



# Working time and work–life balance in European companies



Establishment Survey on Working Time 2004–2005

Working time and work–life balance  
in European companies

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**Research project:** Company survey on time



European Foundation for the Improvement of Living and Working Conditions

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Establishment Survey on Working Time 2004–2005

Cataloguing data can be found at the end of this publication

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# Foreword

Working time has long been a central element of political and social debate. The duration, organisation and predictability of working time raise questions about the health, well-being and wider social life of workers, and about productivity, efficiency and the competitiveness of enterprises. Given the different interests at stake in all these questions, it is not surprising that there is a long history of regulation (both through collective negotiation and through legislation) at the European level. This regulatory debate remains highly topical today.

The focus of the survey presented in this report is also pertinent to another aspect of the working time debate: the need to increase employment rates in line with the Lisbon strategy. This immediately raises the issue of attracting more people into employment and retaining them there. In particular, it is intended that employment rates for women and for older workers should increase, and policy debate has focused on the steps needed in order for this to happen. Of particular importance is the need to make work more attractive to these groups, and to implement policies which make it possible to combine work with other aspects of life. Caring – for children and elderly relatives in particular – is one, and perhaps the most important, such aspect. But modern life makes many demands on people's time, and working time arrangements must take account of this if employment rates are to increase.

The objective of the Foundation in the context of this debate is to assist the policymakers who will grapple with the complexities of working time policy and work–life balance in the years to come. We hope that in providing solid data and by exploring the working time arrangements used in companies, the reasons for using such arrangements and the outcomes for both companies and workers, this objective can be achieved.

Jorma Karppinen  
Director

Willy Buschak  
Deputy Director

## Country codes included in the report

*EU21 = EU15 + NMS6*

*EU15 (former 15 'old' Member States pre-enlargement 2004)*

AT	Austria
BE	Belgium
DK	Denmark
FI	Finland
FR	France
DE	Germany
EL	Greece
IE	Ireland
IT	Italy
LU	Luxembourg
NL	Netherlands
PT	Portugal
ES	Spain
SE	Sweden
UK	United Kingdom

*NMS6 (Six of the 10 new Member States which joined the EU in 2004)*

CZ	Czech Republic
CY	Cyprus
HU	Hungary
LV	Latvia
PL	Poland
SI	Slovenia

For some of the analyses in the report, the 21 countries were grouped into the following five regional categories:

Scandinavia:	<i>Denmark (DK), Finland (FI), Sweden (SE)</i>
British Isles:	<i>Ireland (IE), United Kingdom (UK)</i>
Western Europe:	<i>Belgium (BE), Germany (DE), France (FR), Luxembourg (LU), Netherlands (NL), Austria (AT)</i>
Mediterranean:	<i>Greece (EL), Spain (ES), Italy (IT), Cyprus (CY), Portugal (PT)</i>
Central Europe:	<i>Czech Republic (CZ), Latvia (LV), Hungary (HU), Poland (PL), Slovenia (SI)</i>

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# Introduction

Working time arrangements and work–life balance are important issues on the European Union’s political agenda. As defined at the Lisbon summit, increasing Europe’s employment rates has become a major objective of the European Employment Strategy (EES), and working time can play an important role in this context. On the one hand, flexible working time arrangements are considered a means for improving the competitiveness of companies and national economies. On the other hand, there is a need to improve job opportunities for those groups experiencing particularly low employment rates: for example, in some European countries, women (particularly if they have to care for children) and older members of the workforce. In order to reach this objective, governments are being encouraged to develop childcare facilities (the Barcelona targets) and to implement policies facilitating greater reconciliation between work and family life. In this context, improving living and working conditions has become a major objective for the European institutions.

Against this background, the European Foundation for the Improvement of Living and Working Conditions (hereafter called the Foundation) in 2004 launched a large-scale sample survey in establishments in 21 European countries: the 15 ‘old’ Member States of the European Union (EU15) and six of the new Member States (the Czech Republic, Cyprus, Hungary, Latvia, Poland and Slovenia). The study, called the European Establishment Survey on Working Time and Work–Life Balance (ESWT), was conducted in over 21,000 establishments, covering both the private and public sectors. As part of the survey, personnel managers and – where available – employee representatives were interviewed about working time arrangements and work–life balance at their workplaces. TNS Infratest Sozialforschung, Munich, coordinated the fieldwork for the ESWT survey which was carried out in the autumn of 2004 and the spring of 2005.

In recent years, working time arrangements and work–life balance issues have been the focus of a series of cross-national European surveys. However, most of these surveys – the most prominent ones being the Labour Force Survey coordinated by Eurostat, and the Employment Options Survey and the Working Conditions Survey conducted under the aegis of the Foundation – have analysed the theme from the point of view of individuals.

The European Establishment Survey on Working Time and Work–Life Balance or ESWT, is one of the very few cross-national surveys tackling these topics from the perspective of establishments. Employees usually cannot decide autonomously about issues concerning their

working time, as they are embedded in the organisational structure of the company in which they are employed. The organisation of working time at establishment level depends on the specific needs of the establishment, e.g. variations in the workload, opening hours, or the availability of adequate staff in the labour market. However, it is also influenced by the labour laws, collective agreements and cultural factors in place in each country. Within this framework, working time policy at establishment level sets out the possibilities and limits of the employees to adapt their actual working hours to their personal needs and wishes. Therefore, gaining an insight into the perspectives of the decision-makers at establishment level is an important addition to the views of the employees when analysing working time policy and practice.

The survey focused on a variety of working time arrangements, including flexible working hours, overtime, part-time work, work at unusual hours (e.g. shift work, night work, weekend work), childcare leave or other forms of long-term leave, and phased or early retirement. A common feature of all these arrangements is that they deviate in some way from the standard working time model (full-time Monday to Friday) with regard to the number, the distribution, or the timing of the working hours. Some of these working time arrangements enable employees to better adapt their working obligations to their private activities, among which family duties play an important role, although these are not the only activities to be taken into consideration when discussing work–life balance. Other types of arrangements, particularly overtime, shift work and work at unusual hours, are often considered to have a negative impact on the work–life balance of employees.

One of the hypotheses of this research is that none of these working time arrangements in themselves can be judged as ‘good’ or ‘bad’ for employees. Rather, their effects on employees’ work–life balance depend on the practical handling of such arrangements at establishment level, e.g. the degree of autonomy granted to the users, or the financial and legal conditions under which these work forms are offered. They also depend on the specific life circumstances and needs of the individual employee.

As outlined, the ESWT is mainly focused on investigating the views of central actors at establishment level (i.e. the management and, where they exist, formal employee representatives) and not at the individual level of workers. An establishment is usually not a homogenous entity, but a conglomeration of various places of work where different tasks are carried out by often very varied actors. Therefore,

the ESWT concentrates on identifying typical patterns and practices of working time policy that characterise the establishment as an entity, and on understanding the reasons for the introduction of certain working time arrangements within the establishment.

In addition, the survey tries to assess the advantages and disadvantages of particular working time arrangements for both the establishment and the workforce, by looking at the establishment as a whole and not at individual employees or workstations. For example, the question of whether or how part-time work is practised in the establishment does not only affect the working conditions of the part-time workers, but also has an impact on the working conditions of the full-time staff. Looking at the establishment as a whole opens up new perspectives for analysis by viewing the establishment as the intermediate level, i.e. between the general legal framework and the individual employees, where much of the decision-making on working time takes place.

The Foundation has planned to analyse the findings of the ESWT and produce seven different reports. A consortium of research institutes and experts from different European countries, coordinated by TNS Infratest Sozialforschung, will draft these reports (see Annex 4 for members of the consortium). The analysis consists of three main steps:

- The present overview report outlines initial results. It covers the issues addressed in the survey in a

descriptive way and is largely based on bivariate analyses.

- In a second step, a series of four additional reports will be produced, which will focus on specific working time arrangements. There will be in-depth analysis of part-time work, childcare leave, early and phased retirement, and extended operating hours.
- In the third step, two reports will be produced which analyse the data in a more comprehensive way. One report will focus on flexibility at company level and will analyse the interrelations between the different working time arrangements. Another report will look at the social dialogue at company level in relation to working time and work–life balance issues.

The ESWT survey can be accessed on the Foundation's website at:

<http://www.eurofound.eu.int/areas/worklifebalance/eswt.htm>.

Full details of the survey methodology and remarks concerning the treatment of the variables for analysis (i.e. the composition of the country groups) are given in Annex 1. Annex 2 gives an overview of the employee representative bodies chosen for interview and provides some analysis on the incidence of employee representation in European establishments.

# Flexible working time arrangements

1

The term ‘flexi-time’ refers to a variety of working time arrangements that enable employees to vary the beginning and end of their daily working time, in order to adapt it to their personal needs and preferences.

When looking at flexi-time schemes, it is necessary to differentiate between the regulatory framework and the way in which such arrangements are applied in practice. Often, although not always, the possibilities for and limits on varying the beginning and end of daily working time are set out in a collective agreement at company level, or in a written directive of the employer. However, particularly in small establishments, such schemes may also be practised informally, i.e. without any written rules and sometimes without explicitly using the term ‘flexi-time’.

The general rules usually define a ‘time corridor’ within which the employees can choose the beginning and end of their daily working time. They also specify whether or not it is possible to accumulate credit or debit hours (i.e. work longer one day and shorter another day) and, if so, the general terms for such an accumulation (e.g. maximum credit and debit hours), as well as the possibilities for taking time off in lieu of credit hours. In relation to the latter issue, there are large differences between the various forms of flexi-time. While some of the arrangements are somewhat restrictive, and do not allow employees to take full days off, other schemes allow much greater flexibility, enabling employees to compensate credit hours with even longer periods of time off. The more advanced systems, which offer extensive possibilities for the accumulation of credit hours and their compensation with time off, are sometimes not referred to as flexi-time but as ‘working time accounts’ or ‘annualised working hours’. Regardless of the names used, all of these types of flexible working time arrangements were covered in this part of the survey, which concentrated on the regulatory aspects of time allocation.

In addition to the rules concerning the possibilities for time allocation, the regulatory framework of flexi-time schemes frequently addresses procedural questions. These relate to, for example, the degree of autonomy granted to employees when making use of such possibilities (such as notice period, need to get the superior’s permission or to agree actual working hours with colleagues in the team, priority of company needs) and the way in which records of the actual working hours are kept. More explicit rules are sometimes established in relation to the difference between (voluntary) credit hours and (imposed) overtime hours. However, due to the enormous differences in the existing rules, the survey did not cover details of such procedural aspects.

Limitations in terms of the length of the questionnaire also meant that it was not possible to enter into great detail as far as the actual practice of flexi-time and working time accounts is concerned. Some insight can be gained from questions about the underlying rationale for the introduction of these flexible working time arrangements, as well as from the managers and the employee representatives’ assessments of the outcome. Nonetheless, a number of potentially interesting questions were clearly beyond the scope of this survey. This is particularly true for the question about the extent to which personal needs and preferences, on the one hand, and company needs, on the other, influence the actual use of flexi-time schemes: whether the actual allocation of working time follows a work–life balance rationale, or whether it is used as a means to better adapt working hours to the workload and thus optimise work organisation and productivity. Although both targets do not necessarily have to be incompatible (in some cases a win-win situation can be achieved), there is doubtless considerable potential for conflict. For a more in-depth investigation of these issues, a survey among individual employees would probably be more suitable than the establishment survey, which is analysed here.

## Types and incidence of flexi-time arrangements

The survey aimed at investigating flexible working time arrangements, which are usually categorised under the term ‘flexi-time’ – regardless of the degree of formalisation and of how this system is referred to in the establishment. Therefore, the questionnaire deliberately refrained from using the term ‘flexi-time’ but described the core characteristics of this working time arrangement in general terms.

Questions about flexible working time arrangements in the survey aimed at mapping the regulatory framework of the applied schemes. These (formal or informal) rules define the theoretical degree of flexibility allowed to employees entitled to make use of such arrangements.

