the majority of cases, involves the use of part-time labour (McGregor and Sproull, 1990 forthcoming). The recession of the early 1980s undoubtedly placed many firms under increased competitive pressure as organisations attempted to protect market share. In firms exposed to foreign competition the overvaluation of sterling from 1979 to the mid-1980s further aggravated this pressure. The slack labour market conditions experienced in the South East through the first half of the decade, (and throughout the decade in most other regions), created a buyers market in labour with an unlimited supply of individuals willing to work part-time either through choice or due to the absence of full-time employment opportunities. The tripling of unemployment in the first half of the decade (on a constant measure) was the result of job losses mainly in manufacturing industry with the result that trade union membership fell steadily from 1979. This fall, with its negative impact on union morale, finances and industrial leverage, combined with the

industrial relations legislation enacted by the government to reduce the ability of trade unions to resist, *inter alia*, changes in the full-time/part-time employment mix introduced by management. It is argued that these factors all combined to stimulate the demand for part-time workers throughout the decade (see for example, Atkinson, 1985; Atkinson and Meager, 1986).

## Section 2: The Demand For Part-Time Workers in Britain

### - A Review of the Literature

As discussed in the introductory chapter, explanations of the growth of part-time employment in Britain require a consideration of both supply-side and demand-side factors. In this section we will be looking exclusively at the factors lying behind the demand for such workers. The literature on the demand for labour in general is extensive, but studies dealing specifically with the demand for part-time employees are few in number. This partly reflects the fact that in the basic neoclassical model of labour demand buyers and sellers of the factor labour make marginal adjustments to their labour supply and labour purchasing decisions to optimise outcomes. In these circumstances the distinction between full- and part-time employment is somewhat artificial, any analysis of the demand for part-time labour would operate on the basis that the same factors lie behind the demand for all units of comparable labour irrespective of the number of hours per week the individual actually works.

The lack of specific studies on the demand for part-time labour may also reflect the fact that the part-time labour force, both in Britain and the United States, is clearly differentiated from those working full-time by the fact that 88% of part-time employees are female. This major difference in the two categories of employment has prompted researchers to focus on supply-side studies which seek to explain the level of part-time employment in terms of the supply of female hours and participation rates, (see e.g. Morgenstern and Hamovitch 1976; Elias and Main, 1982; Stewart and Greenhalgh, 1984; Martin and Roberts, 1984; Dex, 1984; Joshi, 1984; Ballard, 1984; Disney and Szyszczak, 1984; and Elias, 1988), with less emphasis being placed on explanations of part-time employment growth which build on the employers' rationale for hiring such labour.

However, the existence of persistently high rates of unemployment in many advanced capitalist countries in the second half of the 1970's and the early 1980's raised the possibility that there existed an excess supply of part-time job seekers, especially in countries which had exhibited some downward inflexibility in labour costs. This emergence of substantial excess supply in the labour market prompted researchers to seek explanations for growth of part-time employment on the demand side. This reorientation was given some empirical support by US studies which suggested that much of the growth in part-time employment in the US was 'involuntary' (see, for example, Ehrenberg et

al. 1986), and by a major UK household study which reported that the labour supply decisions of the majority of its sample were demand constrained (Brown et al. 1984).

The publication throughout the 1970's of an annual Census of Employment stimulated detailed work on the size and industrial composition of the part-time labour force (see e.g. Mallier and Rosser, 1979; Morley and Sawbridge, 1980; Moir, 1980). But this work was largely descriptive and concerned with such issues as the appropriate definition of part-time employment. Much of the research into demand-side explanations of the growth of part-time employment in Britain over the last decade has tended to focus on the potential impact of a specific explanatory variable, and typically has not developed a formal model of the demand for part-time labour. For example, Robinson and Wallace (1981) place much emphasis on the need for a systematic treatment of demand-side factors in their study of relative pay and part-time employment using 1972-1979 New Earnings Survey data. However the conclusions they draw from their detailed examination of the relative earnings of full- and part-time workers are not explicitly built on such a model but appear to be based on some variation of the neoclassical view of the firm. They speculate that the greater use of part-time workers has permitted adjustments of labour input via variations in work schedules. They cite greater use of part-time employees on shift work at basic rates of pay, a desire to save on employer National Insurance contributions, savings on direct wage costs by restricting hours of work below the threshold at which



lunch and other breaks must be provided, and a desire to save on overtime payments as potential explanatory factors in the decision to employ part-time labour.

A somewhat wider set of factors lying behind the employers decision to employ part-time workers is presented by Bosworth and Dawkins (1982). They report on the reasons given by firms for employing part-time workers, questions which formed part of a wider EOC/SSRC Panel survey entitled 'Women and Work' (Bosworth and Dawkins 1979). Four main reasons were identified, two of them reflecting labour supply problems. The first noted that the use of part-time workers was a reflection of the demands of existing employees for such arrangements, and was, in effect, a device to obtain and retain experienced workers. The second reported that part-timers were employed because of the difficulties employers had experienced in recruiting suitably qualified full-time staff. The other two reasons related firstly to the nature of the job, with many employers noting that some part-time jobs simply do not need full-time cover, and secondly, that part-time employees were useful in covering periods of peak demand. These reasons were cross-tabulated by industry, establishment size, percentage of women employees, and union recognition. No attempt was made to assess the relative importance of these reasons or to place these results within a theory of the employing organisation or the wider labour market, although a number of references are made to the 'secondary' nature of part-time jobs and a dual labour market approach is implicit in the conclusions

of the study. Nor are the forces shaping this duality addressed.

A more substantial and detailed study of the demand for part-time labour was carried out for the Department of Employment in 1984 (Robinson and Wallace 1984a, 1984b). The specific objectives of this study were to investigate the influence of the Equal Pay Act and the Sex Discrimination Act on the earnings and conditions of female part-time employees, to consider the effects on female part-time employees of reductions in the length of the working week, of redundancy procedures, and of the minimum hours criteria for eligibility to statutory benefits. A case study approach was adopted covering twenty one organisations (65 establishments) spread across four manufacturing industry groups and five service industry groups drawn from both the private and public sectors. No claims were made as to the representativeness of this sample which was drawn from the Women and Work Survey as reported in Bosworth and Dawkins (1982). The reasons for the use of part-time workers identified by Robinson and Wallace do not substantially differ from those reported in this earlier study (see also MacIntosh, 1980), but a more sophisticated interpretation of these reasons is built on an examination of the occupations, earnings and working hours of part-time employees in the case study organisations. A wide range of practices are identified with respect to the use of part-time labour and a substantial body of evidence is presented on the occupational segregation of part-timers, on their subsequent relatively low pay position and on the

ineffectiveness of the 1975 Equal Pay Act to substantially influence the terms and conditions of employment enjoyed by the majority of female part-time employees. It is reported that the employment of part-time workers confers wage cost advantages in both the manufacturing and service sectors. These mainly arise from less rigid schedules of working hours and the general exclusion of part-time employees from eligibility to the fringe benefits typically enjoyed by comparable full-time employees. In manufacturing the use of part-time workers to increase capital utilisation without the need to pay overtime or shift premia was reported, and in the service sector the manipulation of work-time schedules to match labour use to demand peaks via the use of part-time employees was reported.

The principal weaknesses of this study lie in the absence of detail provided on the market environment of the case study organisations or on the technology adopted. Nor do the authors consider whether the case study organisations adopted an implicit or explicit labour use strategy. These omissions make it difficult to construct any predictions from the work regarding future trends in the use of part-time employment. In addition to these limitations the approach used in the study also makes it difficult to identify the relative importance of the wide range of possible variables influencing the demand for part-time labour which they identify. Again no formal model of labour demand was made explicit.

The first U.K. study to explicitly offer a model of the demand for part-time labour was published by Disney and Szyszczak (1984). They accepted that one of the reasons identified in the literature for employing part-time workers was that their hours of employment are typically less costly to adjust than those of comparable full-time workers, thus the model they developed incorporated an adjustment as well as an equilibrium condition. A neoclassical approach was adopted with standard cost theory being applied to establish minimum cost for a given level of output for a firm employing full- and part-time employees. The model is then manipulated to address the central concerns of the paper, namely the impact of employment protection legislation on the demand for part-time employment. In the face of sluggish employment changes due to adjustment costs generated by, *inter alia*, employment protection legislation, hours must adjust to offset over- or under-employment. *Ceteris paribus*, the greater the adjustment costs the slower will be the short-run variation in employment and the greater the short-run variation in hours. The impact of employment protection legislation on the relative adjustment costs of full and part-time labour is then explored specifically to identify the impact of the 1975 Employment Protection Act. The authors draw the conclusion that the introduction or extension of employment protection to part-time employees would be to induce greater variations in hours and lower variations in part-time employment levels. (This result was also reported for full-time employees by Nickell, 1979).

Testing their model supported the proposition that the extension of employment protection would have little impact on the demand for part-time labour. In contrast, they reported that the National Insurance threshold and the level of employee contributions were both significant determinants of both total employment and average hours supplied by part-time workers.

The Disney and Szyszczak paper represents a substantial advance in the treatment of the demand for part-time labour in Britain simply because it develops a formal model of both supply-side and demand-side factors influencing use in an attempt to isolate the impact of employment protection legislation.

A more general formal model of the demand for this type of labour is presented in FitzRoy and Hart (1986). They develop a model of demand for workers and hours with respect to both full-time and part-time employment with the explicit intention of providing a more rigorous theoretical underpinning to the empirically oriented demand-side literature reviewed above. Their model was designed to incorporate production and cost functions that allow for the separate role of workers and hours per worker for both full- and part-time employees. It also allowed the distinction between the 'standard' and the overtime hours of full-time workers and included both quasi-fixed and variable costs associated with both types of worker. Amongst the results they derive from their model is that a rise in part-time workers' fixed costs relative to variable

costs will increase their equilibrium hours (as found by Disney and Szyszczak, op cit). In effect firms offset a rise in fixed costs associated with a given factor by increasing its rate of utilisation.

To gauge the impact of such relative factor price changes in full- and part-time employment cross price influences must be considered. In some cases an unambiguous part-time/full-time substitution effect was found, for example, where a rise in part-time fixed costs produced both a part-time hours-worker substitution and a full-time part-time employment substitution. Substitution effects in the reverse direction were found with a rise in the fixed costs of full-time workers. An increase in the variable costs of part-timers (wage rates and payroll taxes) also reduced the ratio of part- to full-time workers, but a similar increase in full-time variable costs produces a numbers-hours substitution amongst full-time employees but the impact on part-time numbers and hence the ratio of full- to part-time employees is ambiguous.

FitzRoy and Hart use their model to explore the likely effects of a reduction in the standard working week on the relative demand for full- and part-time employees and also consider the implications for the relative demand of part-time and full-time employment of increased part-time employment protection legislation. The main strength of the paper lies in the fact that it is the most exhaustive systematic treatment to date of the neoclassical approach to the demand for part-time labour. Unfortunately in the

model the treatment of the production function assumes constant returns to employment and capital thus eliminating the possibility to considering the impact of firm size, fixed capital costs and the number of firms operating in the market on employment decisions. This assumption of perfect competition inevitably restricts the usefulness of the model.

Returning to the more empirical literature which has characterised the treatment of the demand for part-time labour in the United Kingdom, only one other substantial paper need be considered in detail. The Department of Employment sponsored an analysis of part-time employment in Great Britain using data drawn from the 1980 Workplace Industrial Relations Survey (WIRS1) (Blanchflower and Corry, 1986). This sample of 2040, drawn from the 1977 Census of Employment, covered establishments which had twenty five or more employees (full- and part-time) at that time drawn from manufacturing and non-manufacturing and public and private sectors. Only data from the management questionnaire (and Basic Workforce Data Sheet) are used by Blanchflower and Corry. The study does not specifically model the demand for part-time employees but is mainly concerned with such issues as the industrial distribution of part-time workers, the characteristics of establishments that have a significant number of part-time workers in their labour force, and whether there are distinct patterns of industrial relations where part-time workers are numerically important. However, to go beyond a simple description of these issues it is necessary to hold,

implicitly or explicitly, a view of the employers rationale for demanding such employees and the workers rationale for offering their labour on a part-time basis.

In the introductory chapter of the paper various hypotheses drawn from the literature on the demand for part-time labour are presented. These inform the discussion in subsequent chapters on the industrial pattern of part-time employment, on the impact of establishment size, on the link between part-time employment and shift-work, and in the nature of production in 'part-time using' establishments. They then use probits to identify the probability of a range of establishment characteristics being associated with the status of 'part-time using'.

On the basis of bivariate statistical procedures it is reported that the 'part-time using' establishments in the sample are disproportionately located in the non-manufacturing sector and in the public sector, they are of larger than average size and are more likely to employ other types of peripheral labour (temporary, self-employed, outworkers). They are more likely to report rising demand and/or rising capital investment, and their structure of industrial relations is somewhat different from 'non-part-time using' establishments. Adopting 'part-time using/non-using' as the dichotomous dependent variable probit equations revealed the following establishment characteristics as being significantly associated with 'use' - located in non-manufacturing; located in public sector; larger sized establishments; using other peripheral



labour forms; and having a more informal pattern of industrial relations.

The usefulness of this specific approach to the analysis of part-time employment rests heavily on the central concept of a 'part-time using' establishment. This is defined as any establishment employing more than 25 part-time workers, or in the case of the smallest establishments (i.e. those employing less than 50 workers) where part-timers constitute at least 50% of the workforce. The use of part-time employees in an establishment can vary from zero to 100%, thus any attempt to dichotomise a sample other than on a 'zero use/some use' basis is bound to be arbitrary. However, the justification offered for the definition actually adopted seems weak. Why 'part-time use' could not be treated as a continuous variable is not discussed, and the adoption of a selected proportion of part-timers as the cut-off point defining 'part-time using' is rejected on the grounds that it would exclude large establishments in which the proportion of part-timers in their workforce was low but the absolute numbers with part-time status could be quite large. This appears a relatively weak justification given the objectives of the study. Ultimately the most appropriate definition to use (of this or any other similar economic variable) depends on the specific objectives of the study, but as this research project covered a wide range of topics the formulation of 'part-time using' must give cause for concern.

In addition to definitional problems the study exhibits some of the limitations exhibited by the other empirical studies discussed so far. Effectively a menu of possible rationales is presented relating to size of establishment, variability of demand, utilisation of capital equipment, recruitment problems with full-time labour and relative cost differences between full- and part-time employees. No attempt is made to empirically identify the relative importance of these rationales for categories or sub-categories of establishments, although effective *a priori* arguments are presented about the likely importance of the rationales by establishment characteristic. It is also worth noting the limitations imposed by the use of WIRS1 data. The Workplace Industrial Relations Survey covered only establishments with twenty-five or more employees: if the extent of part-time labour use is relatively high in small establishments this may be a serious constraint on the generality of the results. Some support for this contention is found in the 1975 National Training Survey which reported that nearly one-half of all sampled part-timers worked in establishments with fewer than twenty-five employees (Elias and Main, 1982).

The literature on part-time employment has been growing steadily over the last three or four years (see, for example, De Neuborg, 1985; Schoer, 1987; Mallier and Rosser, 1987; Beechey and Perkins, 1987; Rubery, 1989; and

Dey, 1989) but little has been added to our knowledge of the relative importance of the specific factors shaping employer demand for part-time labour with one possible exception - that of the Flexible Firm model. This has been widely adopted in the late 1980s as a framework for the discussion of the growth of part-time, and other forms, of peripheral labour. Although it does not fit neatly into a narrowly defined review of the literature on the demand for part-time labour it is necessary to discuss the model in detail for two reasons. Firstly, it focuses on the concept of flexibility - one of the central concerns of labour economics and industrial relations in the last decade. Secondly, it has been disseminated well beyond a purely academic audience and appears to have influenced both management and government thinking on labour market policy issues.

#### **The Flexible Firm Model:**

The 'Flexible Firm' model was developed by John Atkinson and his associates at the Institute of Manpower Studies (see e.g. Atkinson 1985; Atkinson and Meager 1986). In the context of the labour market the term 'flexibility' has three clearly identifiable aspects. The first concerns aggregate labour market flexibility, which focuses on the link between real and nominal wage rate changes and employment. The second concerns the flexibility with which wages respond to changes in demand at sectoral and industrial level thus influencing the reallocation of

resources. The third concerns manpower decisions taken at establishment level. These decisions are influenced both by factors external to the organisation, such as employment protection legislation, Wage Council awards, redundancy payments, etc, and on the use of labour within the organisation. Explanations of the growth of part-time employment in terms of flexibility typically focus on this last named dimension, the use of labour within the organisation, and it is this aspect which is central to the Flexible Firm model.

Although the issue of labour flexibility has received a great deal of attention over the last decade concern over this issue is not unique to the 1980's. It has long been understood that the efficient functioning of an organisation depends partly on its ability to respond to change. Change can occur in factors such as consumer tastes and preferences, the behaviour of competitors, the production technology available, the macroeconomic environment within which the organisation works, and so on. Such changes may require adjustments to the range and nature of the goods or services produced, the methods of production involved and the manner in which goods are delivered. In almost all cases the organizations' response has implications for the quantity and quality of labour inputs required. The speed and effectiveness of these workforce responses is partly determined by the flexibility of labour. It is argued by the authors of the 'Flexible Firm' model that the use of part-time and other peripheral workers, such as temporary staff and the self-employed, can

offer management considerable flexibility in their labour use decisions.

The 'Flexible Firm' model was explicitly designed to address the question of which factors shape the use of peripheral labour in organisations. The model was developed from case-study work on private sector establishments which had introduced changes in workplace organization. The flexibility referred to in the title of the model takes two forms, numerical and functional. The former refers to the ease with which manpower levels can be adjusted to fluctuations in the level of demand, the latter refers to the ease with which tasks performed by workers can be adjusted to the changing nature of demand. These two aspects of flexibility are normally applied to different groups of workers within an organisation who form a 'core' and a 'periphery' of its labour force. The core group are all employees of the organisation and they perform mainly key tasks which frequently use skills specific to the organisation. The organisation seeks to achieve maximum functional flexibility amongst these employees by offering them a high degree of job security. This security is achieved by surrounding the core group by one or more groups of peripheral workers who may or may not be employees. These peripheral groups are deployed by the organisation to achieve numerical flexibility and to insulate the core group from fluctuations in demand. Thus they have low job security and normally undertake tasks which are either mechanical and defined by the core group (e.g. part-time sales assistants), or are ancillary to the

core group (e.g. contract cleaning or catering).

The empirical support for this model is provided by the case studies referred to above. The generality of these results is unclear. On the one hand the case study reports contain numerous qualifications suggesting that many of the changes they describe are not part of a conscious management strategy but rather appear to be pragmatic responses to specific circumstances. Yet on the other hand, it is clear that the authors of the model perceive a strategic shift in employers' approach to labour use. The careful qualifications embedded in the main reports are less evident in the more popular presentations of the model (e.g. Atkinson and Meager, 1986a) which have significantly contributed to the popularity of this model as an aid to understanding labour force restructuring in the 1980's.

Without doubt the attraction of the 'Flexible Firm' lies in its apparent generality. Although it was built on private sector case studies (with manufacturing industry being heavily represented) it offers a relatively simple and attractive framework within which to consider a wide range of complex changes in employment practice in the economy as a whole. However this simplicity can also be viewed as a weakness, with criticisms of conceptual and analytical difficulties in the definition of 'core' and 'periphery' being leveled (Pollert, 1987), and issue being taken with the claim that the model can adequately capture the complexities of labour use decisions in large organisations (see e.g. MacInnes, 1987).

In this Section frequent reference has been made to a range of rationales cited as potential explanations of the demand for part-time labour, but with the exception of flexibility, no detailed discussion of each was presented. This is done in the third Section of this chapter.

### **Section 3:**

#### **Potential rationales for the use of Part-time Employees**

The literature reviewed in the previous section of this chapter identified a wide range of potential explanatory variables in the demand for part-time workers. This work provided the basis for many of the questions used in the employer survey questionnaire reported in the following four chapters. The explanatory variables reflect a range of underlying rationales for the use of part-time employees and these rationales inform, and to some extent structure, the analysis of the survey results. It is therefore useful to summarise them prior to presenting the empirical material.

As noted above, explanation of variations in the use of part-time employees can be grouped into supply and demand side factors whose relative importance in explaining the extent of part-time employment will partly depend on general labour market conditions. If, for example, unemployment is at historically high levels and is

geographically widespread, as in Britain throughout the 1980's, then the expectation would be that the quantity of part-time labour employed would be constrained mainly by demand. In tighter local or national labour market conditions the willingness of individuals to offer themselves for such work, given wages and conditions, would operate as a supply constraint on the level of part-time employment.

A considerable amount of work has been done on the labour supply decisions of women part-time workers (see, for example, Ballard 1984; Dex, 1984, 1985, 1987; Elias and Main 1982; Martin and Roberts 1984; Greenhalgh 1980). But the main interest here is on possible demand side determinants of use. These fall into a number of distinct groups.

**i) Explanations which relate to the specific nature of the part-time job:**

These focus mainly on the existence of a range of activities within establishments which do not require a full working day to complete or cannot be undertaken efficiently while the majority of establishment employees are physically present. The most common examples of this type of job are cleaners and caterers. (see e.g. Blanchflower and Corry 1987).



ii) Explanations which focus on the product market conditions faced by the establishment:

A completely uniform demand through time for the output of a service sector establishment rarely occurs. Demand may be unstable in the sense that no predictable temporal pattern can be identified, or it may vary in a predictable (and commonly cyclical) manner. Where demand variations do occur they range from the very short run, consisting of variations within the working day, through variations which occur through the working week or working month, to seasonal and even longer term cycles.

Whether instability in demand or the existence of demand patterns requires a labour utilisation strategy which takes this into account depends on two main factors. Firstly, the degree of instability and the amplitude of any demand cycles experienced is important. Clearly the greater these are the greater the potential cost in retaining a uniform number of employees in the workplace throughout the complete trading/operating period. These costs would be generated by productivity losses arising potentially from both the under-utilisation of employees in periods of slack demand and the deployment of a sub-optimal number of employees in periods of relatively high demand. The second factor is the extent to which the product or service can be stored after production, prolonged storage is a fairly uncommon situation in the service sector. If storage is possible it may then be technically feasible to utilise an unchanging level of labour input despite fluctuations in demand levels. Whether it is economically advantageous to

adopt this approach to labour utilisation will depend on physical storage costs, whether any physical deterioration or loss of marketability could take place in the long run, and the financial costs of holding large inventories. Set against these costs will be management's estimation of the costs of employing higher levels of part-time labour. This could involve such issues as higher training costs, higher labour turnover and a loss of functional flexibility arising from employees having a narrower experience of production or other processes within the establishment.

The basic source of the potential cost advantage associated with the matching of labour use to demand patterns arises from the reduction in the total wage bill. Even if identical gross hourly wages are paid to full- and part-time employees in comparable jobs the lower number of employee/hours per week may generate considerable cost savings.

**iii) Explanations which focus on optimum capital utilisation:**

Although this explanation for the use of part-time labour has mainly been associated with manufacturing industry (see, for example Bosworth and Dawkins, 1981; Robinson and Wallace, 1984; Blanchflower and Corry, 1987) the trend towards more expensive capital equipment in industries such as retailing and banking, insurance and financial services also makes it potentially relevant in the service sector. These explanations are based on the argument that the optimum use of capital equipment can

require daily/weekly production periods which exceed the standard working day/week. This can be achieved by the use of shift work, overtime or by the use of part-time labour. The advantage offered by, for example, part-time employees is the fact that they are normally paid the basic hourly rate for the job even if the work is undertaken outwith 'normal' working hours. Overtime and shift premia are avoided and the optimal use of the capital equipment reduces costs per unit of output.

The proportion of total capital assets which consist of premises is typically higher in the service sector than in manufacturing, but the same rationale can apply to the utilisation of real estate as to equipment, where the use of Sunday trading and late night shopping can potentially improve the return on investment. Again, if part-time employees can be employed on basic hourly rates of pay to staff establishments at these times (thereby avoiding the overtime rates typically paid to full-time employees) this will also contribute to minimising wage costs by holding down the wage bill for a given number of trading hours.

iv) Explanations which focus on the relative cost advantages of part-time employees:

There are a number of possible sources of cost advantage. The first occurs when part-time employees receive a lower gross hourly rate of pay than full-time employees doing comparable jobs. The second advantage occurs where part-time employees receive a narrower range of non-wage benefits which are wholly or partly financed by

the employer (for example, sick pay, company pension schemes etc). Thirdly, if part-time employees earn below a state-determined income threshold then neither the employer nor the employee need pay a National Insurance contribution. At earnings levels above this contributions are graduated with income. Fourthly, it can be argued that there exists a range of occupations which involve either relatively low-skilled tasks and which are repetitive and monotonous, or which require high levels of concentration on detailed work. In these occupations the individual worker's productivity is likely to decline through a shift due to boredom and loss of concentration. If shifts are split and part-time employees used for a few hours at time then total output per employee/hour will rise. Thus the use of part-time employees may boost productivity.

**v) Explanations which focus on the lower likelihood of part-time employees being in trade unions:**

Part-time employees have lower union membership levels than full-time employees in equivalent jobs (Millward and Stevens, 1986). The reasons for this are complex and relate to the individuals perceived need of a union, their expectations of the advantages likely to accrue from union membership, and the organisational problems faced by unions in recruiting and servicing workers who often work outside normal hours. To the extent that employers perceive union membership/recognition as a negative factor which limits their ability to manage in a way that maximises their

objectives, the lower likelihood of trade union membership amongst part-time employees may stimulate their use.

vi) Explanations which focus on difficulties in recruiting full-time employees or on the retention of existing full-time employees:

These two arguments are quite distinct. As noted earlier in this chapter the general incidence of part-time employment will depend on the interaction of supply and demand side factors. Even in a labour market with substantial excess supply there are likely to be geographical or occupational areas in which it proves difficult to recruit full-time employees with appropriate skills, or who are willing to work on the terms and conditions offered. Examples can be found at both ends of the skill hierarchy. Employers may have difficulty finding sufficient number of highly skilled professionals to work on a full-time basis due to domestic or other commitments. At the other end of the skill spectrum there may exist jobs which offer such limited income and prospects that they can be filled only by individuals whose choice of employment is constrained by domestic or other commitments. These commitments can also limit the maximum travel-to-work time that the individual can feasibly contemplate, thus further constraining employment choice.

The use of part-time employment status can also be used as a means of reducing the costs associated with the turnover of employees in whom the organisation has invested

resources, for example, through training; or who have valuable experienced-based knowledge of their job. Offering individuals the option of working part-time may prevent the loss of (mainly female) employees who would otherwise leave because of child-care responsibilities or of older workers who are eligible for retirement or who no longer wish a full-time job commitment.

vii) Explanations which focus on the issue of flexibility:

The recent debate on the 'Flexible firm' discussed earlier in this chapter identifies advantages associated with the use of part-time employees which normally focus on numerical flexibility. Unless a part-time employee works fewer than 8 hours per week he or she is covered by employment protection legislation after working for a minimum qualifying period. However, this period is currently 5 years for part-time employees but only 2 years for full-time workers, thus the employer is offered a longer period during which the part-time worker can be dismissed without the protection of the legislation. The use of part-time employees will also offer greater numerical flexibility to employers to the extent that their turnover rates are higher than equivalent full-time workers.

To summarise the arguments presented in these rationales. Demand-side explanations for the use of part-time employees can be grouped under two broad headings; one relating to costs savings arising from their

use, the other relating to productivity increases they generate.

The potential cost savings can arise from:

- \* Lower gross hourly wages being paid to part-time employees than to full-time equivalents.
- \* A lower wage bill arising from the matching of labour use to demand patterns.
- \* Lower associated non-wage costs.
- \* Reduced need to pay shift or overtime premia.
- \* A more efficient utilisation of capital.
- \* Increased numerical flexibility.

The potential productivity increases can arise from:

- \* Splitting up routine, stressful or monotonous tasks.
- \* The typically lower trade union membership of part-time employee (assuming trade unions are perceived as a constraint on changes which may enhance labour productivity).

Given this review of management rationales for demanding part-time labour it is possible in the final section in this chapter to identify what the author regards as being the major influences in shaping the employment structure of organisations in general and the full-time/part-time labour mix in particular. The empirical work reported in subsequent chapters attempts to capture as many of these influences as possible.

#### **Section 4 : Influences on Employment Structure**

When decisions are taken by an organisation over the products or services to be produced and the technology to be adopted then the set of tasks to be performed in the organisation is determined. Questions of how these tasks are to be organised, how the work will be allocated, and what employment structure is to be adopted are influenced by other factors. These are mainly:-

a) The economic conditions facing the firm. Of importance here is the level and the stability of demand for products or services; the nature of demand patterns experienced; the level of product market competition.



b) Constraints on labour utilisation. For example, employment regulation, bargaining agreements, level of education and training of the existing workforce and the quality and quantity of potential recruits given the terms and conditions of employment on offer.

c) Labour supply conditions. For example obtaining access to necessary specific skills, and the accessibility of female labour with a low 'supply price'.

It should be noted that the influence of labour supply may be two-way. It is also possible that labour market supply side factors may influence the shape of work organisation. For example, access to part-time labour with a low supply price may shape the shift system adopted by firms.

In this framework it is argued that even when decisions on products/services and technology are taken, the organisation still possesses substantial degrees of freedom in shaping their pay and employment policies. It is accepted that the extent of such freedoms may depend on the constraints imposed by product market competition, but even under intense competition it is not expected that pay and employment practices will be uniform across a sector. This partly arises from the fact that the organisation is perceived to be a physical entity shaped by its own historical development, with its current choice of technique heavily dependent on prior investment decisions.

Its options are limited by past decisions on product/service lines, work organisation, and employment practices. The constraints on change are not simply financial but also emanate from both worker and management resistance to the alteration of current practice. Thus firms will exhibit different combinations of product or service types, technology, systems of work organisation, recruitment policies and payment systems even if they operate successfully in a highly competitive environment.

For most job categories the relative wage is already set (by collective bargaining or customary levels) hence the employer normally recruits at established rates. Worker resistance to differential rates for recruits is common, as it is to regrading proposals. Thus organisations are often limited to varying the relative size of different employment groups. The marginal substitution of labour which is necessary to achieve neoclassical labour cost equalisation is severely limited by custom and practice and the widespread acceptance of the principles of paying the rate for the job and the right of existing employees to retain their jobs in preference potential recruits.

However, it can be argued that generally slack labour market conditions, low levels of union organisation, and relatively small employment units will all weaken these constraints on managerial employment strategies. These are all conditions that currently apply in the service sector and which, in combination with rapidly changing technology and patterns of product demand may partly explain changes

in the structure of employment involving the increased relative use of part-time employees. This assumes that such employees are perceived by the employer as conferring specific advantages, related to for example, greater 'flexibility' or to a reduction in the wage bill.

## Chapter 3

### THE DEMAND FOR PART-TIME WORKERS IN THE SERVICE SECTOR: MULTI-VARIATE RESULTS

#### Section 1 : Introduction to Management Survey:

The rationales lying behind the demand for part-time employees outlined in the previous Chapter provided the basis for the construction of a questionnaire. This was designed to identify the factors significantly influencing the proportion of part-time employees used in a sample of public and private services sector establishments in the Glasgow travel-to-work area. The length and complexity of the questionnaire, and the nature of much of the material sought, necessitated face-to-face interviews with a senior management representative. Initial enquiries were directed to 'the manager in charge of personnel matters' and in over two thirds of the co-operating organisations the senior manager with this responsibility was interviewed. At the end of the interview, which typically took around one hour, the respondents was asked to complete and return a Supplementary Data Sheet providing factual data on the breakdown of employment through time (1975-1985/6), plus information on wage rates and overtime hours. Just over 80% of these were returned.

No sampling frame was available of service sector establishments in the Glasgow Travel-To-Work-Area so a combination of sources were used to drawn up the sample, the most important being the 'Yellow Pages' and trade directories supplied by Glasgow Chamber of Commerce. A weighting based on the total employment in the SIC classes that make up each Division was used to ensure that the sample reflected the class distribution of employment. Some unintended over representation of those classes which were known to be substantial users of part time labour occurred.

One hundred and fifty establishments were approached with requests to cooperate and one hundred and seven interviews were successfully completed, a response rate of 71%. Of the 107 cooperating establishments 86 are located in the private sector and 21 in the public sector.

Throughout the following analysis these two sub-groups are considered separately. The main reasons for this decision lies in the fact that almost all public sector respondents are located in SIC Division 9, comprising mainly educational, local government and health service establishments with budgetary arrangements and decision making processes which differ substantially from private sector establishments. Also the unit of analysis differs between the sectors. In the private sector, employment decisions concerning the relative attractiveness of full- and part-time workers were found to be taken mainly at establishment level, with company guidelines on detailed manpower decisions often non-existent or limited to broad

generalisations. Normally the constraints imposed on management at establishment level by head office related to overall labour costs. In the vast majority of cases how labour costs were held within these limits was a matter for management at establishment level to determine. The public sector differed markedly from the private sector with respect to the level within the organisation at which these labour use decisions are taken. It was common for management at establishment level to have no power over the decisions that determined whether part- or full-time labour was to be employed. In establishments which reported some discretion this was frequently constrained by general or specific guidelines emanating from a higher authority. It was therefore appropriate that information on the factors shaping employment decisions in the public sector be normally sought above the establishment level. The only important exception to this relates to the hospitals included in the survey. All were within the Greater Glasgow Health Board but this body left employment decisions to individual units, which normally consisted of either one or a very small group of hospitals. Thus the mix of a small number of single establishments (5) and multi-establishment organisations were included in the public sector sample. Given the very large employee numbers in each of the hospitals, (often larger than the total employment in some of the multi-establishment public sector organisations included in the sample), all public sector respondents have been treated as 'organisations' in the following description and analysis.

86 private sector establishments were interviewed in the period November 1985 to May 1986. They are spread evenly across the 4 service sector divisions 6-9 (SIC 1980). Total private sector employment in the sample is 29,388, of which 7,906 (27%) are part-time employees. The distribution of these part-time workers varies substantially across the SIC divisions. 34% of all workers in the sample are employed in Division 6 (Distribution, Hotels and Catering, Repairs) but 58% of sampled part-time employees work in these trades. In contrast, Division 7 (Transport and Communication) cover 16% of total employment but only 3% of part-time workers. Division 8 (Banking, Finance, Insurance, Business Services, Leasing) has also a relatively low proportion of part time employees, 15% of those in the sample in a division which accounts for 38% of total employment. The final division, 9 (Other Services) employs 12% of all sample employees but 24% of all sampled part-time employees.

Of the 21 public sector organisations interviewed, 20% fell into Division 7 (Transport and Communication) and the remainder into Division 9 (Other Services). 118,709 workers were employed in these organisations, including 25,771 part-time employees (22%). The distribution of employment across the two divisions for full-and part-time employees differs substantially. 11% of all employees but only 1% of part-time workers are employed in Transport and Communication. 89% of all employees and 99% of part-time workers are employed in Other Services.

In the final section of chapter 2 it was argued that when decisions are taken within organisations over the services to be provided and the technology to be adopted then the range of tasks to be performed is broadly determined. How these tasks are organised is influenced, *inter alia*, by the economic environment within which the firm operates, the constraints on labour utilisation it faces and the labour supply conditions applying in the local labour market. The management questionnaire was designed to identify as many dimensions as possible of these influences. The reliability of the data gathered on these influences is clearly affected by the fact that only management-generated information is available. Thus when issues such as differences in part-time and full-time employees' attitudes to unionisation, or the nature of the constraints imposed by local labour market conditions are addressed, what is being identified is management's **perceptions** of these issues rather than direct evidence on their nature and dimensions. It is always possible that different respondents from the same managerial team would offer different answers (Beaumont, 1988). However, even if some of the data refers to perceptions of management it does not render it analytically worthless. A knowledge of what management understands to be the factors shaping its employment decisions is essential to any understanding of the evolution of employment structure.



## Section 2 :

### Potential Determinants of the Demand for Part-Time Workers in the Private Sector

The potential rationales for the use of part-time labour were presented under seven headings at the end of the preceding chapter. To analyse labour demand decisions at the level of the individual establishment it is necessary to identify a range of measurable variables which are adequate proxies for these broad rationales. The measurable variables adopted in the survey can be grouped under the following headings;

- establishment characteristics;
- market characteristics;
- demand patterns;
- wage and non-wage cost differences;
- organisational costs;
- union constraints;
- flexibility.

A number of hypotheses can be made about the impact of these variables on the demand for part-time labour, measured by the proportion of part-time employees in each establishment. In this section these hypotheses are presented, along with relevant descriptive information on the variables, before the results of the multi-variate analysis on the importance of these variables is reported.

#### **\* Establishment Characteristics:**

It is hypothesised that establishment age may be inversely related to the proportion of part-time employees. This is based on the argument that new firms face significantly lower constraints when devising their employment strategies than do established organisations which have inevitably developed custom and practice rules. The newer establishment may therefore be better placed to take advantage of any benefits arising from the use of part-time employees. The rate of employment growth is also considered as potentially being related to an establishment's proportion of part-time workers given the greater ease with which changes in employment structure can be introduced in growing firms.

The variables 'establishment size' and 'single/multi-establishment organisations' were also considered as possible influences with no predicted sign. Elias and Main (1982) found a relatively high use of part-time labour in very small establishments (under 25 employees). This may reflect the fact that small establishments may have insufficient work for a full-time specialist employee such as a secretary or book-keeper. In contrast Blanchflower and Corry, (1987) found establishments with relatively high proportions of part-time employees to be larger than average. However, it should be noted that they used a sub-sample of WIRS1, which excludes all establishments with fewer than 25 employees. In the private sector sub-sample

one-third of respondents worked in single-establishment firms, but these organisations accounted for only 4% of total employees in the sample and 5% of part-time employees.

It is possible that faster growing establishments may be associated with a higher proportion of part-time workers for two reasons. Firstly, if opposition to the introduction or growth of part-time labour exists (from trade unions or other sources), *ceteris paribus*, it will be more easily overcome in a situation of employment growth as existing employees are likely to feel less threatened by changes in the full-time/part-time labour mix. Secondly, if the use of part-time labour confers competitive advantages (from whatever source) relatively high users of such labour will show a superior growth performance, other things equal. Information on establishment growth rates measured by output and employment were gathered for the period from 1975, divided into three sub-periods, 1975/6 to 1979/80, 1980/1 to 1984/5, and 'the last year', which for most respondents was financial year 1985/6. The pattern of part- and full-time employment that emerges appears to be completely unrelated to the output or employment growth performance of the establishment. Identical conclusions to those for output growth hold when the profitability of establishments is examined over the ten year period. No pattern is evident between use of part time employees and reported profits.

### Market Characteristics:

The characteristics of the market in which the establishment operated are hypothesised as influencing the use of part-time workers through the intensity of competitive pressure on margins. If the employment of part-time employees does offer certain cost advantages then, *ceteris paribus*, the greater the competition faced the higher the proportion of part-time workers is likely to be. A number of proxies for competitive pressure on establishments were identified in the survey such as the extent to which product markets are localised, the degree of discretion available to management in pricing policy, changes in market share, the number of 'close' rivals perceived by management, and the extent to which wages are 'determined' by local labour market conditions.