In the questionnaire, respondents were asked about flexible working time arrangements according to different degrees of flexibility – starting from the possibility of varying the start and end time of work only on a daily basis, and ranging to systems that offer broad possibilities for the accumulation and compensation of hours over longer periods of time. However, since the entry question explicitly asks only for arrangements with the possibility of variations ‘according to their [the employees] personal needs or wishes’, flexible systems in which flexibility is exclusively imposed by the employer in accordance with

the needs of the establishment, such as work on call, are not included.<sup>1</sup>

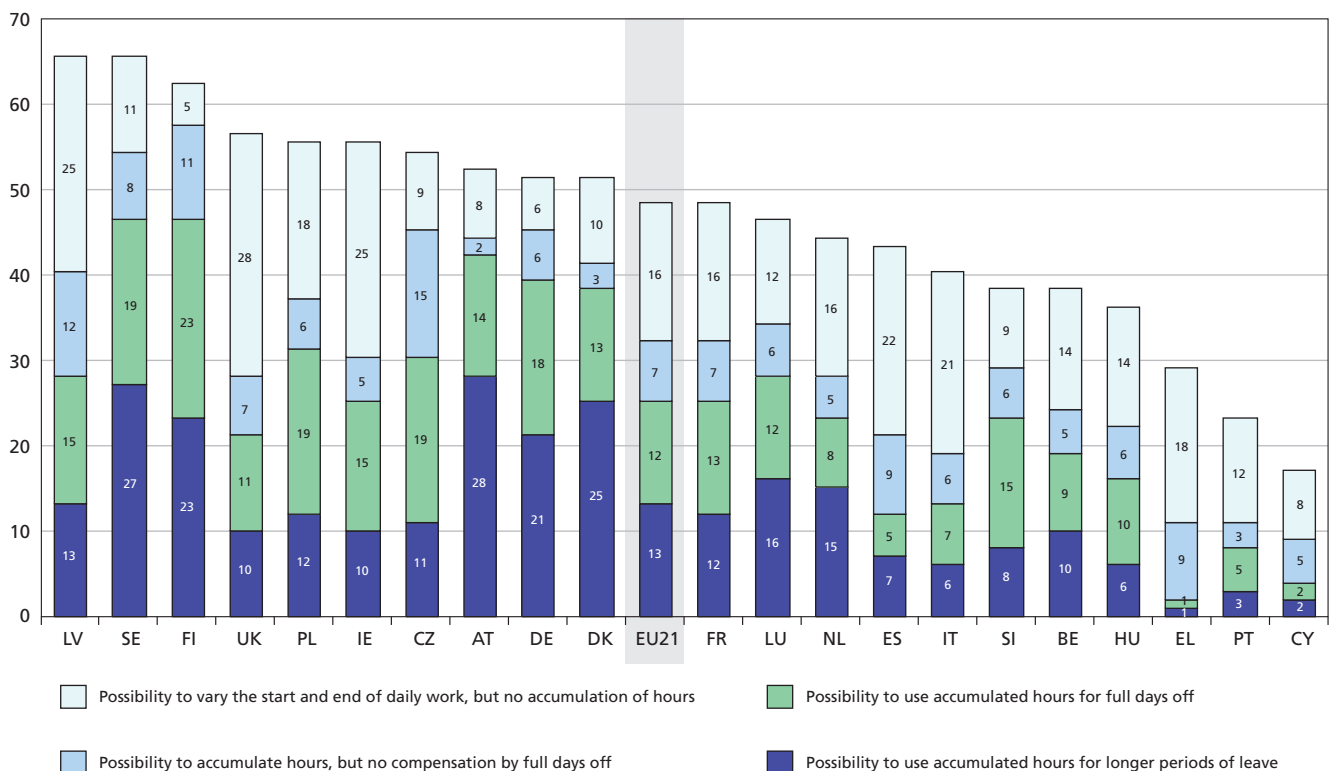
On average, 48% of the personnel managers in establishments with 10 or more employees reported the existence of some form of flexible working time arrangement, allowing for the adaptation of working hours according to the personal wishes of at least part of the workforce (see Figure 1 below). On the basis of the survey data, it is possible to distinguish between four types of flexible working time arrangements according to the time horizon granted for the compensation of credit or debit hours:

- The lowest degree of flexibility is offered by schemes that only allow the starting and finishing times to vary on the same day, without the possibility of accumulating credit or debit hours. In this scheme, only the start and finish times of each day are flexible, not the number of hours actually worked per day.

Therefore, variations usually have to be evened out in the same day, e.g. by finishing the working day an hour later in the afternoon if the employee started work an hour later that morning. This type of flexibility is practised by 16% of all the establishments surveyed.

- Other schemes allow for the accumulation of credit or debit hours, within certain limitations, over a longer period of time (such as a week or a month), but do not permit credit hours to be compensated by full days off. This means that longer working hours some days can be compensated by working fewer hours on other days. Some 7% of all establishments surveyed offer this arrangement to at least some of their employees.
- In more advanced flexi-time schemes, employees are permitted to take full days off to compensate for accumulated credit hours. Such schemes are practised in 12% of all establishments.

Figure 1: Incidence of different forms of flexible working time arrangements, by country (%)



Base: All establishments (management interviews)

Source: ESWT, 2004–2005

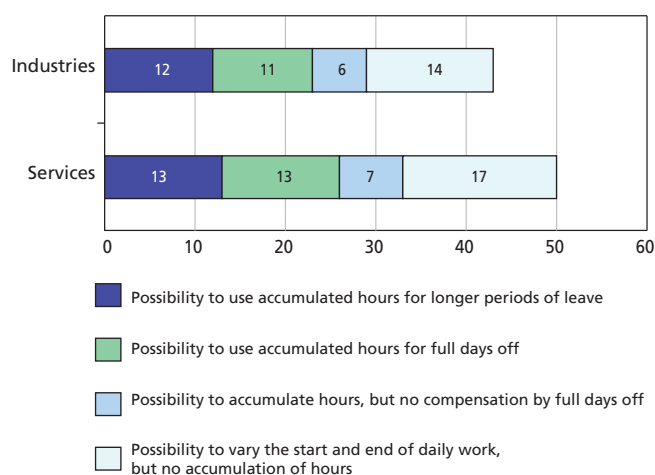
<sup>1</sup> A certain degree of uncertainty prevails as to what extent respondents also included shift systems or staggered working hours with fixed hours. Such systems offer various possibilities for employees, such as changing shifts with colleagues and/or requesting specific shifts that best fit their personal needs or wishes. These systems exist, for example, in some large department stores, and can offer a degree of flexibility to employees comparable to flexi-time arrangements.

- The highest degree of flexibility is offered by schemes that allow credit hours to be compensated for by longer periods of time off work – often with the whole year (or even longer) as the reference period within which the time account has to be settled. Such schemes are often referred to as ‘working time accounts’ or ‘annualised working hours’ and exist in 13% of the establishments surveyed.

Significant differences exist in the overall incidence of flexible working time arrangements practised in the 21 countries. While in Cyprus, Portugal and Greece, less than one third of establishments offer some flexibility with regard to working hours, about two thirds of all establishments in Sweden, Latvia and Finland do so. Apart from these two groups of countries, the proportion of establishments offering some form of flexible working hours is relatively even, ranging from between 40% and 55% in a significant number of countries.

The degree of flexibility offered by the working time systems also varies considerably from country to country. In Germany and Austria, flexible working times mostly also imply the existence of some kind of working time account, i.e. allowing the accumulation of hours and of time taken off later on. In contrast, in southern European countries, the option to compensate for accumulated hours with time off later on exists in less than half of the establishments offering working time flexibility. This indicates that flexibility in these countries is often practised in a more informal way.

**Figure 2: Flexible working time arrangements, by sector of activity (%)**



Base: All establishments (management interviews)

The percentages outlined in Figure 1 do not give any information about the share of employees actually

working flexible hours, but only reveal how many establishments have recent experience of flexible time arrangements and can thus be regarded as generally open to the idea of introducing flexible working hours. Since flexible time arrangements are often offered to specific parts of the establishment's workforce, the actual share of employees entitled to vary their working hours in the ways outlined will usually be much lower (see Figure 4).

The proportion of establishments reporting the existence of any form of flexibility is greater in the services sector (50%) than in industry (43%). Nonetheless, data show that the most ‘advanced’ type of systems, those allowing employees to take several days or even weeks off as compensation for previously worked hours, are to be found in approximately equal shares in both sectors – in 12% of establishments in industry and in 13% of establishments in the services sector (see Figure 2).

**Table 1: Flexible working time arrangements, by sub-sector (based on NACE classification)**

Sub-sector (NACE 1-digit)	Total flexi-time	Only systems allowing accumulation of hours
<b>Industry</b>		
Mining and quarrying (NACE C)	40%	31%
Manufacturing industries (NACE D)	45%	31%
Electricity and water supply (NACE E)	52%	37%
Construction (NACE F)	36%	22%
<b>Average</b>	<b>43%</b>	<b>29%</b>
<b>Services</b>		
Retail and repair (NACE G)	44%	29%
Hotels and restaurants (NACE H)	50%	30%
Transport, storage and communication (NACE I)	42%	25%
Financial intermediation (NACE J)	56%	36%
Real estate, renting and business activities (NACE K)	65%	43%
Public administration (NACE L)	55%	39%
Education (NACE M)	42%	25%
Health and social work (NACE N)	53%	41%
Other community, social and personal services (NACE O)	61%	46%
<b>Average</b>	<b>50%</b>	<b>34%</b>

Base: All establishments (management interviews)

Source: ESWT, 2004–2005

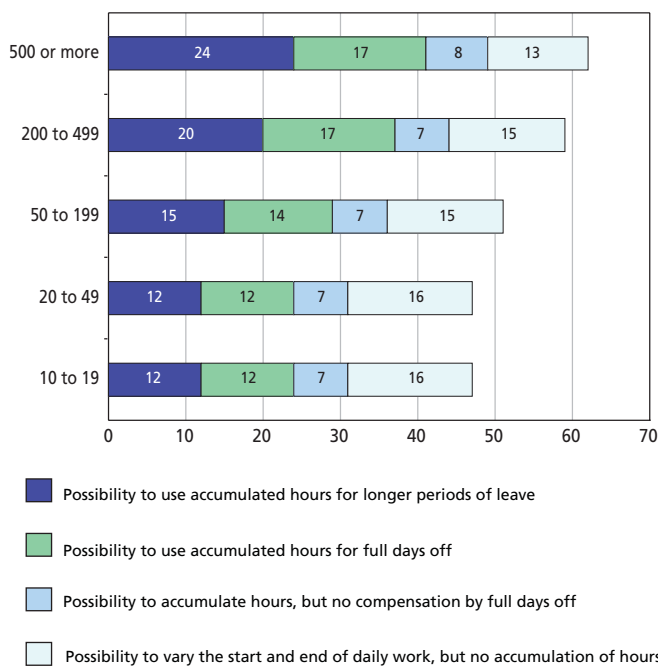
A more detailed breakdown of the use of flexibility schemes, according to sub-sectors, shows that within the industry sector, establishments in construction offer flexible working time schemes less frequently (36%) than others. This is not surprising in view of the specific requirements of the work organisation in this sub-sector. Within the services sector, education and transport,



storage and communication show the lowest level of flexibility schemes at establishment level, while real estate, renting and business activities, and other community, social and personal services show an above average share of flexible working time options (see Table 1 for respective NACE codes). Nevertheless, within the broad sectors of industry and services, differences between the sub-sectors are generally relatively moderate. From a Europe-wide perspective, there is no sub-sector where flexible working time schemes are a rare exception. Some of the differences between the sub-sectors result from the different size-structures of establishments in the branches and thus diminish if size is controlled for.

Opportunities to make use of any of these forms of flexible time arrangements increase with the size of the establishment. Nonetheless, differences between size-classes are quite moderate. While slightly less than half of the establishments (about 47%) in the two smallest size-classes offer any flexibility with regard to working time, in the largest size-classes, this share amounts to about 62% of establishments. Flexibility in this broad sense is therefore not just a phenomenon in large entities, but is also quite widespread among smaller establishments with 10 to 49 employees.

**Figure 3: Establishments with flexible working time arrangements, by size and degree of flexibility (%)**



Base: All establishments (management interviews)  
 Source: ESWT, 2004–2005

Nevertheless, as Figure 3 shows, differences between size-classes become more prominent according to the degree of flexibility offered by the scheme applied. Flexibility schemes of the most ‘advanced’ type, which allow employees to take several days or even weeks off as compensation for accumulated hours, are about twice as frequent in large establishments as in smaller ones: while only 12% of the establishments with 10 to 49 employees offer this possibility to at least some of their employees, 24% of establishments with 500 or more employees do so.

One explanation for this is that while systems limited to variations on a daily basis are often based on informal agreements between the employer and employee only, arrangements that allow for the accumulation of hours over longer periods of time usually require a certain degree of formalisation – for example, to keep track of the time accounts and to provide for the protection of the accumulated time credits against bankruptcy. The set-up and maintenance costs required for these types of technical and administrative provisions are usually only worthwhile if a certain minimum number of employees avail of such arrangements. Moreover, it is usually easier for larger entities than for smaller establishments to cope with prolonged absences of employees compensating previously worked extra hours.

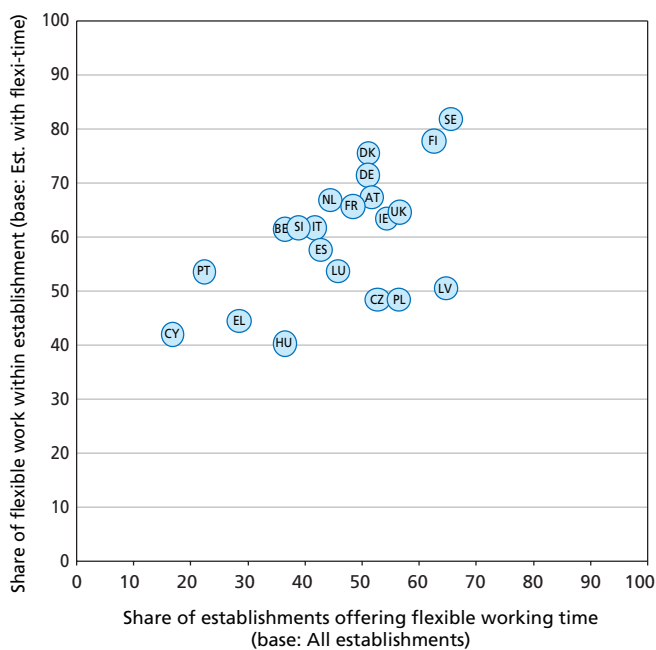
**Proportion of employees entitled to flexible working hours**

A distinction should be made between the incidence of flexible working time arrangements at establishment level and the take-up rate at the individual employee level. An establishment can be regarded as practising flexi-time even if there is only one employee who is entitled to make use of this scheme. However, there is a further distinction between establishments in which only a few employees are allowed to make use of flexi-time and establishments in which practically all staff members are included in this scheme.