The sample split almost evenly into those reporting an increased market share in the ten years to 1987 (33%), no change (31%), and a reduction (35%). The changes reported mainly occurred in the second half of the 1970's. On pricing policy only 4% conformed to the economists perfect competition model by declaring themselves price takers, one third claimed to have 'some control' over price but monitored rivals prices and viewed them as a factor in their own pricing decisions. The remaining 63% stated that they had 'substantial' control over price. When asked about the existence and number of 'main' rival firms only 5% stated that they had no close rivals. About half of the sample named between 2 and 4 firms while 37% reported that

a 'large number' of rivals existed.

**\* Demand Patterns:**

The occurrence of predictable patterns of product demand is reported as an important determinant of the demand for part-time labour in a number of the the empirical studies cited in Chapter 3 (for example, Robinson and Wallace 1986; Blanchflower and Corry, 1987). These patterns can take a number of forms, the most prominent being fluctuation within each working day, a weekly pattern (normally peaking at the week-end), and longer patterns such as seasonal fluctuations. The alteration of the time period over which customer demand occurs through an extension/contraction of trading or operating hours can also be considered an explanatory variable under this heading. 40% of the private sector establishments in the sample had experienced a change in trading hours, 30% had increased hours, 10% had reduced them. At the same time one third of establishments noted that their employees now worked a shorter week, the other two thirds reporting no change. 68% of all employees in the sample benefited from these cuts in the working week but only 50% of the part-time workers sampled were affected.

Respondents were asked to identify the patterns of demand experienced for their services and whether output and employment required to be matched to this pattern. Three patterns were reported, daily, weekly and annual. Daily patterns of demand were reported by 43% of establishments, 50% experienced weekly patterns and over

80% experienced some form of annual pattern. Almost all who reported demand patterns (92%) stated that it was necessary to match output to these, an unsurprising result given the difficulties in holding stocks in most service industries. The matching of output to demand required that the quantity of labour be matched to output in 85% of the establishments questioned. The remainder matched output to demand with the same labour force mainly by working their employees more intensively when required.

A wide range of methods were used to match labour to the pattern of output or final demand. Some techniques like week-end working (when not normal) and matching holiday patterns to demand patterns were little used, with only 5% and 2% of establishments respectively citing these methods. Other methods such as hiring temporary workers (full-time and part-time) were reported by 35% of respondents, and 23% stated that they worked their staff more intensively when required. The most common techniques used to match demand were hiring permanent part-time staff, cited by 54% of establishments, and the use of overtime, cited by 50%. Unsurprisingly in the service sector, shift work was not commonly used, with only one in ten establishments mentioning this method.

#### **\* Wage and Non-wage Costs:**

Two aspects of wage cost differences can be identified from the survey. The proportion of total operating costs accounted for by wages, salaries and other labour costs such as National Insurance and pension scheme

contributions; and differences in hourly wage rates between full-time and part-time workers on the same job grades. It is likely that the greater the hourly rates paid to full-time workers exceed those paid to equivalent part-time employees the higher will be the proportion of part-time workers, other things equal. However, none of the respondents reported that part-time employees were paid a lower hourly wage rate than their full-time colleagues on identical or equivalent grades. In contrast, variations in the use of part-time workers by wage costs as a proportion of operating costs shows a clear pattern. The higher the wage bill as a proportion of these costs the lower the likelihood of a high proportion of part-time workers being employed in the establishment.

The data supplied by respondents on changes in the wage bill as a percentage of total operation costs over the last ten years also show a very clear pattern. Part-time employees are consistently under-represented in the group of establishments that report increases in wage costs and consistently over represented in those groups which report no change or a drop in wages as a proportion of total costs.

Non-wage cost differences can arise through differences in employee entitlement to a range of benefits, and through variations in the employers liability to meet payroll charges based on the weekly hours an employee works, on the employees' gross wage, and on the employees' length of continuous service with the employer. The most

important variations in benefit entitlement occur in access to company pension schemes, paid holiday leave, and payment when absent through sickness. The lower the entitlement to these benefits the greater is the cost advantage to the firm in employing part-time workers.

The survey results on benefit entitlement indicate that in 98% of establishments full-time employees are entitled to sickness benefit against 62% of establishments offering these to part-time employees. In employment terms this meant that fractionally under 100% of full-time workers were eligible for sick pay against 73% of part-time employees. A similar pattern emerged on paid holiday entitlement. 99% of establishments offered full-time employees such benefits but only 69% offered them to part-time workers. This benefit covered 100% of full-time employees against 80% of those working part-time. 64% of establishments ran company pension schemes, all were open to full-time employees but only 38% offered their part-time workers the opportunity to participate, thus 100% of full-time employees have access to these schemes compared to 45% of part-time employees. The provision of pension schemes were not concentrated in establishments which are low users of part-time labour, an identical percentage of full- and part-time employees work in establishments that run such schemes.

From October 1985 employer National Insurance contributions were calculated on a scale positively related to total gross weekly earnings of employees. Once the



minimum threshold (currently £43.00 per week) is breached employers are charged at 5% rising in three further steps to 10.45% on earning over £325.00. There are therefore clear cost advantages to the employer who imposes a wage rate/employment hours combination that holds employee gross wages below the minimum level. The expectation is that if the nature of the establishment's operations allow a range of work-time arrangements then current NI regulations will positively affect the demand for part-time as against full-time employees.

In the survey the establishments that had a low ratio of part-time to full-time workers almost all paid their part-time staff wages above the threshold at which employer are required to make NI contributions. There was no pattern amongst establishments that reported a higher proportion of part-time employees. A possible explanation is that the part-time employees in establishments with few such workers may have skill levels higher than average for part-time employees as a whole. The absence of a clear relationship between higher proportions of part-time to full-time workers and the proportion of establishments paying their part time employees below the threshold for employers contribution suggests that NI contributions are not an important factor in the decision to employ part-time workers. This conclusion is supported by responses to a direct question on the significance of NI contributions in the decision to employ part-time workers, only 20% of establishments cited it as 'significant'.

However, if the employment associated with these establishments is considered then a different picture emerges. 31% of all employees but 60% of part-timers work in establishments in which employer NI contributions are reported to be a significant factor in the employment decision. This strongly suggests that this may be a relatively important factor in the employment of part-time labour.

Employment protection legislation entitles employees to maternity pay, statutory notice, written reasons for dismissal, job-back rights, redundancy pay, protection against unfair dismissal, and time off for job hunting provided they meet certain minimum conditions on hours per week normally worked and a period of continuous service. Honouring these rights can involve employers in financial and organisational costs. If these are perceived as significant the demand for part-time workers whose hours exclude them from statutory protection may be positively influenced.

As in the case of employer National Insurance contributions, establishment and employment data also throw up different conclusions on the question of the importance of employee eligibility to other rights and benefits in the employment decision. Only 12% of establishments reported that this was a significant factor in the decision to use part-time employees, but 30% of all workers and 42% of part-time workers are employed in establishments where eligibility is cited as being significant in the employment

decision.

**\* Organisational Costs:**

The factors grouped under the heading 'organisational cost differences' refer firstly, to differences between full- and part-time employees in the nature and cost of recruitment and training; secondly, to differences in turnover and absenteeism rates between these two groups; and thirdly, to additional administrative costs arising either from the larger number of employees generated by the use of part-time workers, or from the inferior performance of part-time employees against full-time employees doing comparable jobs. The additional administrative costs generated by the larger number of employees mainly concerns work scheduling and the duplication of instruction and supervision time. The inferior performance of part-time employees arises principally from the loss of continuity which can occur when half shifts are used. This can require additional briefing time and additional supervision given the increased number of employees involved in a given range of tasks.

Information on recruitment costs and methods indicate considerable differences between the treatment of part- and full-time employees. Almost one-in-five of sampled establishments reported that they used different methods of recruitment for comparable full- and part-time staff. In almost all cases part-time recruitment depended more on word-of-mouth contacts and unsolicited approaches than did recruitment of full-time employees. Coincidentally, not one

respondent reported that difficulties in recruiting full-time workers as a factor in their decision to employ part-time workers.

Differences in the turnover rates of full- and part-time employees vary according to the proportion of part-time employees in the establishment. At low ratios of part-time to full-timers, under 10%, part-time employees record consistently lower turnover rates than their full-time colleagues. At higher ratios, up to around 40% of the work force, turnover rates are very similar between the two groups, and at higher ratios, over 70%, the turnover rates of part-time workers is substantially higher.

Explanations of these results are likely to lie in the nature of the full- and part-time jobs in question. In establishments with a very low proportion of part-time employees their jobs are typically of two types, office cleaning, catering, security etc, and semi-skilled and skilled workers returning to employment following absence, typically due to family commitments. Respondents frequently noted that the first group of jobs were often filled by older employees who sought only part-time employment relatively close to their homes. The second group of jobs were typically filled by previous employees moving back into the labour market, with a high proportion eventually moving back to full-time work. It can be argued that these characteristics would tend to reduce turnover. In firms which report very high ratios of part-time employees such as contract cleaners, catering firms and

some retail outlets, most full-time workers are supervisory and management grades. As the cost of quits to the individual and the firm are higher in these occupations differences in turnover between these employees is to be expected. Information on differences in absence rates between full- and part-time employees show exactly the same pattern.

Responses to questions on differences in the cost of organising work arising from the employment of part-time workers indicate that only 2% of establishments found part-time employees cheaper to organise, 68% of establishments reported no significant difference in organisation costs, and the other 30% found part-time workers 'significantly' more expensive to organise. A variety of reasons were cited to explain these higher costs, and as noted above, they can be grouped into two categories. The first set of reasons arise exclusively from the fact that the establishment has more employees to organise. The second set relates to the inferior performance of part-time employees compared to full-time workers doing comparable jobs. Almost half of those reporting cost differences mentioned the drawing up of work schedules as an explanation, 30% reported that the use of part-time employees involved the management in greater supervision, and 21% mentioned that using part-time employees involved them in more instruction. Of the group of establishments that reported organisational cost differences almost one third reported that these arose purely because of the larger number of employees involved.

The other two thirds stated that the use of part-time employees *per se* involved the establishment in additional costs.

By far the most common factor cited in explaining these additional costs was loss of continuity. Over 50% of those identifying cost differences noted this disadvantage. Partly arising from this loss of continuity were two other factors cited by 15% of establishments, namely that part-time employees were more expensive to both supervise and train. These factors are likely to lie behind the responses given to a general question on productivity differences in which almost one third of all private sector establishments acknowledged that part-time employees have lower productivity than full-time workers doing the same jobs.

#### \* Trade Unions

To the extent that they have been covered in the existing literature, trade unions have been viewed as a constraint on the use of part-time employees. This is mainly based on the organisational and financial difficulties that part-time workers can present to unions. These stem from the greater difficulty of access to part-time workers experienced by unions arising from non-standard patterns of working hours. This makes both the recruitment and servicing of these workers more difficult, problems which are further aggravated if part-time workers record higher turnover rates. If turnover differences do occur this can also be taken as an indication that, on

average, part-time employees have a lower attachment to the labour market and hence may have a lower propensity to join unions. If this is in fact the case it would further strengthen union resistance to the growth of part-time employment.

It follows from this view that, other things equal, the higher the level of union density in an establishment the lower will be the proportion of part-time employees, assuming that density is an adequate proxy for the unions ability to frustrate any increase in the ratio of part-time to full-time employees desired by management.

37% of surveyed private sector establishments recognised a trade union or staff association for collective bargaining purposes, covering 78% of all employees but only 63% of part-time employees. Almost 60% of unionised establishments reported union membership levels of over 90% amongst full-time manual employees, 43% reported the same level amongst part-time manual employees, with the remainder spread evenly across the other deciles. 45% of establishments reported over 90% union membership for their non-manual full-time employees, the figure falling to 40% of establishments when non-manual part-time employees were considered. The extent of changes in union membership over the last ten years was identified and the pattern proved identical for both full-time and part-time manual employees and full-time and part-time non-manual employees. No respondent reported a fall in union density for any of these groups over the decade from 1975,

suggesting the high and rising unemployment of the 1980's has had little impact on density levels (as distinct from membership numbers) in establishments that already recognise unions.

The respondents were asked a series of questions relating to their view of the relationship between the unions and their part-time employees. As with the information given on levels of union membership, it should be noted that management information on union related issues is more likely to be partial or factually inaccurate than on other matters.

90% of establishments reported that no shop stewards were drawn from the part-time labour force despite the often high part-time employee ratio they recorded. A similar percentage stated that they did not differ in their attitude to the unionisation of full-time and part-time employees, but 50% of them stated that they felt there was a difference in the demand for union representation between full-time and part-time employees.

Almost one third of establishments recognising unions reported that they had experienced some union opposition to management plans to increase the proportion of part-time employees in their work force. The management attributed this opposition to three factors. Firstly, that union membership is commonly lower amongst part-time workers, hence unions stand to lose subscriptions and bargaining leverage. This reason was cited by 58% of those who had



experienced any opposition. Secondly, it is more difficult to recruit and hold part-time members due to the hours they often work and their higher rates of turnover. This was mentioned by 44% of relevant respondents. Thirdly, it is more costly for unions to service part-time workers due to the difficulty of physically meeting all part-time employees at one time etc., this factor was mentioned by 44% of respondents.

Despite these points, which suggest that the recruitment of part-time employees involves some disadvantages for unions, 90% of establishments noted that, as far as they could tell, unions did not treat part-time members any differently from those working full-time. The little discrimination that was reported referred exclusively to unions devoting less time, *pro rata*, to part-time employees than to full time employees.

#### **\* Flexibility:**

The growth of part-time and other peripheral forms of employment such as temporary, agency and self-employed workers has generated the 'Flexible Firm' literature reviewed in chapter 2. This suggests that since the late 1970's organisations have been faced with an increasingly uncertain environment arising mainly from more intense competitive pressure and rapid technological change. In response organisations have sought increased numerical and functional flexibility via the development of manpower strategies based on splitting their labour force into core and peripheral groups. In this model the growth in demand

for part-time employees could be explained by a management perception that they offered greater flexibility. The extent to which the use of part-time workers fitted this model can be considered by examining manpower adjustment policies and managements views on the relative performance of part-time and full-time employees faced with the introduction of new work methods and the flexibility these groups showed using existing work practices. .

The survey provided some direct information on flexibility within establishments. Only 4% reported that it was easier to introduce new work methods with part-time employees. 73% reported no difference between full- and part-time employees in this regard, and 23% noted that the existence of part-time labour in their workforce made such innovations more difficult. Of those establishments that found the introduction of change in work methods more difficult, three main reasons were cited; firstly, differences in familiarity with company practices (75% of the relevant establishments); secondly, differences in the training given to full- and part-time employees (45%); and thirdly, differences in motivation between these two groups (25%). No respondent mentioned different levels of union membership as either a positive or negative contributory factor.

Turning from flexibility in the introduction of new work methods to flexibility in the use of existing work practices, 21% of establishments reported that part-time employees were more flexible in this regard (employing 17%

of all employees but 30% of part-timers);. 38% reported no difference between the groups (employing 39% of full-time and 44% of part-time workers); and 41% noted that part-time employees were less flexible (employing 44% of all employees but only 25% of part-timers). In explaining these results a similar range of factors were cited to those raised in the issue of new work methods. Of those that reported less flexibility, 21% cited differences in training, one third cited differences in familiarity with company practices and only 15% cited motivational differences. Of the establishments that reported part-time employees as more flexible by far the most commonly cited reason was differences in motivation, a factor mentioned by 75% of these respondents. Again differences in trade union membership between the full- and part-time workers was not raised by any respondent as a factor influencing flexibility.

Questions on the extent and timing of 'major' changes in technology and/or work methods indicated a marked acceleration in their rate of introduction over the last decade. Three-quarters of the changes involved some form of computerisation with almost 50% of those establishments who have adopted new technology installing small business computers and one third installing word processors. The objective of these questions was not to gain detailed information on the technical changes taking place in establishments but to identify the extent to which these changes had altered the relative attractiveness of full- and part-time employees. Half the establishments that had

introduced change reported that the innovations had increased the skills required by staff. 18% reported that the skill requirements had fallen, and 33% reported no change in skill levels, but most of these respondents noted that the nature of the skills required had changed. The impact of these skill changes on the demand for part-time employees was limited. Only 14% of establishments reported an increase in their demand for part-time employees for this reason. 4% reported a fall and 85% stated that technical changes/change in work practices had had no impact on their demand for part-time workers.

These various hypotheses on the possible associations between independent variables identified in the survey and the proportion of part-time employees are built on the broader rationales for the use of part-time labour discussed in chapter 3. These specific hypotheses can be tested using multiple regression techniques. The results of this exercise are presented in the following section.

## Section 2 : Multiple Regression Results

The manpower data sheets and the survey interviews provided information on the extensive list of variables reviewed in the previous section. In the case of a number of potential explanatory factors, such as competitive

pressure, a range of different variables were considered in an attempt to capture the general determinant. In these cases only one of the alternative variables is reported below, the others being rejected either due to the number of missing cases their use would generate, or to concern over the quality of the original question used, or to avoid problems of multicollinearity.

Given these points, the following variables were constructed to reflect the main influences on the demand for part-time labour discussed in the previous section. All the explanatory influences are captured in the form of dummy or categorical variables. In most cases this is the natural form of the variable, in others, such as establishment size by employment, the use of dummy variables is a simple method of allowing for non-linearities.

PTPRO:           The proportion of part-time employees in  
                  total workforce by establishment.

INDUSTRY:       (DIV6) SIC Division 6 Distribution  
                  (DIV7) SIC Division 7 Transport and  
                                Communications  
                  (DIV8) SIC Division 8 Banking, Insurance,  
                                Finance  
                  (DIV9) SIC Division 9 Other Services

SIZE:           Based on total employment in establishment  
                 (Size1) 1 to 25 in workforce  
                 (Size2) 26 to 99 in workforce  
                 (Size3) 100 to 499 in workforce  
                 (Size4) 500 or more in workforce

NI:             Based on question:- 'Does the payment of  
                 employer National Insurance contributions  
                 influence the choice between full-and  
                 part-time workers when recruiting?'.  
                 Yes=1  
                 No=0

ORG. COSTS: Based on question:- 'Are there differences  
                 in the cost of organising part-time and  
                 full-time workers?'.  
                 Part-time are cheaper/no difference=1  
                 Part-time more expensive=0

TRAIN. COSTS: Based on question:- 'Do training costs  
                 differ between full-and part-time  
                 workers doing comparable jobs?'.  
                 Yes=1  
                 No=0

COMPETITION: Based on question: - 'How do you price  
your services?'

Set by market/very little discretion=1

Use judgement/substantial discretion=0

SHORT WEEK: Based on question: - 'Have you  
experienced a trend towards a shorter  
working week in the last 10 years?'

Yes=1

No=0

RECRUIT: Based on question: - 'Do recruitment costs  
differ between full- and part-time workers  
in the same job category?'

Yes=1

No=0

UNION REC: Based on question: - 'Do you recognise a  
trade union(s) for collective bargaining  
purposes?'

Yes=1 No=0

PENSION: Based on question: - 'Do you currently  
operate a company pension scheme?'

No=1

Yes=0

(N.B. the preferred question on access of  
part-time employees to company schemes

could not be used as it excluded 75% of all cases).

WEEK-END: Based on question:-'Do you operate at week-ends?'.  
Yes=1  
No/very occasionally=0

NON-WAGE COST: Based on the general question:-'Are there significant differences in the non-wage costs associated with the employment of part-time workers?'.  
Part-time cheaper/no difference=1  
Part-time more expensive=0

SHIFT: Based on question:-'Do you operate a shift system?'.  
Yes=1  
No=0

TRADE HOURS: Based on question:-'Has there been a change in trading/operating hours in the last 10 years?'.  
expansion=1  
no change/contraction=0



DEMAND (ANNUAL)/(WEEKLY)/(DAILY): Based on the

questions:-Is there a annual/weekly/daily  
pattern of demand for the services you  
provide?`.

Yes=1

No=0

This list of variables could have been extended in two ways. Firstly, as noted above, different ways of attempting to capture a particular influence could have been included. Given the potential problems of multicollinearity this could create only the 'best' variable is used, best being defined here as the alternative answered by the highest proportion of respondents and judged by the interviewer as being the most consistently understood by them. Secondly, a more refined set of categories could have been constructed for some of the variables. The main constraint on proceeding in this manner was the need to contain the number of variables to assist comprehension and facilitate presentation. In many cases the distribution of values of specific variables severely limited the distinctions that could usefully be drawn.

### Results: Private Service Sector

The set of regression results presented in Table 3.1 relate only to private service sector establishments in the sample. Of the 86 establishments falling into this category 16 provided incomplete manpower data, and 7 cases were lost

in the regression due to other missing data.

There is a clear differentiation in the sample by SIZE. The percentage of part-time workers in the two lowest size bands, 'low to 25' and '26 to 99' is significantly lower than occurs in the two largest bands of '100 to 499' and '500 plus'. The difference is in the order of 20 percentage points after controlling for industry. This very dramatic dichotomy in the scale of part-time labour use between 'small' and 'large' establishments is not easily explained at the level of the private service sector as a whole. However a range of possible explanations can be offered when the sample is disaggregated by SIC division. These results are presented and discussed in Chapter 5.

Turning to the impact of industrial affiliation as measured by SIC division (DIV), the regressions results strongly confirm the picture gained from the examination of national data noted in Chapter 1. Typically, establishments located in Division 6 (Distribution) and Division 9 (Other Services) are significantly heavier users of part-time labour than those classified in Division 7 (Transport and Communications) and Division 8 (Banking, Insurance, Business Services). The very low relative usage in Transport and Communication is indicated by the negative regression coefficient of almost -23. The reasons for differences in the level of use across divisions will be discussed in detail in the next chapter.

Table 3.1 Regression on Proportion of Part-timeEmployees in Total Workforce: Private sector

<u>Explanatory</u>	<u>Regression</u>	<u>Standard</u>
<u>Variable</u>	<u>Coefficient</u>	<u>Error</u>
SIZE1	-	-
SIZE2	6.44	7.51
SIZE3	21.42**	7.54
SIZE4	23.83*	9.53
DIV6	-	-
DIV7	-22.87**	7.85
DIV8	-18.96*	8.10
DIV9	1.52	7.47
WEEK-END	-1.56	7.46
NON-WAGE COST	7.36	7.10
DEMAND (ANNUAL)	0.23	6.65
(WEEKLY)	-1.70	6.19
(DAILY)	-1.07	5.43
UNION REC.	4.06	5.54
COMPETITION	-7.43	5.37
NI	23.67**	6.57
TRADE HOURS	4.01	6.48
SHIFT	14.17*	5.54
SHORT WEEK	-13.88*	5.64
PENSION	6.73	6.00
ORG. COSTS	-3.70	7.41
CONSTANT	20.78	13.59

R2 .74 F (DF) 6.34 (19,43) N=63

Significance at .01 (.05) indicated by \*\* (\*).

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The third statistically significant variable identified in the regression is the importance of National Insurance payments (NI) in the employment decision. This result reinforces the impressions gained from management responses to open-ended survey questions on determinants of employment strategy. In considering the factors that lie behind the significance of this variable it is useful to categorise establishments by the proportion of their part-time employees whose gross wages fell below the threshold at which employers are liable for national insurance contributions. Interestingly, all low users of part-time labour, defined as establishments in which part-time workers constitute less than 10% of all employees, paid their part-time employees above the threshold wage level. At levels of part-time use above this no discernable pattern emerged. A possible explanation of this result is that the average skill levels of part-time employees in low-use establishments is relatively high. Some support is offered for this explanation by the fact that a substantial number of very low users of part-time workers reported that the only part-time workers they employed were skilled and experienced females, previously in full-time employment, who had reduced their work commitment for domestic reasons.

As noted in the previous section, only 20% of establishments reported that the payment of National Insurance contributions 'significantly' influenced their choice of full-time against part-time workers. However these establishments accounted for 31% of total employment in the sample and over 60% of part-time employment. Typically part-time workers in such establishments were in low skill occupations, recruitment and training costs were low, and although the extensive use of part-time labour generated additional administrative costs these did not appear to offset the financial gain arising from avoiding payment of NI contributions.

The fourth significant variable identified in Table 3.1 relates to the operation of shift work at the establishment. In the discussion on rationales for the use of part-time labour it was suggested that the adoption of shifts is likely to reflect either clearly defined peaks in the demand for the services provided, or the fact that interruptions to production/trade are costly because the maximum return on capital equipment or premises requires its extended or continuous use. It is likely that the latter explanation is more relevant to manufacturing industry, but changes in socio-economic behaviour (shopping patterns etc) and the trend to larger scale establishments in parts of the service sector such as retail trades, may have increased the need to extend the time period in which premises and equipment are in use. It is possible that these factors could have been picked up by the 'change in

trading hours' variable but this proved to be far from statistical significance.

The fifth significant variable relates to the existence of a trend towards a shorter working week in the last decade. Establishments reporting a trend reduction are significantly less likely to have a high proportion of part-time employees. There are clear industry based differences here, with, for example, no retail establishments noting a shorter working week, in contrast to the majority of establishments in financial services. However this result indicates that this variable is significantly (and negatively) associated with the use of part-time employees after controlling for industry. There are a number of possible explanations for this. The trend towards a shorter working week could be a proxy for trade union pressure, given the widespread commitment within the union movement towards a 39, 38 or 35 hour week (depending on industry). However this implies that unionised establishments are less likely to report high ratios of part- to full-time employees, an association not supported by the regression coefficient on the union recognition variable in Table 3.1. Alternatively, it may be easier for management in establishments with relatively low numbers of part-time workers to concede a shorter week to their full-time employees without pressure to extend this change to part-time employees. Another explanation could lie in the degree of competitive pressure faced by the establishment and the priority this placed on the need to minimise costs. If the use of part-time employees does

confer some net cost advantages then we would expect 'cost conscious' management in establishments making high use of such workers to also be opposed to potentially costly reductions in the working week, given that such reductions are very rarely accompanied by *pro rata* wage reductions.

In conclusion, the results presented in Table 3.1 are entirely consistent with previous work done on the determinants of the demand for part-time labour in private sector services. The relatively high use of such labour in Divisions 6 and 9 is well known, and size has been found to be positively associated with the proportionate use of part-time workers (see e.g. Blanchflower and Corry 1987) although not on the scale found here. The size of the coefficient on the National Insurance variable suggests that relative cost advantages of unskilled and semi-skilled part-time labour is, *ceteris paribus*, very important in the employment decision. The importance of the 'shift' variable probably captures a number of factors, including peaks in demand patterns, extended trading hours, and monotonous job content leading to a reduction in productivity through a standard (8 hour) shift, all of which encourage the use of part-time labour.

To complete this consideration of the private sector sample as a whole the multiple regression exercise was rerun excluding the Division dummy variable. In principle this should allow variables correlated with industry (such as establishment size) to show up in a statistical sense, if they have any explanatory contribution to offer.

The first general point to be made about Table 3.2 is that exactly the same set of statistically significant variables are identified. This suggests that none of the non-significant variables in Table 3.1 are very closely correlated with industry. Comparing the regression coefficients in the two tables suggests that employer national insurance contributions are even more significant when industry is no longer controlled. Apart from this little additional information can be drawn from the second table.

In conclusion to this section, what is clear from the cross-tabulation evidence and impressions gained at the interviews is that very substantial variations in the main reasons for the use of part-time workers occur across the heterogeneous industries which make up the private service sector. It is therefore necessary to disaggregate the sample and examine employer rationales for the use of such workers Division by Division. This is done in Chapter 4, but before presenting these results it is necessary to look at the regression results for the smaller sample of public sector establishments and consider evidence on the factors associated with changes in the ratio of part-time to full-time employees.



Table 3.2

Regression on Proportion of Part-time Employees to  
Total Workforce: Private Sector (Excluding Division)

<u>Explanatory</u>	<u>Regression</u>	<u>Standard</u>
<u>Variable</u>	<u>Coefficient</u>	<u>Error</u>
SIZE1	-	-
SIZE2	6.44	8.17
SIZE3	19.01*	8.14
SIZE4	25.33*	10.30
WEEK-END	8.58	6.91
NON-WAGE COST	3.73	7.76
DEMAND (ANNUAL)	0.43	7.12
(WEEKLY)	-0.99	6.37
(DAILY)	0.32	5.96
UNION REC.	2.49	5.99
COMPETITION	-10.52	5.81
NI	29.91**	6.68
TRADE HOURS	2.36	6.67
SHIFT	16.65*	6.13
SHORT WEEK	-15.36*	6.15
PENSION	5.56	6.68
ORG. COSTS	1.40	7.99
CONSTANT	4.93	11.93

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R2 .65

F (Degrees of Freedom) 5.32 (16,46)

No. of cases =63

Significance at .01 (.05) indicated by \*\* (\*).

#### Section 4:

##### Potential Determinants of Demand for Part-time Workers: Public Sector

##### Regression Results:

The previous section reported the results of an analysis of private sector demand for part-time labour using multiple regression techniques. The most obvious difficulty faced in attempting to duplicate this exercise for the public sector sub-sample is that only twenty-one publicly controlled establishments produced usable returns in the survey. While it is still statistically acceptable to adopt such techniques where the number of independent variables does not exceed the number of cases minus one, the reliance which can be placed on the results is inevitably weakened. Given this, the identification of public sector determinants of part-time labour use in this section focuses mainly on a qualitative examination of management responses to open-ended survey questions. However, despite the fact that the multiple regression results have to be treated with some caution they are also judged to be of sufficient interest to merit presentation.

For statistical reasons it is clearly not possible to include in the public sector regressions the lengthy list of variables used in the previous section covering the larger private sector sample. Nor would this procedure be justified on theoretical grounds. In the process of

selecting an appropriate range of variables for inclusion it is necessary to formulate some hypotheses regarding rationales for the levels of use of part-time labour that will differentiate public from private sector responses. The most obvious differences between the two sub-samples concern the size of the organisations affected by the labour use decisions, and the much higher levels of trade union membership and influence that occurs in the public sector. This second factor may be particularly important in a geographical area such as west central Scotland where both tiers of local government are dominated by the Labour Party. The political history of the area and the earlier dominance of the region's industrial structure by heavy industries has resulted in the maintenance of very close ties between the political and industrial arms of the labour movement. The trade unions continue to exert a considerable influence on the culture and politics of the area.

It can be argued that trade unions are negatively disposed to the growth in use of part-time workers. This reflects four main factors. The first concerns the lower levels of trade union membership typically occurring amongst part-time workers. The second relates to the vulnerability of many part-time workers, a conditions which partly reflects the personal characteristics of many of these workers (relatively young, a high proportion of women re-entering the labour market, and a high proportion of ethnic minority groups), but may also reflect disadvantages inherent in the status of 'part-time worker'. The third

concerns the possible negative impact on general levels of pay and conditions for full-time workers resulting from an ever growing proportion of the labour force being employed on a part-time basis. The fourth concerns the relatively higher costs associated with the recruiting and servicing of part-time workers. It follows that, where possible, trade unions are likely to resist increases in the proportion of part-time workers.

As noted above, the main private sector/public sector differences in the sample relate to average size and levels of trade union recognition. The differences in recognition levels suggests that where trade union opposition to increases in the proportion of part-time labour occurs it is likely to be more effective. The size variable is also likely to be positively associated with effective resistance to part-time growth as the size of local authority organisations tends to be very large compared to public sector organisations as a whole. Therefore in this sub-sample the larger the organisation the greater the likelihood that it will be under local authority control and hence the greater will be the likely trade union influence on the employment practices of the organisation.

The possibility of other marked public sector/ private sector differences were explored by means of comparing cross tabulation results. As noted in the previous section, public sector establishments are confined to SIC Divisions 7 and 9, with the vast majority of part-time employees being located in the latter division. Comparing public

sector to private sector establishments, the former are much less likely to report changes in trading hours, much more likely to have experienced a trend reduction in the average working week, are as likely to note the existence of weekly and annual demand patterns for their services but less likely to report a daily pattern, are very much less likely to report non-wage cost differences between full- and part-time employees, and have 100% trade union recognition.

Attempts were made to include some measure of these variables into the multiple regression analysis, but missing cases and other doubts about the reliability/ usefulness of some survey data resulted in only four variables being tested, size, industrial affiliation, reported experience of trade union opposition to proposed or actual increases in the ratio of part-time labour, and the existence of daily demand patterns for public sector services. As noted in the previous section, in the public sector the level of decision making on labour use questions was typically taken further up the organisational hierarchy than normally occurs in the private sector. Thus public sector cases in the sample cover organisations rather than establishments. It was therefore necessary to alter the size bands used for the regression exercise compared to those used in the previous section.

SIZE1 (1 to 1000 employees)

SIZE2 (1001 to 10,000 employees)

SIZE3 (more than 10,000 employees)

TRADE UNION OPP: based on question 'has management  
experienced any trade union  
opposition to altering the ratio of  
part-time to full-time workers?

Yes=1

No=0

The results of the multiple regression exercise tend to support both the hypotheses outline above. Both size and the existence of trade union opposition to the increased use of part-time labour are negatively associated with the proportion of part-time employees. The very large organisations in the sample, such as Strathclyde Social Work Department, Strathclyde Education Department, Glasgow District Council and Strathclyde Regional Headquarters are part of labour controlled local government. These elected bodies tend to be positively disposed to trade union membership, and the values and views of elected members tend to correspond with those of trade union officials and activists, at least on questions of employment policy and industrial relations. If the negative association between size and the proportion of part-time employees

Table 3.3

Regression on Proportion of Part-time Employees in  
Total Workforce: Public Sector

<u>Explanatory</u>	<u>Regression</u>	<u>Standard</u>
<u>Variable</u>	<u>Coefficient</u>	<u>Error</u>
SIZE1	-	-
SIZE2	-20.30*	9.30
SIZE3	-24.27*	10.65
DIV7	-	
DIV9	29.38*	14.17
DEMAND (DAILY)	16.36	9.06
TRADE UNION OPP.	-24.24*	9.06
CONSTANT	23.08	17.53

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R2 .71

F (Degrees of Freedom) 6.54 (5,13)

No. of cases =19

Significance at .05 indicated by \* .

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principally reflect trade union/political pressures the size of the TU OPPOSITION and SIZE negative coefficients suggests that trade union influence is very marked on

labour use decisions involving part-time labour.

While the regression results appear to offer some support for the hypotheses the number of cases is low and it is desirable to seek additional evidence through an examination of the detailed responses offered by many of the public sector managers who co-operated in the survey.

#### Section 5 :Qualitative Evidence:

The four major organisations in Division 7 co-operating in the sample provided some useful insights into the pressures operating on public sector organisations and the constraints they experience in labour use decisions.

#### Transport and Communications:

The monopoly (or near monopoly) suppliers of air, rail, telecommunications and postal services who participated in the survey are all very large employers in West Central Scotland. In common with most public sector organisations they all had experienced increasing pressures on costs throughout the 1980's from reduced Government financial support, market deregulation, increased private sector competition, and threatened privatisation. (One organisation had been privatised a few weeks before the interview but as the impact of this on labour use decisions had not yet been felt it was still classified as being in the public sector for analytical purposes).



Three of the four organisations in this Division faced very clear patterns of demand for their services but handled these in different ways. Two used a shift system, flexible rostering, overtime when needed, and seasonal temporary workers, with very little use of employees on part-time schedules. Management in both of these organisations clearly acknowledged the attractions of increasing the use of part-time workers, one respondent going as far as to state that

*"part-time workers are much cheaper to employ [as a result of a lower wage bill and lower non-wage costs]...they allow a more efficient use of resources...and they are more flexible in approach".*

Yet less than 1% of the labour force in that organisation were employed on a part-time basis.

The principal reason given for the very limited use of part-time employees in both cases was the degree of trade union opposition to their use experienced or anticipated by respondents. The general manager quoted above introduced a programme of increased part-time employment three years prior to the interview but was forced to abandon it due to trade union opposition. In both organisations general labour productivity had improved significantly over the previous five years and unit costs were substantially

reduced, mainly as a result of the introduction of new technology and new work methods. The personnel manager in the second organisation reported that as he knew of the unions' antagonism to increased part-time labour he

*"avoided the topic and concentrated on the more important issues of winning agreements on new technology and work practices".*

The other two Division 7 organisations, one of which also faced clear demand patterns, also reported substantial trade union opposition to the use of part-time workers. The differences in their reaction to this constraint partly reflects the degree of threat posed by the changes in market structure which they were confronting. In one deregulation has resulted in a marginal increase in competitive pressure. The attitude of the trade unions in this organisation was acknowledged to be a constraint on the use of part-time employees, it was acknowledged that the use of part-time employees offered some cost advantages but these were not thought sufficient to justify provoking trade union hostility when other issues relating to technical changes and work methods were seen the key to improving organisational performance. In this organisation 90% of those employed on a part-time basis were there solely because the nature of the jobs they performed did not require a full-shift, for example, cleaners, caterers and telephonists. The other 10% had part-time status for health reasons or they had temporarily been offered reduced hours when they returned from maternity leave.

In the other organisation the threat of privatisation they faced was perceived as being extremely serious, and the ability to meet this threat was seen by management as dependent on their ability to achieve major cost reductions. Trade union oppositions to the use of part-time labour was recognised but was judged by the general manager to be

*"muted by the scale of the threat to employee numbers...they are often thankful to save half a job"*

Union opposition was particularly marked when an existing full-time post was replaced by part-time labour (as distinct from a change in status following the departure of the incumbent through retirement etc). But even here the unions appear to be in a very weak bargaining position.

The declared aim of the management in this organisation was the elimination of all payments on premium rates. This was to be achieved by a very substantial increase in the use of part-time labour and flexible rostering. The personnel manager quoted in the paragraph above had responsibility for recruitment and labour use policies in two hundred and fifty-eight establishments. At the end of the survey interview he stated that over 90% of all future employees will be hired on a part-time basis for the foreseeable future, and that he would convert current [non-supervisory] full-time posts to a part-time status

wherever possible.

Turning now to the public sector organisations in Division 9, the detailed responses they offered also provide insights into the factors shaping the use of part-time labour. Division 9 is a very heterogeneous industrial classification, but those co-operating in the survey can be placed into three broad groups, organisations providing health services, those providing education services, and those providing (other) local government and public services such as social work, police, cleansing, roads, parks and recreation, and television. Given the possible importance of specific industrial circumstances in labour use decisions it is useful to consider these groups independently, beginning with hospitals/ clinics.

#### Health:

Five major hospitals within the Greater Glasgow Health Board were interviewed. Labour use decisions are delegated by the Health Board to Unit level, with each Unit normally consisting of one to three establishments. In all cases the unit managers further delegated these decisions to Departmental level. Thus decisions on the full-time/ part-time labour mix were taken by the head of nursing and auxiliary services, the head of domestic services, the head of catering, and so on. The principal guideline offered by the Health Board to Units, and by Unit managers to departmental heads, consisted of an establishment figure in the form of a maximum FTE (full-time equivalent) which they were required to work within.

As with the Division 7 organisations described above, all the respondents noted a significant tightening of the cost pressure experienced by their constituent establishments. All noted that the finance available to meet their wage bill had not increased in line with increases in real wages, hence the quality of patient care and employee numbers had suffered. None of the unit managers interviewed reported the existence of demand patterns in their establishments, a response reflecting the basic need to care for patients twenty-four hours per day. In contrast, department based respondents (often located in the same establishment) identified clear patterns of demand which had implications for labour use decisions, especially in the provision of domestic and catering services. [These differences in perception and response amongst participants in the same establishments illustrates the difficulties and limitations of this type of survey based data unsupported by detailed information on the co-operating organisations].