Countries with a low proportion of establishments with flexible working time arrangements also tend to have comparatively smaller shares of employees within these establishments, who are entitled to make use of such arrangements. This is the case, for example, in Cyprus, Greece, Hungary and, albeit to a smaller extent, in Portugal. In contrast, in Finland and Sweden, the high incidence of establishments with at least some experience of daily working time flexibility clearly coincides with large proportions of employees who are entitled to avail of such arrangements. The proportion of entitled employees within the establishments offering flexible time schemes is also above average in Austria, Denmark, Germany and the

Netherlands, where, on average, more than two thirds of the workforce is entitled to make use of this arrangement (see Figure 4). Thus, flexibility in these countries is usually not just a privilege of a small minority (such as employees in administration), but is open to a broad spectrum of the workforce, or even to all employees.

**Figure 4: Share of companies with flexible working time arrangements and average share of employees entitled to make use of flexible working times, by country (%)**



Base: Management interviews

The findings outlined above seem to indicate that the question of whether working times are organised flexibly or not is not necessarily related to needs inherent in the production process, but frequently depends on country-specific cultures in the work organisation and on the will of the responsible decision-makers (and level of demand expressed among employees) to organise work in such a way.

## Flexible working time arrangements in companies

### Reasons for introducing flexible working time

In many companies, the introduction of flexible working time arrangements is a relatively recent phenomenon.<sup>2</sup>

Experiences at establishment level with working time arrangements are therefore likely to be fresh in the minds of the managers and, where they exist, of the employee representatives. Both parties were therefore asked, using multiple response questions, about the underlying reasons for the introduction of the flexible time schemes and about the outcomes perceived so far.

Enabling employees to better combine work and family (or personal) life was the reason most frequently stated by the personnel managers interviewed for introducing flexible working time arrangements in their establishment. Some 68% of managers from all companies practising flexibility arrangements named this as one of the reasons, or even the only reason, for their introduction.

Better adaptation of working hours to the establishment's workload – a motive mostly oriented towards the organisational needs of the establishment – was given by 47% of managers. Among these, roughly two thirds also included the intention to enable employees to better combine work and family or private life in their motives.

Nonetheless, the fact that the goal of enabling employees to improve their work–life balance was the reason most frequently cited by managers does not necessarily mean that the introduction of flexible working hours is entirely an altruistic act on the part of management. As many managers gave both the improvement of the employees' work–life balance and a better adaptation of the workloads as reasons for introducing these arrangements, it is not possible to say which of the two reasons was the decisive one. Furthermore, the establishment evidently also benefits from employees with an improved work–life balance, since this is likely to have positive repercussions on their motivation and efficiency at the workplace.

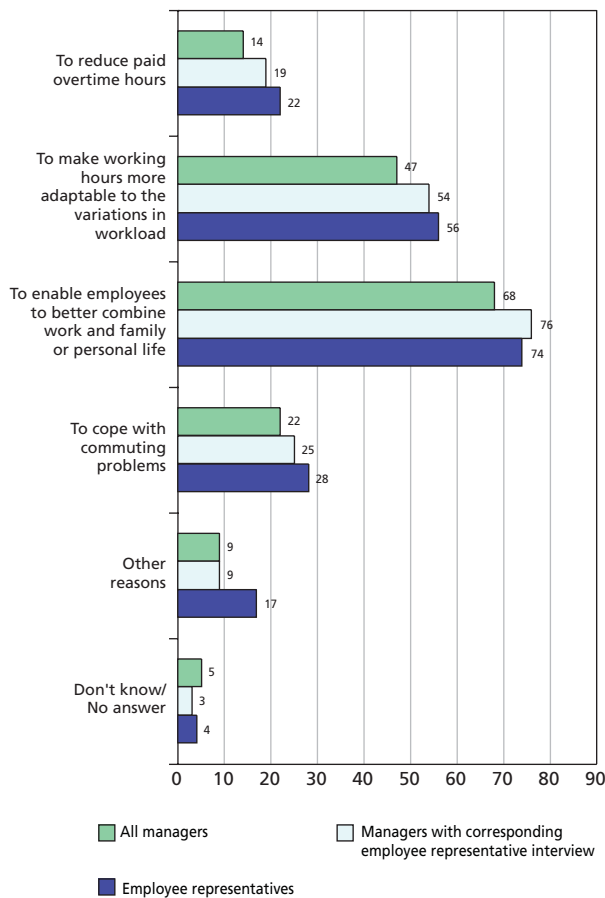
At an aggregate level, the views of the employee representatives, to a large extent, confirm the assessment of the managers with regard to the prevailing reasons for the introduction of flexible working time (see Figure 5). A comparison between the answers of managers and those of the employee representatives<sup>3</sup> shows that the employee representatives gave each of the reasons slightly more often than the management respondents. Nevertheless, differences are only slight in this respect and the general ranking of the various reasons corresponds surprisingly well between both groups of respondents. When comparing the employee representatives' responses with

<sup>2</sup> According to Webster (2003), flexible working time arrangements have increased substantially in Europe, especially since the late 1980s. A recent establishment survey, carried out by the German chamber of industry and commerce (Deutsche Industrie- und Handelskammer, DIHK), among over 20,000 German companies, records an increase in the use of flexible weekly working hours at company level by as much as 11% in only four years (from 2000 until autumn 2004; Dercks and Heikaus 2005, p.5).

<sup>3</sup> The analysis is limited to establishments in which both respondents generally agree about the existence of a flexible working time arrangement.



**Figure 5: Reasons for introducing flexible working times (%)**



Base: Establishments with flexible working time arrangements (both types of interviews)  
 Source: ESWT, 2004–2005

the views of only managers from establishments for which an employee representative interview exists,<sup>4</sup> the picture changes only slightly.

**Effects of introducing flexible working times**

In relation to the perceived effects of introducing flexible working times, a first analysis at the bivariate level shows only relatively small differences between establishments of various sizes. The managers of larger establishments generally report both positive and negative effects of flexible working times more frequently than those from smaller establishments. Nevertheless, the general ‘ranking’ between the various effects is practically the same. Differences between the two main sectors of activity concerning the perception of the outcomes of flexible

working times are also surprisingly low. From the country perspective, some variations in the judgement can be discerned, but differences are generally rather moderate, and in no country do negative aspects prevail over the positive aspects in the opinion of managers who were questioned.

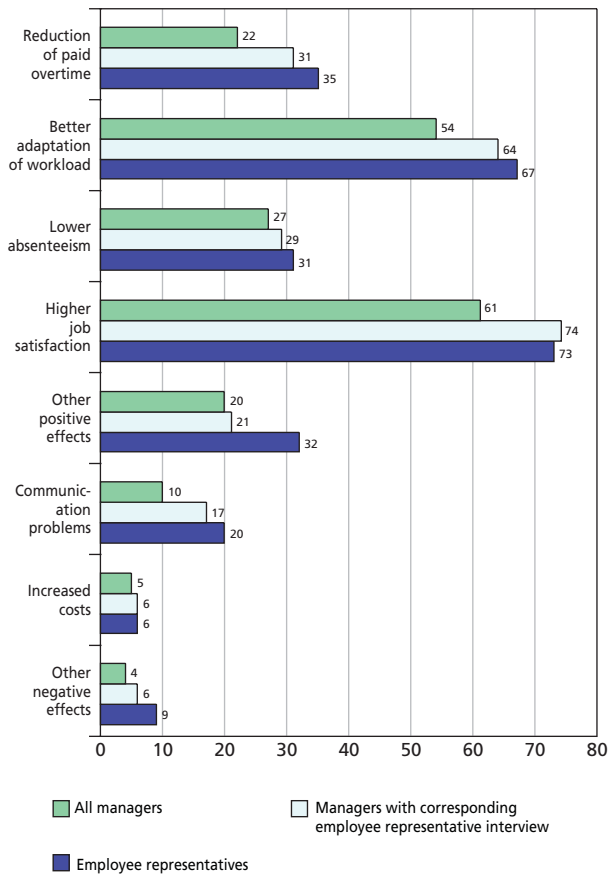
Analyses at an aggregate level show that the observed effects of introducing flexible working times are largely in line with prior expectations. Both managers and employee representatives most frequently report higher job satisfaction as an outcome of the introduction of flexible working times, followed by a better adaptation of working hours to the workload. Among both groups of respondents, only a small minority perceives any negative effects. Managers belonging to those establishments in which an employee representative interview was also carried out perceive even more positive effects for the establishment (albeit also more communication problems) than the overall number of managers from companies with flexible arrangements. One explanation for this difference is the fact that employee representative interviews were more likely to have been conducted in large enterprises.

For a more detailed analysis, it is useful to switch from the comparison at aggregate level – where the totality of reasons and effects of a defined group of respondents are compared to each other – to a direct comparison of reasons and perceived effects within the same establishment. In this way, it can be determined, for example, how many of the managers who introduced flexible time arrangements for a specific reason were satisfied with the outcome of greater flexibility of working time.

Comparisons of the reasons and perceived effects outlined by managers within the same establishments largely confirm the findings at aggregate level. They indicate that management’s expectations when introducing flexible working time arrangements were largely fulfilled. Of those companies where a reduction in overtime was among the reasons for the introduction of flexi-time, more than three quarters (76%) reported a reduction of paid overtime as one of the actual outcomes. The expectation of a better adaptation of working times to actual workloads was fulfilled in 83% of the establishments, which stated this as one of the reasons for introducing flexible working time. The motive of enabling employees to better combine work and family or personal life has no direct equivalent in the

<sup>4</sup> For the interpretation of these data, it is important to keep in mind that the structure of establishments with employee representation differs significantly from the structure of all the establishments surveyed, especially with regard to country and size-class.

**Figure 6: Effects of introducing flexible working time, by type of interview (%)**



Base: Establishments with flexible working time arrangements (both types of interviews)

Source: ESWT, 2004–2005

question items on perceived effects; however, the item ‘higher job satisfaction’ could be interpreted as an indicator for a better combination of work and family life. Indeed, 74% of managers in establishments in which an improvement of the work–life balance of employees was named by the managers as a motive for introducing flexible working times perceived an increase in employees’ job satisfaction. However, 21% of managers did not note such an improvement.

Several of the effects mentioned in the questionnaire cannot easily be categorised as either ‘positive’ or ‘negative’ effects, without distinguishing between the viewpoints of the different groups. Aspects that are considered positive from the management’s viewpoint may be considered detrimental, or at least ambivalent, from the employee’s perspective. This is especially true in relation to the item, ‘reduction of paid overtime’. From the management’s point of view, this is generally considered a positive effect and, according to other empirical research,

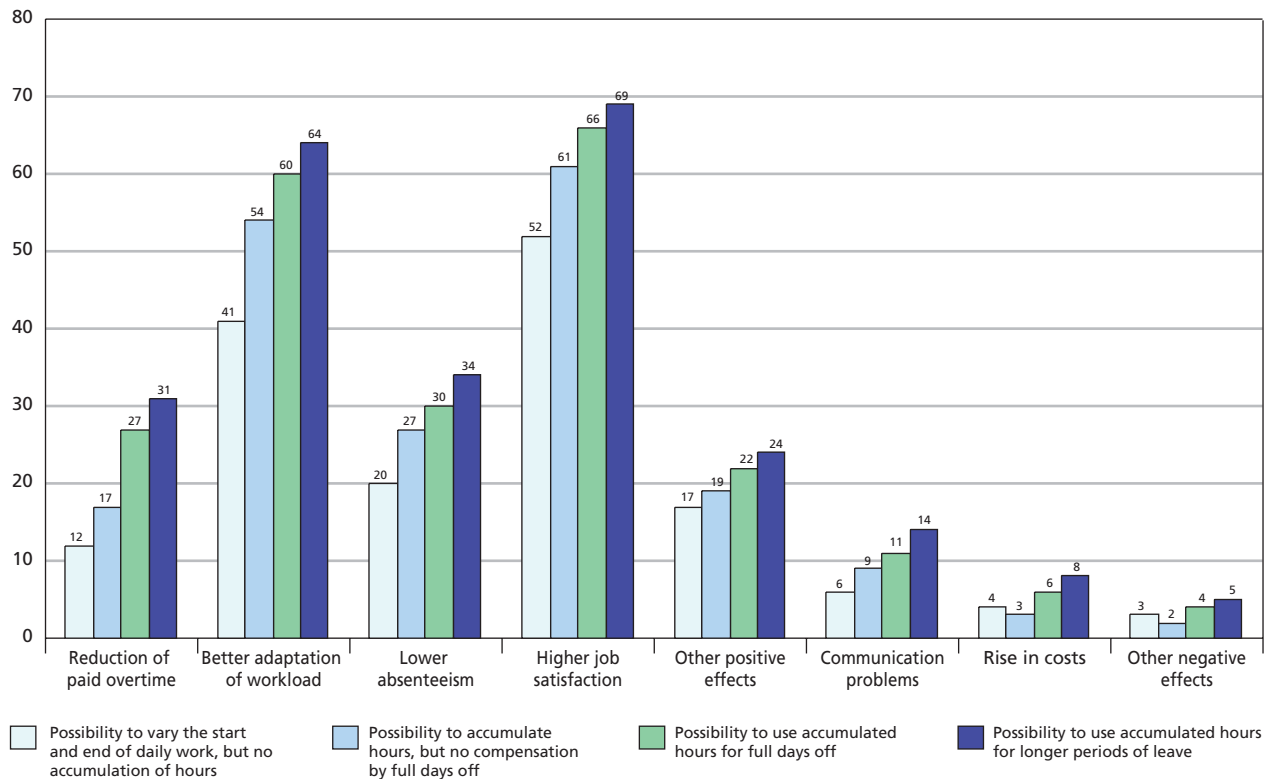
is one of the most important driving forces for the introduction of flexible working time arrangements by management (Bellmann and Gewiese, 2004, p.139). However, from the employee’s perspective, the loss of overtime wage supplements might be regarded as a negative effect, particularly if these supplements make up a substantial part of their income. At the same time, the rise in costs due to the introduction of more flexible working times may affect the employer’s side more negatively than the employee’s side. Meanwhile, although a reduced rate of absenteeism is undoubtedly a positive effect for the employer, whether or not such an outcome is positive for the employee largely depends on the underlying reasons for the reduced absenteeism. Lower absenteeism might be a direct result of reduced stress due to greater reconciliation between work and private life and may thus be favourable for employees; however, it may also mean that employees who get sick are expected to take time out of their working time account, instead of reporting themselves sick.

In spite of these inevitable ambiguities in the interpretation of the data, the survey results indicate in general that the greater the working time flexibility allowed, the more positive the evaluation of the outcomes from the management’s viewpoint tends to be. In particular, the reduction of paid overtime hours, reduced absenteeism, higher job satisfaction, and a better adaptation of the working hours to the workload are given considerably more often as positive effects by managers in establishments with a high degree of flexibility than by those allowing only limited flexibility. While negative effects are also reported more frequently among establishments practising greater working time flexibility, the rise in negative statements is very moderate (excluding ‘communication problems’) and a generally increasing satisfaction with the system seems to prevail.

While there is generally a broad consensus among the social actors about the mainly positive effects of introducing flexible working times, it is worth taking a brief look at those establishments in which negative effects were reported. Under which circumstances is the introduction of flexible working time more likely to produce negative outcomes from the viewpoint of management? Moreover, are there any characteristics that are common to these establishments?

An initial analysis shows that, in a large proportion (92%) of those establishments in which the managers report negative effects resulting from the introduction of flexible working times, positive effects are also perceived. Only 8% of the managers who perceive negative effects do so

Figure 7: Effects of introducing flexible working hours, by type of arrangement (%)



Base: Establishments with flexible working time arrangements (management interviews)  
 Source: ESWT, 2004–2005

exclusively. However, the absolute number of these establishments is too small (n=126) to allow for the identification of certain common patterns that might characterise these firms.

### Characteristics of companies using flexible working times

Which factors distinguish companies using flexible working hours from companies that have not yet introduced such arrangements? For example, are factors related only to size, country and sector of activity, or do other factors help to explain why some establishments offer flexible working time regimes and others do not?

Unsurprisingly, flexible working time arrangements are more frequently to be found in establishments reporting regular variations in the workload than in establishments with a relatively stable workload. While 50% of the establishments with major variations in the workload apply flexible working hours, only 43% of the establishments with a relatively stable workload do so. Among the establishments reporting major variations in the workload, flexible working time arrangements are

slightly more common if such variations tend to be predictable. The cycle of workload variations, i.e. whether they are of a daily, weekly or annual nature, does not however have any significant influence on the incidence of flexible working time regimes at establishment level.

As already outlined, the possibility of adapting working hours to the workload was one of the most important motives on the part of management for introducing flexible working times. Thus, the 7% difference in the incidence of flexibility schemes in establishments with or without workload variations is surprisingly low. This could be interpreted as confirmation of both managers’ and employee representatives’ assessment that the biggest driving force behind the introduction of flexible working time regimes relates to employees’ wishes rather than the establishment’s needs in terms of work organisation. However, it is also possible that flexi-time arrangements might be sufficient for adapting working hours to minor variations in the workload that occur accidentally and are thus not reported as a common characteristic of the establishment.

In relation to the introduction of working time arrangements favouring the work–life balance of employees, the public sector is often regarded as a forerunner in this respect. Indeed, the survey data show that flexible working time arrangements are generally slightly more widespread in public entities than in privately owned establishments. While 52% of all establishments belonging to the public sector offer flexible working times to at least some of their employees, 48% of the private sector establishments do so. Nevertheless, these small differences at aggregate level hide larger differences between private and public employers from a country perspective. While in some countries (Belgium, Finland, Germany, Ireland, Italy, Latvia and Sweden), the public sector is a forerunner in terms of working time flexibility, in others (Denmark, France, Greece and Hungary), public entities offer flexible working time options much more infrequently than do private firms.<sup>5</sup>

In the five new central European Member States covered in the survey, it is possible to further analyse the incidence of flexible working time arrangements, according to the ownership and the ‘age’ of the establishment. For example, data show that flexible working time arrangements are more widespread in foreign than in domestically owned companies. Among the domestically owned companies, 50% offer a certain degree of flexibility in relation to the start and end times of daily work to at least part of the workforce; in foreign owned companies, this share increases to 58%.<sup>6</sup> This result indicates that foreign firms tend to introduce not only new products and technology, but also new forms of work organisation. Nevertheless, the difference between domestic and foreign owned firms is not very pronounced.

Whether an establishment was set up before or after the start of the economic transition phase in central Europe (1989–1991) does not appear to influence the existence of such flexible time arrangements. This is surprising, since flexible working time arrangements are regarded as a modern component of work organisation and ‘theoretically’ could therefore be expected to be found

more often in newly created establishments, than in those formed prior to the economic restructuring process following the fall of the communist regimes.

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Significant differences exist between European countries in relation to the application of flexible working time arrangements, more widely referred to as ‘flexi-time’. Both the overall number of establishments using flexible working time arrangements and the level of flexibility – measured in the survey in terms of the time horizon for the accumulation of and compensation for of credit and debit hours – differ widely between countries. To a large extent, these differences appear to be relatively independent of factors relating to the size or economic activity of the establishment. This indicates that both policies regarding flexible working time arrangements and practices are still largely influenced by the different national institutional frameworks and by cultural factors specific to each country.<sup>7</sup>

Flexible working time arrangements are usually seen as a means of improving the work–life balance of employees. In most of the establishments, this was the main reason given for the introduction of flexible working time options. A broader time horizon for the accumulation and/or compensation of hours usually, but not necessarily, implies an increased ‘time sovereignty’ for the employee. However, it may also lead to an increased pressure on employees to adapt their working hours to the requirements of the establishment, rather than to their own personal wishes and needs. Flexibility schemes with a long time horizon can often lead to greater self-exploitation (see for example Hielscher, 2005), particularly among higher skilled employees.

The survey shows that establishments can clearly benefit from flexi-time schemes. A better adaptation of working time to the workload, lower absenteeism and a reduction of paid overtime hours are the most frequently reported positive outcomes for establishments.

<sup>5</sup> Due to the deficiencies of the available address registers in Greece and Hungary, this observation is mainly based on sectors other than education (NACE M) and health and social work (NACE N).

<sup>6</sup> This difference appears to be largely independent of the size of the establishment.

<sup>7</sup> For an insight into the importance of the geographical location in the use of flexible working times, see also Schief, 2006, p.241. This recently published study is based on establishment data from six European countries collected in the EUCOWE survey (a comparative study of operating hours, working time and employment in France, Germany, the Netherlands, Portugal, Spain and the UK).



Overtime hours refer to those hours worked beyond the normal agreed (weekly or monthly) working hours. Although 'overtime' is a widespread phenomenon, it has become increasingly difficult to define and measure overtime and the volume of overtime worked by individuals or within an establishment. A broad variety of flexible working time arrangements, such as flexi-time, working time accounts or annualised hours, further impedes a straightforward distinction between 'regular' and 'overtime' hours. In some of these systems, overtime hours are calculated and compensated for at the end of the year only; in others, it is possible to compensate additional hours worked in one year with longer holidays to be taken in the next year(s). Moreover, the limits and rules regarding the definition of extra hours, as either credit hours accumulated in the framework of a flexible working time system or as explicit overtime, vary between establishments. Also, the compensation of overtime hours (by time or by money, at a normal or an increased rate) differs widely between establishments and may vary for full-time and part-time staff. This too makes it increasingly difficult to clearly distinguish between normal working hours and overtime hours.

Despite these difficulties, overtime hours are an important topic on the EU's political agenda in relation to labour market issues (such as reducing overtime hours in a situation of high unemployment), health and safety at work (avoiding extraordinarily long working hours) and work-life balance. As a result, the ESWT questionnaire raised a series of questions specifically dealing with the issue of overtime work. Bearing in mind the difficulties outlined in defining overtime, the questionnaire deliberately refrained from trying to use a general definition of overtime. The relevant questions used the term 'overtime' but it was left to the respondent to answer the questions regarding the actual meaning of this term in his or her establishment. This seemed to be the best approach, considering the broad variety of definitions, regulations and practices in relation to overtime.

In this respect, the survey addresses the following issues:

- Is there any overtime worked in the establishment and, if so, is this an exceptional phenomenon or a frequent one? Regular overtime hours, in particular, are likely to negatively affect the private life of employees, although

some employees might welcome overtime hours in order to supplement their income.

- How are overtime hours compensated for in the establishment (by time or by money)?
- Do employees have any influence over whether or not they do overtime work? This is an element of 'time sovereignty' and affects work-life balance.
- What is the role and position of the formal employee representation (where such a body exists) with regard to overtime?

## Extent and types of overtime

Managers in about three quarters of the establishments surveyed reported that at least some of the employees worked overtime during the reference period 'since the beginning of the year'. As Figure 8 (overleaf) shows, overtime is widespread in most countries. However, establishments from some southern European countries (Greece and Portugal) and from some of the new Member States (Hungary, Latvia and Poland) report the working of overtime hours less often than establishments in the other Member States.<sup>8</sup>

The share of establishments in which overtime was worked is approximately equal in both the industry (76%) and services (75%) sectors. In industry, the existence of overtime hours is distributed relatively evenly over the various sub-sectors. In the services sector, overtime occurs significantly more often than average in 'transport and communications' (85%) and in 'health and social work' (84%), while establishments in the 'hotels and restaurants' sector are less frequently characterised by the existence of overtime work (64%) compared with other sub-sectors.<sup>9</sup>

In about every third establishment using overtime, only a minority of employees (less than 20% of the staff) had to work additional hours in the reference period. One in five establishments with overtime reported that virtually all employees (80% or more) had to work overtime. On average, slightly less than half of the workforce is affected in all establishments where overtime is worked, with relatively little variation between branches.

Most managers (64%) in establishments in which overtime was worked in the defined time-span stated that overtime was only worked 'exceptionally' in their establishment.

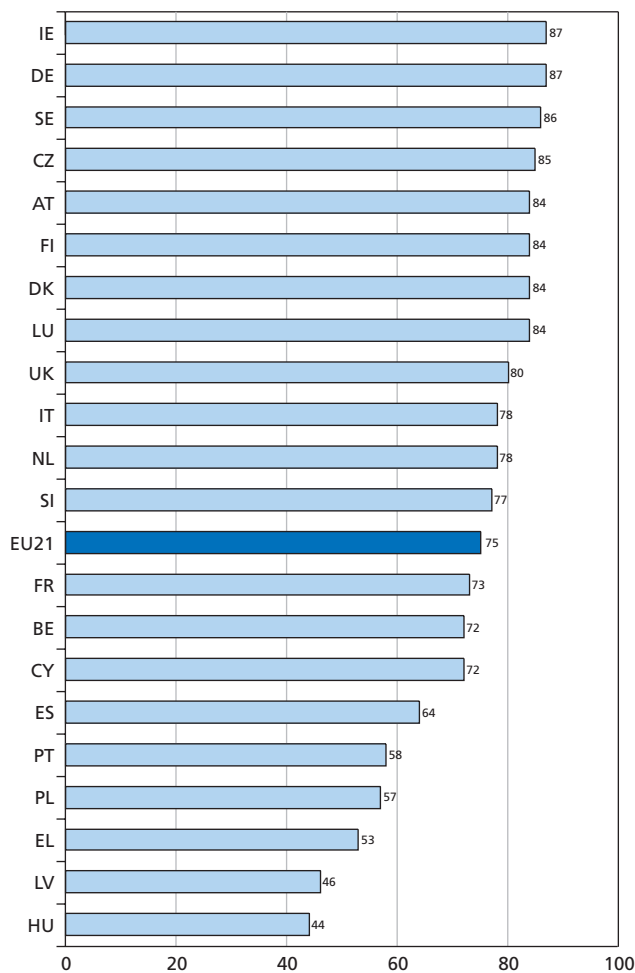
<sup>8</sup> The incidence in the new EU Member States covered (CZ, CY, LV, HU, PL and SI) is likely to be slightly underestimated, since in these countries fieldwork was carried out in May and June, while in the EU15, the fieldwork period stretched from September to November and the reference period thus included midsummer.