A clear distinction can be made between Departments in terms of the factors shaping their use of part-time labour. The non-clinical departments interviewed, those providing catering and domestic services, have been moving towards the greater use of part-time labour over the last five years or more for a variety of reasons. The strongest single factor promoting their use in the catering departments surveyed was said to be productivity differences between full- and part-time employees. It was reported that fatigue and boredom both significantly reduce

the productivity of full-time manual workers towards the end of a shift. Replacing a full-time employee by two part-time employees boosts productivity and, coincidentally, offers some savings on wage costs as full-time employees are contracted for 37.5 hours per week while part-time workers are typically employed for 15, both full- and part-time employees receiving the same hourly rate of pay. According to catering managers the more relaxed financial regimes of the pre-1980's allowed them to "carry" a larger number of full-time employees, but efforts were now being made to confine these work-time arrangements to supervisory posts only. In both departments interviewed trade union pressure had limited the rate of substitution of part- for full-time jobs to the rate of natural wastage.

A similar picture emerged in departments providing domestic services. As in catering, domestic departments had inherited a higher number of full-time employees from employment policies operating in the 1970's than they now considered optimal. Part-time employees were viewed as having higher productivity, again because of the impact of boredom and fatigue on the performance of full-time workers. However the picture here is confused by the fact that the age profile of the full-time cleaners in the co-operating organisations is significantly older than that of those currently employed part-time, a factor which may affect productivity and attitudes towards the adoption of new work methods. Once again (anticipated) trade union pressure ensured that the rate of substitution depended on the rate of retirements or the willingness of the incumbent to

accept a change in work-time arrangements.

All respondents having responsibility for the provision of non-clinical services in the health services anticipated and supported a significant increase in the ratio of part- to full-time employees in their departments. As noted above, this was explained either in terms of superior productivity amongst part-time workers or as a method of reducing the wage bill in response to pressure to cut costs. The wage bill savings were not derived from differences in hourly pay rates to part-time workers or as a result of differences in non-wage costs, but were achieved simply by reducing the total number of employees/hours worked. This was achieved either by replacing a full-time employee with two part-time workers whose combined hours fell below 37.5, or by replacing the full-time employee with one part-time worker. The latter option was normally available only where the incumbent voluntarily left the post, in these circumstances trade union opposition appears to be significantly weaker.

The responses of managers in clinical posts to the use of part-time labour produced a more complex picture. In the five clinical departments covered, two were actively reducing the number of clinical part-time workers, one was actively promoting the use of such workers, and the remaining two reported 'no policy' but a slight upward drift in the extent of their use. The key factor shaping the attitude of managers positively or negatively disposed to the use of part-time labour was their views on the

flexibility of such workers. Respondents provided a textbook example of the two main categories of flexibility adopted in the IMS literature. Those actively increasing the use of part-time workers focused on the numerical flexibility they offered in the face of cash limits which

*"produced discrepancies between the staff cover required and what is actually financially possible. This leads to the need for greater flexibility in staff rotas, the provision of temporary cover, and so on, which can be partly met by the use of part-timers"*

In contrast, management in the two establishments actively reducing the use of part-time workers, (one nursing manager was committed to their complete elimination), focused on the lower functional flexibility of part-time staff. The strategic response to the pressures generated by financial pressure in these departments was to achieve higher productivity by altering work methods, increasing informal training, and increasing the active participation of nursing staff in decisions affecting clinical operations. One of the managers had recently set up quality circles in her maternity hospital. It was reported that the use of part-time staff hampered the effective execution of this strategy as it increased the resources needed for training, such employees could not



provide the continuity sought, and, (in one case), the approach of part-time employees was seen as less "committed".

Both the clinical managers reporting a lower use of part-time employees alluded to differences of opinion with the recently appointed general hospital managers regarding the labour use strategy they were adopting. They were unwilling to be drawn on the details of these disagreements, but one reported dismissively

*"The general manager thinks he can run this hospital like a biscuit factory".*

#### Education:

Turning now to the second group of Division 9 organisations, those providing educational services. A consideration of the use of part-time labour requires that public sector educational provision be split into non-teaching staff, school teaching staff and further education staff. The increased financial pressures reported by all managers interviewed had not provoked a deliberate policy of increasing the use of part-time employees but managers reported that growth has occurred for educational or organisational reasons in all three categories.

As expected the proportion of part-time employees is highest amongst non-teaching staff where the two main activities are cleaning and catering. In the latter service

the ratio of part-time to full-time employees has increased dramatically in the last decade. This reflects changes in the nature of the service provided rather than any deliberate attempt to reduce the wage bill. The main change has been the switch to a cash cafeteria system in schools. This has changed the range of food provided, with convenience foods now predominating. This has reduced the need for chefs and other food preparation staff who traditionally had been employed on a full-time basis. This move had also significantly increased the demand for catering services ("the kids are no longer voting with their feet") thus increasing the use of part-time workers at peak times.

In contrast the growth in the use of part-time employees in cleaning services has been very limited, with the absolute numbers of full- and part-time cleaners falling as a result of demographic trends resulting in school closures.

The use of part-time teaching staff in day schools appears to be entirely demand determined. The education authority has a policy of offering job-sharing if requested, with the numbers employed under this scheme still small but growing rapidly. Part-time teachers are used to a limited extent in a number of specialist subjects, but typically these teachers are employed full-time on a peripatetic basis.

Further education makes much heavier use of part-time workers than the day school system mainly due to the unpredictability of the demand for College services. There is a very wide diversity of course provision and very large numbers of individuals are employed in the provision of evening classes. These individuals are not part of the FE sectors establishment and the vast majority of them have other employment. The Director of Further Education could provide no information on these individuals. The unpredictability in demand for FE day services arises from the nature of course funding and uncertainty about take-up rates until each course has actually began. The increased importance of courses funded by the MSC or Training Agency presents FE colleges with staffing problems and promotes the use of temporary staff. Financial support for such courses is guaranteed for a maximum of one year, thus Colleges must use full- and part-time temporary staff to service such course if they are to avoid an open-ended commitment to permanent staff whose services may no longer be required.

In general, throughout the educational services the strong position of the unions and the political complexion of the elected representatives eliminates the possibility of management imposing the increased use of part-time labour for financial reasons. In areas such as catering and parts of further education the nature of the job dictates that the appropriate employment status is part-time, but the employing authority has a policy of ensuring that

part-time employees are not disadvantaged, hence no non-wage or other financial advantages can arise from their use.

#### Local Government etc:

The final group of organisations to be considered in this section are all major employers in West central Scotland. They included both tiers of local government, the police force, social services and television. The district and regional authorities plus the social work department (which is technically part of the Regional authority) can be considered first.

As in the case of education (which is also a regional responsibility) there existed no labour use policies designed explicitly to extract any financial advantage from the use of part-time workers. All respondents mentioned the desire of the authorities to be seen as "model employers", none discriminated against part-time workers in terms of benefits or hourly wage rates, all reported very high levels of union membership across full- and part-time employees, and more importantly in this context, the unions were all opposed to the increased use of part-time labour other than on two grounds. Firstly, if the growth in part-time work reflected labour supply preferences. This occurred exclusively amongst non-manual employees (administration, professional, technical and clerical staff - APT and C) where a right to job-sharing arrangements if desired applied in almost all posts, or where the

individual requested temporary part-time arrangements due to health or other domestic commitments. Secondly, if changes occurred in the level of demand for a service currently delivered by part-time workers then the number of these employees was allowed to grow without opposition.

Two main reasons for trade union opposition were identified by management. The first, and less important reason, concerned the slightly lower levels of unionisation amongst part-time employees. The second concerned career progression through the strict internal labour market operating in these organisations for employees on APT and C grades. The conversion of a full-time post into one filled by two part-time workers was seen as eliminating the possibility of a full-time employee acquiring this job as part of his or her career progression. This point was regarded as being of such importance by some union lay officials that a considerable debate had occurred within the unions prior to the decision to support job-sharing.

An interesting consensus amongst management emerged on the question of the advantages and disadvantages arising from the likely increased use of part-time APT and C staff in their organisation as a result of job sharing or other supply-side pressures. The principal attraction of non-manual part-time staff to management lies in the greater functional flexibility they typically show. (This position is the reverse of that commonly expressed by private sector management). This characteristic was attributed to differences in the relative importance of

work in the individual's life and the fact that they are less likely to get caught up in the non-work agenda within the organisation. A number of respondents suggested that non-manual part-time employees are less inclined to involve themselves in non-work issues, are less likely to identify themselves with organisational rivalries, are less likely to become part of informal groups, and are less likely to be actively involved in trade union business. These specific differences had a positive impact on productivity, a result frequently enhanced by the greater mental and physical alertness part-time employees can sustain through a four hour shift. The contrasting picture of the majority of full-time employees was of individuals often resistant to change, with extremely strong white-collar unions prone to a negative "knee-jerk" reaction to any changes proposed by management. These individual and organisational attitudes more prevalent amongst full-time staff were partly attributed by management to the politically protected environment of local government employment in strong labour controlled authorities.

While it is clear from the preceding paragraph that management perceived certain advantages in the use of part-time workers they also acknowledged that an employee attitude of come-in,-do-what-you-are-told,-then-leave carried serious dangers. The detachment of such workers influences both their willingness and ability to become actively involved in the development of ideas, and limits their contribution to the dynamic development of the organisation. The logic of this argument leads to the

conclusion that the proportion of part-time employees should not be allowed to exceed the level at which the disadvantages arising from their relative detachment from the organisation exceeds the advantages arising from their higher productivity while attending work. While accepting this, none of the management respondents could even guess at what this optimal full-time/part-time mix would be, other than to state that it would involve more part-time employees than at present.

The use of part-time employees in the police services, in public sector television and in the specific departments of district local government all followed a similar pattern to that described above. Part-time workers are used because completion of the job only requires a part-shift commitment. Again cleaners and caterers were numerically the most important job categories, plus specialist groups such as school crossing attendants, sub-title writers for news programmes, and so on. Problems of continuity and the need to duplicate training provision were cited by police management as the most important constraints on the increased use of part-time labour in their civilian workforce. While television management stated that they would use part-time employment status only to retain skilled labour who wished a reduced work-time commitment due to family formation. This was seen as a protection of its human capital investment by the organisation, with the expectation that the individual would return to full-time employment when domestic circumstances altered.

#### Section 4 :

##### Changes in the Ratio of Part-time to Full-time Employees in the Private Sector

Respondents were asked to provide manpower data for 1974/5, 1979/80 and 1984/5. From this attempts were made to identify changes in the part-time ratio over the decade to 1985. Unfortunately missing data reduced the number of cases for which these changes could be identified to at unacceptable level for the purposes of analysis. The only information available on changes in the relative use of part-time employees was a simple indication of trend. Respondents were asked whether part-time employees represented a rising, stable or declining proportion of their labour force over the last 10 years. One third reported a long run trend growth, 15% reported a long run decline and the remaining 52% reported no change. In an attempt to identify at establishment level which factors are associated with these trends probit procedures were used. Probit allows the analysis of data where the dependent variable is dichotomous, hence the sample was split into those establishments reporting a growth in the proportion of part-time employees and all others. As this dependent variable is relatively crude the results of this analysis should be treated with some caution.

The survey provided information on changes in a range of variables over the ten year period, split into change over the last year, change over the previous five years and



change over the last decade. This data was available for output, profitability, market share, percentage change in wages and salaries as a proportion of operating costs, turnover rates, absenteeism rates, union density and major changes in technology. In addition data was available on the extent of any changes in both trading hours and alterations to the basic working week over the decade as whole. Unfortunately there are problems in using many of these trend variables as possible determinants of the growth in the part-time ratio due to uncertainty about the direction of causality if a relationship is identified. As a result the range of possible explanatory variables considered was almost identical to that used in the analysis of variations in the current ratio of part-time employees outlined above.

The factors shaping the use of part-time employees outlined at the end of chapter 2 are assumed to hold. Product market conditions and current technology determine whether labour cost savings can be made by using part-time workers. If an establishment is not constrained by labour supply problems or effective union opposition then the actual part-time ratio adopted will partly depend on the extent to which these savings are offset by adjustment costs. Variables which give some indication of these potential costs, benefits and constraints include the occurrence of differences in the cost of organising full-time compared to part-time employees, whether the non-wage costs associated with these two categories of worker differ significantly, whether trade unions are

recognised for collective bargaining purposes, and whether the establishment experiences demand patterns which require a matching of output levels. These variables were included in the multi-variate analysis along with the establishment characteristics 'of size and SIC Division, with no expected sign.

Respondents were split between 'trend growth' and 'no trend/reduced proportion of part-time' categories. Table 3.4 presents the probit results where the dichotomous dependent variable is the trend growth in the proportion of part-time employees in the establishment.

As the regression coefficients in Table 3.4 indicate, four variables proved to be positively and significantly associated with establishments reporting a trend growth in the ratio of part-time to full-time employees. Growth is more likely to be reported in larger establishments in the sample, defined as those with 500 or more employees; in establishments in SIC Division 8 - Banking, Insurance and Business Services; in establishments where national insurance contributions significantly influence the employment decisions made by management; and in establishments which report the existence of weekly patterns of demand for their services.

Table 3.4 :

Regression on Trend Growth in Proportion of Part-time  
Employees 1976-1987: Private Sector

<u>Explanatory</u>	<u>Regression</u>	<u>Standard</u>
<u>Variable</u>	<u>Coefficient</u>	<u>Error</u>
SIZE1	-	-
SIZE2	.67	.54
SIZE3	-0.18	.55
SIZE4	1.85*	.85
DIV6	-	-
DIV7	.58	.98
DIV8	2.78*	1.07
DIV9	1.58	.88
NON-WAGE COST	-0.14	.58
DEMAND (ANNUAL)	0.37	.47
(WEEKLY)	1.53*	.72
(DAILY)	-1.11	.65
UNION REC.	.84	.56
COMPETITION	-0.88	.51
NI	3.21*	1.05
ORG. COSTS	0.25	.60
Intercept	Standard error	
1.01	1.58	

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Chi Square =147.1    No. of cases =73

Significance at .05 indicated by \*.

Why larger establishments are more likely to report an increase in the relative use of part-time workers is unclear. A range of possible explanations can be identified. For example, larger establishments are more likely to recognise trade unions, and as the ability of unions to resist changes in employment policy may have been weakened by changes in the legislative and economic environment management may have taken advantage of this relaxation of constraints to alter the full-time/part-time employee mix. It could also be argued that larger establishments are typically older and are more constrained in their labour use policies by custom and practice. The increased competitive pressure felt across industry in the 1980's may have provoked a greater degree cost consciousness which partly manifested itself in attempts to reduce labour costs through the use of part-time workers. This list of speculative reasons could be extended, but the survey did not provide data which clearly supported any particular explanation for the association between part-time use and establishment size.

Explanations for the association between part-time growth and establishments located in SIC Division 8 are on firmer ground. The principal factors shaping labour use in the three main sub-groups within Division 8, banks, insurance companies and establishments providing other business services, are considered in detail in the next chapter. But a combination of major changes in technology, a substantial increase in trading hours, and increased competitive pressure, partly stimulated by deregulation,

are all likely to be contributory factors in this association.

Arguments about the impact of national insurance contributions on the labour use policies of establishments have already been covered in this chapter. The importance of national insurance contributions when making employment decisions is likely to be a proxy for a range of environmental and other factors influencing management. These establishments appear to be highly 'cost conscious' and do not perceive significant disadvantages associated with the use of part-time labour. As previously discussed, these disadvantages tend to be linked to a loss of continuity, duplication of training, increased supervision, and so on. These factors are less likely to be apparent in establishments where part-time employees undertake relatively mundane and repetitious tasks which involve low levels of employee discretion and which require relatively low skill levels.

The final significant variable, the occurrence of weekly demand patterns, is unsurprising. The majority of respondents in retail trades, hotels, catering, entertainments and banking services reported very marked and predictable increases in the demand for their services towards the end of the trading week. These demand peaks were met mainly by the use of part-time employees. The use of 'saturday-only' part-time workers is very marked in retail trades and these workers often constitute over 50% of all part-time employees in retail establishments.

The factors associated with the increased use of part-time employees in the private sector are clearly consistent with those identified as being significantly associated with levels of use. Both establishment size and national insurance contributions emerge as statistically significant in both exercises. This gives some support to the argument that establishments which are already substantial users of part-time labour have tended to increase their levels of use. For what its worth the results also support the conclusions drawn from national survey and employment projections that the growth of part-time labour as a proportion of total employees will continue into the 1990's, (MacGregor and Sproull, 1990; Wilson and Bosworth, 1986; IMS/OSG, 1986). Projected changes in industrial structure indicate the continued growth of banking and financial services and of distributive trades, both identified in the probit exercise as associated with growth, Division 8 directly, and distributive trade indirectly through the high proportion of establishments citing national insurance contributions located in this industrial grouping.

The final issue to be tackled in this chapter concerns the issue of labour flexibility within establishments. Numerous references have been made to aspects of flexibility associated with different work-time arrangements, but given the topicality of the issue and its policy relevance it is useful to draw together the limited evidence on this issue generated in the survey.

## Section 5:

### Flexibility and Part-time Workers

The model of the 'flexible firm' developed by Atkinson and associates' was considered in Chapter 3. It is argued in this literature that the numerical and functional aspects of flexibility are normally applied to different employee groups within an organisation who form the 'core' and 'periphery' of its labour force. The core group are all employees of the firm and they perform mainly key tasks which frequently use skills specific to the organisation. The organisation seeks to achieve maximum functional flexibility amongst these employees by offering them high job security. This security is achieved by surrounding the core group by one or more groups of peripheral workers who may or may not be employees. The peripheral groups are deployed by the organisation to achieve numerical flexibility and to insulate the core group from fluctuations in demand. Thus they have low job security and normally undertake tasks which are either mechanical and defined by the core group or are ancillary to the core group. The vast majority of part-time workers would clearly fall into the peripheral group in this model.

The survey reported here did not consider each establishment labour use strategy as a whole. Thus any observations on the extent to which the use of part-time workers fits this model must be very tentative. However a number of the key features of this model are covered in the survey and given the topicality of the 'flexible firm'

debate the results are worth recording. Information was gathered on issues which feature in the model such as redundancy policy, differences in recruitment practices and training provision between full- and part-time employees, how patterns of demand are matched, and differences in eligibility for benefits. In addition direct questions were asked about the functional flexibility of the two main groups of workers given existing work practices and technology, and the relative adaptability of part-time labour to changes in these.

Clearly the use of part-time employees is an important method of matching labour to predictable fluctuations in demand. There was also some evidence that, in comparison to full-time workers, those individuals employed on a part-time basis offer marginally greater numerical flexibility in the face of unanticipated fluctuations in demand via the use of overtime. The payment of an overtime premium to either full- or part-time employees in non-unionised private sector services is rare. But where this did occur part-time employees did not receive the premium until they had worked the normal number of full-time contract hours. Thus there was some financial gain from the use of part-time workers in a minority of cases.

In a situation where the unanticipated demand fluctuations required a change not just in hours but in employee numbers there was no support for the view that part-time employees are viewed by management as marginal



and hence are used to buffer full-time employees from redundancy. One third of the sample had imposed redundancies over the ten year period but not one reported adopting a policy of 'part-time-out-first'. Almost 25% adopted a 'first-in-last-out' approach in which part-time and full-time years of service were counted as equivalent, a policy which, if anything, discriminates in favour of part-time employees. Amongst the remaining 75% of establishments the dominant redundancy criteria was 'individual performance', irrespective of the hours worked per week by the employee.

If part-time workers are peripheral in the sense used in the Flexible Firm model then it would be expected that establishments will adopt different (cheaper) recruitment techniques to those used for core full-time employees and allocate different training resources to the two groups. There is no evidence from the survey that such discrimination occurs between full and part-time employees on the same job grade. But on average the recruitment costs of part-time employees were reported as significantly lower in 18% of establishments. This was mainly due to the greater use of a 'word-of-mouth' approach for this group where existing part-time workers identified potential recruits to the firm from amongst their own friends and acquaintances. Similarly, the average training costs of full and part-time labour varied in 30% of establishments. These differences in recruitment and training costs mainly arise because in many establishments full and part-time employees operate on different job grades. Ancillary tasks,

such as cleaning, catering and security, are probably the most common examples of this situation in which all employees on particular grades are part-time. These workers are clearly peripheral in the sense used by Atkinson.

Although the redundancy policies adopted by the sample respondents do not suggest that job security differs between full and part-time employees, the variations in the payment of sickness, holiday and pension benefits already noted suggests that management may regard part-time workers as more peripheral and hence are less concerned about the strength of the employees attachment to the firm. This discrimination on non-wage benefits may influence the quit rates of part-time workers, but counter-balancing factors could also operate. For example, the constraint on the range of alternative employment opportunities imposed by the part-time workers preference for employment very close to their home is likely to reduce quit rates, (Craig, Garnsey, Rubery 1985). The fact that one in ten of full-time workers in the sample found work in their immediate locale, against almost 50% of part-time employees suggests this factor is likely to operate.

As already reported, perceived differences in functional flexibility did not significantly influence either the current proportion of part-time employees or any trend change in that proportion. But the detailed responses to these questions are of interest in a discussion of the flexible firm. Just over 40% of establishments reported that part-time employees were less flexible between tasks

using current work methods and technology. These establishments employed 44% of full-time and 25% of part-time workers in the sample. 21% of establishments reported part-time employees as being more flexible in this regard, employing 17% of full-time workers and 30% of those employed part-time. The remaining establishments perceived no difference between the groups.

On the related issue of the ease with which new technology or work practices could be introduced and absorbed. 23% of establishments, employing just under 30% of full and part-time employees, found part-time employment status a constraint. The remaining establishments reported no difference in this regard. Considering the reasons for these responses, lack of familiarity with company practices was the most commonly cited factor. This was mentioned by 75% of those who noted greater inflexibility amongst part-time workers in the adoption of change. Relative inflexibility in switching between tasks using current work practices and technology was cited by 30% of these establishments. The only other reasons noted with any frequency was that the training offered to part-time employees was either inadequate or too narrowly based. This of course underpins the lack of familiarity with existing practice in the establishment as a whole.

## Chapter 4

### INTRA-DIVISIONAL AND INTER-DIVISIONAL VARIATIONS IN THE DEMAND FOR PART-TIME EMPLOYEES IN PRIVATE SECTOR SERVICES

#### Section 1 : Introduction:

The previous chapter examined those factors which were identified as influencing the current proportion of part-time employees in an establishment and those that appear to influence the probability of a trend growth in that proportion. While such an exercise can give an indication of which broad factors explain variations in the relative use of part-time employees within the service sector it is incapable of identifying the specific factors which explain inter-divisional and intra-divisional variations in the private sector. To do this the sample has to be divided into its four component divisions and each analysed independently.

There are problems with this procedure. The analysis of the sample as a whole considered a wide range of factors as possible influences on the relative use of part-time workers. These included both factors which related to the external environment within which the establishment operated and those which were determined by the internal structure and policies of the organisation. It was implicit in the analysis that the establishment's ability to influence its external environment was strictly limited. In an examination of intra-divisional differences in the use

of part-time workers ideally these external environmental factors should be identical for all cases so that any variations in use can be explained by endogenous factors alone. This condition is most likely to hold for groups of establishments in a single industry. Unfortunately SIC Divisions clearly embrace a number of industries which operate in different economic environments. In practice defining which economic activities constitute an 'industry' is notoriously difficult. The textbook procedure of identifying cross-price elasticities of demand is extremely difficult to operationalise. Therefore the selection of the range of industries to be included within a division is not clear cut.

The pace of technical change and the impact of deregulation in, for example, banking, finance and business services further blurs industry boundaries and renders the process of allocating cases to industry categories difficult and to some extent arbitrary. An additional problem in trying to operate at an industry level is that secondary data on manpower is normally available only in forms which clearly embrace more than one industry, for example the Department of Employment Employees in Employment series.

For these reasons any variations in the use of part-time workers within divisions could be explained by both industry characteristics and establishment characteristics within industries. Even if all cases could be unambiguously allocated to an industry heading, a

private sector sample of only 86 establishments suggests that to dis-aggregate below Division level would render much of the statistical analysis invalid. The procedure adopted is therefore to identify where possible variables that appear to influence the proportion of part-time employees within each of the four SIC divisions covered in the survey. Interpreting these results partly relies on identifying broad industry differences within the sub-samples on the basis of secondary sources and qualitative survey information. This is a relatively simple task in, for example, Division 7 where the sample consists of a group of relatively small transport hauliers, couriers, removal firms etc, and a few large transport and telecommunications establishments. In contrast the range of activities undertaken by many establishments in the sub-samples in Divisions 6 and 8 make such distinctions difficult.

Of the 86 cases, 24 are in Division 6, 17 in Division 7, 25 in Division 8, and 20 in Division 9. The dependent variable (PT PERCENTAGE) varies substantially across divisions. In Division 6 a range of proportions from below 10% to over 90% were reported, 82% of the sample operated with more than 40% of employees with part-time status, with over 60% of establishments recording ratios in excess of 60%. The distribution of establishments at ratios above 40% was fairly even and Division 6 had by far the greatest concentration of part-time employees in the sample. In contrast, Division 7 recorded the lowest proportion of part-time employees by far. 60% of the sample reported

ratios below 10%, and in 90% of establishments part-time workers made up less than 20% of total employees. In Division 8 a highly skewed distribution of part-time ratios was reported. Almost 80% of establishments operated with ratios of below 20%, with the remaining 20% of establishments spread evenly up to ratios of 70%. The final Division, 9, is the most heterogeneous and predictably fewer patterns were identified for this division throughout the analysis. The spread of part-time ratios extended evenly from almost zero to over 95%.

Two approaches to analysing the intra- and inter-divisional differences were attempted. One used the qualitative data in the questionnaires for each of the sub-groups that could be identified within each Division plus secondary information, in an attempt to build up a picture of the specific factors influencing labour use decisions within each sub-group. The second, complementary, approach attempted to use multi-variate techniques on the Divisional samples to identify those independent variables which are significantly associated with the use of part-time employees. The second approach was unsuccessful. The very low sample sizes (average 21 cases), the wide range of potential explanatory factors and the problems of missing data produced very unsatisfactory results. For this reason the analysis in the remainder of this chapter is drawn exclusively from a qualitative assessment of survey responses.

## Section 2 :

### Division 6 - Distribution, Hotels, Catering, and Repairs.

To explain variations in the proportion of part-time employees used by establishments in this division a wide range of variables were examined in a preliminary cross-tabulation exercise. This overview of the division reinforced a general hypothesis on the use of part-time labour in these industries formulated at the interview stage of the survey. Management responses to open-ended survey questions suggested that very high users of part-time employees commonly faced product market and technical conditions which resulted in these employees being deployed as a distinct group within the establishment. Typically the jobs undertaken by part-time workers were differentiated from those done by full-time workers. Normally they were lower skilled, with a more specific job content, required either less training or training of a different quality and were filled using different recruitment methods. Numerous examples of this situation were found in retail food outlets, fast food establishments, bars, entertainment establishments and newsagent/general goods chains.

To test this hypothesis it is necessary to identify the manpower policy and behavioural characteristics which would reflect such a distinction between full and part-time employees. But before this is done it is useful to identify from secondary sources those factors seen as helping to



shape the development of the main industries in the Division and the inter-industry variations which have emerged.

Retail distribution has a highly varied market structure, with very large multiple chain stores trading alongside small privately owned corner shops. While high levels of competition typify the industry there are market segments which are clearly oligopolistic. Overall employment levels in the industry have been fairly static over the last thirty years, with a slight fall recorded through the 1970's. But within this the proportion of females in the workforce has risen from 60 to 66% (Robertson, Briggs, Goodchild, 1982). This increase in female employment share is due exclusively to the growth in part-time employment, with the proportion of females working part-time rising from one-third in the early 1960's to over two-thirds in the mid-1980's.

Despite this relative stability in employee numbers major changes have occurred in the structure of the industry through the post-war period. Demand in retailing is not very sensitive to cyclical changes but the partly oil-induced recessions of the mid-1970's and early eighties created substantial over capacity in the industry. This further heightened competition and provoked a decline in the number of outlets, an increase in their average size, and further moves towards self-service. The drive to achieve greater economies of scale in buying, distribution

and management appears to lie behind the most significant development of the 1980's - the move to large super-stores normally on the edge of towns and cities. Factors facilitating this trend also include a major extension of opening hours, the growth of information technology, greater car ownership, higher proportions of women working in the economy and improved road networks around major towns and cities.

The other main sub-group of Division 6 establishments are located in the hotel and catering trades. These have experienced a substantial increase in employment at least since the mid-1970's, with again the vast majority (72%) of new jobs being taken by part-time females, (Department of Employment, 1986). Unlike retail trades, hotels and catering establishments are relatively sensitive to cyclical fluctuations. Hence the significant growth in real incomes experienced by those in employment from the end of the 1979-81 recession would be expected to boost demand. This has not in fact occurred to any great degree (Rajan, 1987). It is increased tourism and business expenditure that appears to be the principal sources of increased demand in the last decade.

Within this rising level of demand major compositional changes have also been occurring which have implications for the level and composition of employment in these industries. There has been a move from beer and spirits consumed in bars to wine and lagers consumed at home. More significantly there has been a rapid growth in fast food

provision. This latter trend reflects a range of socio-economic factors such as a decline in the average size of households thus reducing the economies associated with home cooking, the aging of the population, the growth in dual-income families with reduced leisure time, the increases in travel-to-work time associated with suburbanisation thus reducing leisure time, and so on. These demand-side factors are intertwined with supply-side changes such as increased use of information technology, the growth of franchising and the increase in standardisation and mass production, all of which have driven down unit costs. Such outlets are heavy users of part-time labour as opening hours are typically very long, hourly wage rates (for full- and part-time) low, training requirements almost non-existent, and customer contact/employee initiative extremely limited.

Returning now to the survey generated material. It was not anticipated that variations in the level of demand through time would explain intra-divisional variations as the sub-sample establishments were almost entirely involved in retail trades and in hotels and catering, business activities which almost inevitably experience some form of demand variations.. In fact over 70% of establishments experienced a pattern of demand within each working day, 80% experienced a pattern within the work week, and over 90% experienced some seasonal demand fluctuations. In almost all cases 'output' measured by, for example, customer contact time, had to match the demand pattern. Given the nature of the services traded in these industries

there is little scope for building up stocks to meet demand fluctuations.

Similarly it was not anticipated that the payment of employers National Insurance contributions would be a significant factor in explaining variations in the use of part-time workers in Division 6. Again the reason lay in the fact that the majority of establishments reported this as a factor which they took account of when making employment decisions. Over half the establishments reported that at least 80% of their part-time workers earned below the amount at which employers contributions became payable, and in almost 40% of establishments management kept all part-time employees below this threshold. This suggests that while NI contribution are an important influence in employment policy in the Division as a whole it is not likely to explain variations in part-time use within the Division.

The likely importance of differences in the cost of organising full and part-time employees in explaining variations within Division 6 is unclear from the initial examination of cross-tabulation results. As noted in Chapter 4 these cost differences arise from two sources; firstly because establishments have more employees to organise, thereby affecting work scheduling, wage records etc, and secondly because the performance of part-time workers is inferior to full-time employees doing comparable jobs. It was regarded as unlikely that the number of employees would be a significant intra-divisional

determinant simply because the use of part-time employees is so widespread and extensive in the sub-sample.

In contrast, much greater variation was reported around the issue of productivity differences between full and part-time employees. Just over 50% of establishments reported an actual or expected improvement in productivity if part-time workers were substituted for full-time employees, with only 26% reporting an actual or anticipated fall in productivity. 44% also reported that part-time employees offer greater flexibility given existing work methods and technology, and almost 70% noted that there was no difference between full and part-time employees in the ease with which new work methods could be introduced. These results suggest that the relatively low skill requirements of many jobs in these trades reduces some of the disadvantages attached to the use of part-time workers, which are mainly linked to continuity and familiarity with company practice. The results may also reflect the fact that the repetitive nature of many jobs in these areas may induce physical tiredness and boredom which is limited by imposing shorter shifts on employees.

Returning now to the basic hypothesis that product market and technological conditions which allow part-time employees to be deployed as a relatively distinct (secondary) element in the workforce are an important determinant of the scale of their use. This argument implies that the typical part-time job in establishments which extensively use part-time workers is relatively low

skilled and repetitive. This would lead to differences in turnover and absenteeism rates between the full and part-time components of the establishments labour force for both supply and demand side reasons. On the demand side the relatively low investment in training by employers in this situation would reduce their incentive to influence turnover rates by offering financial or other inducements, a position reinforced by the ease with which replacement staff can be found for low skilled jobs even in relatively tight labour markets. On the supply side the low pay common in these jobs, the typically repetitive nature of the job content and the domestic commitments of many workers who take these jobs would also contribute to high turnover and absenteeism rates.

The extent to which any differences in turnover and absenteeism generate significant costs for a company depends, *inter alia*, on recruitment costs, the resources devoted to training and the importance of 'experience' as a factor influencing employee productivity. The last factor is in turn linked to the nature of the job and the need for familiarity with company practice and continuity. If the nature of the establishments activities allows management to minimise the importance of these factors in those jobs undertaken by part-time employees then the financial advantages arising from the use of part-time workers are not significantly offset by organisational or other costs.

Data on differences in turnover and absenteeism rates for full and part-time employees was available for the ten year period from 1975, for the five years from 1979 and for the year immediately prior to interview, 1986. Many of the figures for the earlier part of this period are approximate as frequently the respondent had not been employed by the company for the whole of decade. However trends in these variables were clearly identified by almost all respondents. Turnover differences in Division 6 are substantial and deteriorated over the period. Almost 60% of respondents reported the current part-time turnover rate as inferior, a growth of almost 15% over the ten years from the mid 1970's. In contrast, differences in absenteeism rates were less widely reported and have been contracting according to the survey results. Only one quarter of establishments reported any difference in 1986, falling from one third who reported an inferior absenteeism rate for part-time workers in the earlier part of the period.

Another characteristic which is likely to be associated with establishments which use their part-time labour as a relatively distinct group is that recruitment methods will differ between full and part-time employees. Almost 30% of establishments in this division reported that they used different methods for the two groups. Data on each divisional sub-sample identified that Retail and Distribution differed from the rest of the service sector mainly by the very heavy use made of Job Centres (almost 75% of establishments), and the extensive use of

word-of-mouth contacts (52%). Within Retail and Distribution twice as many part-time employees compared to full-timers were recruited by word-of-mouth. The reasons behind this are likely to include the higher turnover rates of part-time employees, a situation which would encourage employers to minimise recruitment costs.

The range of non-wage benefits to which employees are entitled is likely to influence turnover rates. They may also influence morale and the employees' sense of commitment to the firm, and could be taken as an indication of managements' general policy towards its employees as an 'expendable' resource. If manpower policy differs between full and part-time workers systematic differences would be expected in their entitlement to non-wage benefits. In the sample this occurred in sick pay, holiday pay and pension scheme entitlement. Almost all full-time employees received sick and holiday pay, against 55% and 70% of part-time employees. Almost 60% of establishments operated company pension schemes open to all full-time employees but only half gave part-time workers access to these schemes. Given the relative cost to the company of providing these non-wage benefits this last factor, allowing part-timers access to pension schemes, is likely to be the strongest indicator of a managerial attitude that does not significantly differentiate between full and part-time employees.



In general the evidence drawn from the survey supports the view that in a high proportion of establishments in Division 6 part-time employees are viewed by management as a distinct group. The scale of their use appears to reflect the nature of the establishments main activity and a range of factors which have been affecting these activities. The disadvantages associated with the use of part-time workers is minimised where jobs are low skilled, require low levels of training and where high turnover has little impact on overall labour productivity. Many jobs in retail trades, hotels and catering meet this description. In addition, the marked growth in average trading hours in many Division 6 establishments has prompted the increased use of part-time employees who in all cases receive the basic hourly rate of pay irrespective of the unsocial hours they may be required to work. This view of the main factors shaping the use of part-time labour in these industries is neither novel nor a product of conditions in the 1980's. Roughly the same factors shaping the use of part-time employees have been identified in earlier studies covering the 1960's and 1970's. What seems to have occurred in the last decade is that the rate of change of many of these factors has accelerated markedly in an environment increasingly driven by competitive and cost minimising pressures and occurring within a less constraining legal, political and industrial relations climate.

### Section 3 :

#### Division 7: Transport and Communications

It is not possible to analyse intra-divisional variations in the use of part-time employees in these industries on the basis of the survey data. There were seventeen private sector establishments surveyed in this division employing in total 4,566 full-time and 255 part-time workers. 60% of establishments reported a proportion of part-time employees of less than 10%, and every establishment in the sample with more than 50 employees fell into this category. In all, 40% of establishments employed fewer than three part-time workers. This concentration of very low proportions of part-time employees throughout the sample precluded any systematic attempt to analyse differences given the relatively small sample size.

The reasons for the very low use of part-time employees in the blue-collar services which make up Division 7 are complex but a few illustrative points can be drawn from the survey results that point to some of the possible determinants. The private sector establishments in the sample consisted of one very large telecommunications enterprise which has recently moved into the private sector and sixteen relatively small transport establishments (60% had less than 50 employees). Because the labour use policies of telecommunications organisation were shaped in the public sector it was included in the analysis of the public sector presented in chapter 3.

The main activities undertaken in the transport establishments resulted in the employment of only sixty women in total, of whom eleven were part-time workers. Every one of these female part-timers, and almost all female full-timers were employed in secretarial/clerical jobs, as cleaners or in the provision of in-house catering. No differences in recruitment or training provision between full- and part-time employees in comparable jobs was reported. Part-time employees were not perceived to be more expensive or difficult to organise compared to full-time equivalents, and no respondent suggested that National Insurance contributions or eligibility to benefits affected their employment decisions in any way. Respondents noted that the small number of part-time employees simply reflected the limited occurrence of jobs which normally required less than a full shift (such as cleaners), and the absence of any apparent benefits arising from converting existing full-time jobs to part-time status. While not significantly affecting the employment decision certain non-wage savings did in fact accrue to most establishments. These arose from the discrimination against part-time workers compared to full-time employees in similar occupations in the area of non-wage benefits. 60% received no sick pay or paid holidays, and of the 60% of establishments that ran pension schemes less than half allowed part-time employees access.

The confinement of part-time employees to office based 'support' activities, traditionally dominated by female employees was explained mainly in terms of the physical nature of the establishments mainstream activities. These commonly involved long or short haul transport, coach hire, removals, storage etc. Only thirteen establishments of the 106 surveyed in the public and private sectors reported that the productivity of their males employees substantially exceeded that of females. They were all transport firms and their responses were clearly linked to the main activity of these firms. This does not preclude the use of male part-time employees but they were little used in the surveyed firms. The reason for this lies in the uncertain nature of the demand facing these establishments.

As discussed earlier, the maximum advantage in terms of wage bill savings that can arise from the use of part-time labour occurs when the the establishment faces a stable and predictable pattern of demand. This allows a close matching of labour employed and demand experienced. These conditions do not exist in the transport/haulage industry, at least among the small independents that made up the bulk of this group in the sample. In many cases management reported that demand could not be predicted even from day-to-day. The employment policy response to these market conditions was in every case to use casual full-time employees. Many respondents stated that they kept lists of regular casual employees whom they could rely on to work at short notice and accept payment on a day-by-day basis. Unfortunately no indication of the extent of this

employment can be gathered from the manpower data collected with the survey as the number of current casual full-time employees were incorporated into full-time employees totals without distinction.

Section 4 :

Division 8 : Banking, Insurance, Business Services  
Leasing

The twenty five establishments sampled in this division were drawn from all classes except 84 - Renting of Movables. This is very small in employment terms and was excluded as the sample was weighted to reflect the relative importance of classes by employment. The sampled establishments fell into two distinct groups by size and these groups closely conformed to the industry groupings 'Business Services', into which all the small sampled establishments fell, and 'Banking and Insurance', which contained all establishments with total employment exceeding twenty four. This distinction proved to be very important in the analysis of variations in the relative use of part-time employees within the division.

Almost three quarters of establishments reported a proportion of part-time employees below 20%, with the proportions reported by the remaining 27% of establishments spread evenly up to 70%. The rationale underlying the use of part-time employees appears to differ substantially between these two groups. This is reflected in the way that

survey respondents systematically split on a range of issues of potential importance to the formation of employment policy. These differences lead to the formulation of a general hypothesis to explain variations in the relative use of part-time workers within the division. This held that within banking and insurance services the constraints arising from the nature of the establishments' main activity and the overall approach to manpower policy commonly adopted in these industries limits the extent to which part-time employees could be used and the financial advantages that can accrue from their use. These constraints appear to be substantially weaker in the more heterogeneous industry category of business services.

Before formally testing this hypothesis it is useful to provide a brief summary of manpower policies in banking, insurance and business services as they affect the use of part-time employees.

#### BANKING:

The SIC industry group 'Banking' consists of the large clearing banks, the Bank of England, the National Girobank, National Savings, a large number of Discount Houses and a collection of small investment companies, trusts and unit trusts. It is thus an amalgam of large multi-establishment institutions and small specialist traders. Both groups are represented in the sample, but the major clearing banks, all of whom were interviewed, dominate in terms of both

full and part-time employment.

The traditional view of the employment structure in banking stresses a very hierarchical internal labour market which places a premium on employee loyalty and commitment to the organisation. This partly arises from the need to keep strict control over the large amounts of money handled on a daily basis which resulted in banks retaining a relatively centralised character. Operating procedures are laid down in detail and there is little scope for initiative and interpretation of rules. This centralised structure has typically generated a range of staff positions differentiated by seniority and by function which are filled almost entirely from within the organisation through a strict internal labour market. Great attention is paid to recruitment of these partly for security reasons and partly because recruits have been expected to provide not only for immediate needs but also to provide the recruitment pool for senior staff in the future. There is an elaborate system of job grading in most banks and movement through these grades for 'career' employees normally involves a series of professional examinations. There is thus a distinction between career and non-career bank staff with the latter confined to the lower clerical grades. The career 'stream' is central to most banks approach to manpower policies and industrial relations and loyalty is fostered by the promise of job security and promotion.

Three far reaching changes in the market environment within which the banks work and the technology they employ require this traditional picture to be modified. Firstly, the outstanding feature of the industry in recent years has been the rapid and sustained growth in the volume of business undertaken, averaging 9% per annum from 1977 to 1985 according to the Committee of London and Scottish Banks (CLSB 1986). This reflects the steady growth in market penetration for conventional banking services, changes in wage payments systems towards direct credits, and an expansion of the portfolio of services offered by high street banks. It also reflects the additional business generated by the abolition of foreign exchange controls in 1979, by the Conservative government privatisation programme and by the growth of London as an international capital market.

Secondly, the banking industry has progressed further than any other service industry in the adoption of electronic information technology into its working practices (Rajan 1985). This has involved the extensive use of counter and back office terminals, automatic teller machines and automatic payment system for 'same day' clearance of high value cheques. These changes have automated or standardised relatively labour intensive operations such as cheque clearing, cash balancing and branch book-keeping. They have also facilitated the cost effective growth at branch level of a wide range of ancillary services, such as insurance, travel and brokering.



The final change of note, the contraction of bank branch networks, represents the acceleration of a trend first evident in the early seventies. The acceleration has been facilitated by the technological advances which allow a geographically dispersed and tiered structure of branches to be linked by an electronic network. This has allowed the fundamental prudential requirements of the industry, which previously dictated a highly centralised control structure, to be maintained within a more decentralised and segmented branch structure (Rajan 1987). The four tier structure, adopted with modifications by the main clearing banks, consists of regional head offices, corporate offices and operations centres, service branches and rural branches. This has led to a smaller number of branches of larger average size, the redistribution of resources and functions to the two higher tiers and the reduction of routine back-office work in the lower two tiers via the transfer of activities such as the issuing of statements, cheque books, credit cards, processing of standing orders etc to the operations centre which can take advantages of major economies of scale.

These changes are altering the traditional employment structure in many banks and the development of employment policies reflect this. The traditional model consisted of a simple three tier hierarchy, directors and senior management at the top, managers and professional staff below them, and a broad clerical tier staffed by both career and non-career employees, (MacInnes 1985). The

changes outlined above have led to substantial segmentation of the lower two layers in this structure.

The main modification to the central tier is the distinction between the traditional management group and the professionals. The former are generalist within the organisation, they have risen through traditional career channels and represent the recruitment pool for senior management. In the past their career progress would have taken then through managerial posts in the more specialist activities within the organisation. Two factors have made this an increasingly difficult employment policy to adopt. The first concerns the technical complexity of many tasks related to the extensive use of electronic information technology. The second arises from the the diversification of activities within banking and the planning, advisory and information services modern management requires. The provision of these services is now mainly undertaken by professionals who are recruited from outwith the organisation and are not normally considered as potential senior management appointments.

A similar clear segmentation process is also occurring in the clerical tier. The allocation of individual employees into career/non-career categories in the traditional employment structure was one which mainly reflected the choice or abilities of the individual. It was not a distinction which management systematically imposed via differential recruitment and training policies. There is evidence (Rajan 1987) that this is changing and that

management increasingly differentiates between entrants to the clerical tier. Entry into the internal labour market for the career group requires successfully overcoming comprehensive screening procedures designed to identify career potential. In contrast the non-career group are secondary workers, they are employed in a range of clerical and secretarial jobs with relatively narrow and clearly defined contents. Many of these often highly specialised jobs have been routinised by the new technologies adopted, and this standardisation allows greater use of work measurement techniques. Part-time employees in the industry are confined almost exclusively to this secondary group of non-career clerical employees.

The survey responses from the three clearing and four other banks interviewed broadly support this analysis of the evolving employment structure. Part-time employees represented between 10 and 19% of employees in all but one of the smaller banks, which employed no part-time workers other than cleaning staff. Responses to questions on the role of part-time staff and the advantages and disadvantages they offered was almost uniform amongst the clearers. All were employed in non-career clerical posts, mainly as cashiers and fulfilling routine back-office functions. Every respondent mentioned that demand patterns and the recently extended trading hours as the factors mainly determined their use of part-time workers. Lunch-time, holiday, and absence cover were all cited as well as supplementing full-time staff at week-end (Thursday/Friday) peaks. Almost all the banks noted that

the recruitment methods and training provision differed between full- and part-time employees, observations which tend to support the view of part-time workers as secondary workers. However all respondents explained these differences not in terms of the lower skill requirements of part-time jobs but by the high skill and experience characteristics of recruits into part-time posts. The supply of part-time workers in the clearing banks interviewed was drawn entirely from females, previously in the banks employ, who had left for family reasons but whose domestic responsibilities now allowed them to return to part-time employment. This policy was dictated by a desire to avoid training costs, a substantial period of induction, and to help ensure the trustworthiness of recruits given the nature of the organisation's main activities. All noted that the majority of part-time employees undertook tasks also carried out by full-timers, but normally the job content was narrower and more specific. Two of the clearing banks went as far as referring to part-time jobs as single skilled.

On the advantages and disadvantages associated with the employment of part-time workers, again there was near uniformity amongst respondents. The reduction in the wage bill came about entirely from the matching of labour to customer demand, thus reducing the total number of man-hours worked by staff for a given output level. No hourly wage cost differences were reported between full- and part-time employees on the same grade. The only other financial advantage noted, again by almost all the clearing

banks, was that part-time employees were not eligible to participate in occupational pension schemes unless they worked above a threshold number of hours which had been negotiated with a bank union or staff association. The cost to the employer of these schemes was reported as being so high that a policy of holding part-time workers below this threshold was strictly adhered to.

The main disadvantage cited concerned the lack of flexibility associated with part-time employees. The narrow range of job skills and a lack of familiarity (at least recently) with the work methods of the branch as a whole restricted the deployment of the workers. This applied both to the provision of routine cover and to meeting unexpected fluctuations in demand in specific areas of branch activity. All the clearing banks explained their growth in part-time employees numbers from the mid 1970's in terms of business growth. Although none specifically mentioned the standardisation of procedures due to technical change as an explanatory factor responses to other questions suggested that this undoubtedly played a part. However all three clearing banks and two of the four others noted that the rate at which part-time workers were being recruited has been falling for a number of years. A plateau appears to have been reached and one of the major banks reported that no more part-time workers would now be employed as a matter of policy. This suggests that given current technology the scope for utilising part-time workers in banking is limited by the relatively narrow range of jobs which they can satisfactorily perform in a relatively complex work

environment. In the future, major changes in information technology and/or in the level or nature of demand may change this situation.

#### INSURANCE COMPANIES.

The second group of establishments in Division 8 covered by the survey were insurance companies. Like the banks discussed in the last section these were relatively large establishments in employment terms and, as with the banks, it is argued that their use of part-time employment is constrained by the nature of their main activities and their general approach to manpower policy.

Only one of the seven surveyed insurance establishments had a proportion of part-time employees which exceeded 3%, and three reported no part-time employees at all. These characteristics are in line with the industry as a whole, which, relative to other white collar service industries, has recorded a relatively low proportion of part-time workers and has experienced trends in the growth of part-time and female employment over the last decade which differentiate it from other service industries.

Total employment in the industry has been growing at approximately 2.5% per annum from 1977 to 1985. Within this the proportion of female employees has fallen from 45 to 42% and the proportion of part-time workers has remained

almost static. The overall growth in employment was principally the result of a growth in business which was relatively flat up to 1980 and rapid from that date. Growth rates differed markedly between different types of insurance business, the main expansion being recorded in the life market, in which employment growth has been concentrated. The employment opportunities created by the growth in life insurance have occurred mainly amongst sales staff and in the groups of professionals hired to devise and market new life products, many of which are designed specifically for emerging sub-sectors of the market such as the self-employed. These jobs are traditionally male dominated and undertaken by full-time employees, with the result that the pattern of employment growth has constrained any expansion of part-time employment.

A further constraining factor on the growth of part-time workers in the industry has been the changes in technology adopted since the late 1970's. The main routine clerical functions within insurance concern underwriting, the processing of customer enquiries and claims, and the issuing of customer accounts. Each of these has been substantially automated through distributed data processing networks, thus allowing individual branch employees to provide a sequential range of services which had previously involved a number of specialised employees. This expansion of the role played by individual clerical employees at branch level and the skills they require has had an impact on productivity (Barras and Swann, 1983) and on the relative demand for basic and higher grade clerical staff.

As part-time employees in the industry have traditionally been concentrated in the lowest clerical grades these inter-occupational shifts have depressed part-time employee numbers. In addition, as pointed out by Rajan (1987), the widened range of skills now associated with clerical employees increased the need for functional flexibility at branch level and substantially ironed out the regular workload peaks which provided opportunities for part-time work.

The final broad factor that can be seen as influencing the potential role of part-time workers in the industry relates to the restructuring of the branch network. As in the banking industry, this has been an on-going process since the 1960s with the main contraction in branch numbers occurring in the 1970s. The pace and pattern of restructuring has been partly dependent on the growth of demand, hence offices covering general insurance business have contracted faster than life offices. But the broad pattern has been to divest the retailing functions to intermediaries such as brokers and banks and to expand the remaining branches into centres that can service these intermediaries. This divestment saved on the expensive overheads associated with retail locations, fixed costs which banks could spread over the full range of services they offer from High Street outlets. Again these trends have affected the inter-occupational shifts in employment demand in a manner that limited the growth in part-time employment. There still exists highly skill specific tasks at the base of the clerical employment tier which are



filled mainly by part-time workers. But the optimal use of the technology adopted by the industry has dictated patterns of work organisation which severely limit the number of such jobs.

Six of the seven surveyed insurance companies conformed closely to this description of the industry and reflect the impact recent changes have had on employment policy. The seventh respondent specialised in the student insurance market and thus experienced demand patterns radically different from those of the other establishments. These predictable and marked daily and seasonal patterns were cited as the sole reason why 10% of their employees worked on a part-time basis. As this situation is atypical the following comments refer only to the remainder of the sub-sample.

The rationale underlying the very low or zero use of part-time workers was almost identical in all establishments. Only two respondents reported demand patterns of any sort, and these were both seasonal fluctuations met by a combination of overtime and/or more intensive pace of work. All noted substantial changes in the technology used over the last five years, which were reported by half the respondents as increasing skill levels and by the other half as changing skill requirements. In both cases the increased training costs associated with these developments were cited as significant and one of the reasons why part-time employees had not been considered when recruitment occurred. As many insurance companies

operate internal labour markets the longer run recruitment criteria adopted in such cases would also limit the possibilities for part-time workers. Significantly the only two establishments that reported using part-time employees in anything but ancillary roles (cleaners, tea ladies etc) stated that they were all ex-full-time employees who wished to work part-time due to family commitments. This could be interpreted as a toleration of part-time work schedules to protect the firms human capital investment in anticipation of the employee returning to full-time work when family circumstances permitted.

However the impressions gained from management regarding the use of part-time workers was that if they were available with the appropriate skills and experience there was no objection to their use in principle. The only exceptions to this came from two respondents who stressed continuity of customer contact as a factor in efficient branch work which part-time employees clearly could not supply. The absence of predictable demand patterns, the technology in use, and the fact that there appeared to be no major offsetting advantages associated with the employment of part-time workers were the main considerations which dominated the employment strategy of the establishments surveyed.

## BUSINESS SERVICES.

The eleven remaining establishments surveyed in Division 8 were all categorised as SIC Class 83, Business Services. They included accountancy firms, legal practices, estate agents, financial services, and professional services, a range reflecting the specialised and varied activities grouped under this SIC classification. Business Services are very heterogeneous in comparison to the other groups of services considered in Division 8 and this characteristic inevitably causes problems when trying to analyse intra-divisional variations using a small sample. Thus the caveats noted at the beginning of this chapter should be stressed at this point.

Not only are the establishments in this category more diverse than those found in other Classes within the Division but, on average, they are much smaller. This mainly reflects the very rapid growth of business services and the very low start-up costs for many of the activities covered. The latter point has in turn lead to relatively high proportions of self-employed workers in the provision of these services. The diversity of activity, the proportion of small establishments and the proportion of self-employed have all resulted in employment and output figures for Business Services being less reliable than those for other financial and business services. However, even if the margins of error are larger than is usual there is no question that the underlying growth of both output and employment since the late 1970's has been very strong

across all the main activities subsumed within the Class.

Given the diversity of business service activities there is inevitably a wide range of possible causal factors that could be suggested for this output and employment growth. Undoubtedly the prime generator has been the relatively rapid expansion of demand. Numerous explanations can be offered for this above average growth. For example, the steady expansion of home ownership has stimulated the demand for legal and estate services; the increases in real income and the growing average household debt to income ratio has expanded consumer spending thus boosting advertising and financial support services; the privatisation programme pursued by the Conservative government from 1980 has stimulated the demand for brokering, advertising, consultancy services, and so on. Most of these developments have created numerous new jobs, often in small, relatively young establishments.

However another source of employment and output growth within business services should be noted which has had an unclear impact on net employment. The contracting-out of a wide range of ancillary and support services by large organisations in the public and private sectors is one of the most striking changes in corporate behaviour in the 1980s. The initial impetus for this development occurred in manufacturing industry in the deep recession of 1979-81, when drastic restructuring was often the only option open to firms attempting to absorb an unprecedented collapse of demand. But the use of such tactics became more widespread

in the difficult competitive conditions of the early/mid 80s, facilitated by a weakened trade union movement. The net impact of these developments on output and employment depends on the extent of job displacement occurring within those organisations contracting out. The rationalisation process mainly involved divesting in-house service based functions to outside contractors as external specialist firms could supply them more cheaply due to economies of scale, reflecting the fact that their specialist nature often involved substantial fixed costs.

This inter-industry redistribution of jobs has not only altered the level but also the composition of employment. Economies of scale achieved by these specialised service firms allow them the use of information technology and the adoption of work practices which have altered the content of many jobs at the lower end of the skill hierarchy. These developments have mainly concerned the automation of routine functions such as customer records, costings, accounts, quotations etc. and has increased the opportunities for the use of part-time employees.

This description of business services points up a series of differences and similarities with the rest of Division 8. On the one hand the typical establishment is considerably smaller both in terms of employment and output; the incidence of self-employment is much higher than in other industries in the Division. Regulatory and financial barriers to entry are relatively low and hence

competitive pressure in some activities is likely to be relatively high. On the other hand output and employment growth has been at least as rapid as elsewhere in the Division. Changes in macro-economic variables, government policy towards, the public sector and deregulation have stimulated demand as in other categories of financial activity, and technological change has altered productivity levels and the content of many clerical jobs leading to broadly similar changes in employment composition, (the insurance industry excepted).

The first set of characteristics noted would lead to the expectation that typically business service establishments would differ in its approach to the employment of part-time workers from other establishments in the Division. In the sample as a whole the employment strategies of relatively small firms in competitive markets appear to be influenced by detailed cost considerations. Thus the expectation is that variables such as employer National Insurance contributions, full-time/part-time differences in overtime payments and differences in sick pay/holiday pay/pension scheme eligibility may be significant for this sub-group in division 8. The second set of characteristics, which reflect the growth in business service activity and technological change, may moderate the pressure to achieve short term cost minimisation and result in employment policy in this sub-group being similar to the remainder of the division.

The heterogeneity of this SIC class is reflected in the main activities of the eleven survey respondents falling into this category. However these can be reduced to three broad groups, those providing legal services, those providing accountancy and management consultancy services, and those providing credit and other financial services. On the basis of the questionnaire responses the factors shaping the use of part-time employees differs markedly across these groups.

Before noting these differences a number of features common to all Business Service respondents can be noted. Almost all reported substantial growth in turnover and employment over the last five year period, normally at an accelerating rate. The exception here were a couple of finance companies suffering from increased competitive pressure from the banks arising from a relaxation of Bank lending criteria. In addition, all respondents noted changes (often described as 'significant' or 'wide ranging') in the technology they had adopted, but without exception they reported that this has had no impact on their demand for part-time employees.

Turning now to the differences between the groups. The finance companies were clearly under greater competitive and financial pressure and they were the only respondents in this group to stress the contribution of part-time labour to cost minimisation. One went as far as to state that avoidance of employer NI contributions constituted the

single most important factor explaining their use of part-time employees. Benefit entitlements differed between full- and part-time employees and no overtime premia were paid to the latter group.

In contrast the surveyed accountants/consultants were all the Glasgow or Scottish offices of major national or international firms. Their use of part-time labour was very low, being confined to two categories, very low skilled jobs requiring a part-shift (mainly cleaners), and very highly skilled females who had been offered a part-time contract to retain their services after family formation. Non-wage costs differences were irrelevant. All but one of these firms noted the potential loss of continuity on individual contracts or projects as the main reason why they did not consider expanding their part-time workforce. They noted that the offer of a part-time contract to female employees with changed domestic circumstances was not automatic, depending on the perceived value of the individual to the firm.

The third group, establishments providing legal services, were typically higher users of part-time labour than the accountancy firms, but in this group part-time employees were confined exclusively to clerical/secretarial functions. In almost all cases these part-time workers had previously been employed full-time in the same establishments but switched to part-time due to domestic commitments. Reasons given for their use included their familiarity with specific office practices, their



trustworthiness, and the fact that in small offices part-time labour gave the numerical flexibility to match work loads. No mention was made of NI contributions, differences in benefit entitlement, or other non-wage cost differences as explanatory factors in their use.

The establishments surveyed in Division 8 serve to illustrate the point that it is naive to look for a narrow range of generally applicable explanatory factors when seeking the reasons for the growth of part-time labour in the service sector. The types of jobs occupied by part-time employees varied substantially within this sub-sample of twenty five establishments. The vast majority of part-time employees in banks appear to be highly trained, have responsible jobs, are expected to identify with the employing organisation, and show initiative when required. In this respect they are indistinguishable from their full-time colleagues. At the other end of the spectrum many of the part-time workers in small establishments providing business services are employed mainly because of the lower non-wage costs they attract, they are employed in low skilled, routine jobs, with limited training and high turnover. Clearly the specific rationales behind the use of such workers vary according to the specific circumstances of their organisation, the degree of competitive pressure experienced, the potential costs of part-time workers in terms of lost continuity and lower flexibility they offer, and the potential gains they generate through reductions in non-wage costs, the matching of demand peaks, the provision

of cover during extended opening hours, and so on. Generalisations simply cannot be made.

## Section 5:

### Division 9 : Other Private Sector Services

SIC Division 9 is very heterogeneous in nature. In employment terms it is dominated by public sector services such as education, health and local government, but private sector providers of health and education services are becoming increasingly important and the broad category of personal services is one of the most important sources of new jobs over the last decade. Twenty one of the surveyed private sector establishments are located in Division 9, but the diversity of their main activities rendered it difficult to categorise them into fewer than four groups. These cover providers of private health services, providers of private education, establishments engaged in entertainments, and a miscellaneous category including such activities as dry cleaning, contract office cleaning, driving instruction and charitable services. As in the case of the public sector organisations examined in the previous chapter, it is necessary to look at each of these group in isolation as they can vary dramatically in size, in market environment, in skill-requirements, etc. The fact that they are all classified as SIC Division 9 indicates only the very lowest of common denominator, namely that they are all services which clearly do not belong in any of the more

activity-specific SIC divisions.

#### Private Health Services:

Two private sector hospitals, two nursing homes and one agency nursing service co-operated in the survey. The most interesting aspect of the hospital responses was that the stress placed on cost reductions was similar to that of public sector hospitals, but their methods of achieving this goal differed. Both private sector establishments had systematically reduced their complement of full-time non-nursing employees and discriminated against these part-time employees both in terms and conditions. One foreign owned hospital provided almost the only example in the total survey of an establishment fitting the 'Flexible Firm' model. The personnel manager stated that all employees were strictly classified into core employee and a 'bank' of other (peripheral) workers. All clinical staff were treated as core workers but only one-third of 'Bank' employees had this status. 'Bank' employees had to be prepared to work between 0 and 40 hours per week depending on demand, they were informed at short notice of their work schedule and if they were unable to complete the required hours they were removed from the 'Bank'. No shift or other premia were available to 'Bank' workers, they received no sick pay, paid holidays, were ineligible for the company pension scheme, and so on. Efforts were made to "normally" hold their hours/wages combination below the National Insurance threshold. Even the core workers in this

establishment faced unusual conditions in that their wages were determined monthly on the basis of their immediate managers assessment of their performance/productivity. The personnel manager laid great stress on both numerical and functional flexibility, and while guarded about trade unions and employee representation, stated that the company "saw no need for unions" and that they preferred to work in a "non-confrontational environment". Unsurprisingly the turnover of "bank" workers was high.

In both hospitals the specific use of part-time auxiliary, catering and domestic staff was geared to the daily pattern of activity in the wards. The same statement holds for the two nursing homes covered. However the focus on quality of services differed markedly between these establishments. In the less 'quality conscious' home the two key determinants of part-time labour use were identified as the daily pattern of patients needs, and national insurance contributions. Most catering, cleaning, and personal care activities appeared to be concentrated in the period from early morning until just after lunch, during which almost all part-time workers were employed. These morning shifts were often split to hold employees below the NI limit, despite the fact that there was no logical break in the work load, the larger employee numbers increased the administrative burden in the establishment, and the manager acknowledged some loss of work continuity by imposing these arrangements. In contrast the owner/manager of the other nursing home stressed the personal relationship between long serving part-time

employees and patients, and placed little emphasis on NI contributions or other non-wage cost savings. Part-time workers were used simply because the jobs did not justify a full-shift, very much same rationale lying behind the use of non-clinical part-time employees in the NHS.

Little need be said about the final health care establishment, the nursing agency. This had a tiny office staff (3 of the 4 worked part-time "because it suits their family commitments") and over 160 nurses who were technically self-employed, paying the agency a fee when they were found work.

#### Private Education Services:

Little comment is required on the responses provided by the four private schools in the survey. The approach of private sector school management is almost identical to that of their public sector counterparts. Part-time and full-time job are almost totally segregated; part-time workers are used in cleaning, food preparation, dining hall attendance and in garden and building maintenance. None of the respondents assigned any importance to non-wage cost differences including NI contributions. Nor did they appear to actively consider whether any other potential benefits were likely to arise from the increased use of part-time employees. Workers were part-time simply because the number of hours needed to get the job done dictated this work-time arrangement. It is perhaps worth noting that none of the

establishments reported that they were experiencing financial pressures, if anything, demand exceeded their ability to meet it. This may have reduced any concern about trimming staff costs.

#### Entertainment Services:

Three of the four establishment in this sub-group are theatres, the fourth a television company. The theatres all produced similar responses to questions on their labour use policies. All stressed that labour flexibility was a long established feature of their work practices. Both functional and numerical flexibility was expected, with many jobs being perceived by both employer and employee as 'casual' but open-ended. Demand can vary greatly in theatre production, with part-time staff typically being used as ushers, bar staff and cleaners. A significant proportion of 'non-core' production and acting staff were employed on a full-time casual basis. There was no evidence in these establishments of differences in non-wage costs influencing their employment decisions. Employment was described as being "fairly unstructured" in two of the theatres with the distinction between full- and part-time employees blurred by the widespread use of overtime, flexible holiday times, flexible rest days and the expectation that all staff, whatever their grade, will assist in whatever tasks require to be done.

In contrast, employment in the television company was very highly structured, strict demarcation rules were applied, trade unions were strong and were opposed to the use of part-time, casual and self-employed workers. Partly as a result of these constraining factors and partly because management saw a very limited role for part-time permanent employees the use of such workers was confined exclusively to cleaning services.

#### Miscellaneous Personal Services:

It is difficult to draw out any general points from the very mixed group of establishments in this sub-group. Two large contract office cleaning firms are included and the employed a very large number of part-time workers (over 600 in total). Their part-time employees were completely segregated by occupation, most worked between 6am. and 9am. and/or between 5pm. and 8pm. In both cases employer national insurance contributions were of considerable importance and every effort was made to ensure that part-time employee wages were held below the threshold. Other respondents were involved in dry cleaning, driving instruction and charity work. All were relatively small establishments mainly employing part-time workers to meet predictable fluctuations in demand for final services.

Drawing useful general points from these private sector establishments in Division 9 is hampered by the wide range of activities and markets involved. Where direct comparison can be made with public sector organisations (health and education) the evidence is mixed. The private sector hospitals were clearly more ruthlessly cost conscious and more willing to discriminate against part-time workers than their public sector counterparts. In contrast, no differences in attitude or employer rationales for the use of part-time workers could be identified between public and private sector providers of educational services.



THE MANAGEMENT SURVEY: SUMMARY AND CONCLUSIONS

The previous two chapters have been concerned with the results of a management survey designed to identify the factors shaping the demand for part-time permanent labour. Chapter 3 provided a detailed description of management responses in both the public and private sectors and applied multi-variate statistical techniques to identify the variables associated with the use of part-time labour in these sectors, with the public sector analysis being supplemented by qualitative material drawn from secondary sources and questionnaire responses. Chapter 4 used similar material on private sector establishments to draw out the main intra- and inter-divisional differences occurring across the service sector. This chapter attempts to draw this material together, provide a summary of the survey results and present conclusions.

Before addressing the survey results directly it is necessary to enter some caveats. The sample covered only 106 establishments or organisations across a sector of the economy that accounts for over two-thirds of total employment. All these establishments were located in one travel-to-work area, and a statistically acceptable sampling frame did not exist for service sector establishments in this labour market. The survey attempted to gather information on a very wide range of potential

explanatory influences using a single extended interview plus a supplementary information sheet. This obviously creates the danger of superficial answers being offered by the management representative involved, possibly based on incomplete factual information or on a partial knowledge of the strategic thinking lying behind the labour use decisions made in the establishment. This danger is especially acute where the respondent is asked to provide information on matters relating to trade unions and the local labour market. Even if confidence can be placed in the accuracy of the responses any analysis is then confronted with problems concerning the direction of causality of any associations identified. Here reliance is based on *a priori* reasoning and on our understanding of the problems under examination drawn from the existing academic literature, which, in the case of the demand for part-time labour in Britain, is relatively sparse.

In mitigation, strenuous attempts were made to create as complete a sampling frame as possible and to draw a statistically random sample stratified by employment by SIC Class. The response rate was high and the co-operation provided by almost all respondents extended to the provision of highly detailed information and a willingness to respond to follow-up phone calls or letters where necessary. In approximately 75% of cases the position of the respondent within the organisation and his or her specific responsibilities allowed a high degree of confidence regarding the quality of the responses. Finally, the results appear to be broadly consistent with those

presented in the existing literature on the subject. This consistency does not, of course, guarantee accuracy, but it does allow some confidence regarding the basic reliability of the survey data.

The analysis of the management survey started from the perspective that labour use decisions within organisations are partly shaped by the nature of the organisation's main activity and the technology it adopts. These parameters broadly define the range of tasks to be performed, but it is accepted that management has considerable scope in determining how these tasks are to be organised, with decisions shaped by the economic environment within which the organisation operates, the labour use constraints it faces within the organisation, and the labour supply conditions in the local labour market.

In an attempt to get a fix on the relative importance of these factors shaping labour use decision data was gathered on establishment characteristics, market characteristics, patterns of service demand, the wage and non-wage characteristics of full- and part-time labour, the organisational costs associated with the use of these different types of labour, the extent of any trade union imposed constraints on labour use, and the perceived degrees of flexibility offered by the use of these different types of labour. No attempt was made to acquire any systematic information on the extent to which local labour market conditions created an enabling or

constraining environment for the establishments labour use policies. However, in all cases where labour supply conditions were considered, management judged them to be of little or no importance in shaping their labour use decisions. Despite this indication of the unimportance of labour supply conditions it is worth treating these responses with some caution. It is likely that the high levels of unemployment applying through the 1980s and the apparently unlimited supply of (mainly married female) part-time recruits have resulted in the short/medium term labour use policies being uninfluenced by labour supply constraints. However, in the long run the composition of the local labour supply is likely to have some impact on these policies. The skill mix of potential recruits, the labour history and culture of the area and its impact on employee attitudes, and the extent and flexibility of education and training provision in the area will all have an impact on managements' perceptions of the basic labour use options open to them. Such influences are unlikely to be picked up in a survey exercise of this nature even if they are consciously perceived by management.

Given this, the survey more effectively covered the other broad categories of determinants of use, namely, the impact of the economic environment and any internal constraints affecting labour use. A number of hypotheses were developed to provide a basis for testing the impact of these environmental and constraining factors. Age, size, length of work week, trading hours and shift system were all considered as establishment based determinants;

competitive labour and product market pressures and the existence of demand patterns were considered as market based determinants; differences in wage levels, national insurance contributions, other non-wage costs and eligibility to employment rights were considered as general cost determinants; differences in training, recruitment, administration, instruction and supervision, plus possible losses of continuity were considered under the heading of organisational cost determinants; trade union recognition and density levels were considered as industrial relations determinants; and finally the numerical and functional flexibility of part-time and full-time employees were considered under the heading of flexibility determinants.

As reported in Table 3.1 five independent variables proved to be statistically significant for the sub-sample of private sector establishments. The variables significantly associated with the levels of use of part-time employees were establishment size, industrial affiliation (measured by SIC Division), whether employer national insurance contributions were considered important in labour use decisions, whether a shift system operated in the establishment, and finally, whether the establishment reported a trend towards a shorter working week in the last ten years. Those reporting such a trend were less likely to have a high proportion of part-time employees, other things equal. These results are all broadly consistent with the literature, although the scale of the differences in the proportion of part-time employees by establishment size (controlling for industry) is very surprising and not

easily explained.

The smaller number of public sector establishments in the sample presented problems in the use of multi-variate techniques. With a lengthy list of potentially explanatory variables and only 19 cases much greater reliance had to be placed on qualitative evidence drawn from respondents in the analysis of part-time labour use. Specific hypotheses were presented regarding the impact of organisational size, local authority control, the occurrence of trade union opposition to the use of part-time labour, plus a range of other factors considered in the analysis of the private sector sub-sample. The multi-variate results, for what they are worth, provide strong support for the argument that trade union opposition is a very significant factor in shaping the use of part-time labour in the public sector.

The results generated by the multi-variate techniques are strongly reinforced by the qualitative analysis. The financial pressure experienced by the public sector organisations in the survey appear to be at least as severe as those reported by private sector establishments. Deregulation, reduced government financial support, contracting-out, and threatened privatisation have all produced a need for cost reductions of varying degrees in public sector organisations. Given the importance of labour costs in total operating costs, labour use decisions have come under increasing scrutiny, with the option of altering the balance between full-and part-time employees being considered. Interestingly, in almost every surveyed

organisation management reported the existence of trade union opposition to changes in the full-time/part-time employee mix, with the union(s) successfully limiting (and occasionally halting) the rate of change desired by management in the majority of organisations. In many public sector organisations management did not choose to 'take on' the unions over the issue of part-time labour use, despite acknowledging that they anticipated significant advantages arising from their increased use. The main reasons behind this reluctance are an awareness of the extent of trade union opposition and an assessment that agreements with the union over the application of new technology and the application of new work methods are more important in achieving the improvement in performance necessary in an increasingly difficult market environment. Whether a confrontation over the level of use of part-time employees was merely being postponed until other issues were resolved, or whether the postponement was indefinite was difficult to judge. What is clear is that the willingness of management to confront the union directly on this issue is positively related to the scale of financial or political threats immediately facing the organisation.

Trade union opposition to the growth in use of part-time labour and a management desire for their increased use was evident in all the public sector organisation in Division 7 and in approximately half of those in Division 9. In the remaining Division 9 organisations management were much less convinced about the desirability of increasing the proportion of part-time

employees even when they were faced with the need to make significant cost savings. This judgement mainly reflects the fact that management typically see the majority of part-time public sector workers in Division 9 as having that employment status simply because the technical completion of the tasks involved do not require a full shift. No reference was made by these management representatives to wage differential which discriminate against part-time employees, very few noted differences in non-wage costs, and where they were reported they do not appear to represent a deliberate attempt to discriminate against part-time employees. Some differences in organisational cost were noted but again this factor appears to exert no conscious pressure on labour use policies.

The only specific distinction between full- and part-time employees cited by respondents which did seem to directly influence their preferences related to the higher physical productivity of part-time workers in low skilled manual jobs (cleaners, laundry workers, kitchen staff etc), and to their flexibility. The higher numerical flexibility they offered did not so much stem from the greater ease with which management could 'hire-and-fire', but from the willingness of such workers to switch shifts, provide cover at short notice, and work overtime without prior warning. It is also interesting to note that, in contrast to private sector respondents, the majority of public sector organisations mentioning functional flexibility reported that part-time employees were also superior to full-time



employees in this respect. The reasons cited for this are complex, involving in some cases a lower level of active involvement by part-timers in the unions or in other informal work groups, a different perspective on the relative importance of work related issues rendering the part-time workers less resistant to changes in work practices and technology, or simply a different age profile of part-time employees compared to full-timers in the same jobs. This superiority of part-time over full-time employees on the issue of functional flexibility was not universally reported. In two of the organisations part-time employees were perceived as being significantly less functionally flexible, and it is interesting to note that in both cases the part-time employees were involved in relatively high skilled tasks.

The rationales behind the trade union opposition to the relative growth of part-time labour reported in all public sector organisations appear, on management evidence, to be varied. Lower membership levels amongst part-time employees, a fear of 'dilution' of the terms and conditions enjoyed by full-time members as a result of progressively higher proportions of part-time employees, the higher organisation, recruitment and servicing costs associated with part-time workers, and a negative impact on the career progression of full-time members through the internal labour market arising from jobs being filled on a part-time (job-sharing) basis are all cited. In analysing the factors shaping the use of part-time labour in the public sector it is difficult to quantify the importance of management

personnel who are sympathetic to some of these trade union arguments or who are responsible to elected or appointed individuals who broadly accept the trade union case. But it is clear from the survey interviews that this is an important determinant of labour use decisions, influencing the willingness of management to push for an increased use of part-time employees where there are acknowledged cost advantages in doing so which are not off-set by equivalent anticipated disadvantages.

In conclusion, the growth in use of part-time employees in the public sector reflects two sets of forces. The changes in the economic and political environment of the 1980s have forced major changes on many public sector organisations. These have typically involved an increased exposure to market forces or an alternative form of discipline through the use of politically determined financial limits. Nationalised industries and public corporations have received greater exposure to these forces, partly through the nature of the services they deliver, and partly through the absence of any protection afforded by local government or locally elected/appointed bodies. In this sub-sample of organisations the greater the exposure to these forces the greater the likelihood that management will have considered the increased use of part-time employees, *inter alia*, as a cost saving device. The ability to impose these compositional changes on the organisation's workforces seems to depend mainly on the ability of the trade unions to mount an effective opposition. The clear impression was given that when the

scale of the threats facing the organisation were appreciated by the lay and full-time officials opposition was muted. Irrespective of the circumstances facing the organisation, the intensity of trade union opposition to the increased use of part-time labour was a function of the manner in which the part-time posts were created. If their introduction followed the voluntary quits of full-time employees (for whatever reason) or if the incumbent desired a shift to part-time status then opposition was limited in all but white-collar local authority occupations. In contrast, if the change was imposed on existing full-time employees management reported major problems. As a result, almost all public sector managements in the sample wishing to increase their proportion of part-time employees were reconciled to a rate of introduction dictated by rates of natural wastage. The exceptions occurred where the pressure to reduce costs overcame management reluctance to confront trade union opposition and where such opposition was constrained by an awareness of the likely implications for the organisation of failure to meet political or market imposed targets.

It is important not to conclude from the preceding paragraphs that all public sector organisations desire an increase in their ratio of part-time to full-time employees. Many managers perceived a limited role for part-time workers in their organisations, confining them to the traditional occupations which do not require a full-time shift to complete. The anticipated contribution of any increase in the proportion of part-time employees to

improvements in organisational performance were assessed as being very modest in comparison to winning employee acceptance of changes in work practices or the technology of production. In such organisations any growth in part-time employments is more likely to reflect supply-side preferences such as the increased use of job-sharing schemes.