<sup>9</sup> The relatively low incidence of overtime hours in the hotel and restaurants sector could be attributed to the often pronounced variations in the workload (mostly unskilled work) in this sub-sector, which are frequently tackled using external flexibility instruments, such as the employment of temporary staff.



However, in 20% of establishments with overtime, this is a regular phenomenon, according to the managers. Another 14% stated that both forms – exceptional and regular overtime – occur in their establishments.<sup>10</sup>

**Figure 8: Establishments with overtime work, since beginning of reference year (%)**



Base: All establishments (management interviews)  
Source: ESWT, 2004–2005

The reasons why overtime is worked on a regular basis and by a large share of employees in an establishment can be manifold. Companies in which overtime hours are worked on a regular basis, or where both regular and exceptional overtime occur, more frequently report problems (41%) in the recruitment of staff for skilled jobs, compared with companies in which overtime occurs only exceptionally or not at all (32%). These types of firms also

report problems in the recruitment of personnel for unskilled jobs slightly more often (16% compared with 13%). Thus, difficulties in the recruitment of new, additional personnel might be one possible explanation for overtime work. Yet, in view of the current labour market situation in most EU countries, it can be assumed that regular overtime hours are rather the outcome of a certain culture of management and personnel recruitment within an establishment.

### Compensation for overtime

From surveys among individuals, it appears that the majority of employees prefer to be compensated for overtime work with time off rather than money (Bielenski, Bosch and Wagner, 2002a, p.79). However, throughout the countries surveyed, the most common form of compensation for overtime hours is still financial compensation (Figure 9). In 34% of establishments reporting overtime hours within the reference period, money was the general form of compensation. In turn, only 23% of establishments reported compensation by time off as a general rule. In another 39% of establishments with overtime work, both forms of compensation were practised. Among the latter group of establishments, the relative importance of both forms of compensation was approximately even. Some 41% of establishments said that both alternatives were equally important, while similar percentages stated that either compensation by payment (30%) or by time off (28%) was the most important form.

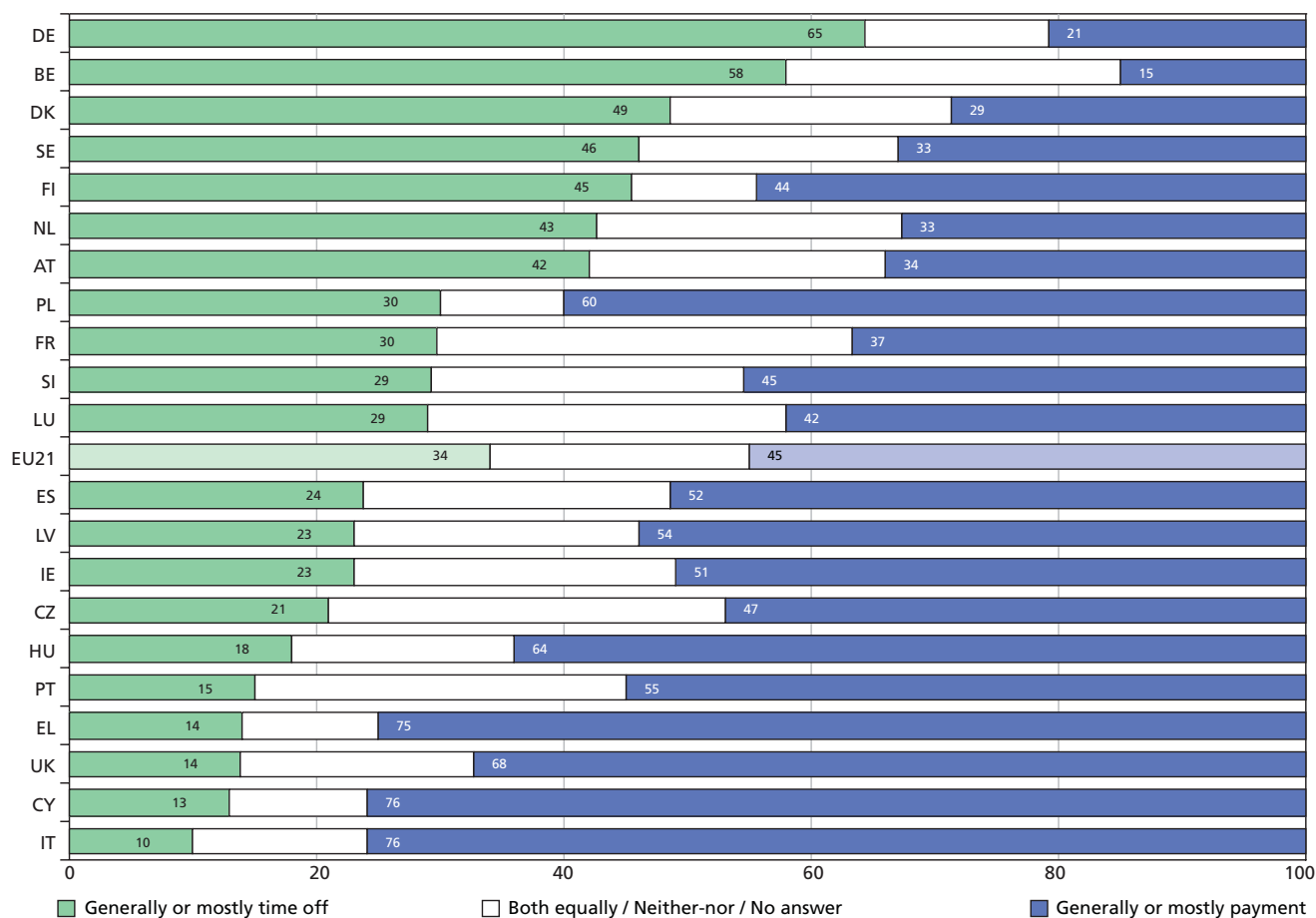
Thus, financial compensation is still the most common form of compensation for overtime in the majority of the establishments surveyed.<sup>11</sup> In 45% of the establishments with overtime, the extra hours are generally (34%) or mainly (12%) compensated for with money. Compensation by time off is practised by 34% of the establishments, either as a general rule (23%) or mainly (11%). In the remaining establishments, either both forms of compensation are of equal importance (16%), or there is no compensation for overtime (4%), or the question was not answered (1%).

Significant differences exist between the countries surveyed in relation to compensation for overtime. In the southern European countries, as well as in Ireland, Luxembourg and the UK, and in the new central European Member States, financial compensation is much more

<sup>10</sup> The coexistence of both forms could be interpreted as a difficulty in clearly attributing the overtime worked in an establishment to one of the two categories, for example, because the respondent regards it as too frequent to be considered as 'exceptional' and not frequent enough to be classified as 'regular'. It could also mean that some of those who work overtime within the establishment have to do so on a regular basis, while others only have to do so now and then.

<sup>11</sup> Since the form of compensation differs according to the size of the establishments, this does not necessarily apply to all the employees.

Figure 9: Types of compensation for overtime, by country (%)



Base: Establishments with overtime work (management interviews)

Source: ESWT, 2004–2005

frequently used by companies than time off (i.e. a difference of 10 percentage points or more between the two forms). Compensation by time off is, in turn, by far the most common form of compensation in Germany, Belgium, Denmark, Sweden and the Netherlands. In the remaining countries, France, Austria and Finland the particular prevalence of one form of compensation is less clear, as both forms seem to occur on a roughly comparable scale (i.e. with less than 10 percentage points difference between both). Overtime work which is neither compensated for by money nor by time off is reported at an above average rate in the Netherlands (14%), Ireland (13%), Spain (7%) and the UK (6%).

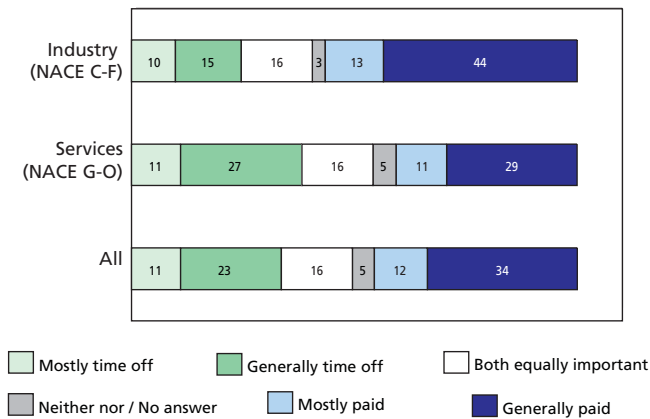
Sectoral differences are also evident in forms of compensation for overtime. (Figure 10 overleaf). Financial compensation is still quite widespread in industry, while in

the services sector, both forms of compensation are almost equally common. Overall, 57% of establishments in industry compensate for overtime either exclusively or mainly with payments, while only 25% of establishments compensate for overtime with time off. In the services sector, monetary compensation prevails in 41% of the establishments, while in 38% of establishments, compensation by time off is the most common or only form of compensation. A closer look at the services sector reveals substantial differences. Paid overtime clearly prevails in the hotels and restaurants, trade and transport sub-sectors.<sup>12</sup> Both forms of compensation occur almost equally in education. Compensation in the form of time off seems to be most prevalent in the remaining services sub-sectors: financial intermediation; real estate; public administration; health and social services; and other community services.

<sup>12</sup> One explanation for this might be the prevalence of low-skilled jobs with relatively small salaries in many establishments within these three sub-sectors. Paid overtime hours may thus make up an important part of the income for the employees.



**Figure 10: Compensation for overtime work, by sector (%)**



Base: Establishments with overtime work (management interviews)  
 Source: ESWT, 2004–2005

In privately owned companies, financial compensation for overtime is usually more common than in public sector establishments. Some 48% of the private establishments report a prevalence of monetary forms of compensation, while only 37% of establishments in the public sector do so. In many countries, establishments in the public sector have fixed budgets that cannot easily be exceeded by the payment of overtime hours.

Differences in this respect also exist according to the size of establishments. Compensation in the form of time off is slightly more common in large establishments than in smaller ones. This explains why compensation by time off is more widespread at the level of the individual worker than at establishment level.<sup>13</sup>

Furthermore, companies that view themselves as being financially healthy tend to financially compensate for overtime hours. In companies that are less economically buoyant, compensation in the form of time off prevails. This is not surprising, since a poor financial situation often, although not necessarily, implies a low level of plant utilisation. In such a situation, compensation for overtime with time off can enable the management to avoid dismissals.

In companies with regular overtime work, compensation by time off is practised less frequently (26%) than in companies where overtime is an exceptional phenomenon (37%). From an organisational point of view, this result is

quite evident, since a culture of regular overtime work leaves little room for compensating overtime with time off, unless the establishment has very definite sequences of workload peaks and lows. From the work–life balance perspective, however, the combination of regular overtime work compensated for by money rather than time off is particularly problematic.

Empirically, the type of overtime work that is most likely to be detrimental to the work–life balance of employees – i.e. regular paid overtime work by a large share of the workforce – occurs far more often in smaller establishments than in large ones. Although this type of overtime work is found in almost equal proportions among establishments in the industry and services sectors, the phenomenon is more widespread in some sub-sectors than in others, such as in construction, transport, and particularly in health and social work.<sup>14</sup>

### Ability to choose whether to work overtime

A crucial issue in relation to work–life balance is the ability of employees to influence working time patterns. In the ESWT questionnaire, a number of questions deal with the possibility of employees volunteering to do necessary overtime work and with their options for refusing overtime work.

The largest group of managers interviewed in the ESWT survey state that, in their establishments (44%), they usually look for volunteers to do overtime work. In another 29% of the establishments, overtime work is partly done by employees volunteering for extra work and partly by employees assigned to overtime work by their superiors. However, in 23% of establishments with overtime work, there is usually no search for volunteers; instead, overtime work is assigned hierarchically to certain employees. Where overtime is not exclusively worked by volunteers, but is at least partially assigned to certain employees by their superiors, there is usually the possibility of refusing overtime work, according to the statements of the managers. Nonetheless, in 13% of all establishments in which any overtime work occurs, employees do not have the option to refuse it.

Whether overtime work is imposed on specific employees in a hierarchical way, or whether volunteers are invited to work overtime, may depend on many factors. In some cases, the structure of the workforce and the sharing of

<sup>13</sup> A survey on working time preferences initiated by the Foundation showed that 56% of the employees who worked overtime hours could take time off in lieu. These figures refer to employees in establishments of all size-classes in the EU15 and in Norway (see Bielenski et al, 2002a).

<sup>14</sup> The mining sector (NACE C) also shows an above average share of establishments with this type of overtime work. The net sample of establishments within this sector, however, is too small to allow any generalisation of this kind (n=121).

work can impede the distribution of overtime work among volunteers since the extra work to be done cannot be given to somebody else. In other cases, a rather authoritarian management style is the reason why the needs and wishes of employees are not taken into account when it comes to organising overtime work.