The analysis of the determinants of use of part-time workers in all sampled public sector organisations summarised above is more successful than the analysis of similar decisions in the private sector taken as a whole presented in chapter 3. In the latter case only multi-variate techniques were used when considering the whole sector, and the heterogeneous nature of service sector establishments over the four SIC Divisions rendered the free-standing results of the statistical exercise of limited value. It was clearly necessary to disaggregate the private sector sample and use the qualitative techniques adopted in the public sector sample to develop a more comprehensive view of the determinants of use. However, before summarising the results of this exercise it is worth briefly noting the limited success of the analysis of determinants of changes in the use of part-time employees in the private sector over a ten year period presented at the end of chapter 3.

Obtaining a satisfactory measure of change proved difficult, and in the end a dichotomous trend variable had to be adopted. In addition, many of the survey questions designed to provide information over a ten year period were unsatisfactorily completed. Respondents often did not have the data to hand or simply resorted to guess-work or useless generalities. In the end a list of variables similar to that used in the earlier analysis of levels of private sector use were adopted for the probit procedure. Four significant variables were identified, with the probability of an increased trend in the use of part-time employees over the last ten years being associated with larger establishments, those located in SIC Division 8, those reporting national insurance contributions as an important influence in the decisions to use part-time employees, and those experiencing a weekly pattern of demand. The explanations offered for the association between the trend growth in part-time employment and establishment size are highly speculative, but the attempted identification of the factors underlying the other associations are more firmly grounded. These vary from major increases in the adoption of new technology, the extension of opening hours and increases in competitive pressure in Division 8, through non-wage cost savings in establishments using part-time employees mainly in low skill/low training establishments, for example in retailing where NI contributions appear to assume major proportion, to the increasing use of part-time labour to meet demand patterns which typically peak at the end of the trading week. Why this last factor does not appear to hold for

daily demand patterns is unclear.

Returning now to a more detailed examination of levels of part-time use in private sector establishments, each SIC Division was analysed in turn in chapter 6. The Division 6 respondents were mainly clustered in retail trades and in hotel and catering services. In both cases there is evidence that the majority of part-time employees are viewed by management as part of relatively distinct employment groups. This job segregation typically leaves part-time employees in the lower skilled jobs which are often monotonous and tiring, and with training inferior to that available to full-time employees, all characteristics which probably contribute to a higher turnover rate than typically recorded for full-time employees. The key relationship dictating the use of part-time employees in this Division appears to be the balance between the cost advantages of their use, stemming mainly from NI savings, no pension rights, no overtime premia, no shift premia and no paid meal breaks (if employed for less than a four hour shift), and the disadvantages associated with their use, arising from potential losses of continuity, lower functional flexibility, and the possibility of less 'commitment' or 'involvement' with the employing organisation. Given the nature of the core activities of establishments in this Division these disadvantages are frequently of little importance. The sales assistants, bar staff, chamber maids, etc. who make up the vast majority of part-time employees in this Division are not normally

required to undertake anything more than routine low skilled tasks.

The balance between the advantages and disadvantages in the use of part-time employees in Division 6 has been tilted in the 1980s by such trends as the move to late night shopping, Sunday opening, multi-shift systems, franchised retail outlets and so on. All of these changes are simultaneously occurring in industries which the trade unions have found difficult to penetrate, and in a political and legal environment which has reduced constraints on employers and reduced statutory protection for workers. As a result all net employment growth in this industry is now the result of the growth in part-time employment.

The Division 7 private sector establishments present a dramatically different picture. The level of use of part-time employees is extremely low, with almost all part-time workers being confined to 'support' activities such as typing, clerical assistance and cleaning. The sub-sample was completely dominated by transport firms of one sort or another, and the part-time workers used by these establishments are there almost exclusively because the job required less than a full-shift to complete. Part-time labour did not extend into the core activities of these establishments mainly due to the unpredictability of the demand patterns that they faced. The number of permanent full-time employees reported was also low, but a large number of full-time temporary workers were used as

required'. Typically these workers are paid on a day-to-day basis, and in some of the smaller firms these payments were not 'through the books'. The constraints facing any management wishing to increase the use of part-time employees in this industry are, if anything, even weaker than those applying in Division 6, but the nature of the establishments activities simply did not lend itself to their use.

In contrast to the relatively homogeneous group of private sector establishments in Division 7, the twenty five cases in SIC Division 8 vary substantially by size, operate in markets varying from the oligopolistic to the highly competitive, and undertake a wide range of basic activities under the umbrella categorisation of 'financial services'. As a result it is extremely difficult to construct useful generalisation about the use of part-time workers in these industries.

Division 8 establishments in the sample fall into three broad groups, banks, insurance companies, and other business services (finance companies, accountants/consultants, legal services). Both the banks and the insurance companies operate sophisticated internal labour markets. In the case of the banks this reflects the need to retain centralised control and provide security given their core activity. Within the internal labour market of the banks almost all part-time workers are confined to non-career grades. The growth in the use of these workers over the last decade reflects growth in the level of



business, the nature of the demand patterns experienced by banks, and the extension of trading hours. Part-time employees are used to provide cover during lunchtimes, holidays, absences and at week-end peaks. Differences in recruitment and training costs of part-time and full-time employees were reported but these stem not from the lower skill requirements of 'part-time' jobs but from the fact that almost all non-ancillary part-time employees were previously full-time employees of the bank returning after family formation. Drawing their part-time recruits exclusively from this pool is viewed by management as essential given the need to contain training cost, limit the induction period of part-time recruits and to ensure employee trustworthiness.

Banks appear to use part-time employees mainly to provide numerical flexibility in the face of demand patterns and, less importantly, to generate certain cost savings. These arise from the lower wage bill resulting from the matching of employees to demand peaks, (part-time and full-time hourly rates are identical), and from the ineligibility of part-time employees to participate in company pension schemes, which are reported as being expensive to the employers. The trend to longer trading hours has boosted the use of part-time employees, but their lack of functional flexibility places a definite limit on the extent of their growth. A number of the larger banks indicated that this upper limit on part-time employee numbers had now been reached and they anticipated no further increase in the proportion of part-time employees

in the workforce.

The growth in part-time employment which may now be slowing down in the banking industry never occurred in the insurance sector. This partly reflects the lower level of business growth in this industry, but it principally arises from the nature of its main activities and the impact of technological change over the last decade. Part-time employees are mainly used in routine clerical and administrative functions such as underwriting, customer enquiries and claims. Major changes in information technology have tended substantially to expand the average job content in the industry, these changes have greatly eased access to a wide range of detailed information, a trend which has reduced the need to employ low level specialist workers, many of whom were employed on a part-time basis. This reduced need for part-time workers due to inter-occupational shifts has been reinforced by substantial reductions in insurance company branch networks. These retail outlets proved expensive and the deregulation of financial services accelerated the trend towards the use of intermediaries, such as banks, as vehicles to retail insurance policies. There was a greater likelihood of part-time posts being created in small branch offices due to the size of the workloads.

In general the insurance industry represents an employment area in which the lower functional flexibility of part-time employees is a major constraint on their increased use. Given the virtual absence of demand

patterns, the major changes in technology referred to above have pushed up skill requirements thus increasing the length and cost of training. This, in turn, has reduced the attractiveness of part-time labour given the possible need to duplicate training if such workers are taken on and given the fact that turnover rates for part-time labour tend to be higher than for full-time employees in comparable jobs. The bottom line for the insurance managers interviewed seemed to be that the use of part-time employees conferred no obvious advantages that compensated for their lack of functional flexibility, hence their use was confined to ancillary occupations (cleaners, security staff, caterers etc) and a limited number of employees previously on full-time contracts who had to reduce their work-time commitments for domestic reasons.

The position on the employment of part-time labour adopted by respondents in the insurance industry is almost exactly duplicated by those delivering accountancy and consultancy services under the SIC heading of 'business services'. This is a heterogeneous category with these consultancy/accountancy firms employing the highest skill mix of those surveyed. In these establishments part-time workers were confined exclusively to ancillary tasks. In contrast, the finance companies in the survey placed considerable stress on the non-wage cost advantages of using part-time labour. Their comments mainly focused on national insurance contributions, but pension schemes, the avoidance of overtime premia, and paid holiday provision were also mentioned. This greater concern with detailed

costs may reflect the greater degree of competitive pressure faced by these firms.

General conclusions on part-time labour use are more difficult to draw for Division 8 establishments than for those in Divisions 6 and 7. The large establishments with developed internal labour markets in banking and insurance provide clear examples of the advantages and limitations of employing part-time workers. However, the extent to which the experience of these industries can be generalised is severely limited by the fact that in their recruitment of part-time workers they are drawing exclusively from a very specialised pool of individuals, namely, workers previously employed in their industry on a full-time basis. These recruits have already been subjected to a detailed screening, have already been trained, and the employer has already had the opportunity to form an opinion of their suitability while in full-time employment. In the absence of this pool of labour it is likely that part-time employment in these industries (especially banking) would be significantly lower.

The problems in summarising survey results and drawing conclusions from the Division 8 sub-sample due to its heterogeneity are even greater in the Other Private Services of SIC Division 9. Only two points need to be made regarding this sub-sample. The first concerns the importance of non-wage cost advantages in the use of part-time employees arising from the avoidance of employer national insurance contributions and lower entitlement to

non-wage benefits such as pension schemes, paid holidays and sick pay. The range of occupations apparently influenced by these considerations is wider than occurs in other Divisions, ranging from nursing auxiliaries, chefs, driving instructors and senior clerical staff to the familiar list of cleaners, porters, maintenance workers, catering assistants and sales staff. However the majority of part-time employees in these establishments would still be classified as unskilled. The second point concerns the constraint imposed on the levels of use of part-time employees by their typically lower functional flexibility.

Considering this question of functional flexibility in the private sector sample as a whole, there is evidence of a tension between the cost advantages which can accrue from the use of part-time employees and the disadvantages associated with the lower functional flexibility that they usually offer. On the basis of the survey evidence the balance between these factors appears to be influenced in favour of the increased use of part-time employees by establishment size, by the 'cost consciousness' of management (a possible proxy for competitive pressure), by a relatively low skill mix in the establishments workforce, and by the existence of predictable patterns of consumer demand given job content. Clearly, the greater the sophistication of the job and the higher the degree of employee discretion required the lower the likelihood that the cost advantages of using a part-time employee will compensate for the lower productivity arising from loss of continuity and adaptability.

Before leaving the issue of flexibility, it is worth briefly considering the relevance of the 'Flexible Firm' model in the light of the survey evidence. In a substantial minority of establishments part-time workers are clearly thought to be inferior to full-time workers in the provision of functional flexibility as predicted by the model. But in other respects the survey results provide conflicting evidence on the extent to which part-time workers can be usefully regarded as peripheral in the sense used by Atkinson and associates. The complex picture of employer labour use strategies identified in the survey suggests that this model may be unable to contain the complex range of factors which determine these strategies. As already noted, this conclusion is supported by evidence from a national study of labour use flexibility which examines part-time and other forms of 'peripheral' labour. (McGregor and Sproull 1990, Hunter and MacInnes -forthcoming).

What did emerge clearly from the interviews was that the way part-time employees are used and the underlying rationale for their use has changed little over the period under study. No evidence was found of either labour supply or trade union constraints since the mid-1970s. The cost savings which promote the use of part-time labour mainly lie in non-wage cost differences, especially National Insurance contributions, and in minimising the total number of employee hours per week paid by an establishment given the level and pattern of consumer demand. The extent to

which these gains are offset by additional costs, arising from both the increased numbers of employees and the relative performance of those employed part-time, depends on the nature of the establishments main activity, on the technology in use, and following from these, the types of jobs in which part-time workers can be profitably employed. No evidence was found of substantial change in any of these factors over the study period.

These conclusions would suggest that the growth in part-time employment recorded from the mid 1970's is mainly the result of relatively high rates of employment growth in those sectors of the economy which are high users of part-time labour. However, superimposed on this has been the increase in competitive pressure experienced in the U.K. economy since the late 1970s. The Macro-economic factors which generated this pressure were both domestic and international in origin, and had a less dramatic impact on the service sector compared to manufacturing as services are typically less exposed to international competition. But the survey suggests that management did respond to the economic climate by pushing down costs where they could, albeit in a very *ad hoc* fashion. One option open to many in the service sector was to extend the use of part-time employees, a course chosen mainly by establishments which were already substantial users of this type of labour. It is difficult to identify the relative importance of a very slack labour market and reduced trade union effectiveness as enabling factors in this process; but the survey results indicate these were of minor importance. This is an

unsurprising result given the low levels of union recognition in private sector services and the apparent absence of labour supply constraints even in earlier periods of relatively low unemployment.

The general survey results supports the view that the growth in part-time employment experienced since the late 1970's does not reflect a fundamental change in employment patterns in the private sector but rather a continuation of long established structural trends in the economy. The extent to which the depressed labour market conditions of the eighties have accelerated these trends is open to debate, but it is difficult to argue that this environment has stimulated any basic change in the use of part-time labour on the basis of the evidence presented here.

#### Rationale for the Second Survey:

As noted in the introductory chapter, any comprehensive analysis of the growth of part-time labour in Britain requires an examination of the labour use decisions made by employers and of the enabling and constraining factors shaping the labour supply decisions taken by part-time employees. For this reason the second part of the research programme reported in this thesis should, ideally, address the determinants of part-time labour supply. There are two reasons why this course was not followed. The first is practical. The limited resources available to the author inevitably dictated that any survey of part-time labour



supply decisions would involve a relatively small number of employees. Given the kinds of issues such a general survey would address this was perceived to be a serious threat to the usefulness of any results generated. In addition, no sampling frame is available to systematically construct such a sample and the practical difficulties of gaining access to a range of part-time workers in the service sector are formidable. A limited number of semi-structured interviews with individual workers could have been conducted with the cooperation of some of the establishments participating in the management survey, but the usefulness of data gathered in this way was questioned given the small sample size. An alternative would have been a postal survey involving a much larger number of respondents. However, problems of questionnaire distribution in the absence of a sampling frame and an anticipated low response rate also raised questions about the usefulness of this course of action.

The second reason for avoiding a part-time labour supply survey was that considerable academic work has already been done in this area in the 1980s. Most important among these published studies is the Women in Employment Survey (Martin and Roberts, 1984, 1984a; Dex, 1984) which interviewed 5,588 women obtaining information on their education and training, employment status, household circumstances, attitude to employment and work-history experience. This extensive and sophisticated survey provided a very rich body of data on both full-time and part-time female employees which allows the determinants of

the decision to undertake part-time work to be fully explored. Given the existence of this data set it was judged that any small scale general survey of part-time workers in a single labour market would not generate sufficient additional information to justify the effort involved.

For these reasons it was decided to narrow the range of issues to be addressed in the second survey in order to throw additional light on an under-researched area addressed in the management survey, namely, the implications of the growth of part-time employment for trade unions. The choice of this area was mainly dictated by practical constraints arising from the difficulty in gaining access to part-time employees. Questions on the perceived position and impact of trade unions on the employment mix in establishments was one of the central themes running through the management survey. The conclusions that can safely be drawn from the employers responses to these questions have already been reported earlier in this chapter, but given the general nature of that survey a number of other interesting issues concerning the relationship between part-time employment and trade unions were touched on but not developed. Of particular interest was the view, reported by 50% of the private sector managers surveyed, that part-time workers appear to have less interest in trade union membership. This occurred despite the fact that over 90% of employers reported that their attitude to the unionisation of part-time and full-time employees did not differ, and a similar

percentage considered that trade unions did not discriminate against part-time members in any way. This combination of responses suggests that differences in density levels between comparable groups of part-time and full-time workers cannot be principally attributed to greater management hostility to the unionisation of part-time workers compared to full-timers in comparable occupations, or to the fact that union members working part-time are deliberately disadvantaged by their union. By implication, the reasons for the lower density levels amongst part-time workers lie in their perception of the effectiveness of trade unions, or in the organisational ability of unions to recruit and service part-time employees. Clearly the very limited evidence from the management survey allows no conclusions to be drawn on these questions, the identification of reasons for lower trade union membership levels amongst part-time workers requires a separate dedicated survey.

There are major problems in successfully surveying part-time workers when resources are limited. As already noted, the principal problem is one of access to such workers across a range of industries and establishments. As the home addresses needed to conduct a postal survey are unavailable it is necessary to enlist the cooperation of employers or of unions to assist in the distribution and collection of questionnaires. As it was desirable to draw data from part-time workers across a range of establishments the unions appeared to be potentially the better partner in the survey. It was anticipated that the

current interest in part-time work within the trade union movement would stimulate cooperation in a project which would provide rare background information on the views and attitudes of part-time employees. As is inevitable in these situations, the range of questions posed to these workers represents a compromise between the requirements of the union and the requirements of the academic researcher. The survey arrangements arrived at with the Union of Shop, Distributive and Allied Workers - USDAW, are detailed in the first section of the next chapter, together with a discussion of the limitation this imposed on the scope of the study.

PART-TIME WORKERS : THE DETERMINANTS OF UNIONISATION

Section 1:

Background to the Survey

The efficient recruitment of increasing numbers of part-time workers now appears to be essential if trade union membership and density levels in the service sector are to be maintained. The realisation of this fact has forced the unions to address a range of questions which, at their core, concern the distinctiveness of this group of workers. The question of what determines the levels of unionisation of part-time workers, whether they join for reasons which differ from those of full-time workers, whether they have a distinct perception of what trade unions can do for them, and whether they require a different set of services from the unions when they become members, all raise important issues concerning the impact of the growth of part-time employment on the role, influence and operation of the trade union movement. The survey was designed to address a number of these questions, which can be classified into two groups. Firstly, those relating to the specific performance and perception of the trade unions in the surveyed industries, material which is of direct interest to the cooperating union - USDAW. Secondly, those relating to the general issue of what determines the level of unionisation of part-time workers.

The survey data produced on the second set of issues provided the basis for the analysis presented in the remainder of this thesis.

The administration of the survey questionnaire (Q4 1987 - Q2 1988) was designed to provide the most representative sample of part-time workers in distribution and food manufacturing possible, given the absence of a satisfactory sampling frame. The procedure adopted involved the Women's Committee in each USDAW region distributing questionnaires to establishments in their region according to agreed criteria. These criteria were designed to ensure a spread of respondents across establishments by size, ownership and region. 734 useable survey responses were returned, a response rate of 45%.

The method used to distribute the questionnaire was the only one available in the absence of a sampling frame, however its use makes it difficult to comment on the generality of the results. Statistically the survey cannot be said to be representative of all part-time workers in distributive trades; at best it provides a sophisticated snap-shop of the characteristics and attitudes of a large group of part-time workers and conveys their views on a wide range of trade union issues.

It is necessary to note at this stage that the survey arrangements outlined above impose constraints which may affect the quality of the data collected. Given the focus on determinants of unionisation, the most important of

these constraints concerns the quality and reliability of the establishment data gathered. Establishment characteristics such as forms of ownership, number of full- and part-time employees, main activity, and single or multi-plant organisation were all supplied by both lay and full-time officials of the cooperating union. If the returns from these two sources did not correspond they were double checked, but even so, the data still derives from sources without access to establishment information as-of-right. Despite striking this cautionary note, the non-confidential nature of the information sought suggests that in surveyed establishments in which a trade union(s) is recognised the establishment data should be fairly reliable. However, the same cannot be said of establishments which currently do not recognise trade unions. In these workplaces the data is supplied both by full-time officials with responsibilities for the geographical or industrial area in which the establishment is located, and by individuals within these plants sympathetic to trade unions. It is likely that data acquired from both these sources will be less reliable than that gathered by workers or officials who have some formal relationship with workplace management as such individuals are less likely to have even informal access to detailed company records.

## Section 2: Rationale

The growth of part-time employment has wide ranging implications for British trade unions. It could potentially affect the recruitment tactics and strategies they adopt, the range of specific services they provide to their members, the training they offer to full-time and lay officials, the methods of union/member communications they adopt, and the range of wider social and political issues addressed by the union movement. The following exercise focuses mainly on the single broad question of what determines the level of membership amongst part-time workers for two reasons. The first is that the issue of membership precedes many of the other potential changes which an increasing proportion of part-timers in the labour force could bring to trade unions. If an insufficient numbers of part-time workers are drawn into unions over a period in which they constitute a growing proportion of potential members then, other things equal, union density levels will fall. While it is simplistic to equate aggregate density levels with the industrial and political power of the trade unions, these two variables are clearly related. The ability of trade unions to influence public policy and be directly or indirectly involved in the decision making processes in society depends, *inter alia*, on the proportion of the working population they can claim to represent. The experience of a Government hostile to trade unions in the 1980s has illustrated the extent to which their formal involvement in the decision making process can be cut back, a process no doubt aided by



rapidly falling membership (Kelly and Bailey, 1989). But it can be argued that a trade union movement representing around 40% of the labourforce is still perceived by the public as a legitimate voice in the policy debate. How long that public perception could be sustained in the face of further declines in density is an open question. The post-war experience of organised labour in the United States, albeit with very different political and union structures, may contain lessons for trade union leaderships in Britain.

The second reason for concentrating on the union membership implications of the growth in part-time employment is that to investigate most of the other potential effects would involve an analysis of the decision making process within each union. The speed and shape of each union's response to the changing structure of the labourforce will depend upon the dynamics of change within each organisation. This in turn will depend, *inter alia*, on the unions' internal political structures, the pressure groups influencing its policy, the extent to which power is centralised, and the balance between the influence of lay and full-time officials on union policy (Kelly and Heery, 1989). The Part-Time Employee Survey outlined above is incapable of providing any information on these variables hence their investigation would require a separate research project.

Before the survey data can be analysed in an attempt to identify the factors shaping the unionisation of part-time workers it is useful to review the literature on this question as it relates to full-time employees (or to groups of employees in which the part-time component, if any, is not identified). This is essential if any tentative comparisons are to be drawn between the factors shaping the unionisation of part-time and full-time workers.

### Section 3: Literature Review:

In Britain very substantial differences in levels of union membership have occurred through time, across industries and occupations, and between groups of workers with different characteristics (Bain and Price, 1983). The British and American literature which seeks to explain these variations in unionisation mainly utilise time-series and cross-section models. The micro-theoretic underpinnings most commonly adopted in these studies, especially those using U.S. data, are built on the neoclassical concept of individual utility maximisation. The decision to join a union is perceived to be based on rational individual choice in which workers assess the expected benefits to be gained from membership and the likely costs associated with membership.

Many of the recent time-series studies have built on the work of Ashenfelter and Pencavel (1969) who attempted to explain American trade union growth between 1900 and

1960. They constructed a model containing price inflation, recent employment growth in highly unionised industries, the severity of unemployment in the recent past, the level of membership in highly unionised industries, and a measure of political support for unions as explanatory variables. Their interpretation of the results was built on how the independent variables were likely to influence the individual workers perception of the costs and expected benefits of union membership.

They argued that the positive association found between membership and price inflation reflected firstly, the use of unions as a mechanism for the protection of real wages, and secondly, the likelihood of lower managerial resistance to organising efforts by the unions in an environment in which cost increases can be more easily passed on to the consumer. The positive relationship also found between membership and recent employment growth in highly unionised sectors was seen to reflect the existence of the post-entry closed shop and the fact that the existing high membership levels presumably reflect the fact that workers in these industries perceive the benefits of membership outweighing the costs. It is also possible that employment growth in an industry or industries may result in tight local occupational labour markets, an environment which may reduce management resistance to recruitment efforts by unions.

The rationale offered by Ashenfelter and Pencavel for the positive relationship found between membership and previous unemployment levels is that the severity of unemployment in the preceding recession will affect the general level of workers grievances and the degree of current pro-union sentiment. These in turn will stimulate recruitment on the basis that unions increase job security.

The fifth significant explanatory variable relates to the existing levels of union membership in highly organised sectors. It is argued that it becomes progressively more costly to recruit unorganised workers in establishments which already report high membership levels as these 'free riders' are more likely to have adopted a positive non-union stance or are difficult to contact due to, for example, non-traditional work-time arrangements. Hines (1964) also reported a similar result in the U.K.

The final significant variable in the Ashenfelter/Pencavel study used the proportion of Democrats in the House of Representatives as a proxy for general pro-union sentiment amongst public policy decision makers.

A similar time-series study has been carried out in the U.K. by Bain and Elsheikh (1976). Their model is broadly similar in construction to that of Ashenfelter and Pencavel and they come to similar conclusions, although their work places much greater emphasis on government policies and the impact of employer attitudes in determining levels of unionisation (see also Bain and

Price, 1983). In addition they disagree with the American model outlined above with respect to the impact of unemployment on membership through the cycle. Various refinements of the basic time-series model and re-estimations on the U.S. data have been conducted over the last decade, (see, e.g. Fiorito, 1982; Dickens and Leonard, 1985). Some reject the significance of the 'political' variable (Moore and Pearce, 1976; Fiorito, 1982), others argue for the need to incorporate major legislative changes, such as the Wagner Act in the U.S., into the model. There is little to be gained from detailing these modifications as they do not add to the basic range of economic and political variables which, as they change through time, are claimed to have an impact on the estimated costs and benefits of membership to the individual worker, and to the costs faced by the unions in their attempts to organise such workers.

This time-series approach to explaining variations in trade union membership through time is not without its critics. At a fundamental level, the approach has been criticised for its inability to directly measure the impact of the structural variables on the individuals perceived costs and benefits associated with union membership. Discussions about possible individual decision-making process are inferred in this literature but are not based on direct empirical evidence. In addition the models exhibit some temporal instability which has led critics to conclude that limited confidence can be placed in their ability to explain past changes in union membership (see,

e.g. Hirsch and Addison, 1986).

Another line of criticism points out that these structural models explaining aggregate changes in membership levels leave no room for union leaderships to have an impact via the design of recruitment campaigns and the negotiation of collective bargaining relationships which influence recruitment, such as the closed shop and the check-off system (Undy et al, 1981: Shister, 1953). The evidence on the impact of union leaderships and officials on aggregate membership is limited. On the one hand Bain (1970), Bain and Elsheikh, (1976) and Bain and Price, (1983) play down the likely importance of the role of leadership and specific recruitment campaigns, arguing that if the structural determinants of union growth are not favourable such campaigns will contribute little to aggregate membership. They cite in evidence differences in recruitment rates in periods favourable to union growth e.g. (1969-1979) and unfavourable e.g. (1949-1968). This has recently been challenged by Kelly and Heery (1989) who point out that structural factors may affect the sense of 'threat' perceived by working individuals or the 'credit' they give unions for the protection of real wages or other material advances, but this attitude of mind must be translated by the unions into a paid up membership card. This involves finding these workers, persuading them that joining a union is the appropriate response to these changes in the economic or political environment, and efficiently process the resultant applications. They also reappraise Bain's critique of recruitment campaigns (1970)

and Undy et al's evidence (1981) on the role of leaderships influence on aggregate membership, concluding that the impact of recruitment campaigns on aggregate unionisation is still an open question.

These criticisms of time-series studies lead to the general point that the structural factors identified as significantly associated with membership change tend to apply to workers across all industries and sectors. This then raises the question why substantial variations in levels of unionisation occur across industries. Some of the structural variables, such as earnings and unemployment do show some variation across industries, but these differences can account for only a small percentage of the observed differences in membership levels, (Bain and Elsheikh, 1979). Additional explanatory variables are sought using cross-sectional studies which hypothesise that union membership is significantly influenced by factors associated with personal, job or establishment characteristics. These characteristics potentially have an impact on the individuals perception of the costs and benefits of unionisation and hence have an impact on the supply and demand for membership. These personal, job and establishment related characteristics can be considered in turn.

## Personal Characteristics of Workers:

### Sex:

The cross-section literature suggests that there is a systematic relationship between a small number of personal characteristics and union membership. It has been argued that women are significantly less likely to be members of a union even after controlling for industrial structure (Schmidt and Strauss, 1976; Schmidt, 1978; Duncan and Stafford, 1980; Antos, Chandler, and Mellow, 1980; Hirsch and Berger, 1984; Bain and Elias, 1985). This relationship is stronger amongst female manual workers compared to non-manual female employees. The apparently lower propensity to unionise amongst females is normally attributed to their employment experience. They are less likely to participate continuously in the labour market and commonly they are not the sole wage earners in their household. It is argued that these factors can produce an attitude to employment which is less receptive to (normally male dominated) trade unions. In contrast to the authors just cited, the empirical work reported in Bain (1970), Bain and Elsheikh, (1979) and Richardson and Catlin, (1979) offers no support for the proposition that females have a lower propensity to join unions.

### Age / work experience:

The age of the employee (or years of work experience) is also a variable which is reported as having systematic relationship with unionisation, however not all studies



specify the same sign. For example, Antos, Chandler and Mellow (1980) suggest that unionism increases with age, Farber and Saks (1980) report that the older the worker the less likely he/she is to vote for a union, while others, such as Hirsch (1982) and Duncan and Stafford (1980) obtain insignificant or ambiguous results. It is possible that these seemingly contradictory results can be explained by the fact that in the American literature cited those finding a positive relationship with age are treating the status of union membership as the dependent variable, whereas those reporting a negative relationship with age are basing their results on National Labour Relations Board representation elections or on the expressed preferences of non-unionised workers. It may be that (at least in the USA) older workers are more likely to be in unions, but older non-members may be less likely to vote to join a union.

Those reporting a positive relationship with age focus their explanations on the fact that as the labour market mobility of older workers tends to be lower they have a higher attachment to their firm. As a result, the older the worker the greater the likelihood that improvements in wage and non-wage benefits must be won within their organisations rather than by seeking alternative job offers. Related to this is the argument that, other things being equal, the older the worker the greater the value that will be placed on pension rights, promotions based on seniority, health benefits, and other welfare provisions typically negotiated by trade unions. In addition, as Bain and Elsheikh (1979) point out, an 'exposure effect' may

operate, in that the older the worker the longer their likely labour market experience and hence the more opportunities they have had to join a union.

The main argument used to support the alternative hypothesis of younger workers being more disposed to join trade unions lies in the flattening impact of union negotiations on the relationship between experience and earnings. U.S. evidence suggests that unions provide the largest wage advantage for young workers (Freeman 1980; 1982). However, when the non-wage element in earnings is incorporated young workers are no longer found to receive the largest relative gain from membership (Freeman and Medoff, 1984).

Some of the arguments outlined so far have greater relevance when related to the variable 'years of work experience' than to 'age' per se. In the case of male workers these two variables are likely to be very closely correlated, but with females the relationship is complicated by the fact that the majority of female employees experience breaks in their work histories for family or other reasons (Dex, 1987). In Bain and Elias's individual-level analysis of GB membership (1985) age was found to be positively correlated with membership until work experience was added as a variable, age then lost its statistical significance.

Before considering the next personal characteristics it is worth noting that problems of causality exist in the age/unionisation relationship. Much of the empirical evidence supporting a positive age/unionisation relationship draws on industry data, the higher the proportion of older workers in an industry the higher the levels of unionisation. This could be interpreted as age increasing the individual propensity to unionise (Bain and Elias, 1985) or that unionisation brings material benefits which lowers labour turnover and pushes up the average age of employees. In addition, if unionisation is more common in older declining industries which absorb few new entrants then again the age profile of the industry will be affected (Richardson and Catlin, 1979).

#### Occupational Status:

A workers general occupational status (manual or white collar) has also been found to systematically affect their likelihood of union membership (Scoville, 1971; Bain and Elsheikh, 1979; Elsheikh and Bain, 1980; Antos, Chandler and Mellow, 1980; Bain and Price, 1983; Bain and Elias, 1985). Two sets of arguments are put forward to explain this relationship, one relating to the ideology of workers, the other to their ease of recruitment. It can be argued that differences in the social position of white-collar and manual workers promotes differences in their attitudes and perceptions of work. Manual workers may have a more conflict based view of work and to perceive the appropriate response to employment problems mainly via collective

action. In contrast, white-collar workers may have a more individualistic approach to work, to be less inclined to see conflict as inherent in the employment relationship and hence to see less value in collective action. This argument has been heavily criticised (see e.g. Bain, Coates and Ellis, 1973) who point out the strong similarities in the factors influencing unionisation decisions of white collar and manual workers, with stress placed on greater management resistance to the unionisation of private sector white-collar workers as a major contributor to the differences in levels of unionisation.

On the supply-side of union services, it can also be argued that the typical distribution of white collar workers across and within establishments makes their recruitment and servicing relatively expensive for unions. Such workers are commonly found in smaller numbers, with pockets of white-collar staff spread across departments or divisions of organisations, a situation which inevitably increases the difficulties and costs of drawing such workers into membership.

#### Industrial and Establishment Characteristics:

With the exception of establishment size, the evidence on the impact of industry and establishment characteristics is mainly American in origin. The characteristics examined cover the level of concentration in the industry, its

capital intensity and the average size of establishments. in all cases a positive associations with unionisation is reported.

In monopolistic and oligopolistic industries firms face downward sloping demand schedules for product and services which in turn generates above normal profits. Given the ability of firms in this market position to pass on cost increases to customers the demand elasticity of labour may be lowered and the unions ability to win wage increases may be enhanced. The existence of barriers to entry which increase the firms ability to sustain monopoly profits are also likely to reduce management resistance to recruitment campaigns by unions (see, e.g. Ashenfelter and Johnson, 1972; Lee, 1978; Hirsch and Berger, 1984). In contrast to these arguments, it has been suggested by Bain and Elsheikh (1979) that in competitive product markets employers may attempt to 'take wages out of competition' by regulating variations in labour costs across firms via industry agreements with trade unions.

The evidence on the positive relationship between capital intensity and unionisation is not as strong as that reported on concentration ratios. The textbook rationale for the relationship is based on a higher capital/labour ratio reducing the elasticity of the labour demand schedule, assuming that the elasticity of substitution is less than the price elasticity of demand. Management concern with the optimum utilisation of capital stock provided employees with considerable leverage and is also

likely to reduce resistance to union recruitment efforts (Hirsch and Berger, 1984).

The final industrial/organisational characteristic on which substantial empirical evidence exists concerns the positive relationship between establishment size and unionisation. The rationale for this relationship reflects both supply-side and demand-side factors. The existence of economies of scale in recruitment and servicing results in trade union organising efforts being concentrated on larger establishments. In addition, the demand for union membership is positively affected by the fact that work arrangements, grievance procedures and communication channels tend to be formalised in larger establishments thus reducing the individual workers opportunity to use informal procedures to resolve problems and communicate views. On the other hand, the larger the establishment the greater the likelihood that if management wish to oppose unionisation they will have the resources to do so and will be able to take advantage of spreading any fixed costs involved in this opposition. Whether management is likely to mount an effective opposition is questioned by Bain and Elsheikh (1979) who suggest that an important reasons for the positive size/membership relationship is that managements in larger organisations accept that the operation of the bureaucratic rules essential to the smooth running of the establishment requires some consultation with representatives of the main parties affected. This need not be a trade union but, at least in a U.K. context, unions are legitimately seen as filling this role. The

empirical evidence on this question points strongly to the factors stimulating unionisation in larger establishments outweighing any countervailing forces (Bain and Elsheikh, 1979; Elsheikh and Bain, 1980; Hirsch, 1982; Hirsch and Berger, 1984; Bain and Elias, 1985).

#### Wage levels and Union/Non-union Wage Differentials:

If the income elasticity of demand for union services is positive then, other things equal, wages should be positively related to unionisation. A number of studies support this hypothesis with the strength of the association found in, for example Ashenfelter and Johnson (1972), Schmidt and Strauss (1976) and Duncan and Stafford (1980), suggesting that, at least in U.S. manufacturing industry, union services are indeed a normal good. As union subscriptions are not normally geared to member income (with the exception of unemployed members dues), the higher the net income of the individual the lower the proportion absorbed in subscription costs. This will increase the probability of membership at higher income levels assuming the quality of service provided by the union is not (or is not perceived to be) negatively related to income levels.

The *a priori* case for a positive relationship between the union/non-union wage differential and unionisation is clear-cut given the direct benefits accruing to the unionised individual. The problem in testing the significance of this variable as a determinant of

unionisation lies in the difficulty in satisfactorily measuring the union wage effect. Given this problem, the results of published studies are contradictory on the relationship between the union/non-union wage differential and the likelihood of unionisation. Lee (1978) and Duncan and Leigh (1980) find a positive relationship, Schmidt (1978) and Hirsch and Berger (1984) do not.

It is necessary to end this review of the literature on determinants of unionisations with a cautionary note. Many of the studies referred to above analyse the demand for unionisation in terms of individual worker choice whereas the dependent variable that is tested is whether a worker is in a union or not. It is important to note that union membership could reflect not only individual rational choice but also collective decisions previously taken by groups of workers, institutional agreements such as the closed shop, and decisions taken by employers regarding the desired arrangements for the determination of pay and conditions. For example, public sector industrial relations arrangements may reflect political decisions by elected representatives to encourage or 'expect' employees to take out union membership. In fact the most prolific U.K. researchers in this field, Bain and Elsheikh, concluded that by the end of the 1970s the increasing acceptance of trade union in society has resulted in union membership becoming less dependent on the self-selection of individuals according to their attitudes and characteristics, and more to do with the characteristics of



the firms and industries in which they work, (Bain and Elsheikh, 1979).

The literature reviewed in this section suggests that the following variables could influence the level of unionisation:

**'Environmental' Factors:**

- \* the rate of price inflation
- \* changes in employment in highly unionised sectors
- \* the depth of the preceding recession measured by the unemployment rate
- \* the proportion of employees previously organised in sectors with high union density
- \* the level of pro-union sentiment amongst public policy makers

**Personal Characteristics:**

- \* sex of individual worker
- \* age of individual worker
- \* employment status of individual worker

**Industry/Establishment Characteristics:**

- \* the degree of concentration in the industry
- \* the degree of capital intensity in the industry
- \* the size of the establishment
- \* the level of wages
- \* the union/non-union wage differential

### Trade Union Factors:

- \* the quality of union leaderships

These findings relate to full-time employees or to total employees with no information available on the part-time/full-time split in the total. They can be used as the basis for the analysis of the union membership/non-union membership split in the part-time data set in an attempt to determine whether significant differences emerge between full- and part-time employees on the factors associated with membership.

Before reporting the results of these tests it is useful to discuss some of the limitations of the data for this purpose. Firstly, with the exception of 51 (7%) respondents working in food-processing plants the sample is drawn exclusively from retail and distributive trades. The problem of coming to a satisfactory definition of what constitutes an industry has already been discussed in Chapter 3, but it is likely that respondents are drawn from distinct segments of the retail market in which variables such as concentration ratios and capital/labour ratios differ substantially. Unfortunately the survey offered insufficient information on the employing establishments to incorporate any industry variables into the analysis.

It is also worth noting the very uneven sex split in the sample. Only 44 (6%) of respondents are male, a proportion very much in line with part-time labour in these

SIC classes as a whole (Department of Employment, 1987).

Referring to the list of potentially significant variables listed above, all those drawn from the time series analysis cannot be incorporated in a cross-section exercise of this type. As it is not possible with the available data to identify the direct impact of variables such as inflation rates, unemployment, or the political climate on individual workers perceptions of the attractions of membership it can only be assumed that these 'environmental' factors have a uniform impact on employee perceptions. Similarly, the union/non-union wage differential cannot be included in the analysis simply because no satisfactory measure of this variable is available.

There is clear evidence from the sample that the distribution of pay across union members and non-members differs substantially at both end of the hourly pay range, (Table 6.1). But this is more likely to reflect differences in the distribution of occupations or grades amongst members and non-members. As such it suggests that the positive association between wage rates and grades discussed above may hold in this sample.

Table 6.1 : Distribution of Hourly Rates of Pay

<u>Pay Rate</u>	<u>Percent of</u> <u>members</u>	<u>Percent of</u> <u>non-members</u>
150p or less	1	10
151-180p	1	4
181-200p	4	2
201-220p	18	17
221-250	42	41
251-300p	15	16
301 or more	18	10

N=415

N=301

This exclusion leave the following variables to be incorporated into the multi-variate analysis:

\* Sex of the individual worker

F=1

M=0

\* Age of the individual worker

AGE1=under 26 years

AGE2=26 and under 46 years

AGE3=46 years or older

\* Employment status/grade

The full CODOT classification of occupations was used in the initial coding of the part-time occupations identified by respondents. As expected, a high degree of bunching occurred round a small number of occupations producing a three-fold classification

GRADE1=sales staff

GRADE2=clerical/typing

GRADE3=others (mainly cleaners, food preparation staff and warehouse workers)

\* Establishment size

SIZE1=1-49 employees

SIZE2=50-99 employees

SIZE3=100-299 employees

SIZE4=300 or more employees

\* Wage rates

WAGE1=199 pence or less per hour

WAGE2=200-239 pence per hour

WAGE3=240-299 pence per hour

WAGE4=300 pence or more per hour

In addition the survey provided data on a further range of variables which, *a priori*, could influence the individual membership decision. These variables cover establishment and job characteristics

\* Ratio of full-time to part-time workers:

It is possible that the proportion of part-time employees in an establishment may influence the attitudes and perceptions of these workers to trade unions. If, for example, part-time employees are a small minority of an establishment's workforce they may feel marginalised and likely to be ignored or poorly served by unions which principally focus on full-time workers and their problems.

Part-time employees less than 30% of all employees=1

Part-time employees 30% or more of all employees=0

\* Ownership:

A five-fold ownership classification was used in the survey, ranging from partnerships/family businesses through limited companies, co-operatives, and government owned establishments to foreign-owned establishments. The proportion of establishments falling into three of these categories was very small. Only Limited Companies and Co-ops were commonly cited hence the other categories were collapsed into these, thereby generating a public/private ownership split. 85 percent of respondents are employed in the private sector, the remaining 15 percent work under other forms of ownership, almost all in the Co-operative movement. It is possible that differences in the ownership of an establishment will be reflected in differences in its objectives, its managerial style and its attitude to unions, factors which may in turn be reflected in employee attitudes to unions. A cautionary note should be added here, given the fact that almost all 'public sector'

workers in the survey are employees of the Co-op, any significant public sector/ private sector differences which emerge in the subsequent analysis are likely to strongly reflect the specific policies and practices of the co-operative movement and cannot necessarily be taken to reflect broader public sector distinctions.

Private sector=1

Public sector=0

**\* Basic Working Hours per Week:**

The extent to which a worker feels 'involved' or 'committed' to his or her job is likely to be influenced by the number of hours worked. In turn these feeling may influence the extent to which union membership is thought to be 'worthwhile'. The distribution of hours worked per week by sample respondents was initially based on the legal thresholds of 8 hours and 16 hours per week which influence the level of cover available to part-time employees under employment protection legislation. However, as very few workers were employed for under 8 hours per week the lowest hours band adopted was defined as 'up to 16'.

HOURS1=up to 16 hours per week

HOURS2=16 and up to 20 hours per week

HOURS3=more than 20 hours per week

#### Section 4: Results

The dependent variable in the analysis reported below is union membership/no union membership. As this variable is dichotomous the use of Ordinary Least Squares in the estimating procedure is, strictly speaking, inappropriate as it can lead to inefficient estimates, biased standard errors resulting from heteroskedasticity, and predicted values outside the [0,1] range. To overcome these problems probit analysis is used (Amemiya, 1981). However, the statistical inefficiencies introduced by using ordinary least squares techniques tend to be reduced the larger the sample size; as the data set covered 734 respondents OLS results are also presented although they must be treated with some caution. The advantage of using OLS is that the estimated coefficients on each explanatory variable can be regarded as the marginal probability of the influence of that variable on the dependent variable. Thus, if we find that the coefficient on, for example, the Private Sector ownership variable is -0.29 then any individual working in the private sector (in the sample) is 29 percentage points less likely to be in a union than any individual without that characteristic. Both the probit results and the OLS results are presented in Tables 6.2 and 6.3 respectively. An almost identical set of variables are identified as significant under both procedures, (the exception being Size2).



Table 6.2: Variables Associated with the Probability  
of Union Membership: Part-time Employees  
(Probit)

Variable	Regression Coefficient	Standard Error
<b>Personal:</b>		
Sex	0.025	0.248
Age1	-	-
Age2	0.531*	0.141
Age3	0.609*	0.159
<b>Establishment:</b>		
Size1	-	-
Size2	-0.366*	0.178
Size3	-0.421*	0.167
Size4	-0.232	0.185
Part-time ratio	-0.054	0.127
Private sector	-1.065*	0.204
TU Recognition	0.852*	0.148
<b>Job:</b>		
Wage1	-	-
Wage2	0.650*	0.212
Wage3	0.610*	0.225
Wage4	0.451*	0.223
Occupation1	-	-
Occupation2	0.051	0.119
Occupation3	0.195	0.167
Hours1	-	-
Hours2	0.630*	0.123
Hours3	0.843*	0.130
intercept 4.188 standard error 0.358		
chi square 666.372 DF 627		N=734

Table 6.3

Regression on Union Membership: Part-time Employees  
(OLS)

Variable	Regression Coefficient	Standard Error
<b>Personal:</b>		
Sex	-0.03	0.08
Age1	-	-
Age2	0.20*	0.05
Age3	0.21*	0.55
<b>Establishment:</b>		
Size1	-	-
Size2	-0.09	0.05
Size3	-0.12*	0.05
Size4	-0.05	0.06
Part-time ratio	-0.04	0.04
Private sector	-0.29*	0.05
TU Recognition	0.32*	0.05
<b>Job:</b>		
Wage1	-	-
Wage2	0.19*	0.06
Wage3	0.18*	0.07
Wage4	0.16*	0.07
Occupation1	-	-
Occupation2	0.02	0.04
Occupation3	0.09	0.05
Hours1	-	-
Hours2	0.23*	0.04
Hours3	0.29*	0.04
Constant	0.15	
R2	.285	
F	15.66	
DF	(16,627)	

The results reported in Tables 6.2 and 6.3 are broadly consistent with the literature presented in the previous section. Each of the statistically significant variables will be considered in turn.

#### Age:

The sample was split into three age bands, those aged up to 25, those ages between 26 and 45, and older workers aged from 46 upwards. These bands contain 20%, 50% and 30% respectively of the sample of 722 respondents. A split in the first band designed to measure the probability of young workers (those aged under 21) being union members was not possible given the small numbers in this category. Even so, the results indicate that there is a positive association between the age of part-time workers and the probability of union membership. Those aged 26 or over are approximately 20 percentage points more likely on the OLS estimates to be union members, other things equal. Before discussing the possible reasons for this relationship it is worth noting that the variable measured in this study is age, not labour market experience.

The increased likelihood of union membership being held by those part-time workers aged 26 and over may reflect a number of factors. Job mobility is higher for young workers and those with no family commitments compared to older workers and those who are married with a family. Only 127 (21%) of the 722 respondents considered here are single (as distinct from being married or divorced/widowed/ separated) and of these 86% are aged under 26. Of

the under-26 year olds 84% have no children in contrast to only 5% of the 36 to 45 year group and 9% of the older workers. These figures suggest, unsurprisingly, that those in the first age band are likely to have significantly higher job mobility than other respondents. Some support for this is provided by the duration of the current and prior employment spells of respondents by age. (see Tables 6.4 and 6.5). These indicate that over 75% of the under-26 year olds had been in their present employment for less than two years (37% for less than six months), in contrast the equivalent figures for the 26-45 age band are 30% and 10%, and for the older workers 10% and 5%. The equivalent figures for the preceding employment spell are very similar. If job mobility declines with age then the older the worker the greater the likelihood that they will attempt to improve their terms and conditions of service within their current employment rather than looking for a change of employer to affect the improvement. This may increase the perceived value of trade union representation by age.

The main trade union operating in the sectors covered in the survey is USDAW. The range of services offered by this union is extensive, from the core activities of individual representation and collective bargaining on term and conditions of employment, to legal advice and assistance, sickness benefit, disability benefit and dispute benefit. It is possible that older workers may

Table 6.4 : Age by length of Current Service

	less than 6 months	6 months to 2 yrs	2 to 5 years	5 to 10 years	10 yrs plus	
under 26	51 37%	54 39%	27 20%	6 4%	-	138 20%
26 to 45	39 11%	76 21%	120 33%	69 19%	65 18%	369 52%
46 plus	10 5%	11 5%	32 16%	41 20%	107 53%	201 28%
<hr/>						
	100 14%	141 20%	179 25%	116 16%	172 24%	708 100%
<hr/>						

chi-square 254

DF 8

Sig 0.000

Table 6.5 : Age by length of Previous Service

	less than 6 months	6 months to 2 yrs	2 to 5 years	5 to 10 years	10 yrs plus	
under 26	21 39%	17 32%	12 22%	4	-	54 11%
26 to 45	24 8%	51 18%	111 39%	72 25%	29 10%	287 57%
46 plus	5 3%	15 9%	44 28%	51 32%	44 28%	159 32%
<hr/>						
	50 10%	83 17%	167 33%	127 25%	73 15%	500 100%
<hr/>						

chi-square 111

DF 8

Sig 0.000

place a higher value on some of these services than is conferred by younger workers. *A priori* this is entirely rational given that the probability of any individual taking advantage of the range of welfare benefits and support services will tend to increase with age.

#### Establishment Size:

The results of the 'age' variables were entirely consistent with the literature on determinants of unionisation amongst full-time workers reviewed above. In contrast, the results in Table 6.2 indicate a non-linear negative relationship between establishment size and the probability of union membership amongst the sampled part-time workers, the opposite of the relationship between establishment size and the unionisation of full-time employees noted in the literature review. Four size bands were used, the smallest covers workplaces with up to 49 workers and employed 19% of the sample; those establishments employing 50 to 99 workers covered 21% of the sample, 32% of respondents worked in establishments employing 100 to 299 workers, and the remaining 28% worked in establishment of 300 or more employees. Using probit the coefficients on bands two to four were negative and significant in the case of sizes 50 to 299 employees, using OLS only size band 3 (100 to 299 employees) negatively and significantly varied from the smallest establishments, the

coefficient suggesting employees in this size band are 12 percentage points less likely to be members of a union.

One possible explanation of this negative association between size and unionisation is that the policies of the unions operating in the industries covered in the survey are better geared to the needs of workers in smaller establishments, thus leading to a higher demand for membership in these locations. Unfortunately it is not possible to adequately explore this hypothesis with the data available from the survey, but information is available on each worker's perception of the impact of trade unions on their pay and conditions of service, and of each members opinion as to whether their union offers 'value for money' given subscription levels. Cross-tabulating these variables by establishment size offers no support for the argument outlined above. The perception of both members and non-members regarding union effectiveness on pay or conditions is not related to size, and, as shown in Table 6.6, fewer employees in small establishments (under 50 employees) than in other workplaces report their union as offering value for money (44% compared to 56%)

Differences in the age and working hours profiles of employees in the smaller establishments compared to the rest do occur (see Tables 6.7 and 6.8). But on the *a priori* reasoning outlined earlier on 'age' and below on 'hours',

Table 6.6 Establishment Size by Value for Money from  
Union Subscriptions

	Yes	No	Don't Know	
up to 49	41	32	21	94
employees	44%	34%	22%	22%
50 or more	186	61	83	330
employees	56%	18%	25%	78%
-----				
	227	93	104	425
	53%	22%	25%	100%
-----				
Chi-square 10.8		DF 3	Sig 0.01	

the expected outcome is the opposite of the one being analysed. The effect of both these variables should, of course, already be controlled for in this multi-variate exercise, assuming these effects are additive. However, it is possible that interactions occur where, for example, the relationship between size and membership differs across age groups.



Table 6.7 : Establishment Size by Basic Weekly Hours

	up to 16	16 to 20	over 20	
up to 49 employees	60 45%	36 27%	38 28	134 19
50 or more employees	191 34%	193 34%	186 33%	570 81%
	251 36%	229 33%	224 32%	704 100%
-----				
	chi-square 6.11	DF 2	Sig 0.04	

/f\*£

Table 6.8 : Establishment Size by Age

	under 26	26-45	46 plus	
up to 49 employees	33 25%	58 45%	39 30%	130 19%
50 or more employees	101 18%	300 53%	161 29%	562 81%
	134 19%	358 52%	200 29%	692 100%
-----				
	Chi-square 4.63	DF 2	Sig 0.09	

Other possible explanations for the relationship between establishment size and the probability of unionisation fall into three groups, supply-side based, demand-side based and specific sample characteristics. Supply-side based arguments concerning the relationship between size and membership focus on the economies of scale that can be gained by the unions in recruiting and servicing members in large employment units. These economies should apply equally to members working full- or part-time unless the recruitment techniques adopted by the union, or the services demanded by the members differs between these two groups of workers. In the absence of any academic evidence to support these suggestions it is very difficult to explain the negative relationship between size and unionisation by reference to the economics of trade union recruitment and servicing.

Considering the size/unionisation relationship from the demand-side it is argued in the literature that, other things equal, the larger the establishments the more formal are its employment relations and hence the lower the scope available to individuals to use informal procedures to resolve employment issues of mutual interest. Again, it is difficult to see why part-time workers should be significantly less affected by these organisational arrangements than their full-time colleagues. There was some evidence presented in Chapter 3 supporting the view that, at least in the case of white-collar workers in the public sector, part-time employees were less likely to

/f\*+become involved in issues not directly related to their job tasks. This in turn may reduce the drive toward collective representation generated by bureaucratic arrangements in larger organisations and offer a partial explanation why unionisation is not positively associated with size. However, as the present sample is confined almost exclusively to non-manual workers in the private sector this argument carries little weight in explaining the negative size/unionisation relationship identified in the regression exercise.

The third set of possible explanations lies in the peculiarities of the sample. As the level of unionisation in the public sector establishments in the sample is almost 100% (see below) it is possible that if the public sector establishments in which respondents work are also significantly smaller than those employing respondents in the private sector some of this effect may be picked up in the size variable despite the inclusion of an ownership variable in the regression. As shown in Table 6.9, over 50% of public sector employees work in establishments with fewer than fifty employees, compared to only 12% in the private sector. At the other end of the size spectrum only 4% of public sector employees fall into the largest sizeband of 300 or more workers, in contrast to 35% of private sector members.

Table 6.9 : Establishment Size by Ownership

	up to 49	50-99	100-299	300 plus	
Public	52	17	29	4	102
sector	51%	17%	28%	4%	15%
Private	67	133	168	194	562
sector	12%	24%	30%	35%	85%
-----					
	119	150	197	198	
	18%	23%	30%	30%	
-----					
chi-square 102		DF 3	Sig 0.000		

As a further check on the possibility that the negative relationship between size and unionisation reflects mainly a size/public sector relationship, probit procedures were used to identify the factors significantly associated with the probability of unionisation amongst workers in the private sector only. The results of this exercise are shown in Table 6.10

A comparison of Tables 6.2 and 6.10 provides strong support for the explanation offered above. The list of variables significantly associated with unionisation are

Table 6.10: Variables Associated with the Probability  
of Union Membership in the Private Sector:  
(Probit)

Variable	Regression Coefficient	Standard Error
Personal:		
Sex	0.15	0.27
Age1	-	-
Age2	0.51*	0.14
Age3	0.55*	0.16
Establishment:		
Size1	-	-
Size2	-0.21	0.18
Size3	-0.17	0.18
Size4	0.05	0.19
Part-time ratio	0.08	0.12
Job:		
Wage1	-	-
Wage2	0.81*	0.23
Wage3	0.73*	0.24
Wage4	0.58*	0.24
Occupation1	-	-
Occupation2	0.11	0.12
Occupation3	0.28	0.17
Hours1	-	-
Hours2	0.58*	0.13
Hours3	0.81*	0.13
Intercept	7.20	Standard Error 0.39
Chi Square=595		DF=527

identical in the public and private sectors with the sole exception of establishment size. The size variable is very far from significance in the private sector and is significantly and negatively associated in the public sector, suggesting that the overall negative size/unionisation association reflects ownership rather than any independent size effect.

#### Ownership:

The ownership of firms operating in the retail sector of the British economy is almost exclusively private. The vast majority of small establishments are run as family businesses or partnerships, with larger firms operating as private or publicly limited companies. (Rajan, 1987) The only exception to private ownership which is important in employment terms in this sector is the co-operative wholesale and retail societies. 15% of the 694 respondents identifying the ownership of their place of work are employed by the Co-ops. Given the ethos of the cooperative movement, it has always supported the principle of trade unionism and USDAW has a long-standing post entry closed shop agreement with all the Co-ops in which respondents worked. In contrast, only one of the large private sector retail chains covered in the survey had entered into a similar agreement with a union. As a result it is hardly surprising that the establishment ownership variable in the regression exercise proved to be significantly associated with union membership. The strength of this association is

indicated by a coefficient of -0.29 on the private sector variable in Table 6.3.

#### Trade Union Recognition:

120 respondents (17% of the sample) are employed in establishments in which trade unions are not recognised by management for collective bargaining purposes. Working in an establishment in which a trade union or unions is recognised proved to be significantly associated with the probability of trade union membership. This result is unsurprising. The literature reviewed in Section 2 strongly suggests that instrumental reasons are of central importance in the decision to hold trade union membership for a substantial proportion of members. While it is true that the mainly labour economics perspective adopted in these studies is ill suited to incorporate sociological factors which may also influence membership decisions, there are very strong grounds for accepting that the expected economic benefits and costs of membership are influential in the decision to join a union.

Those employees working in an establishment covered by collective bargaining agreements are better able to observe whether improvements in terms and conditions are produced by that recognition. It is, of course, possible for an individual to gain union negotiated improvements in terms and conditions of employment without holding membership of a negotiating union. However, there are other benefits

associated with membership which are not accessible to the 'free rider' and which contribute to a rational case for joining.

The potential ability to identify the benefits arising from trade union membership and compare those to the estimated costs involved provides the worker in the organised establishment with information on which to base a membership decision which is denied to those in unorganised establishments. Why workers in establishments without recognition acquire or retain union membership can be clearly identified from survey data. Lying behind such a decision is either a long term strategy designed ultimately to win recognition; an understanding that union membership may be an effective pre-condition for access to other job opportunities, or a principled belief in trade unionism which transcends the absence of any material benefits arising from membership. The number of workers prepared to hold membership on the basis of these arguments is likely to be very much lower than those confronted with measurable net gains as a result of being represented by their union at their place of work. These factors are likely to lie behind the fact that union recognition in the employing establishment is positively associated with unionisation. Again, as in the case of ownership, the association is very strong, as indicated by a coefficient on the recognition variable in table 6.3 of 0.32.



### Hourly Pay:

All but two of the 732 survey respondents reported their normal hourly pay rate. The mean value of this variable is 232 pence per hour, with a minimum of 117 pence per hour and a maximum of 442 pence per hour. Respondents were very heavily bunched around 230 pence per hour (standard deviation 40), the recommended wages council rate for adult employees at the time of the survey. In an attempt to capture any impact of pay variations on unionisation the sample was split into four bands, those earning under £2 per hour (10% of the sample), those earning between £2 and £2.39 per hour (50%), those earning £2.40 to £2.99 per hour (21%), and those on £3 or more per hour (19%). The regression results show all workers on £2 or more per hour have a greater probability of union membership than those on lower hourly rates. 16% of non-members fall into the lowest wage band compared to 6% of union members. The strength of the distinction between those earning below £2 per hour and those earning above this figure is indicated by the coefficients presented in Table 7.3. There is little variation in the coefficients on the three wage bands covering hourly pay of £2 or over (0.19, 0.18 and 0.16), indicating that the probability of membership is unaffected by earnings over this range compared to the very low paid.

There are a number of possible explanations for the lower levels of unionisation amongst very low paid workers in the sample. If union services are a normal good then a positive income elasticity is to be expected. The weekly union subscription to USDAW, the main union representing workers in retail and distributive trades, was 58 pence at the time of the survey. For an low paid employee in the bottom decile of the distribution working the mean number of weekly hours in the sample (18), union membership would cost approximately 2.5% of their gross wage. In contrast, a member on identical hours whose earnings place them in the top decile needs to commit less than 1% of their gross wage. The importance of the cost of union dues as a constraint on joining (as distinct from retaining membership) is indicated by survey responses to a question seeking the opinion of non-members as to whether 58 pence per week was 'quite cheap', 'fair', or 'too expensive' a price to pay for union services. Cross-tabulating responses by hourly wage rates (Table 6.11) indicated that in the three wage bands above £2 per hour approximately 25% of non-members stated that the current subscription rates was too expensive, in contrast this view is held by 40% of those earning below £2 per hour. An identical question directed at union members produced very different results (Table 6.12). Only 12% of members earning below £2 per hour reported subscriptions as too expensive, a figure that rose to 22% in the £2 to £2.39 band. 31% in the £2.40 to £2.99 band and 17% in the £3 or more category. This suggests that current membership costs are not a constraint on membership retention.

Table 6.11 : Hourly Pay by Non-Members Opinion of Union Subscription Rate

	up to 199p	200-239p	240-299p	300p plus	
Cheap or Fair	29 14%	105 51%	39 19%	34 16%	207 73%
Too expensive	19 25%	34 44%	13 17%	11 14%	77 27%
	48 17%	139 49%	52 18%	45 16%	284 100%

chi square 4.55      DF 3      Sig 0.207

/f\*g

Table 6.12 : Hourly Pay by Members Opinion of Union Subscription Rates

	up to 199p	200-239p	240-299p	300p plus	
Cheap or Fair	14 4%	182 56%	67 21%	64 20%	327 77%
Too expensive	2 2%	52 54%	30 31%	13 13%	97 23%
	16 4%	234 55%	97 23%	77 18%	424 100%

chi square 6.16      DF 3      Sig 0.103

There is, of course, another possible interpretation of these figures. Determining 'value for money' obviously requires an evaluation of the service being paid for, and it is possible that the services provided by the trade unions in the industry are, or are perceived to be, of greater value to the very low paid. The survey offers no clear evidence on this question.

As discussed in the previous section, there is a debate as to whether the wage rate can be treated as an independent variable in any analysis of determinants of unionisation. It can be argued that, other things being equal, the level of union membership may affect wage rates via its impact on union bargaining strength, and wage rates may affect union membership through their impact on the perceived net benefits accruing from membership. If these relationships both hold it can be argued on *a priori* grounds that, after controlling for occupation/job, respondents on relatively low wage rates are, other things equal, less likely to join a union as unions have demonstrated an inability or unwillingness to improve their relative pay. Can it therefore be claimed that the lower probability of very low paid workers joining a union reflects this assessment of the unions performance in directly influencing their relative pay?. The results of cross-tabulating hourly pay by 'value for money' reported in Table 6.12 suggest this is not the case for union members but may well reflect the views of non-members.

Another possible explanation lies in nature of the occupational classifications used in the regression exercise. It may be that the occupational distribution of very low paid respondents differs significantly from that of workers earning £2 or more per hour. Technically the regression exercise should have controlled for variations in occupations when identifying the pay/unionisation relationship, but as noted in Section 3, the categorisation of their jobs by respondents was very crude. It is therefore possible that substantial variations in job content and skill/experience levels exist within the categories adopted in the regression such 'shop sales staff' and 'clerical/typist'.

It may be the case that many of the very low paid 'shop/sales' or 'clerical/typing' workers are concentrated in a range of jobs, such as shelf-packing, for which employers can find labour even at hourly rates as low as 117 pence per hour. The age of such workers may exclude them from coverage by Wages Council Orders or they may work very few hours on twilight shifts or on a saturday-only basis. The occupational characteristics of these very low paid workers may make them difficult to recruit and hold in the union. If they work non-standard hours stewards or full-time officials may have difficulty gaining access to them for recruitment purposes (or to collect dues if a check-off system does not apply). This problem of access may be aggravated by relatively high turnover of such staff, the high rate of quits being stimulated by both the

low pay and the monotonous nature of many of these unskilled jobs. Crosstabulating the duration of respondents current employment by hourly wage rate identifies a clear inverse relationship (Table 6.13).

Table 6.13 : Hourly Pay by length of Current Service

	less than 6 months	6 months to 2 yrs	2 to 5 years	5 to 10 years	10 yrs plus	
Up to 199	23 35%	27 42%	8 12%	2 3%	5 8%	65 9%
200-239	54 14%	62 16%	105 28%	69 18%	88 23%	378 53%
240-299	9 6%	25 17%	37 25%	22 15%	58 38%	151 21%
300 or more	14 11%	28 23%	33 27%	24 19%	25 20%	124 17%
-----						
	100	142	183	117	176	718
	14%	20%	26%	16%	25%	100%
-----						

chi-square 82

DF 12

Sig 0.000

The results presented in Table 6.13 offer support to the argument that turnover rates will be higher for very low paid workers. It also raises the possibility that the lower union membership amongst the very low paid partly reflects the fact that shop stewards have not yet got around to recruiting those recently started in their establishment. The strong positive relationship found in the survey between duration in current employment and likelihood of union membership (Table 6.14) offers some support for this argument.

Table 6.14 : Length of Membership by Length of Current

	<u>Employment</u>					
	less than 6 months	6 months to 2 yrs	2 to 5 years	5 to 10 years	10 yrs plus	
Non-	73	71	87	31	33	295
Member	25%	24%	30%	11%	11%	41%
Member	27	72	96	86	144	425
	6%	17%	23%	20%	34%	59%
-----						
	100	143	183	117	177	720
	14%	20%	25%	16%	25%	100%
-----						
	chi-square 96		DF 4	Sig 0.000		

### Weekly Hours:

The distribution of normal weekly hours worked by all 734 respondents was split into three categories. The choice of the lowest category, 'less than 16 hours', was designed to capture all respondents disadvantaged under employment protection legislation by their hours of work. This applies to 36% of the sample. The split between the second and third categories was placed at 20 hours to create roughly equal categories, with 32% working 16 to 20 hours and an identical proportion working over 20 hours. The regression results indicate no differences in the probability of union membership arising from working 16 up to 30 hours per week, but a significantly lower probability of membership amongst those employed for fewer than 16 hours. The strength of this distinction is indicated by the fact that the coefficients on weekly hours of work suggest that those on more than 20 hours are 29 percentage points more likely to be members of a union, and those on 16 to 20 hours are 23 percentage points more likely to be members than workers employed for under 16 hours per week.

A number of the possible reasons for this relationship between low weekly hours and unionisation have been considered in the discussion above on the effects of low hourly pay rates, Table 6.15 indicates a strong positive association between hourly pay rates and number of hours worked. The impact of union subscriptions on the membership decision depends upon the ratio of weekly membership dues to net weekly income from part-time employment. This



net income is a function of the hourly rate of pay, the hours worked, and the tax take. Other things being equal, the lower the number of hours worked the greater the likelihood that membership subscriptions will discourage workers from taking out membership ( Table 6.16).

Table 6.15 : Hourly Pay by Basic Hours

	Up to 16	16 to 20	over 20	
up to 199	40	8	17	65
	62%	12%	26%	9%
200-239	168	116	99	383
	44%	30%	26%	52%
240-299	23	65	66	154
	15%	42%	43%	21%
300 or more	34	46	50	130
	26%	35%	39%	100%
-----				
	265	235	232	732
	36%	32%	32%	100%
-----				

chi-square 66

DF 6

Sig 0.000

Table 6.16 : Hourly Pay by Non-Members Opinion of  
Union Subscription Rates

	up to 199p	200-239p	240-299p	300p plus	
Cheap or	29	105	39	34	207
Fair	14%	51%	19%	16%	73%
Too	19	34	13	11	77
expensive	25%	44%	17%	14%	27%
-----					
	48	139	52	45	284
	17%	49%	18%	16%	100%
-----					

chi square 4.55      DF 3      Sig 0.207

/f\*£

Even if the level of trade union subscription has no bearing on the decision to join and remain in a union it is possible that the demand for union services may be lower for employees on fewer than sixteen hours per week. This could arise for at least two reasons. Firstly, it is possible that workers on relatively low hours may perceive that their limited work time affords them little opportunity to take advantages of many of the services offered by a trade union. This is unlikely to apply to collective negotiations on pay and conditions but could be important in the area of union representation on issues

affecting the individual. It is also likely that those on relatively low hours will be unable to participate in the affairs of the union as easily as those working a half or two thirds of a full working week, and will have more difficulty in maintaining communications with their union. Many of the workers on low hours are employed as cleaners or as catering assistants for a few hours each day. In many cases they are employed outwith normal working hours or are physically separated from the majority of other full and part-time employees. These circumstances could provoke in the individual a sense that the union is 'not for them', that it is marginal to their working lives and hence not worth joining. For workers on low hours this conclusion could also arise from the fact that the part-time work they undertake may play a less significant role in their lives than would apply to other workers on longer hours. Students, saturday-only staff and short-term casuals are examples of the categories of workers who might adopt this perspective.

Even if it is assumed that cost is not an impediment to membership and that workers on less than 16 hours per week wish to exercise the same demand for union services as those on longer hours, unionisation rates may differ due to supply-side factors. The problem faced by lay or full-time officials in gaining access to part-time workers for recruitment and servicing purposes was also touched on in the discussion above on pay rates. While their comments provide only anecdotal evidence, all the USDAW full-time officials involved in the survey expressed the view that

access problems now represented a serious threat to levels of unionisation in retail trades. This position is supported by direct survey evidence presented in the next section of this chapter, but it is also possible to point to other trends in the retail sector which could potentially contribute to access difficulties influencing levels of unionisation (see Chapter 4 for a more detailed discussion of these trends). The most important of these is the widespread extension of opening hours in retail establishments, bars, cinemas etc over the last decade (Rajan 1987). This trend has combined with the development of employer labour use strategies in the sector to generate complex patterns of short and split shifts in many establishments. The perceived importance of avoiding National Insurance contributions when employing part-time labour was discussed in detail in Chapter 5. The significance of this factors was especially marked in SIC Division 6 establishments cooperating in the management survey. The threshold for payment of this tax is based on a weekly or monthly wage level. As noted above, the hourly pay rates of the majority of part-time workers in the retail sector are close to the figure set by the Wages Council. In these circumstances the easier variable to manipulate in order to hold weekly wages below the prescribed limit is hours of work. In addition, if the employee does not work for more than four hours consecutively no meal breaks need be offered. The result is that many of the large retail stores covered in the management survey reported that a complex shift pattern was in place. This often stretched from 5a.m. when cleaners

arrived to 10 or 11p.m. when shelf-stackers and other maintenance staff finished their shift.

The short duration and variability of some shifts can result in a situation in which the shop steward in an establishment may never actually meet some staff members. Stewards in retail establishments typically use meal breaks to contact potential and existing members as the departmental structure or management ruling in many establishments makes contact the other time difficult. The use of staggered meal breaks and the fact that some employees may not be entitled to such breaks has clear implications for the recruitment and servicing of part-time workers on low weekly hours.

Before attempting to draw any conclusions from this regression exercise on determinants of unionisation, further survey data relating to union membership will be presented. The reason for the separate presentation lies in the nature and quality of the data. In this Section only factual data on establishment size, wage rates, hours worked, etc has been utilised. Every effort was made to ensure the accuracy of this information by cross-checking with the full-time and lay officials of the cooperating union. In the next section the responses to open-ended questions on reasons for membership and non-membership are presented. In such an exercise there are inevitably problems of consistency, of constructing a satisfactory coding frame, of translating often highly specific comments

from respondents into a manageable set of categories for analytical purposes, and so on. However, even given these problems, the information forms a useful complement to the analysis presented above and is considered before any conclusions on the unionisation of part-timers are drawn.

#### Section 4: Reasons for Membership/Non-membership

The questionnaire included an open-ended question which could provide potentially useful information in the analysis of determinants of part-time unionisation. Respondents were asked to list the reasons why they were, or were not, in a union.

##### Reasons for Membership/ Non-Membership:

##### Membership:

The 433 respondents who are currently members of a union were asked to outline the main reasons why they joined. 13% (58) provided no answer to this question, 60% (261) identified one reason for joining, and 26% (114) cited two or more reasons. In the cases where multiple reasons were given there was no way of knowing which the respondent deemed to be the most important, hence in the table that follows the total number of cited reasons exceeds the total number of members. The personal characteristics of the 58 members who failed to identify

reasons for membership do not differ significantly from those of all sampled trade union members.

Responses were collapsed into the following categories.

- \* PAY: all responses citing the trade unions ability to collectively negotiate on pay
- \* CONDITIONS: all responses citing the trade unions ability to collectively negotiate on conditions of service
- \* REPRESENTATION: all responses citing the trade unions ability to represent the member on individual issues
- \* SECURITY ETC: a range of responses citing the desire for entitlement to rights, the provision of job security, the avoidance of victimisation, and protection from arbitrary treatment by management as reasons for membership
- \* NO CHOICE: all responses citing the existence of a closed shop or any situation in which the respondent perceived that they had no choice but to join a union
- \* BELIEVE: all non-instrumental reasons for

membership, a belief in trade unionism in general, etc.

It is worth noting that the reasons cited for membership by most workers are likely to reflect both their feelings about the union prior to membership, and what issues they have felt most strongly about throughout their membership. There may be cases in which individuals recollect joining the union for reasons which they no longer regard as important. In these circumstances the reason for joining identified by individuals is likely to strongly reflect their current motivation for membership.

Table 6.17 REASONS FOR MEMBERSHIP OF A UNION

Reason	Number of members citing the reason	Percent of Citations
PAY	48	9
CONDITIONS	54	10
REPRESENTATION	94	18
SECURITY ETC	120	23
NOCHOICE	124	24
BELIEVE	56	10
OTHER REASONS	20	4

N=516



### Non-Membership:

The 301 non-members responding to the survey (41% of the total sample) were asked to briefly note the main reasons why they were not in a union at the present time. 24% (73) of this sub-sample offered no reason for their non-membership, 57% (173) cited one reasons, and 18% (55) noted more than one reason. hence the total number of reasons cited in Table 6.18 exceeds the total number of non-members responding to this question.

Responses were collapsed into the following categories.

\* NO REQUEST: all responses indicating the worker had never been approached to join a union in present workplace

\* NOT WORTH IT: a wide range of reason given why membership not worthwhile, mainly too short a work-week, temporary employment status and the union does not have recognition in workplace

\* NO USE: all responses indicating that union could or would do nothing for part-time workers

\* COST: all responses indicating subscription costs

resulted in non-membership

\* OPPOSE: all responses indicating the worker opposed  
trade unions in principle

Table 6.18

MAIN REASONS FOR NON-MEMBERSHIP

Reason	Number of Non-Members Citing Reason	Percent of Citations
NO REQUEST	76	33
NOT WORTH IT	68	30
NO USE	35	15
COST	24	10
OPPOSE	26	11

N=229

Before commenting on Table 6.17 and 6.18 it is necessary to consider how to interpret the most frequently cited reason for membership, namely, that the individual had no choice but to join a union. It is perfectly legitimate to consider responses such as 'had to join', 'no choice', 'closed shop' and 'required by management' as non-pejorative statements of fact. It is also possible that individuals who offered such reasons are strongly in favour of trade unions. On the other hand these individuals may all be reluctant members of a trade union who would let

their membership lapse if they did not fear that such behaviour would threaten their job security. There is no way of confidently identifying where on this spectrum the majority of respondents lie. The only evidence from the survey that offers some insight into the attitudes of members citing 'no choice' is their responses to a question on the general impact of trade unions on society. Slightly under two thirds of the 120 members covered in the crosstabulation who stated that they had no choice but to join a union were of the opinion that unions were 'good for society' (as distinct from 'bad' or 'don't know'). This contrasts with proportions ranging from 76% to 91% amongst the groups of members citing other reasons for union membership (Table 6.19) The fact that two-thirds of those 'required' to join have a positive view of unions in general suggests that this is not a group composed mainly of reluctant members, but the difference in proportion does indicate that such workers do exist in this sub-sample.

Given this, Table 6.17 raises a number of interesting points. The first is that the union provision of assistance and support on matters of individual rights and shop-floor treatment are, by far, the most important positive reasons why this sample of part-time workers chose to join a trade union. Combining this result with the fact that the second most frequently cited positive reason for membership relates to representation on individual issues, indicates that the sampled union members are twice as likely to have

Table 6.19 : Reasons for Membership by Opinion of

Unions in general

	Pay and Conditions	Individual Services	Believe in unions	No Choice	
Good for	40	120	39	78	277
Society	14%	43%	14%	28%	76%
Bad or	6	37	4	42	89
'Dont Know'	7%	42%	5%	47%	24%
-----					
	46	157	43	120	366
	13%	43%	12%	33%	100%
-----					

chi-square 15.9

DF 3

Sig 0.00

joined to acquire trade union support on individual issues than to underpin collective efforts to win improvements in their terms and conditions of employment. However, it is necessary to add a note of caution when considering this result. Company-wide bargaining on basic pay and conditions is very wide-spread in distributive trades, as is reference to the rates and conditions set by the Wages Council for the industry. As a result employees may perceive the union as having a very limited role in the establishment of wages and basic conditions. Inevitably, from the point of view of the shop-floor worker, the union's profile will be much higher on local issues and

individual grievances, a fact which may partly account for the balance of responses between 'collective' and 'individual' reasons for joining.

Table 6.18 suggests that two groups of part-time workers, those who see unions as of no use to them and those who oppose unions in principle, may be beyond the ability of trade unions to recruit without some legal or other requirement being imposed on the individual to do so. Another two groups, those who feel membership is not worth while under present conditions or who feel membership is too costly, could, at least in principle, be drawn into union membership. This would presumably involve either convincing these workers that trade unions could positively influence their working lives, or tailoring union subscription requirements by, for example, introducing a reduced subscription fee for those working below a fixed number of hours. However, perhaps the most interesting feature of Table 6.18 is the fact that the most common reason why the surveyed part-time workers are not in a trade union is simply that no one has asked them.

As they stand, the list of reasons presented in Tables 6.17 and 6.18 can contribute little to an analysis of the determinants of membership amongst part-time workers in the service sector. The multi-variate procedures adopted in the previous section identified a list of personal, job and establishment characteristics which influenced the probability of unionisation. The discussion in that section attempted to identify potential rationales which could make

sense of each significant association found between these characteristics and union membership. These hypothesised rationales must embody specific reasons why part-time workers join unions which could be picked up directly from surveyed part-time workers. Breaking down the stated reasons for membership and non-membership listed in Tables 6.17 and 6.18 by the significant personal, job and establishment characteristics may provide further information on which to judge the validity of the rationales presented in section 3.

Tables 6.20 to 6.29 report the results of a multi-variate exercise designed to identify the establishment, job and personal characteristics associated with probability of workers citing specific reasons for their membership or non-membership of a union. These results are then discussed under the headings of each of the variables found to be significantly associated with membership in the previous Section.