The pressure to work overtime seems to be particularly intense in establishments in which overtime is part of the working culture, such as establishments reporting regular use of overtime or the occurrence of both regular and exceptional overtime. However, the data do not provide a strong confirmation of this assumption. Among managers of establishments in which overtime is part of the working culture, 14% state that a refusal to work overtime is not possible. Among establishments in which overtime hours are worked only exceptionally, refusal is not possible in just a slightly smaller proportion (12%).

Interestingly, somewhat larger differences regarding the possibility of refusing overtime work correspond to the types of compensation. In establishments in which payment is the only or most common form of compensation, a refusal to work overtime is considered impossible by 11% of the management respondents. Among the managers from establishments in which overtime hours are (usually or exclusively) compensated by time off, 15% do not accept refusals to work overtime. According to these results, employers consider it more a matter of course to demand overtime from their employees if overtime is later compensated by leisure time than if they are paid for overtime.

### Overtime in companies with flexible time arrangements

As already outlined, a reduction of paid overtime hours was among the main reasons given by management for the introduction of flexible working time arrangements. It would therefore be an interesting exercise to identify if there was any difference in the amount of overtime worked and in the practical handling of overtime between establishments practising flexible working times and establishments without such arrangements. To this end, establishments with flexibility arrangements allowing for the accumulation of hours were compared with establishments where no such flexibility scheme exists.

Results at a bivariate level show that the overall incidence of overtime hours differs slightly between establishments with or without such flexibility arrangements. Thus,

flexibility schemes either do not really help to significantly reduce the overtime of employees, or else the respondents define most surplus hours worked in the flexibility scheme as overtime. Nonetheless, in establishments with flexibility schemes, the employees are somewhat less often hierarchically selected for overtime work than in establishments with fixed hours. Also, among those establishments in which employees are selected, employees are more often able to refuse overtime if the establishment is practising a flexibility scheme. Respondents from establishments with flexible time arrangements also more frequently indicate that overtime is compensated for by time off, compared with respondents from establishments with no such flexibility schemes. However, in every third establishment offering flexible working time arrangements, with the possibility of accumulating hours for at least part of the workforce, payment is still the prevailing form of compensation for overtime.<sup>15</sup>

### Role of employee representatives

In terms of regulating overtime work, it is possible that the employee representatives at establishment level would play an important role in protecting the rights of employees and as mediator between the interests of employers and employees. The questionnaire therefore contains a number of questions aimed at collecting empirical information about the role of the employee representatives in relation to overtime work.

In establishments with overtime work, 40% of the employee representatives report that the management informs or consults them before overtime hours are worked. Some 13% say that information is provided only afterwards, when there is no possibility of negotiating the need for and the organisation of overtime work in that particular case. Another 45% of the employee representatives say that they are not informed at all.

While in the services sector only 36% of the employee representatives report that they are informed in advance about overtime work, the corresponding figure is 52% in industry. There are a number of possible explanations for this. For one, communication structures and the competencies of employee representatives with regard to overtime work may be more developed in establishments in industry than in the services sector. Also, in industrial type work, it may be more common that the need to introduce overtime is known well in advance, so that there

<sup>15</sup> In these establishments, however, compensation by payment is not necessarily the most common way for employees who avail of flexible working time arrangements. Here, the possibilities for further analysis are limited for those establishments where only parts of the workforce avail of flexible working time.

is enough time for information and negotiation beforehand. In contrast, it is possible that the need to work longer might occur at very short notice in the services sector, and that the employee or their immediate superior, rather than management, has to decide whether overtime has to be worked or not.

In the new EU Member States, more employee representatives state that they are informed in advance (on average 50% of employee representatives in the six NMS) compared with the EU15 countries (on average 39% of employee representatives). In Ireland, the Netherlands and the UK, two thirds or more of the employee representatives report that they are not informed at all in advance of the introduction of overtime. Country specific differences regarding whether and when the employee representatives are informed about overtime work depend, among other factors, on the role assigned to them in relation to the regulation of working time issues in general.

Overall, employee representatives' views about overtime work are not as uniform as one might expect:

- Some 28% of employee representatives say that they generally aim to reduce overtime.
- On the other hand, some 12% of employee representatives explicitly welcome overtime as an opportunity for employees to earn some extra money.
- Half of the employee representatives interviewed state that they accept overtime as a means of responding to workload peaks.

An analysis of the employee representatives' views on overtime, by country, reveals that employee

representatives in Italy, Portugal and Sweden, in particular, generally aim at reducing overtime. On the other hand, overtime is welcomed as an opportunity to earn some extra money, especially among representatives in Poland (43%) and Latvia (35%); an above average incidence of this position is also reported in France, Ireland and Luxembourg.

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Overtime work is a widespread phenomenon in European establishments of all sizes and sectors. Nevertheless, considerable differences exist between countries in relation to the compensation for overtime work by either money or time off. While financial compensation for overtime is still the predominant form in the Mediterranean and Anglo-Saxon countries, as well as in the new Member States covered in the survey, compensation for overtime by time off prevails at establishment level in the Scandinavian and many of the western EU15 countries. From a work–life balance perspective, compensation for overtime in the form of time off is usually the preferred option.

Another important aspect of overtime work in terms of work–life balance is the degree of control that employees have in relation to choosing whether or not to work overtime. In many establishments, employees are usually invited to volunteer to work overtime. However, there is also a significant number of establishments in which employees are assigned to work overtime and where they are not allowed to refuse overtime work that does not fit in with their personal plans.

Part-time work is one of the most widely known forms of 'atypical' working time arrangements in Europe. In the past decade, the share of part-time workers among the total workforce has increased considerably in most European countries, on average from about 14% in 1992 to about 18% in 2002 in the EU15 (Corral and Isusi, 2003, p.2).

In theory, part-time work offers good opportunities for combining paid work with family or household obligations or with other activities outside of work (such as further education), since it gives employees more time for their private responsibilities and interests than a normal full-time job. However, the compatibility of a part-time job with life outside of work strongly depends on the structure of the part-time working regime. For example, the financial conditions, social protection benefits, career prospects, distribution of working hours during the day or week, and many other factors largely determine whether part-time working options in an establishment are an attractive, or even viable, alternative to standard full-time work.

In practice, part-time working conditions vary considerably between establishments and even between workplaces within establishments. Recent surveys among individuals have also shown that many full-time employees would like to temporarily switch to part-time hours – especially in the rush hour of life – but do not do so because they fear it could be detrimental to their career (see Groot and Breedveld, 2004, p.293).

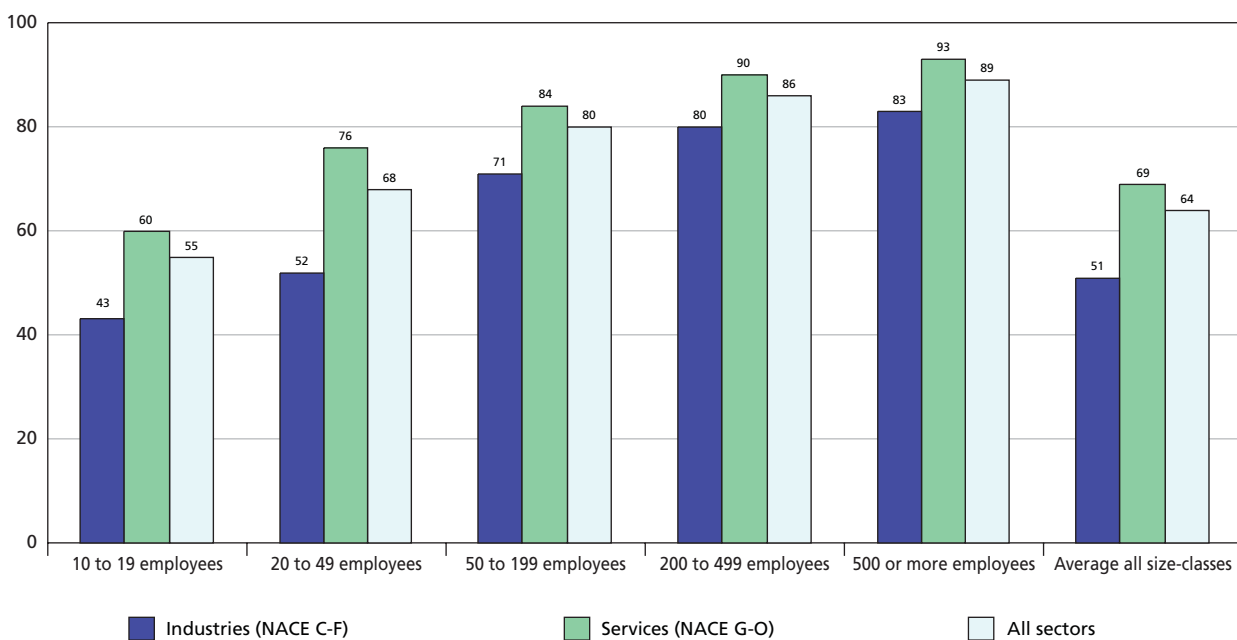
The main focus of the ESWT questionnaire in relation to part-time work is not to provide figures on the incidence of part-time work, but to analyse the significance of part-time work in an establishment. The survey also tries to explore the nature of its coexistence with other working time arrangements in the company, to look at the establishments' profile of part-time workers, and to gain information about the expectations and experiences of managers and employee representatives with regard to part-time work.

### Extent of part-time work

Part-time work has become a widespread phenomenon in European establishments. In 64% of all establishments covered by the ESWT survey (i.e. establishments with 10 or more employees), there is currently at least one part-time worker employed. This means that almost two thirds of all establishments with 10 or more employees have direct up-to-date experience of part-time work, and can thus be regarded as being generally open to this type of working time arrangement, although not necessarily in all job positions or workplaces within the establishment.

On average, slightly more than every second establishment (55%) in the smallest size-class (10 to 19 employees) practises part-time work, whereas in the larger establishments (50 employees or more), as many as four in five establishments employ workers on a part-time basis. Not surprisingly, the likelihood that at least one

**Figure 11: Proportion of establishments with part-time employees, by size and sector (%)**



Base: All establishments (management interviews)

Source: ESWT, 2004–2005

employee works part time generally increases with the size of the establishment. Moreover, companies in the services sector more frequently employ part-time workers compared with companies in industry. One of the reasons for this difference is the higher proportion of female employees in the services sector than in industry. Differences in the gender composition of the workforce also help to explain why part-time work is a more common phenomenon in public establishments than in the private sector (75% of public establishments employ at least one part-time worker).

From a cross-country perspective, the incidence of part-time employment at establishment level differs considerably. While in the Netherlands, almost nine in 10 establishments have experience of part-time work, in Greece and Portugal only around two in 10 establishments employ part-time workers. In the remaining 18 countries featured in the survey, part-time experience ranges somewhere between these two extremes.

Overall, in the 21 countries covered by the survey, three groups of countries can be distinguished according to the level of part-time work experience at establishment level. In the Scandinavian, western European and British Isles countries, experience of part-time work is widespread with almost three quarters of the establishments (with 10 or more employees) in these countries practising this form of work. Only two countries in this group, Luxembourg and Finland, have a somewhat smaller incidence of part-time work of just over 50% of establishments. In contrast, part-time work at establishment level remains less common in most Mediterranean countries, where on average around 40% of establishments employ part-time workers. In Portugal, Greece and Cyprus, in particular, a relatively small proportion of establishments have up-to-date experience of employing part-time workers. The level of experience in five central European states covered in the survey falls between these two poles: on average, about 60% of establishments in these countries practise part-time work. However, Poland and Slovenia are exceptions in this regard. Poland shows a relatively higher incidence of part-time work, similar to the western European and Scandinavian countries. In contrast, in Slovenia, only about a third of the establishments currently employ one or more part-time workers.

It is interesting to note that in those five new Member States, part-time work is less widespread in establishments that were founded after the start of the economic transition in 1989 (or 1991 in Latvia). Among these newer establishments, only 56% employed workers on a part-time basis. In establishments that existed before 1989, the proportion of establishments with experience of part-time work increases to 67%. At the same time, 57% of domestically owned private establishments in these countries employ part-time workers, while only 43% of foreign-owned establishments do so.<sup>16</sup> These results are somewhat surprising, since one would have expected that both the new and the foreign-owned companies would have been more open to the idea of introducing 'new' non-standard working time models.<sup>17</sup>

### Proportion of part-time workers

Among those establishments that do employ workers on a part-time basis, 62% indicate that under 20% of the workforce work part time.<sup>18</sup> In a further 26% of establishments, the share of part-time workers ranges between 20% and 60%. Yet, in a significant minority of 5% of all establishments with part-time workers, 80% or more of the active workforce work part time, thus indicating that part-time work is by far the most common working time arrangement in these workplaces.

A country comparison reveals that in Denmark, Germany, Latvia and Sweden, part-time work is the predominant work form with 80% or more of the total workforce working part time in over 5% of the establishments surveyed. In the Netherlands and the UK, part-time work is the predominant work form in 11% of the establishments.

Specific characteristics can be identified among those establishments with a high proportion of part-time workers (80% or more):

- Some 97% of these establishments belong to the services sector, while only about 3% are to be found in industry.
- Within the services sector, establishments with a high proportion of part-time workers are in health and social work, trade and repair, other community and social services, hotels and restaurants, and education.

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<sup>16</sup> Establishments in the public sector were excluded here, since the question on domestic versus foreign ownership was only put to establishments in the private sector.

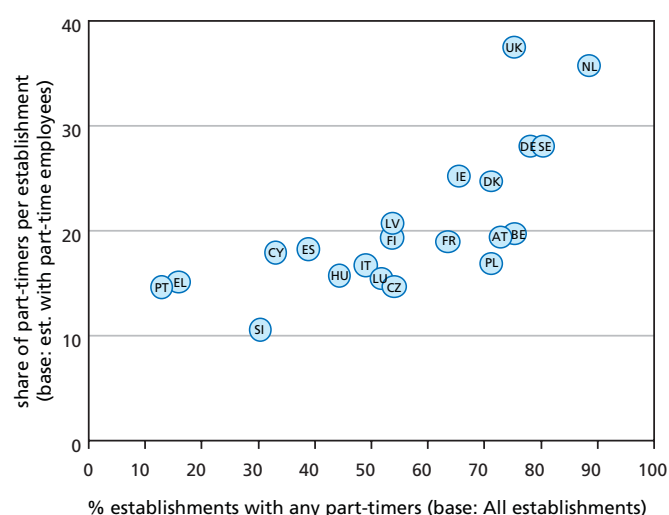
<sup>17</sup> This result is based on a bivariate analysis, taking into account the different size-classes. Since the structure of domestic and foreign owned companies and of 'old' and 'new' companies differs in other respects too, it will have to be backed by further multivariate analysis.

<sup>18</sup> In the questionnaire, the question about the share of part-timers in an establishment was asked only in rough categories (less than 20%, 20% to less than 40%, and so forth). This ensured that respondents were able and willing to give an ad hoc answer without having to consult any documents or other colleagues. The same categories were also used in other questions that asked for incidences.



- In a broad majority of the establishments in which part-time work is the prevalent work form, the workforce is predominantly female (60% or more of the employees are women).
- Some 87% of the establishments in which part-time work is the dominant work form are small in size with between 10 and 49 employees. Only 12% of the establishments where part-time work predominates have between 50 and 199 employees, while very few such establishments in this category employ over 200 workers.

**Figure 12: Incidence of part-time work and share of part-time workers in establishments, by country**



Note: Due to the under-representation of the NACE sectors M (education) and/or N (health and social work) in the available address registers and thus in the net sample of the survey, part-time incidences for Austria, Belgium, Cyprus, Greece, Hungary, Luxembourg and Portugal are likely to be underestimated. The degree of underestimation is, according to a calculation based on a multivariate mode, probably in a range of about 5% for Greece, Luxembourg and Portugal, and less for the other concerned countries.

Base: Management interviews

Source: ESWT, 2004–2005

### Prevalence of part-time work since 1990

In order to explore the dynamics with regard to the prevalence of part-time work at establishment level in various countries, a comparison was made between the ESWT and the New Forms of Work and Activity Survey (NFWA). This survey was carried out over 1989–1990, on behalf of the Foundation, in establishments in eight European countries – Belgium, Denmark, Germany, Ireland, Italy, the Netherlands, Spain and the UK. The survey focused on part-time work and fixed-term contracts in these countries and offers a good opportunity for comparison with the ESWT, since the universe and other questions are almost identical in both surveys.<sup>19</sup> A comparison between the data shows that in all eight countries covered in both surveys, the share of employees working part time in establishments has risen. Increases have been particularly significant in Ireland (an increase of 28 percentage points), Belgium and Spain (25 percentage points); there have also been considerable increases in the share of part-time work at establishment level in Italy (18 percentage points) and in the Netherlands (16 percentage points).

In Ireland, Italy and Spain, the rate of part-time work at establishment level was comparatively low in 1990. The subsequent increase in levels of part-time work is particularly pronounced in Spain where, according to the data, the share of establishments employing at least one part-time worker almost tripled from 13% in 1989–1990 to 38% in 2004, although this is still below the European average. In Belgium, the rate of part-time work in establishments was in the medium range in 1989–1990; however, today it is one of the countries with the highest rates of part-time work at establishment level. The Netherlands, where the increase has also been substantial in the past 15 years, had one of the highest rates of part-time experience in 1990 and is now in the top position among all 21 countries with respect to part-time experience.

**Table 2: Developments in share of part-time work at establishment level, 1989/1990–2004**

Country	Establishments with part-time work		
	NFWA 1989/1990	ESWT 2004	Percentage point increase*
Belgium	50%	75%	+ 25
Denmark	59%	62%	+ 3
Germany	69%	74%	+ 5
Spain	13%	38%	+ 25
Ireland	34%	62%	+ 28
Italy	32%	50%	+ 18
Netherlands	69%	85%	+ 16
UK	64%	71%	+ 7

\* Figures are based on a limited sample of the ESWT, excluding those sectors not included in the NFWA 1989/1990 (see footnote below).

Source: ESWT, 2004–2005

<sup>19</sup> The definition of the sample in the services sector differs somewhat between the two surveys. In the NFWA, certain parts of the services sector which often belong to the public sector, such as public administration, education, health and social work, and certain parts of the transport sector, were excluded for practical reasons. In order to be able to compare incidences on the same basis, these sectors were also excluded (for this specific comparative analysis only) from the ESWT sample.

The results also show that part-time work no longer occurs only in specific establishments within certain sectors of activity, but is to be found in a broad variety of companies. Nevertheless, recent research has shown that in several countries, part-time work is frequently not the preferred option among employees, since the conditions of part-time work tend to be inferior compared to full-time working conditions.<sup>20</sup> Moreover, a tendency towards the creation of increasingly precarious part-time jobs with reduced social security provisions, low wages and limited employee rights seems to arise in a number of these countries.<sup>21</sup>

### Patterns of part-time work

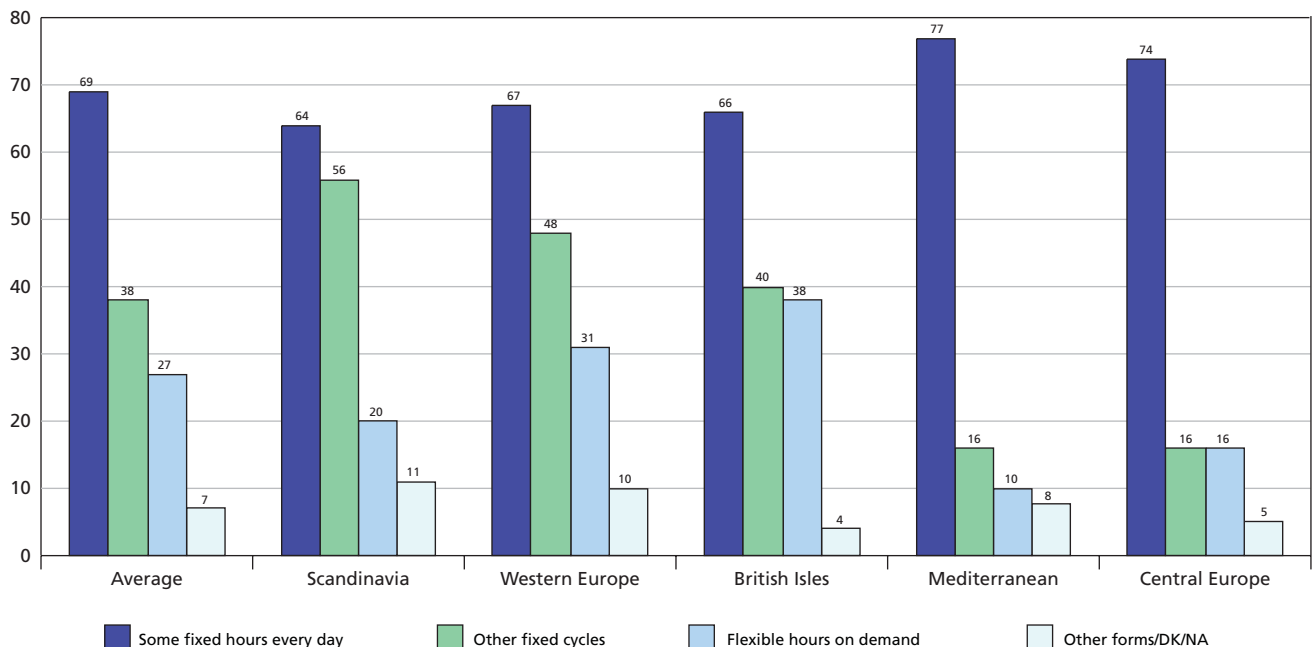
Part-time work can be organised in different ways. The way that part-time work is organised within an establishment is partly determined by the kind of work to be done. But even within establishments sharing the same kind of activity or operating hours, there is a certain room for manoeuvre to select between part-time and full-time arrangements to cover the task in hand and to design part-time work schedules in ways which are employee-friendly in accordance with the wishes of the workforce.

The most common way of organising part-time work in establishments with 10 or more employees continues to be the ‘traditional’ approach, where part-time work consists of a certain number of fixed hours every day. More than two thirds (69%) of all establishments employing part-time workers organise part-time work in this way, either exclusively or in addition to other forms of part-time work (multiple response question). Traditionally, working part time in the mornings has been the most popular option of this kind, since it enables parents to engage in paid work while their children are in the crèche or at school.

Some 38% of the establishments with part-time employment offer other fixed patterns of part-time work, e.g. the possibility of working full time only on certain days of the week or month. This form of part-time work is particularly advantageous for workers who are not constrained by daily obligations (e.g. caring for children after school), as it allows them to minimise their commuting time.

A closer look at the data reveals interesting differences between countries (Figure 13). In the western European

Figure 13: Ways of organising part-time work, by country group (%)



Base: Establishments with part-time work (management interviews)  
 Source: ESWT, 2004–2005

<sup>20</sup> Compare, for example, Muñoz de Bustillo, Esteve Mora, Fernández Macías and García Laso (2003, p.279) on the often lower quality and poor conditions of part-time jobs compared with full-time employment in Spain and other countries.

<sup>21</sup> For Germany, see for example Einecke, 2005. According to Einecke, more than half of all part-time jobs in Germany are not subject to the usual social security contributions (so-called ‘mini-jobs’).

and Scandinavian countries, the organisation of part-time work according to 'other fixed cycles' is an option offered in many establishments either in addition to such forms as the traditional part-time model (fixed daily part-time hours), or even as the only form. In the Mediterranean and most central European countries, more innovative forms of part-time work are only practised in relatively few establishments. Among the western European and Scandinavian countries, there are two countries, the Netherlands and Finland, where 'other fixed cycles' of part-time work are more widespread than the traditional form of fixed daily part-time hours.

While both forms of part-time work described, i.e. those with generally fixed time schedules, enable employees to organise their personal lives well in advance, a considerable proportion of part-time workers do not have this stability but rather are called in by the employer when the need arises. In the ESWT survey, 27% of the respondents from companies with part-time work answered that the employer determined their part-time hours. Yet, in 60% of these cases, it is not the only way of organising part-time work and apart from these flexible cycles, fixed forms of part-time work are also practised. The country perspective shows that such 'spontaneous on demand' part-time work is particularly frequent in Cyprus (40% of the establishments)<sup>22</sup>, Germany (39%), Latvia (39%) and the UK (38%); establishments in Italy (7%), Slovenia (10%) and Spain (12%) practise it less. Although such flexible ways of organising part-time work 'on demand' are reported more frequently in the services sector (28% of establishments), a similar share of establishments (23%) in industry also do so. Flexible forms of part-time work are particularly common in the following sub-sectors: hotels and restaurants (50% of establishments); health and social work (37%); and transport and communication (35%). A common feature among these sub-sectors is the nature of the work, which can involve urgent demands for additional workers often arising at relatively short notice.

In about half of the establishments, such flexible part-time working patterns coexist with working time accounts that allow at least some employees (but not necessarily part-time workers) to accumulate hours as time off later on. Nonetheless, this form of flexible part-time work 'on demand' is often viewed negatively as not necessarily contributing to a better work-life balance; the questionnaire, accordingly asked explicitly about flexible

cycles that are determined largely by the needs of the establishment.

### Characteristics of part-time workers

The ESWT survey asked managers about employees who work part time in their establishment (multiple response question format). This question was introduced mainly to determine if the establishment's experience regarding part-time workers relates to one specific group of employees (such as mothers), or whether a broader range of people make use of this working time arrangement.

According to the results, the most frequently mentioned category of employees who work part time are mothers. On average, about two thirds (65%) of the establishments that have any form of part-time work state that their part-time employees include mothers with pre-school or school age children. In addition, just over half (51%) of the establishments employ women without children or with grown-up children<sup>23</sup> among their part-time workforce. Evidently, the need to care for children is still one of the most immediate and common reasons for working part time. However, in five central European countries included in the survey, the incidence is much smaller, with only 29% of establishments with part-time work indicating that mothers of young children are among their part-time workforce.