Table 6.20 Reasons for Membership

Variables Associated with the Probability of 'NOCHOICE'  
being Cited as a Reasons for Membership:  
(Probit)

Variable	Regression Coefficient	Standard Error
Personal:		
Sex	0.59	0.42
Age1	-	-
Age2	0.08	0.20
Age3	-0.31	0.23
Establishment:		
Size1	-	-
Size2	-0.34	0.22
Size3	-0.66*	0.21
Size4	0.26	0.23
Part-time ratio	0.05	0.15
Private sector	-1.79*	0.19
Job:		
Wage1	-	-
Wage2	0.28	0.28
Wage3	0.04	0.29
Wage4	-0.08	0.29
Occupation1	-	-
Occupation2	0.03	0.18
Occupation3	0.85*	0.20
Hours1	-	-
Hours2	0.74*	0.19
Hours3	0.76*	0.19

Intercept 4.23                      Standard Error 0.41

Chi Square=649                      DF=629

Table 6.21 Reasons for Membership

Variables Associated with the Probability of  
'REPRESENTATION' being Cited as a Reasons for  
Membership:  
(Probit)

Variable	Regression Coefficient	Standard Error
Personal:		
Sex	0.62	0.53
Age1	-	-
Age2	0.29	0.21
Age3	0.26	0.22
Establishment:		
Size1	-	-
Size2	-0.17	0.21
Size3	-0.04	0.19
Size4	-0.30	0.22
Part-time ratio	-0.07	0.16
Pirvate sector	0.26	0.21
Job:		
Wage1	-	-
Wage2	-0.11	0.27
Wage3	-0.05	0.29
Wage4	0.04	0.28
Occupation1	-	-
Occupation2	-0.07	0.16
Occupation3	0.15	0.20
Hours1	-	-
Hours2	0.36*	0.17
Hours3	0.42*	0.17

Intercept 2.8                      Standard Error 0.57

Chi Square=623                      DF=629



Table 6.22 Reasons for Membership

Variables Associated with the Probability of  
 'SECURITY' being Cited as a Reasons for Membership:  
 (Probit)

Variable	Regression Coefficient	Standard Error
Personal:		
Sex	-0.26	0.31
Age1	-	-
Age2	0.29	0.20
Age3	0.34	0.21
Establishment:		
Size1	-	-
Size2	0.03	0.20
Size3	0.25	0.19
Size4	0.06	0.22
Part-time ratio	0.14	0.14
Pirvate sector	-0.06	0.17
Job:		
Wage1	-	-
Wage2	0.95	0.53
Wage3	1.23*	0.52
Wage4	1.23*	0.53
Occupation1	-	-
Occupation2	0.00	0.14
Occupation3	0.17	0.19
Hours1	-	-
Hours2	0.22	0.15
Hours3	0.28	0.15
Intercept	2.69	Standard Error 0.59
Chi Square=680	DF=624	

Table 6.23 Reasons for Membership

Variables Associated with the Probability of 'BETTER  
CONDITIONS' being Cited as a Reasons for Membership:  
(Probit)

Variable	Regression Coefficient	Standard Error
Personal:		
Sex	0.52	0.54
Age1	-	-
Age2	0.08	0.24
Age3	0.14	0.26
Establishment:		
Size1	-	-
Size2	0.46	0.31
Size3	0.47	0.30
Size4	0.73*	0.32
Part-time ratio	-0.04	0.19
Pirvate sector	0.14	0.25
Job:		
Wage1	-	-
Wage2	0.03	0.34
Wage3	-0.06	0.37
Wage4	-0.12	0.37
Occupation1	-	-
Occupation2	-0.32	0.19
Occupation3	-0.49	0.27
Hours1	-	-
Hours2	0.03	0.19
Hours3	0.23	0.19
Intercept	2.66	Standard Error 0.63
Chi Square	=686	DF=629

Table 6.24 Reasons for Membership

Variables Associated with the Probability of 'PAY'  
being Cited as a Reasons for Membership:  
(Probit)

Variable	Regression Coefficient	Standard Error
Personal:		
Sex	0.17	0.55
Age1	-	-
Age2	0.47	0.34
Age3	0.77*	0.34
Establishment:		
Size1	-	-
Size2	0.5	0.27
Size3	0.06	0.27
Size4	0.08	0.31
Part-time ratio	0.19	0.20
Pirvate sector	0.44	0.28
Job:		
Wage1	-	-
Wage2	0.13	0.42
Wage3	-0.17	0.45
Wage4	0.17	0.43
Occupation1	-	-
Occupation2	-0.52*	0.24
Occupation3	-0.26	0.27
Hours1	-	-
Hours2	0.12	0.21
Hours3	0.36	0.20
Intercept 2.43	Standard Error 0.69	
Chi Square=636	DF=629	

Table 6.25 Reasons for Non-Membership

Variables Associated with the Probability of 'NO REQUEST' being Cited as a Reasons for Non-Membership:  
(Probit)

Variable	Regression Coefficient	Standard Error
Personal:		
Sex	0.10	0.30
Age1	-	-
Age2	-0.06	0.19
Age3	-0.07	0.22
Establishment:		
Size1	-	-
Size2	-0.26	0.23
Size3	-0.00	0.20
Size4	-0.46	0.25
Part-time ratio	0.60*	0.17
Pirvate sector	1.09*	0.38
Job:		
Wage1	-	-
Wage2	-0.64*	0.22
Wage3	-0.90*	0.28
Wage4	-0.62*	0.26
Occupation:		
Occupation1	-	-
Occupation2	-0.13	0.18
Occupation3	-0.49*	0.24
Hours:		
Hours1	-	-
Hours2	0.16	0.17
Hours3	-0.34	0.18

Intercept 3.68

Standard Error 0.45

Chi Square=619

DF=629

Table 6.26 Reasons for Non-Membership

Variables Associated with the Probability of 'NOT WORTH IT' being Cited as a Reasons for Non-Membership:  
(Probit)

Variable	Regression Coefficient	Standard Error
Personal:		
Sex	1.370	0.804
Age1	-	-
Age2	-0.946	0.605
Age3	-0.575	0.617
Establishment:		
Size1	-	-
Size2	-0.261	0.708
Size3	0.523	0.585
Size4	0.755	0.730
Part-time ratio	-0.646	0.724
Pirvate sector	4.817	23.964
Job:		
Wage1	-	-
Wage2	0.303	0.696
Wage3	0.455	0.792
Wage4	0.936	0.781
Occupation1	-	-
Occupation2	-0.523	0.412
Occupation3	1.994	0.754
Hours1	-	-
Hours2	-0.718	0.417
Hours3	-1.233	0.465

Intercept -1.075      Standard Error 23.98

Chi Square=75      DF=73

Table 6.27 Reasons for Non-Membership

Variables Associated with the Probability of COST  
being Cited as a Reasons for Non-Membership:  
(Probit)

Variable	Regression Coefficient	Standard Error
Personal:		
Sex	3.38	6.99
Age1	-	-
Age2	-0.62*	0.31
Age3	-1.05*	0.44
Establishment:		
Size1	-	-
Size2	0.83	0.57
Size3	0.74	0.56
Size4	1.11	0.63
Part-time ratio	0.42	0.63
Pirvate sector	-0.01	0.41
Job:		
Wage1	-	-
Wage2	0.62	0.57
Wage3	-2.62	4.04
Wage4	0.43	0.63
Occupation1	-	-
Occupation2	-0.13	0.33
Occupation3	0.15	0.51
Hours1	-	-
Hours2	-0.18	0.31
Hours3	-0.60	0.41
Intercept	-0.51	Standard Error 7.02
Chi Square=487	DF=629	

Table 6.28 Reasons for Non-Membership

Variables Associated with the Probability of 'OPPOSE  
IN PRINCIPLE' being Cited as a Reasons for Non-  
Membership:  
(Probit)

Variable	Regression Coefficient	Standard Error
Personal:		
Sex	-0.05	0.57
Age1	-	-
Age2	-0.27	0.32
Age3	0.03	0.33
Establishment:		
Size1	-	-
Size2	-0.01	0.34
Size3	-0.26	0.35
Size4	-0.90*	0.43
Part-time ratio	0.24	0.29
Pirvate sector	0.82	0.54
Job:		
Wage1	-	-
Wage2	0.25	0.57
Wage3	0.64	0.63
Wage4	0.91	0.60
Occupation1	-	-
Occupation2	0.09	0.27
Occupation3	-0.31	0.46
Hours1	-	-
Hours2	-0.01	0.29
Hours3	-0.06	0.30

Intercept 2.47                      Standard Error 0.82

Chi Square=659                      DF=629

Table 6.29 Reasons for Non-Membership

Variables Associated with the Probability of 'TRADE  
UNIONS OF NO USE TO PART-TIMERS' being Cited as a  
Reasons for Non-Membership:  
(Probit)

Variable	Regression Coefficient	Standard Error
Personal:		
Sex	0.14	0.43
Age1	-	-
Age2	0.22	0.26
Age3	-0.20	0.32
Establishment:		
Size1	-	-
Size2	0.60	0.40
Size3	0.62	0.39
Size4	0.58	0.43
Part-time ratio	-0.01	0.23
Pirvate sector	3.52	4.75
Job:		
Wage1	-	-
Wage2	-0.31	0.29
Wage3	-0.74*	0.36
Wage4	-0.64	0.36
Occupation1	-	-
Occupation2	0.23	0.21
Occupation3	-0.06	0.31
Hours1	-	-
Hours2	-0.43	0.25
Hours3	-0.12	0.22

Intercept -0.11                      Standard Error 4.77

Chi Square=489                      DF=629



### Age:

The probability of membership was found to be significantly lower for workers aged below 26 compared to all others. Three general hypotheses were offered as potential explanations of this result. The first argued that younger workers had higher levels of job mobility and hence are more likely to consider job changes as a method of improving material rewards and hence are less likely to perceive a need for trade unions. The second argued that the services provided by trade unions to their members may be perceived to be of greater value by older workers. The third suggested that younger workers are more likely to be constrained by the costs of membership. Tables 6.24 and 6.27 offer some support for the first and the third of these arguments. Citing desired improvements in pay as a reason for union membership was significantly associated with only two variables, age and occupation, with older workers, (those aged over 45), being significantly more likely to mention this reason. This may reflect lower job mobility amongst such workers, leading them to place greater emphasis on improving pay in their current place of work. Also, as shown in table 6.27, cost is significantly less likely to be cited as a reason for non-membership by those aged over 25 than those in the younger age category. This offers some support for the view that subscription costs are a greater disincentive to joining for young workers, after controlling for hourly wage rates. This could reflect the fact that young workers are more likely to work lower weekly hours than those aged over 25. 51%

of young workers are employed for less than 16 hours per week, compared to 32% of those in higher age bands (Table 6.30) As a result union subscriptions represent a higher proportion of their gross weekly wage given hourly pay rates.

Table 6.30 : Age by Weekly basic Hours

	Up to 16 hours	16 or more hours	
Age under 26	71	68	139
	51%	49%	19%
Age over 26	189	394	583
	32%	68%	81%
	-----		
	260	462	722
	36%	64%	100%
	-----		
	chi-square 16.1	DF 1	Sig 0.00

#### Size:

The negative relationship between establishment size (measured by total number of employees) and unionisation discussed in the last section is problematical. The tentative conclusion reached was that this is likely to

reflect a sectoral effect rather than any direct inverse link between size and the probability of union membership. Some further support for this argument is provided in Table 6.20 which shows that explaining membership in terms of the individual worker having 'no choice' is significantly less likely in large establishments. As already noted, the size distribution of the public sector sub-sample differs from that of the private sector in the much higher proportion of small establishments it contains.

#### Trade Union Recognition:

The earlier discussion of the impact of trade union recognition on membership focused on the differences in the information available to workers in establishments with recognition and those working where a union is not recognised for collective bargaining purposes. This information allows a better evaluation of the relative costs and benefits of membership where recognition exists. It is also very likely that the returns on membership will be higher the wider the range of issues in which the union can become involved. Therefore on instrumental grounds recognition favour membership.

The pattern of reasons for membership by recognition shown in Table 6.31 is inevitably shaped by the fact that over one third of those in establishments with recognition cited 'No choice'. It is, however, worth making two points from this table. Firstly, membership for non-instrumental

reasons is no more likely in establishments without recognition than in those recognising a union. Secondly, in establishments without recognition individual services and representation is identified by almost 60% of members. This unsurprising result reflects the fact that a number of the establishments which do not recognise unions for collective bargaining purposes are prepared to accept a union official as the representative of a worker on individual work-related matters.

Table 6.31 : Reasons for Membership by Union

		<u>Recognition</u>			
		Pay and Conditions	Individual Services	Believe in unions	No Choice
Recognition	40	131	37	119	327
	12%	40%	11%	36%	93%
No recognition	6	14	3	1	24
	25%	58%	13%	4%	7%
-----					
	46	145	40	120	351
	13%	41%	11%	34%	100%
-----					

chi-square 11.4

DF 3

Sig 0.00

The cross-tabulation of reasons for non-membership by recognition produced no pattern. This is somewhat surprising as, on a *priori* grounds, it was expected that those non-members in establishments without recognition would have been more likely than those in establishments with recognition to suggest membership was 'Not worth it' or 'No one has asked me' as reasons for their failure to join. In both cases the proportions citing these reasons were almost identical in both groups of establishments.

#### Ownership:

The positive association between public sector ownership and unionisation was attributed in the last section to the closed-shop agreement between the shop workers union and the retail Co-operative movement. This is strongly supported by the results shown in Table 6.20 where those citing 'no choice' as a reason for membership were significantly more likely to be located in the public sector.

As well as illustrating the clear impact of the closed shop in explaining the higher probability of membership in the public sector, the tables also indicate that private sector workers are significantly more likely to note that their non-membership reflects the fact that no one had asked them to join or that union membership was not worth while.

### Hourly Pay:

The probability of union membership is lower amongst the very low paid in the sample (199 pence an hour or less) than all other workers. A range of possible explanations for this relationship were offered, including the relative cost of membership subscriptions, difficulties faced by unions in gaining access to these workers due to job segregation, and high labour turnover in jobs paying such a pittance. Tables 6.25 and 6.29 offer some support to the second of these arguments. Non-members earning more than £1.99 pence per hour are significantly less likely to cite 'no one asked me' as a reason for their failure to join than those in the lowest income category. These more highly paid workers are also less likely to offer the opinion that trade unions are of no use to part-time workers as a reason for non-membership. The first of these results suggest that unions are less likely to contact low paid workers, the second suggests such contacts may be less likely to result in bringing the worker into membership.

One final point can be drawn from these tables. When 'cost' as a reason for non-membership is considered the hourly pay rate is far from being a significant variable.

### Hours Per Week:

As with the variables size, wages and age, the sample split into two categories, with those part-time workers on less than sixteen hours per week having a significantly lower probability of membership than employees working a longer week. This could reflect the access problems found by trade union officials in their efforts to recruit such workers, it could reflect the fact that normally union subscriptions are higher as a percentage of gross salary the fewer the hours worked, or it could reflect a perception by workers on few hours that the union services are either inaccessible to them or are not geared to their particular needs and problems. Only one of these hypotheses finds any support in the tables. Employees working for less than seventeen hours per week are significantly more likely to explain their non-membership in terms of it 'not being worthwhile'. The likely reasons for this associations were discussed extensively in the previous Section.

## Section 5 : The Unionisation of Part-time Workers :

### Conclusions

The implications of the growth of part-time labour in Britain for trade unions are wide ranging. The decision to focus attention specifically on the factors shaping the unionisation of these workers was dictated mainly by the data generated by the Part-Time Workers survey. The

co-operating union was interested in the views held by existing part-time workers on what services they expected from trade unions, how effective they perceived unions to be, and what kinds of new or expanded services they desired. This information was designed to influence the shape of the union's recruitment strategy. As the survey questionnaires were designed with this objective in mind the data generated mainly consisted of a range of opinions expressed by members and non-members on these issues, plus basic personal, job and establishment characteristics. The range and quality of this cross-section data excluded the possibility of examining the impact of the growth of part-time labour on the tactics and strategies adopted by trade unions, thus leaving the membership/non-membership decision as the major examinable issue. The importance of this decision for the trade unions has already been discussed in Section 2 of this chapter, where it was argued that the ability of trade unions to recruit and retain part-time workers will be one of the major factors determining aggregate membership levels and the public influence they wield in the 1990s.

The method used to analyse the part-time unionisation decision was influenced by the literature on the determinants of unionisation of full-time workers (or an unspecified mix of full- and part-time employees). That literature identified a range of variables significantly associated with unionisation, and as differences in the level of unionisation between full- and part-time workers is of central interest, each of these variables will be



considered in the light of the results presented in the previous two Sections.

The survey provided information on a range of personal characteristics of respondents. Only two, sex and age, have proved to be significantly associated with unionisation in the literature, and no strong *a priori* case could be constructed for the inclusion of others in the regressions dealing with part-time workers. A lower propensity to unionise amongst women workers has been found in a number of mainly American studies. The results of the regressions reported here offer absolutely no support for this proposition, the relevant coefficients being very far from significance. However, it must be remembered that only 6% of the sample was male, a fact which suggests that this finding is treated with some caution.

In contrast, the results on the age variable show a very strong positive association between age and unionisation, in line with the literature on full-time workers. There is no survey evidence to suggest that the reasons behind the lower unionisation levels of young part-time workers reflects less positive perceptions of trade unions or a lower appreciation of the services they provide. Of more significance appears to be their much higher turnover rate combined with other factors discussed below.

Three establishment characteristics were included in the survey, size, ownership and trade union recognition. The literature suggests all three exhibit a positive association with unionisation, findings confirmed in the case of ownership and recognition, but not for the size variable. The negative relationship found between size and unionisation is questionable for a number of reasons. Firstly, the relationship is identified as being statistically significant using probit and OLS techniques only between the first and second size bands and the coefficients are relatively small. Secondly, no coherent rationale can be presented for this relationship and no other known studies report this result. Thirdly, the argument that the statistical significance of size is attributable to a failure to fully control for the impact of ownership on unionisation is supported by a variety of cross-tabulation results. In contrast, the results on ownership and trade union recognition appear to be relatively simple to interpret, they appear mainly to reflect the role of the post-entry closed shop and the probable differences in benefits accruing to members in establishments with and without recognition.

Turning to job characteristics, data on wages, hours and occupations were available. The literature is fairly extensive on the first of these although it does not come to an agreed conclusion. However, the results reported here suggest a very strong, positive non-linear relationship between the probability of unionisation and hourly wage rates over the limited range covered in this survey. This

is exactly the results reported in, for example, Bain and Price (1985), the most recent individual-level analysis of unionisation using British data. The most likely explanations for the lower probability of union membership amongst very low paid workers concerns their higher rate of turnover which contributes to access problems for lay and full-time officials to recruit and service such workers, and is likely to alter the balance between perceived costs and benefits of membership. In addition, the cost of union dues may discourage membership amongst the very low paid.

The literature on the impact of employment status on unionisation focuses mainly on the manual/non-manual distinction. The part-time workers participating in the survey were engaged in a relatively narrow range of occupations, from line or shop supervisors at the top of the earnings distribution, to shelf-stackers, cleaners and temporary counter assistants at the bottom. The very few managers participating in the survey were all drawn from the closed-shop Co-operative establishments. The distribution of occupations had three distinct peaks and these formed the basis of the three job/occupation categories used in the analysis. It was appreciated from the outset that this was an unsatisfactory treatment of a variable which is potentially very important in any analysis of the demand for union services by part-time workers in general. However, as was discussed in Chapter 4, industries vary substantially in the range of occupations which use part-time labour, and in this case all survey respondents were drawn from industries which appear to use

part-time workers almost exclusively at the lower end of the skill hierarchy. This highly skewed distribution of occupations across the sample inevitably limited the potential role of employment status as an explanatory variable in the analysis of variations in unionisation.

The final variable found to be significantly and positively associated with unionisation is weekly hours of work. As the studies reviewed in section 3 covered full-time workers, or an unspecified full-time/part-time mix, this variable did not feature in these analyses. The results reported here suggests that the number of hours worked per week has a very strong impact on the probability of part-time workers being unionised. The reasons behind this result appear to be a mix of access problems for trade union officials to recruit and services workers on low hours, the discouraging effect of trade union subscriptions for those on low hours given that this characteristic appears to be strongly correlated to low hourly pay rates, and a reduced likelihood that such workers will be able to benefit from the services offered by trade unions or to participate in trade union affairs.

A number of general points can be drawn from these results. The first concerns the relationship between the factors identified as being significantly associated with the unionisation of part-time workers in this survey, and those identified as being significantly associated with the

unionisation of full-time workers in the literature. The variables considered fall into three groups, those relating to personal, establishment and job characteristics. This study suggests that the probability of unionisation is reduced if part-time workers are young, work in the private sector, are employed in establishments which do not recognise trade unions, are low paid, and work for relatively few hours per week. Considering comparable variables in the literature on full-timers, the probability of trade union membership is reduced if full-time workers are young, work in the private sector, are low paid, have white collar occupations and work in relatively small establishments. If the case made above for discounting the weak results on establishment size is accepted, and the employment status variable is ignored due to the narrowness of the occupational range in the sample, then the lists of significant variables for full- and part-time workers differ only by the inclusion of hours of work in the latter. This is an unsurprising result given the absence of any clear rationales suggesting why part-time status, per se, should significantly alter the underlying factors generating the relationship between each personal or establishment characteristic and the likelihood of unionisation.

This conclusion suggests that explanations of differences in levels of unionisation between these two categories of workers stem from two main sources. The first concerns the impact of the hours per week variable found to be significant in the regressions. The second relates to

differences in the incidence of those factors associated with non-membership in the full-time and part-time workforces.

Considering first the question of the impact of hours worked on unionisation. It must be kept in mind that the survey covered only part-time labour, hence in this study 'hours of work' is an explanatory variable in the analysis of variations in the probability of unionisation across part-time workers only. However, the positive non-linear relationship between weekly hours and unionisation reported in Table 8.3 covers workers employed from 6 to 30 hours per week. Given the arbitrary nature of defining part-time workers as those working thirty hours or less, it can be argued that this non-linear relationship is likely to extend up to the normal full-time level of 38/40 hours per week. If this is the case then, other-things being equal, working below normal full-time hours *per se* will reduce the probability of unionisation.

What explanations can be offered for the argument that, holding all other variables constant, the lower the number of hours worked the lower the probability of unionisation?. If the membership decision is shaped by anticipated costs and benefits then a number of points developed earlier in this Chapter may be relevant. The most nebulous concerns the importance of work in the range of activities in which the individual is involved. Using the term 'work' to cover only paid employment, the balance between work-time and non-work-time may affect the

attitudes of individuals towards work related issues. If, for example, an individual working part-time is engaged in further or higher education, or views their work as a temporary activity designed to generate income for a specific purpose, or expect to move on to other employment which is 'more interesting' / better paid' / 'in another location' / 'full-time when the kids go to school' etc etc, their views on the appropriate response to problems in their current work place may differ from those employed at that place on a full-time basis. These individuals are not necessarily defined as temporary employees by management, and the incumbent may keep the job for years, but the perceived importance of the job is affected by its position in the long term plans of the worker. In these circumstances taking out union membership may be seen as a decision more relevant to workers with a greater commitment to their current employment.

Even if employees perceive the same potential benefits arising from union membership irrespective of the number of hours worked, it is likely that this variable will affect the individual's ability to realise these benefits. Benefits determined collectively, such as the negotiation of basic terms and conditions of employment at establishment, company, or industry level should accrue to the individual irrespective of the number of hours worked per week. However, those delivered specifically to the individual, such as representations by lay or full-time officials to line or senior management on specific issues, requires the officials to be contacted, briefed and

scheduled to meet management (normally) when the part-time employee is available. If a worker is employed, for example, only on twilight-shifts, or only on week-ends, or as a cleaner 6am to 9am five days-a-week these can become serious problems.

Related to the question of access to full-time or lay officials to assist in resolving individual problems, is the question of participation in union affairs. Without wishing to suggest that membership participation in union affairs through attendance at branch meeting is normally high, the option of becoming involved is likely to be progressively reduced the lower the number of hours worked per week. While the individual on relatively low weekly hours may not consciously perceive this as a factor directly influencing the unionisation decision, it could contribute to a sense of the union being geared to employees whose employment situation differs from their own.

Moving from the issue of the potential and realisable benefits of membership to the question of costs, only one basic point needs to be made. As union subscription rates are not normally on a sliding scale by income, the lower the number of hours worked by an individual the lower will be their income, other things equal, hence the greater the proportion of gross income accounted for by union dues. Combining this factor with the point made above regarding the potential problems of workers on relatively low hours per week gaining access to the full range of union services, suggests that the lower the work week the greater



the likelihood that cost will prove to be a significant disincentive to membership.

Switching attention now to the question of whether the supply of union services is influenced by hours worked per week. Unions, like any other organisation, face the problem of allocating scarce resources across a range of competing activities. The probability of the full-time or lay officials who undertake recruitment being able to make contact with a specific employee will be influenced by the number of hours that individual works and the pattern of these working hours. Most shop stewards are relatively long serving members of an establishment's workforce, and if they have any discretion in the matter they are likely to work during the standard work-day of approximately 8.30a.m. to 5.30p.m. In these circumstances workers employed outwith these hours may rarely see a steward. Even if the employees hours fall within the standard-day, if they are employed for four hours or less per shift no meal breaks need be given. These breaks are extensively used by stewards in retail establishments to contact members and potential members.

The comments in the preceding paragraph presume a willingness on the part of the union official to make the effort to recruit the worker on relatively low hours. If the turnover of such workers is high, as indicated in the survey, or if such workers normally require a greater persuasive effort to recruit than others, then the official may fail to make contact. Either way, the balance between

the effort expended in recruitment and the flow of income to the union is likely to be less favourable the lower the number of hours worked per week by the individual. This is not to suggest that the typical shop steward or full-time officials consciously makes such marginalist calculations, but given the demands on the time of such individuals it is probable that workers on relatively few hours have less chance of being approached to join by a trade union representative.

The second set of explanations of differences in the levels of unionisation between full- and part-time workers concerns differences in the incidence of factors negatively associated with the probability of membership in the two groups of workers. As noted above, age, sector, wage, hours worked and union recognition all influence the likelihood of membership. Hours of work have already been dealt with, but if part-time workers have a higher probability than full-time workers of being young, being low paid, of operating in the private sector and of working in establishments which do not recognise trade unions then at least part of the differences in unionisation levels between them will be explained.

Unfortunately the data generated in the Part-time Workers survey can throw no direct light on the comparable characteristics of full- and part-time employees in the industries under investigation or in the economy as a

whole. This confines the analysis to an examination of intra-part-time variations in unionisation while allowing some comparisons with full-time workers drawn from the literature.

GENERAL CONCLUSIONS AND POLICY IMPLICATIONS

This thesis set out to examine the factors determining the growth of part-time labour in the service sector in Britain, and to consider the industrial relations implications of this growth. It cannot be claimed that both objectives have been fully met. This relative failure is the result of a range of factors, the most obvious being resource limitations. Such limitations are inevitable if the argument presented at the end of chapter 2 is accepted concerning the appropriate framework for the analysis of this labour market phenomenon. It was argued there that management decisions on labour use are influenced, but not exclusively determined by, decisions on product range and the production technology to be adopted. Given these decisions, how work is actually allocated and the employment structure adopted will be shaped by the specific economic environment facing the organisation, the constraints on labour utilisation operating within the organisation, and the labour supply conditions it experiences. It is possible that these parameters may leave little room for discretion, but even in situations of, for example, intense product market competition or a very strong trade union presence, it is not expected that organisations will react uniformly across a sector or industry. Each organisation is an entity shaped by its development, present choices are strongly influenced by past decisions on technique, product lines, managerial

styles, and so on. Hence decisions on employment structure can be constrained not just by exogenous factors but by resistance from the current workforce, management and workers. The neoclassical process of marginal substitution of labour to achieve equalisation of labour costs is seriously limited by custom and practice, thus social and political, as well as economic factors must be considered in any analysis of the growth of part-time labour.

The adoption of an analytical framework which encompasses such a wide range of potential explanatory variables inevitably imposes major resource demands on any analysis of the growth of part-time labour. Ideally the analysis of growth in this employment form would be built on data drawn from the employers of such labour (and those who chose not to employ part-timers), from those who, through choice or necessity, chose to work for less than the 'normal' working week, and from the principal 'third parties' partly shaping the environment within which such employment decisions were taken, the most important being trade unions and the government - local and national. For the reasons detailed at the end of chapter 5 the primary data available for the analysis was confined to two sources, both with limitations which should be kept in mind in any attempt to draw wider conclusions from the study.

The management data set was drawn from 107 employers in a single labour market covering the whole of the service sector, the employee survey data was drawn from 734 part-time workers employed, almost entirely, in a single industrial grouping. In addition, the shape and content of

the employee survey was not dictated exclusively by the objectives of this analysis.

The end result is that the first objective of the exercise, to analyse the determinants of the growth of part-time workers in the service sector, relies on primary data which describe only one blade of the Marshallian scissors of supply and demand. And the other objective, to consider the industrial relations implications of this growth, draws on primary data which is, strictly speaking, confined to the issue of the unionisation of part-time employees in one SIC Division. Secondary sources have been extensively reviewed in chapters 2 and 6 in an attempt to make good some of the deficiencies of the primary data and will be relied on in this final discussion of the conclusions and policy implications of the analysis.

## Section 1: The Theoretical Framework

The first issue to be addressed in this concluding chapter concerns the adequacy of the theoretical framework adopted in the analysis of the management data set as outlined above. The discussion in chapter 2 on the appropriate theoretical framework led to a literature review that attempted to classify potential determinants of the demand for part-time labour into seven categories. These focused on the specific content of part-time jobs; the product market conditions facing firms; arguments about capital utilisation; relative cost advantages of part-time

workers; the nature of the trade union constraint; supply side recruitment/retention problems; and the relative functional and numerical flexibility of part-time workers. These classifications provided the basis of the hypotheses listed in section 2 of chapter 3 which were designed to capture the main features of the economic environment and the major enabling and constraining factors on the labour use decision, with the obvious exception of labour supply limitations. Indications of the adequacy of this approach to the analysis of part-time labour use can be gathered from the results of the multi-variate statistical techniques adopted and from the internal consistency of the qualitative analysis and the relationship of its findings to the literature on the subject. It is argued in earlier chapters that the multi-variate results are of limited value because they were applied to a heterogeneous collection of service sector organisations whose use of part-time labour appears to be shaped by combinations of factors which vary considerably within and between industries. This is not to deny the potential usefulness of such techniques when applied to a substantially larger sample of establishments in each industry, and it is worth noting that even with these limitations the results generated by the use of these techniques are consistent with the literature.

The conclusion that explanations of variations in the use of part-time labour differ significantly across service sector industries is built on the detailed discussions of the qualitative data on the public sector organisations in

Chapter 4 and the private sector establishments in Chapter 5. It is from these discussions that the usefulness of the theoretical framework can be judged. For example, to explain the variations in the level and growth in use of part-time labour across public sector organisations requires an examination of the discretion available to management on labour use decisions given the simultaneous impact of a changing economic (or budgetary) environment, widespread opposition by unions and employees to changes in employment policies, the political environment created by labour controlled local government, and an awareness of the need to adapt to changing consumer preferences and perceptions. A wide range of economic, social and political factors have an impact on such decisions, but even so, management consistently reported the fact that they had some discretion over the specific labour combinations adopted. With the exception of the party political dimension, private sector employers reported decision making environments of similar complexity. The fact that the survey was conducted during a period characterised by substantial economic restructuring and rationalisation in the face of increases in competitive pressures and technological change may have heightened the importance of short-run cost considerations, but even where clear cost advantages arising from the increased use of part-time labour were acknowledged a variety of respondents reported that other considerations precluded such a change of labour use policies.



## Section 2: Management Survey; General Conclusions

In general, the theoretical framework proved robust enough to accommodate a very wide variety of establishments and organisations operating within different economic and political environments and subject to a wide range of constraints. The detailed results and conclusions presented in chapter 6 are consistent with the limited literature on the subject and the following general conclusions can be drawn from the management survey:

1) In all cases where labour supply constraints were addressed, management judged them to be of little or no importance in their labour use decisions. On this evidence the growth in part-time employment does not reflect difficulties in recruiting full-time workers.

2) In contrast, the retention of workers who can no longer work full-time is frequently cited as a reason for the use of part-time arrangements, but only in the case of skilled/scarce employees. Employer explanations reflect the desire to protect their investment in human capital.

3) In many cases the importance of product market/cost pressures on labour use decisions in the public sector appear to be as severe as those shaping private sector decisions. However the specific constraints operating on managements within these sectors differs significantly,

especially with regard to the role and importance of trade unions in the decision making process. There is evidence that if the economic or budgetary pressures on public sector organisations are severe enough then trade union opposition is rendered ineffective and managements are propelled by the same rationales that drive private sector employers, with similar labour use decisions being reached. In these arguments it is necessary to distinguish between public sector organisations operating within a local government framework and those independent of such influence. Local government appears to have operated as a very effective buffer between the organisations delivering public services and the financial constraints typically imposed by central government on public sector organisations.

4) Given the preceding point, the sample can be categorised as falling into three strata:

a) Private sector establishments whose decisions on part-time labour appear to mainly reflect a non-formalised cost/benefit analysis of their use. Potential constraints on labour use decisions generated by labour supply conditions and trade unions appear to be almost nonexistent.

b) Public organisations outwith the local authority sector where the impact of the trade union and political constraints are in inverse proportion to the market/budgetary pressure experienced. Managements' perception of the factors shaping the desired use of part-time workers

was generally indistinguishable from those held by private sector respondents.

c) Public organisations within local authority control. Here the political and trade union constraints on the growth in use of part-time labour (beyond jobs which by their nature are part-time, such as school cleaners) were very important determinants of use. In addition many of the management representatives interviewed raised arguments against the increased use of part-time labour which were 'political' in the sense that they raised issues beyond the immediate concern of their own organisation. Whether these respondents were simply reflecting the policy determined by the political body for whom they worked, or whether they had a wider perspective, amounting almost to a social audit approach to employment change, cannot be determined from the survey data.

5) A final point can be made on trade union opposition to the use or increase in use of part-time workers in the public sector. Where this existed, employers outwith local government control (and a few within it) reported that their willingness to bow to such pressure reflected the fact that winning agreements with the unions on changes in work practice and technology were much more important to the long term efficiency of their organisations than changes in the full-time/part-time labour mix.

6) As noted above, explanations of variations in the use of part-time employees in the private sector involve employers establishing the balance of advantages and disadvantages associated with their use subject to very few labour supply or trade union constraints. The elements entering into this balance vary considerably across the industries covered in the sample.

a) In Division 6 the wide range of unskilled or semi-skilled jobs available, low training costs and predictable temporal patterns of product demand offer employers the opportunity to use part-time labour extensively. This use is encouraged firstly, by cost savings arising from the avoidance of employer National Insurance contributions and the non-payment of shift or over-time premia; secondly, from the extension of opening hours which would otherwise require the increased use of shifts or overtime; and thirdly, from the relative unimportance of the lower functional flexibility typically shown by such workers. This last point reflects the limited content and low skill requirements of many jobs in the industries covered by this Division.

b) In contrast, the potential advantages of using part-time labour in Division 7 were severely limited by the fact that for the majority of respondents the level and timing of product demand was highly unpredictable. This encouraged the use of casual workers employed on a full-time temporary basis, with part-time permanent employees confined to a narrow range of job which required

less than a full shift to complete. As in Division 6, the low skill levels typically required by these establishments, the relatively low training costs they incur, and the limited functional flexibility they require of their employees generate a set of employment requirements which could be fulfilled by part-time labour, but the unpredictability of demand patterns appears to effectively preclude their use.

c) The typical skill level of part-time employees in Division 8 is significantly higher than in all other SIC service sector divisions. This appears to be mainly the result of banks re-employing workers who were previously on full-time contracts rather than a greater willingness to train part-time employees to a higher level. The use of part-time workers in financial services appears to hinge on the balance between the financial advantages of use, arising mainly from a lower wage bill resulting from the matching of manpower to demand patterns and from the non-participation of part-time workers in pension schemes, and the disadvantages of use arising from the lower functional flexibility of such workers. In sectors such as insurance and accountancy/consultancy services where product demand is fairly uniform through time and where average skill levels are high, part-time workers are almost nonexistent. In the banking sector predictable demand patterns and extended trading hours have encouraged the use of part-time workers in the lowest tier of the internal labour market, but even here employers reported that lower functional flexibility generated a distinct upper limit to

the proportion of their workforce they could employ on a part-time basis.

d) The range of advantages and disadvantages associated with the use of part-time labour in private sector establishments in Division 9 appear to be very similar to those identified by Division 6 employers. Differences in non-wage costs and benefits entitlement between full-time and part-time workers in these industries were widely reported. The relatively low skill requirements and the limited need for functional flexibility in these establishments makes them similar in character to those in the retail trades that make up the bulk of the Division 6 sub-sample.

### Section 3: The Future Demand for Part-time Labour

Given these general points and the detailed results produced in earlier chapters, what can this analysis tell us about the likely future use of part-time labour in the service sector of the British economy? While such an exercise is inevitably speculative there are three approaches which can be adopted which draw on survey evidence.

The first concerns the question of whether there has been a strategic shift in managements' approach to the use of part-time labour which would stimulate its use. This issue is at the core of the flexibility debate generated by

the work of John Atkinson and his colleagues at IMS.

The second approach builds on the results of the regression analysis which sought to explain variations between establishments in the percentage of the workforce employed on a part-time basis. Where key explanatory factors, such as industry, have been isolated then it is possible to match these to broader changes which are occurring in the British economy to produce an indication of the likely future course of part-time employment in the service sector.

The third approach draws on the regression analysis of reported trends in the use of part-time labour by survey respondents. Again, where variables have been identified as being associated with trend growth in use, projections can be used to give guidance on likely future changes.

Considering these in turn. The survey did not specifically address the question of whether the employer adopted a conscious labour use strategy or whether labour use decisions were taken on an opportunistic *ad hoc* basis in response to specific short-term circumstances. The adoption of a strategy involves at least the formulation of a set of goals or objectives and the direction of labour use decisions towards the achievement of these goals. The only aspect of the preceding analysis that systematically considered the question of strategy concerned the contribution of the 'flexible firm' model to our understanding of the use of part-time labour. Conclusions

regarding the usefulness of this model have already been discussed in chapter 6, but of central relevance here is the observation that, with very few exception, employers gave the impression that labour use decisions were not informed by any wider strategy and were mainly the result of reacting to changes in, for example, trading hours, cost pressures, or demand patterns. The underlying rationales for the use of part-time workers appears to have changed little over the last decade. The macroeconomic environment of the 1980's has increased pressures on margins and resulted in greater attention being paid to unit costs. This has occurred in a labour market offering an unlimited supply of workers willing to work part-time hours, a government committed to reducing legal constraints on employer decision taking, and a trade union movement weakened by legislation and membership loss. In combination these circumstances have stimulated the use of part-time labour.

The conclusion that is drawn from this analysis is that in the vast majority of cases the employment of part-time workers is not shaped by a set of strategic considerations, and in only two or three cases where a strategic approach is evident is the strategy driven by the core/periphery thrust of the 'flexible firm' model. This suggests that the prospects for the employment of part-time workers is more likely to be shaped by industrial circumstances than by the expansion of labour use strategies in which part-time workers play an increasingly important role.



Turning now to the second source of information that may offer some indication of future changes in the use of part-time labour. The regression results presented in chapter 3 identified five variables significantly associated with the use of part-time labour in the private sector, and three associated with use in the public sector. Within these two sets of significant variables, only two, size and industrial affiliation (measured by SIC Division), offer the possibility of using projections of possible changes in industrial compositions and average firm size to provide indications of the future course of part-time employment in the public and private sectors.

On the issue of industrial affiliation, the relevant coefficients in Tables 3.1 and 3.3 indicate that the levels of part-time labour use in the private sector are approximately twenty percentage points lower in Divisions 7 and 8 than in Divisions 6 and 9. In the public sector sampled the level of use of these workers in Division 9 is almost thirty percentage points higher than in Division 7. In combination this suggests that, other things equal, if the future rate of employment growth in Divisions 6 and 9 exceed the rates recorded in Divisions 7 and 8 then part-time employment will increase as a percentage of total service sector employment. However, it should be noted that substantial variations can occur between industries within the same SIC Division (Wilson and Bosworth, 1986), hence comments made on the basis of such wide SIC classifications must be treated with caution.

The industrial structure of the British economy has been subject to continuous change since the industrial revolution, with variations in the rate of change occurring in different sub-periods. In the post-war period a major restructuring has occurred with primary employment now accounting for less than 5% of total employment, and manufacturing employment has fallen continuously from the mid-1960's to a point where it now represents around 23% of total employment. This decline in manufacturing employment was offset by the growth in public and private sector service employment through much of the 1970's, but in the late 1970's and throughout the 1980's public expenditure constraints resulted in a marked reduction in the growth of employment in public sector services, while private sector service employment continued to grow over the last decade. By the mid-1980's production industries and agriculture accounted for about one third of the British workforce with the remaining two thirds employed in the service sector. Behind these very broad sectoral trends lie marked differences in industrial rates of employment change which in turn reflect changes in demand patterns, the impact of technical changes on productivity, and international relative prices.

A number of recent attempts have been made to forecast future trends in the industrial pattern of employment, (Institute for Employment Research, 1986; IMS/Occupational Study Group, 1986). In these forecasts attempts are made to model the complex interaction of market pressures,

technological change, changes in working methods and changes in organisational structures. The conclusions reached suggest that employment in production industries will continue its trend decline. This is the result of continued rationalisations which shed labour to improve productivity and hence competitiveness, the introduction of new technologies, the adoption of new work methods and the contracting-out of services. Although output is expected to grow over the next five years this will be achieved using a smaller labour force as a result of productivity increases. In contrast, service sector employment is projected to grow mainly due to business expansion aided by subcontracting from the production sector. Very substantial variations in employment growth occur within these broad categories but employment growth is anticipated in a very wide range of private sector service industries. In contrast, employment is projected to fall in public sector services due to a combination of continued expenditure constraints, the reorganisation of working methods, the privatisation programme, and contracting-out to the private sector.

Such projections are, of course, subject to wide margins of error given the complex set of variables they depend upon, and future uncertainties such as the impact of the single market on specific sectors of the British economy. However, if these projections are broadly accurate then they have implications for the growth in part-time employment in the economy. The service sector is a much heavier user of part-time employees than production industries or agriculture and the IMS/OSG study projects an

increase of over half a million jobs in the service sector into the first half of the 1990's. Hence the proportion of part-time workers in the British labour force as a whole is likely to rise. The extent of this increase will depend in part on the anticipated variations in employment growth between SIC service sector divisions. The IMS/OSG study projects the whole of the service sector employment growth to be concentrated in Distribution and in Financial/Business Services (Divisions 6 and 8), with employment actually falling in the blue collar services of transport and Communications and in public services (Divisions 7 and 9). Clearly employment change in the public services will have substantial implications for the growth in part-time employment. It is possible that the factors which are expected to drive the employment reductions, such as tighter financial constraints and changed working practices, will lead to some substitution of part-time for full-time employees. But, as discussed in chapter 3, the survey evidence suggests that in many areas of the public sector the rate of substitution is severely constrained by the attitude of the trade unions and the unwillingness of management to impose such changes on existing staff (as distinct from changing the status of a vacated full-time post). In contrast, the continuation of the Government's privatisation programme and an anticipated increase in the sub-contracting of work to the private sector are important factors in explaining the expected fall in public sector service employment, but neither can be expected to substantially influence the level of part-time employment in the economy as a whole.

In combination these factors produce a complicated picture of the impact of industrial employment change on the level and proportion of part-time workers in the service sector. The growth in employment in Distribution (a heavy user of part-time labour) and in Banking and Financial services (a relatively light user), will be counter balanced to some extent by the reduction in public service sector employment (a heavy user). But the net impact depends on a wide range of complex economic and political variables, a situation which suggests that any projections about the size of the growth of part-time employment will be subject to considerable margins of error.

Turning now to the issue of establishment size, as noted above, the use of part-time labour in both the public and the private sectors was found to be positively associated with establishment size in the regression exercises reported in Chapter 3. If there is a trend change in the average size of establishments this may have implications for future levels of use of part-time workers in the service sector. There has been a trend growth in small firms (defined by turnover) which occurred throughout the 1970's and early 1980's (see e.g. Cross, 1983) and which has been projected to continue through the 1980's and into the next decade. For example the IMS/OSG study projects an employment increase in the small firm sector of 700,000 in the second half of the 1980's, with a corresponding decline in large organisations. The main reasons offered to explain the projected reduction in the

average size of firms stress the impact of new technologies and new methods of work organisation on employment levels in large firms, the tendency for large firms to shed labour in the face of increasing competitive pressure, the increasing use of out-sourcing, and an expansion in the practice of sub-contracting services. These last two changes are likely to have a direct and positive impact on the start-up rate for new firms and on the survival of existing small firms. It is also the case that the start-up capital required to create a small business is relatively low in many of the service industries which are projected to grow over the next few years. It is projected that these factors, on top of the present governments attempts to stimulate growth in the small business sector, are likely to result in a proportionately higher growth rate amongst smaller establishments.

The third source of data on future change in the use of part-time labour can be dealt with relatively quickly. The attempt to analyse change in the use of part-time labour in the sampled establishments was not very satisfactory for the reasons outlined in chapter 3. However, it can be noted that in the private sector the variables 'establishment size' and the industrial category of 'Banking and Financial Services' are positively associated with the probability of reporting a trend growth in the use of part-time employees. As noted in the discussion on industrial affiliation earlier in this section, employment in banking and financial services is projected to grow substantially over the next decade. If

the trend reported by respondents in this industry is sustained, then a growth in part-time labour is predicted arising both from total employment growth in the industry and from a change in the full-time/part-time mix within establishment workforces. However, it should be noted that the qualitative analysis of this industry in Chapter 5 calls into question the assumption that the trend growth in part-time employment in the industry will be sustained. The majority of respondents in the banking industry (who are the heavy users of part-timers in the Division) reported that their establishments were approaching the maximum proportion of part-time employees deemed to be consistent with the necessary functional flexibility required to provide banking services efficiently. Thus the likelihood of part-time employment growth arising from further changes in the full-time/part-time mix is questionable.

On the basis of the firm size projections discussed above, the association of trend growth with the largest size category as reported in Table 3.4 will have a dampening impact on the level of use of part-time labour into the 1990's.

In summary, the evidence on likely future levels of use of part-time labour drawn from secondary sources present a cloudy picture. There is widespread agreement that employment growth in the service sector will continue to outstrip that recorded in other industrial groupings. For this reason it can be stated with confidence that the absolute number of part-time workers is likely to rise in

the 1990s and they will represent a larger proportion of the total labour force in Britain than at present. The extent of this absolute and proportionate increase is a function of the relative employment growth rates of 'high part-time using' and 'low part-time using' industries within the service sector. The projected patterns of employment change referred to above do not allow any firm conclusions to be reached on the net impact of employment change across industries on the size of the part-time labour force.

Turning to evidence drawn directly from the survey, it has already been noted that this data must be treated with caution. The issue of management labour use strategies was not central to the study, and the quality of the data on trends in the level of use of part-time labour is questionable. However, despite the peripheral position of this issue in the study, the evidence on strategic change in labour use unambiguously supports the argument that decisions on the use of part-time labour are taken in an *ad hoc* manner and are essentially opportunistic. If this is the case then the future use of part-time labour may be significantly influenced by changes in the environmental factors which promoted the use of this labour form in the 1980's. If, for example, demographic change and higher levels of aggregate demand alter the level of unemployment and the level of vacancies, then the pool of labour available for part-time work may contract. At the moment those accepting part-time employment consist of individuals positively seeking such work-time arrangements plus those



reluctantly accepting such work in the absence of alternative employment on a full-time basis. A change in local labour market conditions may all but eliminate this latter group. There is no doubt that family and other commitments will, for the foreseeable future, result in a substantial number of individuals (mainly females) seeking part-time work, but in a tighter labour market these workers will naturally be drawn to employers offering superior terms and conditions. This may pull up the remuneration package offered to part-time employees across the labour market and hence alter the balance between the cost advantages arising from the employment of such workers and any disadvantages, such as lower functional flexibility or greater organisational costs, associated with their use. Other things equal, in the long run this would alter the demand for part-time compared to full-time labour.

This change in the level of demand for part-time labour could also arise if the relative advantages and disadvantages of using part-time employees were altered. This could arise either because trade unions managed to improve part-time workers' terms and conditions of employment by reducing the degree of discrimination they experience compared to full-time workers, or a similar result was produced by legislative or other policy changes. The possibility of public policy changes influencing the growth of part-time employment will be considered in section 5 of this chapter, but before moving on to consider these possible changes, the role of the trade unions can be examined in the light of the survey evidence.

#### Section 4 : Trade Unions and the Growth of Part-time Employment

An analysis of the impact of trade unions on the growth of part-time employment in the service sector involves the consideration of a number of inter-related questions. These are:-

- 1) Do trade unions actually oppose the growth of part-time employment in principle?
- 2) If trade unions do oppose this growth is their opposition effective?
- 3) If the opposition is nonexistent or ineffective do the trade unions need to change their policies and processes in response to the growth in part-time labour?

Data generated in both the surveys utilised in this thesis can provide some evidence on these questions.

Considering the issue of trade union opposition to the growth in part-time employment, two general observations can be made. Firstly, in the preceding Chapter the multi-variate analysis identified a strong inverse relationship between trade union membership and hours of work, and it was argued that logically these variations

within the part-time labour force by weekly hours employed would apply over a wider range of weekly hours up to a 'normal' full-time work week. This suggests that part-time employment *per se* reduces the probability of union membership. As acquiring and holding members is a prerequisite for the achievement of union goals (however defined), it follows that trade unions are likely to be opposed to the growth of part-time employment. However, it is debatable whether this can be described as opposition 'in principle', as it is not the creation of jobs which require (or offer) employees a work-time commitment lower than that of the 'normal' work-week which unions object to, it is simply the current association between employment as a part-time worker and the lower probability of joining a trade union.

The analysis of Chapter 6 considered two general explanations for this association. The first argued that individuals accepting part-time employment are intrinsically less disposed to trade union membership; the second argued that it is the characteristics of the jobs or establishments in which part-timers are typically employed which explains the lower level of trade union membership. No evidence was presented to support the first argument, but in contrast a list of potentially important job or establishment characteristics were identified as being statistically associated with a lower probability of membership. It was argued in the previous chapter that, on the basis of the literature reviewed, the factors significantly associated with the probability of part-time

workers taking out membership were identical to those identified for full-time workers with the exception of the variable 'weekly hours'. It follows that if the factors lying behind the significance of the 'hours' variable can be tackled by the unions then there would be no logical basis for opposition to part-time labour 'in principle'.

What are the factors which explain the inverse link between hours of work and the probability of union membership?. The survey results suggest they fall into two broad categories, the first concerns the perceived relevance of trade unions to part-time workers, the second concerns the ability of trade union to recruit and service these workers. What these categories mean in specific terms will be elaborated in the remainder of this section, but before doing so it is necessary to report on the other source of survey data which informs the initial question of whether trade unions oppose the growth in part-time employment.

Chapter 5 summarises the results of the management survey and draws a number of specific conclusions. In that chapter almost three pages are devoted to explaining managements' understanding of the rationales underlying trade union opposition to the growth in use of part-time workers in the public sector, and to an analysis of the factors that appear to influence the effectiveness of this opposition. In contrast, trade unions are barely mentioned in the nine pages of that Chapter devoted to a summary of the factors shaping the demand for part-time labour in the

private sector. The difference in the perceived opposition of trade unions to changes in the mix of full-time and part-time employees experienced by public and private sector management is one of the strongest sectoral contrasts identified in the survey. Two explanations of this contrast can be proposed. It is possible that the group of unions representing the public sector workers covered in the survey have a substantially different perception of the threat presented by the growth of part-time employment from that held by their private sector counterparts, hence they see a greater need to oppose such changes in employment composition than do the private sector unions. The other explanation is that the ability to influence labour use decisions in establishments where organisations with recognition differs so substantially between public and private sector unions that the latter simply do not express to management their opposition to the growth of part-time labour, preferring to focus on issues in which there is some prospect of success. The survey provides no direct evidence on the validity of the first explanation, but on *a priori* grounds it is difficult to justify. In contrast, public sector management cooperating in the survey made frequent reference to the active role played by their unions in discussions on questions of employment change. In some cases the unions influence was clearly resented, in other it was seen as entirely legitimate, but in all cases it was reported as being an important input to the labour use decisions finally taken.

In summary, the survey evidence supports the view that trade unions generally oppose growth in the proportion part-time employees in a workforce. The extent to which this opposition is perceived by management differs substantially between the private and public sectors. In the former, one third of all respondents recognising unions reported some trade union opposition, in contrast to almost one hundred percent of public sector managers reported opposition. On the basis of the multi-variate analysis of Chapter 6 this opposition is rational as part-time status, in itself, reduces the probability of unionisation.

Turning now to the question of the effectiveness of trade union opposition to the growth in part-time employment. It has just been noted that trade union opposition has been more evident in the public than in the private sector, the difference being ascribed to differences in the likely effectiveness of this opposition. There are two main reasons why effectiveness may vary across sectors. Firstly, the density levels reported amongst part- and full-time manual and non-manual employees in the public sector are substantially higher than those reported in the unionised establishments of the private sector. If density levels can be taken as an indicator of potential union power then, other things equal, the public sector unions must be in a stronger position to effectively oppose such changes. Secondly, public sector management attitudes to labour use decisions may be shaped by a

somewhat different set of factors than those influencing their private sector counterparts. Apart from the fact that the objectives of public sector organisations are likely to be more complex, such organisations are typically responsible to 'politically' determined bodies, such as health boards, school boards, local government bodies, or departments of central government. If such bodies can be exposed, directly or indirectly, to trade union arguments via appointees, sympathetic elected members or pressure groups, then trade union opposition, on this and other issues, has a greater chance of being successful.

This picture of basic trade union opposition to the growth in part-time employment in both the public and private sector must be qualified by a further strand of evidence drawn from the surveys. This concerns the impact on trade union opposition of the scale of change in the proportion of part-time employment in an establishments labour force and the way such change is introduced. Almost every respondent in the survey reported that part-time workers had represented an element in their workforce for at least the last ten years, and, as noted in Chapter 1, part-timers have been a quantitatively significant group of workers in the British economy since at least the early 1950's. One third of these private and public sector respondents reported a trend growth in their use of part-time labour over the last decade. As explained in section 5 of Chapter 3, the detailed manpower data covering this decade must be treated with caution, but given this qualification, the scale of the proportionate increases

indicated by these figures was very modest in almost all cases. This suggests that in a clear majority of cases where proportionate growth is reported the actual numbers of workers involved in the increase in part-time labour is low. If these increases are brought about by recruiting when the workforce is expanding, or when a full-time job is vacated voluntarily, then the opposition is likely to be muted by the fact that no existing union member (or potential member) is directly experiencing an enforced reduction in their hours of work. This is not to deny that the conversion of an existing full-time job to part-time status, or the recruitment of a part-time, rather than a full-time, worker in response to an increase in demand, may have implications for the work loads of existing employees. But if such increases do occur they will normally be difficult to quantify and are likely to provide weak ground on which to build some form of industrial action. In summary, the survey evidence strongly suggests that where change to the full-time/part-time mix occurs by modest increases to a form of labour that is already in use in the establishment then the likelihood of trade union opposition is greatly reduced.

Considering now the third of the questions set at the beginning of this section - if trade union opposition is nonexistent or ineffective do the unions need to modify their policies and processes in response to the growth in part-time labour?. The issue of whether modifications are needed or not depends on the answer to two questions. Firstly, do part-time employees differ from full-time



employees in the range of services they expect from a trade union?. Secondly, does the status 'part-time' create a set of circumstances around a job which are distinctly different from those surrounding full-time jobs?. If the answer to either or both of these questions is 'yes' then the trade unions must react by tailoring their services and procedures to the needs of part-time work or they will fail to be relevant or accessible to part-time workers.

The material generated in the two surveys is of more relevance to the second question, but before considering this the issue of differences in the needs of full- and part-time employees can be briefly considered. The obvious problem in using the material on reasons for trade union membership and non-membership described in Chapter 6, to address this issue is that there is no comparable data set covering full-time employees from which to draw comparisons. However, it is possible to point to the close similarity of the list of variables which significantly influence the probability of both part-time and full-time employees joining a union. It could be argued that this is *prima facie* grounds for claiming that part-time and full-time workers are similarly motivated in joining unions and hence are likely to anticipate similar services from them.

The second question concerning the distinctiveness of part-time status pulls the discussion back to the importance of the variable 'hours of work' mentioned at the beginning of this Section. It was noted there that the

multi-variate results on the unionisation of part-time workers reported in Chapter 6 and the literature on the unionisation of full-time workers identified a very similar set of variables, with the addition of the significant negative association between 'weekly hours' and the probability of unionisation. Before discussing the distinct circumstances which may be associated with working part-time hours two preliminary points should be made. The first is that there is clear evidence in the employee survey of low hours of work, very low rates of pay, and the youth of the worker all being strongly correlated. Each of these characteristics is strongly and negatively associated with the probability of union membership. Possible demand-side and supply-side explanations for these associations have already been discussed in the previous Chapter. While the relative importance of these two sets of explanations cannot be determined on the basis of the evidence presented in this thesis it is highly unlikely that only supply-side factors provide the complete explanation. Given this, there appears to be a stratum of part-time employees who will be very difficult to recruit into trade unions irrespective of any changes of policy or process introduced by the unions. The second point is that the following discussion will treat the 'weekly hours' variable as continuous, implying that the distinctive problems associated with part-time status gradually diminish in magnitude as the number of hours worked moves closer to the 'normal' full-time level. This is not strictly justified on the basis of the analysis in Chapter 6 which used three dummy variables to cover up to thirty

hours per week. However the size of the coefficients on these variables in Table 6.3 provide some justification for this intuitively plausible assumption.

It is argued that the lower the weekly hours worked by an employee the lower the likelihood of unionisation. This can reflect both lower demand on the part of the employee for union services and the lower willingness and/or ability of union to recruit and services such workers. As noted in the previous paragraph, the relative importance of these demand- and supply-side factors cannot be determined from the primary data available, but two findings from the Women and Employment Survey ( Martin and Roberts, 1984), are of relevance here. Firstly, it was reported that of all female part-time workers with no union at their place of work only 27% stated that they would like the opportunity to join a union, this contrasts with 51% of full-timers in the same position. Secondly, 69% of full-time employees in the survey had a trade union at their place of work which they could join if they wished; this percentage fell to 50 in the case of all part-time workers, and to 41 in the case of part-timers working less than sixteen hours per week. The percentages of these three groups actually taking out membership were 51, 28 and 17 respectively. The fact that only slightly over one quarter of part-timers in unorganised establishments wished to join unions suggests that demand-side factors may be dominant in any explanation of the negative association between weekly hours and unionisation. However, variations in access to unions is also evident by hours worked, with seven out of every ten

full-time workers having the opportunity to join a union at their place of work, compared to only four out of every ten part-timers working fewer than sixteen hours per week.

While these Women and Employment Survey results are generally relevant to the issue of the relationship between weekly hours and unionisation they can reflect two set of factors which are not separated out in the Martin and Roberts study. Firstly, the possibility that workers are more likely to be employed for relatively low weekly hours of work in industries which have low levels of trade union recognition. Secondly, even where unions are recognised, workers on low weekly hours have a lower probability of joining. It is important to stress that the analysis of Chapter 7 argued that after controlling for variables associated with a lower probability of union membership, such as hourly pay, age, and recognition, the variable 'weekly hours' has an negative impact on the probability of unionisation. In other words, what is being analysed on the basis of the primary data is the 'free-rider' problem, i.e. why does the probability of membership decline with hours of work given access to a trade union, rather than the possible impact of inter-industry variations in work hours and union recognition.

The increased likelihood of non-membership amongst workers on low weekly hours found in the employee survey analysed in Chapter 6 is confirmed in the Women and Employment Survey. The percentage of full- and part-time

workers with access to a union in their place of work and the percentage who actually joined a union are noted above. If it is assumed that the availability of a union to join implies that the union is recognised by management, then 26% of all full-time employees, 44% of all part-time employees, and 58% of part-timers working less than 16 hours, are 'free-riders'. As noted at the beginning of this Section, explanation of the inverse association between weekly hours and unionisation can be grouped into those covering variations in the demand for union services, and those relating to the unions ability or willingness to recruit such workers. On the demand side, Table 6.4 indicated that the vast majority of workers join unions for instrumental reasons, only 10% cited a principled belief in unions as a reason for membership. An instrumental approach to membership implies that the individual (perhaps subconsciously) considers the likely benefits and costs of membership before coming to a decision. The relevant costs to be considered consist of membership subscriptions and possible managerial disapproval which in turn may affect the individual workers promotion prospects etc. It is difficult to see why managerial disapproval should be greater the fewer the hours worked, although workers employed for less than 16 hours have lower levels of employment protection which may make them more sensitive to managerial disapproval. However, it should be noted that no evidence of such disapproval was evident in the survey irrespective of hours worked. In contrast, there is evidence of an increased disincentive effect of membership subscriptions for workers on progressively lower hours.

This logically follows from the fact that subscriptions absorb an increasing fraction of gross income the fewer the hours worked. Ten percent of non-members specifically cited costs of subscriptions as a reasons for their failure to join.

Turning to the benefits of membership, the second most frequently cited reasons for non-membership (Table 6.26) was that joining a union was 'not worth it'. This classification was composed of a number of responses with the dominant one - 'not worth while given the short working week', being cited by 60% of those in this classification.

Seeing fewer benefits in membership as a result of working low hours could arise from the job being of less importance to the individual given his or her other commitments, from the benefits not being seen as relevant to the worker on low hours - perhaps reflecting their inability to access the benefits, or from the worker being unaware of the benefits associated with membership.

The ability or willingness of unions to recruit workers on very low weekly hours could reflect the possibility of a positive association between labour turnover and low hours. This variable was not controlled for in the analysis of Chapter 6 and cross-tabulations of results provide some evidence that the association exists. The fact that many of the workers on low hours are working 'saturday-only', 'week-end only' or on twilight shifts is likely to affect turnover. Given that workers on low hours are likely to have a lower demand for membership, unions

must calculate how best to allocate the scarce resources they devote to recruitment, the probability of low potential demand and short duration of membership may greatly reduce their willingness to work positively for the recruitment of workers on low weekly hours, as distinct from taking such workers into membership if they seek out the union. Even if the unions are willing to actively recruit such workers their ability to do so may be constrained by access difficulties. Getting lay or full-time officials into physical contact with many workers on low weekly hours can be frustrated by the 'unsocial' hours they often work and the absence of meal breaks. While anecdotal in nature, an experience of the Scottish region of the shop workers union is worth recounting in this context. A large superstore opened in the outskirts of Edinburgh in the mid-1980s employing 742 employees (202 full-time, 540 part-time). Membership remained around 10% with no recognition until management conceded trade union access for recruitment for one week in mid-1987. The store operated seven days per week twelve hours per day. Union officials were on-site from 8am. to 8pm. every day, gaining access to 500 employees and recruiting over 300 into the union. There is no way of telling how typical this example is, but it does point up some of the problems and possibilities facing trade unions in their efforts to recruit and hold part-time workers. It is notable that even with a presence of at least two full-time officials twelve hours per day they still failed to even make contact with one-third of the workforce on a single site.

This anecdote lead the discussion into the policy implications for the trade unions of the distinctive characteristics that appear to be associated with part-time job status. The preceding paragraphs suggest that low weekly hours may be associated with higher than average turnover, a lower perception of the relevance of unions, a lower level of knowledge of union services, higher resistance to membership arising from subscription costs, and a lower willingness and ability on the part of unions to recruit such workers. The primary and secondary data cited in this thesis provides little evidence on the existence or nature of variations in the types of union services demanded by employees on different weekly hours of work. On *a priori* grounds the only variable that alters with hours of work and which may in turn affect the union services desired by individuals is the coverage of employment protection legislation. However, it can be argued that this is more likely to affect the level of demand for services currently provided by unions, such as individual representation to management or to tribunals, rather than widen the range of services which workers desire from their unions. If this argument holds it suggests that most of the changes in policy and processes required by the unions in response to the growth in part-time labour concerns the adaption or development of current arrangements rather than the introduction of entirely new services.



The key policy area which the primary data can shed some light on is recruitment. Kelly and Heery, (1989) distinguish three levels of resource mobilisation to boost union membership; passive recruitment via officials responding to enquiries, pursuing contacts and generally promoting trade unionism; intensive recruitment involving the concentration of union resources on a particular area or establishment for a brief period; and sustained recruitment, involving an enduring shift of priorities within a union towards increasing the size of membership. Overcoming the characteristics associated with the status of part-time discussed above and hence increasing membership amongst part-time workers requires that unions devote additional resources to the recruitment process. On the basis of Kelly and Heery's classification intensive recruitment tactics will frequently be needed. The problem of access to part-time workers has already been considered in detail and the resource implications of overcoming this problem crucially depends on the relative role of lay and full-time officials in the recruitment process. The only recent evidence on the relative priorities of these two groups is also provided by Kelly and Heery in the same article (see also Moran, 1974). This work suggests that lay officials are much less concerned with recruitment than are the full-time officials in the six very large unions cooperating in their survey. If this result holds generally and the priorities of lay officials cannot be changed, then mounting the intensive recruitment campaigns that appear necessary to significantly increase the proportion of

unionised part-timers may place very heavy additional demands on union resources. Given the impact on union finances of the fall in membership through the 1980's (Willman and Morris, 1988) such additional resources may not be forthcoming. It is, of course, possible for the unions to reallocate fixed resources across activities in line with new priorities. But the existing workloads of full-time officials, the nature of the controls that can be exercised over these union officers, and the limited training in recruitment techniques many of them have received suggest that this would not be a simple matter.

If the unions did successfully redirect resources into the recruitment process the consolidation and retention of these new members would also have resource implications into the foreseeable future. Even when new recruits are employed in establishments which currently recognise the union, the volume of individual and collective negotiations is likely to rise, and if membership is established in entirely new sites the battle for recognition and subsequent servicing of these members is likely to have major resource implications. If the number of full-time officials is not increased in line with the expanded workload then a potential conflict is introduced between the need to satisfactorily service established members and the recruitment and consolidation of new members. The intensive recruitment campaign in the Edinburgh superstore cited above provides an example of this problem. Diverting two or more full-time officials to cover seven twelve-hour shifts involved, according to the officials involved,

simply letting everything else pile up for a week. The intensive campaign was clearly successful in recruitment, but membership retention has proved more problematic. While the exact number of current members at the superstore is unavailable, it is little more than half the total achieved at the end of the week of intensive activity. This decline mainly reflects the extent of labour turnover in an industry in which the union concerned, USDAW, has to recruit almost 100,000 members a year just to maintain a membership total of 382,000.

Apart from organising recruitment campaigns and increasing the resources available to retain and service members on part-time hours, the other obvious union policy changes concern the introduction of more graduated membership dues, and improving the image and understanding of trade unions amongst these workers. The survey evidence presented in the previous chapter presents the unions with a dilemma. The cost of membership appears to act as a significant disincentive to membership for a substantial minority (10%) of part-time employees, but there is no evidence to suggest that current subscription rates encourage existing members to lapse or are seen by them as excessive. This suggests that there may be advantages for the union in introducing schemes for new members in which subscriptions are charged at a fraction of the full rate for the first year or more. One problem that may be attached to such schemes is that it would complicate the operation of check-off arrangements and may lead to some management resistance, even to the point of withdrawing

this facility to the union. These arrangements can be very important to the unions, especially in establishments with high turnover or a high proportion of part-time staff, as in these circumstances manual collection is difficult and resource intensive. This potential problem may effectively preclude the introduction of a tailored scale of membership subscriptions designed to overcome worker resistance to membership on the grounds of cost.

There is no way of identifying from the survey evidence the impact that improved communications between unions and potential members would have on the unionisation of part-time workers. However, the survey responses to questions on problems of part-time work did indicate that inadequate communications were perceived by members and non-members alike as a factor which contributed to their feeling of isolation or detachment from trade unions at their place of work. It is beyond the scope of this study to consider specific methods of improving union/worker communications but such changes clearly have a contribution to make in improving both the image of trade unions amongst part-time workers and increasing their awareness of what unions could potentially do for them.

## Section 5: Public Policy and the Growth of Part-Time Employment

It has been argued in this thesis that the growth of part-time employment in the service sector has been the result of a complex set of factors varying substantially between sectors and industries. The three-fold classification of sample establishments outlined in Section 2 of this Chapter reflected differences in the degree to which managers adopted a non-formalised cost-benefit approach when deciding on the mix of full- and part-time labour in their workforces. Irrespective of the degree to which management decision making in this area is constrained by trade union, political or labour supply conditions the potential financial advantages generated by the use of this labour form derive from two sources, a reduction in the wage bill and a reduction in unit labour costs. Using part-time workers to reduce the wage bill does not require that they are discriminated against in comparison to their full-time colleagues in the hourly rates they are paid or in the non-wage benefits they receive. There is a cost advantage to the employer arising purely from their ability to tailor their demand for labour to the demand for their products or services. Almost every employer participating in the survey used part-timers to achieve these savings, whether as cleaners, canteen workers, security personnel or at the point of service delivery in shops, restaurants, leisure facilities, or other outlets. This is not to suggest that these workers automatically received pay and conditions identical to

those enjoyed by comparable full-time employees, (in fact almost all received inferior non-wage benefits), but the saving on the wage bill is conceptually distinct from the second source of financial advantage arising from the use of part-time labour, namely that their use can reduce labour costs per unit of output. This can potentially arise from paying these workers a lower hourly rate than their full-time colleagues, but as noted in chapter 6, no evidence was found of this practice anywhere in the survey. The other source of lower costs lies in the non-payment of sickness benefit, the denial of access to pensions schemes, the absence (or more than pro-rata reduction) in paid holidays, the non-payment of overtime rates, the non-payment of shift or 'unsocial' hours premia, the greater willingness to alter hours of work at short notice, and so on. The widespread use of these discriminatory practices in the private sector have been detailed, throughout this thesis, and it was argued earlier in this chapter that in the private sector, and in parts of the public sector under severe financial pressure, the balance between the financial advantages arising from these practices and the costs frequently associated with the use of part-time labour, such as lower functional flexibility, will be important in determining levels of use. In Section 3 above there was a discussion of the impact on the demand for part-time workers of reducing this discrimination against part-time employees. Such a reduction could potentially be achieved by trade union pressure or by changes in public policy. For the reasons outlined in the previous section, the current ability of British trade

unions to win relative improvements in the conditions of part-time workers is severely limited. The relative weakness of the unions in this regard and the very low levels of unionisation amongst part-time workers in private sector services suggests that a reduction in labour market discrimination against part-time workers is more likely to come from changes in public policy. A detailed discussion of the factors influencing public policy in this area is beyond the scope of this thesis, but it is useful to round off these conclusions with a brief overview of public policy provision as it affects the main phenomenon addressed in this thesis, namely the growth in part-time employment.

Discussions of labour market discrimination against part-time workers normally begin by noting the extent to which the earnings of female part-time workers compare unfavourably with those of females and males employed on a full-time basis. Using New Earnings Survey data Beechey and Perkins (1987) calculate that in the mid-1980's the average hourly earnings of female part-timers were 79% of those of women working full-time and 58% of those of males working full-time. These figures almost certainly underestimate the scale of the full-time/part-time wage differential as the NES only records the wages of part-time workers earning above the National Insurance contribution threshold. As discussed in the previous chapter, low weekly hours tend to be associated with very low pay, hence those excluded from the NES calculations are more likely to receive relatively low hourly rates of pay. There are three potential sources

of these variations in earnings; firstly that part-timers are directly discriminated against by the payment of hourly rates which are lower than those paid to equivalent full-time employees; secondly, that the discrimination against part-timers concerns their exclusion from a wide range of non-wage benefits such as pension rights and holiday pay; and thirdly, that female part-time workers are segregated from other workers and are concentrated in a limited range of occupations in low paying industries.

The fact that discrimination against part-time workers in the labour market rarely involves different hourly rates mainly reflects changes imposed on firms by the 1970 Equal Pay Act, (Robinson and Wallace, 1984). However the law has been much less successful in ameliorating discrimination against part-timers in the area of non-wage benefits. There is no employment law in Britain that deals specifically with part-time employment, but as discussed above, the Employment Protection Act of 1975 does extend protection to these workers on a range of issues, such as maternity pay and redundancy pay, if they fulfill specific conditions concerning their weekly hours of work and the duration of their current employment. These conditions have recently been adjusted to reduce the number of part-time workers entitled to protection under this act, a change which makes it difficult to identify the exact proportion of part-time workers currently unprotected by this legislation.



The position of part-time workers under the equal pay legislation (relating to the full remuneration package, not just hourly rates) was unclear through much of the 1970's, but rulings by Employment Appeals Tribunals and the European Court of Justice have clarified the position. Initially the part-time worker was deemed to be entitled to equal pay only if they could identify a comparable worker of the opposite sex and if the differences in remuneration received were not due to other factors which were independent of the sex of the workers. These conditions proved difficult to meet and it can be argued that through the 1970's and early 1980's little general impact was made on sex discrimination in this area, (Robinson and Wallace, 1984). In 1984 European Community Law forced an important amendment to the Equal Pay Act. Women are now entitled to claim equal pay if they are doing 'like work' or 'broadly similar work' to that of male colleagues or if they are doing work considered to be of equal value to a man's. The 'equal value' amendment represents a major improvement in the legislation and trade unions have been encouraging their members to run test cases through the courts using more highly paid male colleagues as comparators.

Even with improvements to specific pieces of legislation the inability of the law to generally deal with discrimination has provoked widespread calls by trade unions, civil rights groups, and political parties of the centre and left for the general extension of employment rights to part-time employees. The most important attempt to bring about such a change involved the European

Commission's Draft Directive on Voluntary Part-time Work. This attempted to extend the full coverage of employment protection available to full-time workers to those working part-time. As such it would have removed the necessity to meet specified conditions before receiving protection under the 1975 act and would have given part-timers the right to equal pay and benefits by their inclusion within the general framework of employment law. The Draft Directive was comprehensively rejected by the Conservative government on the basis that it would add to employers labour costs and would reduce the labour market flexibility which they see as essential for the regeneration of the U.K. economy and the reduction of unemployment, (Department of Employment, 1985).

Even if legislation is extended to give part-time employees the same rights as those working full-time it would only moderate, rather than eliminate, the typically inferior position of part-time workers in the labour market. The reasons for this lie in the way this market is organised and the widespread incidence of job segregation. Tackling job segregation involves the consideration of a much wider range of social and economic policies than those directly associated with the labour market, and it ultimately depends on changing public attitudes and expectations about the role of women in society. Such segregation is deeply entrenched and would take many decades to eliminate even supposing the political will to do so exists. If such a political commitment was made an obvious policy area requiring immediate and substantial

change concerns the impact of child bearing on female employment opportunities. A radically different approach to maternity and paternity leave, the adequate state provision of childcare facilities, and the provision of comprehensive legal rights to return to work without loss of grade or status are obvious starting points in this area. At the most fundamental level the tackling of discrimination against female part-time labour is likely to involve the issue of re-valuing women's jobs, a point that holds for full- and part-time employees. As noted above, the 1984 amendment to the 1970 Equal Pay Act provides a starting point for this process in Britain, and trade union backed claims by female part-time members is forcing the issue of undervaluing female part-time jobs into the political and academic debate on the appropriate shape of labour market policies to meet the challenges and changes of the 1990's.

There is little prospect that any fundamental review of the role of women and part-time workers in the labour market will take place under the present government. An awareness that labour supply conditions are likely to change markedly in the 1990's with the projected fall in the numbers of young people entering the labour market has provoked some reappraisal of education and training policy and underlined the fact that greater reliance will have to be placed on older workers and labour market re-entrants to meet the demand for labour. However, the governments approach to these matters is almost exclusively market led, hence any impact on the relative terms and conditions enjoyed by part-time labour will simply reflect the balance

of market forces. There is no possibility of the legal framework being adjusted to reduce discrimination against part-time employees. If any change is to occur it is likely to be in the opposite direction, arising as a by-product of policies designed to deregulate the labour market and increase its 'flexibility'. In the absence of a change of government, the only other body likely to alter labour market policies as they affect part-timers is the European Community. It is unclear how many dimensions of the 'Social Market' programme will be in place by the target completion date for the internal market of end-December 1992, but if the proposals contained in this programme are enacted they are likely to have a profound impact on the legality of discrimination against part-time workers in the areas of wage and non-wage benefits.

Such prospective changes raise the obvious question of what impact they would have on the demand for part-time labour. If discrimination on all wage and non-wage benefits were removed the impact on the demand for part-time workers would, other things equal, depend upon the relative importance of these costs in the demand equation. The results of the multi-variate analysis of chapter 3 suggest the impact would be modest. Attempts were made in that analysis to capture the impact on the employers labour use decisions of differences in pension scheme and other costs, in organisational costs, in flexibility, and so on. The only variable of this type which proved to be (highly) significant was National Insurance contributions and these will not change as a result of the introduction of reforms

designed to reduce discrimination against part-time labour. The evidence to the Select Committee on voluntary part-time work in the early 1980's (House of Lords, 1981-2) offers some support for the view that the impact on demand will be modest. When the committee pressed employers to estimate the likely additional costs associated with the extension of employment rights to all part-time labour a wide range of responses were received, but estimates were generally low and a number of major employers placed the increase in their wage bill at less than 5%. As no evidence was provided to the Select Committee as to how these figures were generated they must be treated with caution, but the multivariate evidence from this study plus impressions gained through the interview process suggest that, while such anti-discriminatory measures would be unwelcome by management, they would have little impact on the demand for part-time labour. The contribution part-time workers make to wage bill savings, the numerical flexibility they offer and the National Insurance saving they allow all appear to be much more important factors in explaining their demand. In conclusion, the limited direct evidence from this study suggests that changes in public policy affecting the position of part-time workers are likely to have only a modest impact on the growth in demand for such workers.

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