A particularly interesting finding, especially in relation to work-life balance, relates to fathers who work part time. Some 21% of the establishments with part-time working options indicate that fathers are among their part-time workforce. A country comparison reveals that part-time working fathers are more frequently found in establishments in Belgium, the Netherlands, Sweden and the UK. In contrast, few workplaces in the Czech Republic, Italy, Portugal and Slovenia count fathers among their part-time workforce. In cases where fathers are employed part time in an establishment, it can be interpreted as an indicator that the general climate within the establishment (for example between colleagues or between intermediate superiors and the people under their control) is relatively open with regard to gender roles.

Another specific group of part-time workers referred to in the survey is 'young people early in their working lives'. The reason why this question was raised was that part-time employment may be used by establishments as a way of enabling young people to access the labour market. One

<sup>22</sup> In Cyprus only, n=117 establishments reported part-time work. This is quite a small base for further differentiations.

<sup>23</sup> There is probably some overlap between women with small children and women with grown-up children, since a mother of several children of different ages might be attributed to both categories.



in five of the establishments with part-time workers indicated that these young ‘job starters’ were among their part-time workforce. However, significant differences exist in this respect between the sectors: in industry, young people make up a portion of the part-time workforce in only about 10% of the establishments, while in the services sector, 24% of all establishments with recent experience of part-time work employ young job starters in this capacity. It seems, therefore, that employing young job starters on a part-time basis is more compatible with the organisational patterns and qualification profiles of establishments in the services sector than with those of establishments in industry. A breakdown of findings by country indicates that ‘young people early in their working lives’ are found most frequently among the part-time workforce of establishments in Greece, the Netherlands and the UK.

As shown in Figure 14, the composition of the part-time workforce in most establishments is dominated by groups that mainly or exclusively consist of women. Nevertheless, in 45% of establishments practising part-time work, at least one male worker is employed part time. Establishments that employ men on a part-time basis are slightly more widespread in the services sector (46%) than in industry (39%), and are particularly common in the

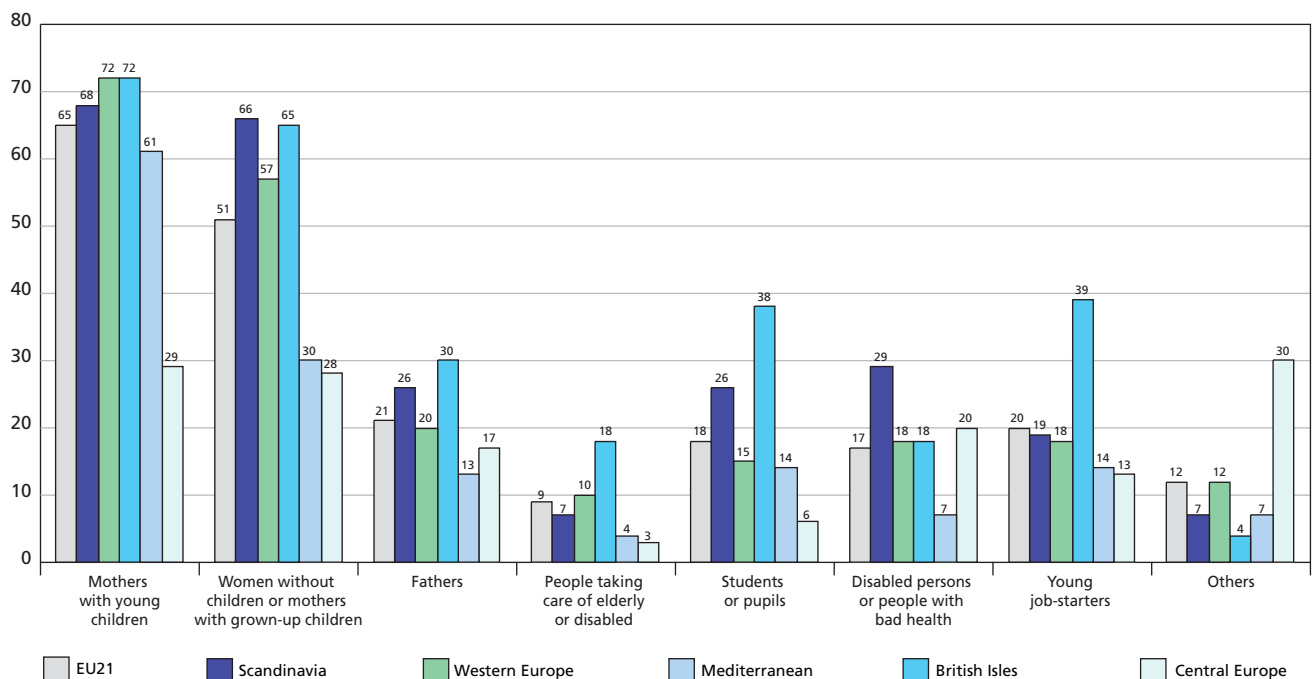
sub-sector ‘hotels and restaurants’, where two thirds (67%) of all establishments with part-time working options also employ men on a part-time basis. This relatively high share can at least be partly explained by the fact that a considerable proportion of the workforce in such establishments often consists of students and of people holding multiple jobs.

### Experience of part-time work in establishments

#### Motivation of part-time workers

Most managers (79%) do not perceive any great differences between the motivation of part-time workers compared with that of their full-time colleagues. Among those who do report any such differences, the share of managers who perceive part-time workers as being more motivated (10%) is almost equal to the share of those who consider them to be less motivated (9%). Nevertheless, a breakdown of results by country reveals some additional findings. In Greece, France, Finland and all of the six new Member States, the motivation of part-time workers is assessed as being lower than that of full-time workers; however, in Germany and Austria, personnel managers, on average, have a more positive opinion of part-time workers’ motivation. Possible underlying reasons for these differences may, for example, be attributed to the typical composition of the part-time workforce, the type of jobs

Figure 14: Categories of part-time workers, by country group (%)



Base: Establishments with part-time work (management interviews)

Source: ESWT, 2004–2005

that part-time workers are employed to do, and the general spread of part-time work in these countries (none of the nine countries in which slightly lower than average levels of motivation among part-timers is reported has a particularly high share of part-time employees).

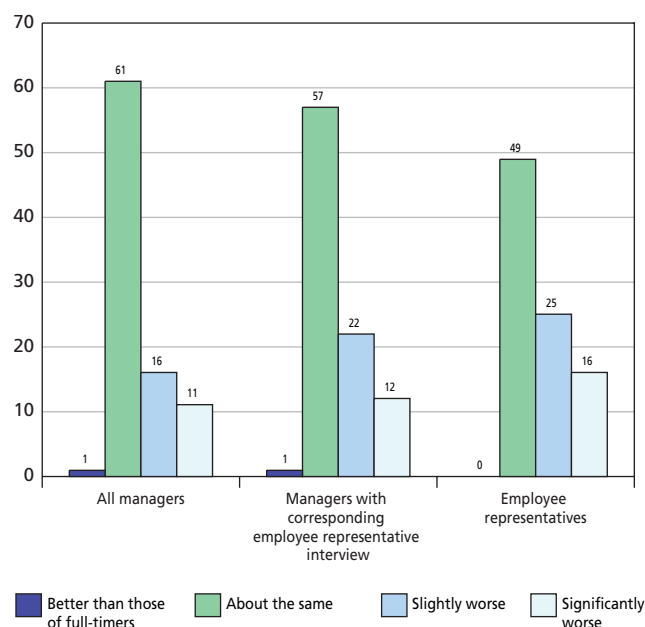
### Prospects for promotion

One of the reasons given by employees for not switching from a full-time to a part-time job, at certain periods of the life course, is the fear of suffering disadvantages at the workplace, particularly fewer career prospects.<sup>24</sup> In order to address this important but sensitive issue, an explicit question about the career prospects of part-time workers compared with those of full-time workers was included in the questionnaire: 'What about the promotion prospects of part-timers in this establishment? Are their promotion prospects better than those of a full-timer with comparable qualifications, about the same, slightly worse or significantly worse?'

On average, 61% of the managers responded that both part-time and full-time workers have about the same promotion prospects in their establishment (Figure 15). However, 27% assessed the career prospects of part-time workers as being worse (either slightly or significantly worse), while only a mere 1% answered that career prospects are better for part-time workers than for full-time workers. A relatively high share of answers indicating reduced career prospects for part-time workers (corresponding to 30% or more answering 'slightly worse' or 'significantly worse' career prospects) was found in Belgium, Cyprus, Denmark, Finland, Germany, Greece, Ireland, Italy and Luxembourg.

The percentage of employee representatives who reported a negative impact on career prospects among employees working part time in their establishment (41%) is, at an aggregate level, higher than the percentage of managers (34%) who report that this is the case.<sup>25</sup> This is not hugely surprising, since employee representatives can be expected to have a more critical attitude towards establishments' policies and practices than management. What is more surprising, however, is the rather small difference in the overall assessment of this aspect between both parties.

**Figure 15: Career prospects of part-time workers compared with those of full-time workers with comparable qualifications, by interview type (%)**



Base: Establishments with part-time work (both types of interviews)

Source: ESWT, 2004–2005

### Reasons for introducing part-time work

There are many reasons why an establishment may offer part-time work. These reasons can be broadly summarised according to two main categories. On the one hand, establishments may introduce part-time working options mainly to suit the particular needs of the establishment. Possible reasons for this include, for example, having to cope with peaks in the workload or the existence of positions where the workload would not be sufficient for a full-time employee. On the other hand, some establishments may introduce part-time work primarily to suit the wishes of either a number of individual employees or of a group of employees. Introducing working time policies that are, as far as possible, in accordance with the needs of the employees tends to enhance the employer's attractiveness to good, qualified personnel and can also increase employees' motivation.

One of the hypotheses of this report is that the general rules of part-time work (e.g. the career prospects and the

<sup>24</sup> Compare with Groot and Breedveld, 2004. The authors analyse findings of the Eurobarometer 60.3, carried out among individuals in 2003 in the EU15. According to the findings, some 51% of the respondents share the opinion that 'reducing working hours is bad for one's career'. The same share of respondents (multiple response) considers that 'reducing working hours means you have to do more in less hours', while 39% fear that they will get less interesting tasks to do if they reduce their working hours.

<sup>25</sup> For this comparison, only establishments for which both a management and an employee representative interview exist are taken into account.

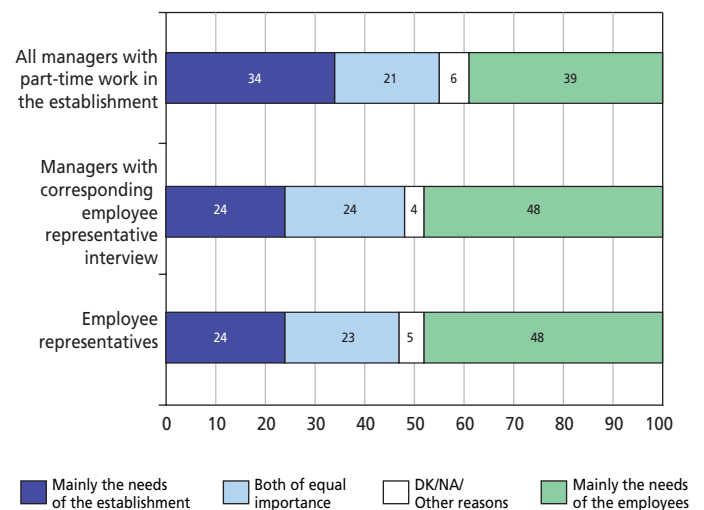
possibilities of switching to other working time arrangements) are likely to be more employee-friendly in establishments that introduce part-time work mainly in response to the wishes of employees, than in establishments where the economic or organisational needs of the establishment are the main motivation for this work form. In order to check this hypothesis, it is useful to compare reasons given by the establishments for the introduction of part-time working arrangements.

- While management regarded promotion prospects of part-time workers as being worse than those of full-time workers (either slightly or significantly worse) in about 25% of the establishments that introduced part-time employment mainly in response to the needs of the establishment, the share of negative assessments rises to 29% in establishments where the introduction of part-time work was in response to employees' wishes.
- The reasons for introducing part-time employment do not have any repercussions on the motivation of part-time workers as perceived by the management: exactly the same percentage of establishments in both groups considers their part-time workers as being more motivated (10%) than full-time workers, while the majority perceives no difference.
- The organisational implications of part-time work are judged quite differently by establishments, according to their motivation for introducing part-time work. While 41% of the establishments that introduced part-time employment in response to their employees' wishes perceive a complication of work organisation following its introduction, only 18% of those that introduced part-time work in response to the establishment's needs do so.

In order to present the establishment as an employee-friendly workplace, (personnel) managers may cite responding to employees' wishes as the main reason for the introduction of a specific working time arrangement, even where the financial or organisational needs of the establishment were in fact the most important or even the only motivation. Surprisingly, a comparison between management answers and those of the employee representatives to this question reveals a relatively high correlation between both groups of respondents, at an aggregate level of analysis. In the establishments from which the views of both sides were acquired, the managers

and the employee representatives both regard the employees' wishes as being the most important reason for the introduction of part-time work (48% of managers and the same percentage of employee representatives expressed this view); this is followed, in equal shares, by reasons attributing its introduction to the establishment's needs (24% of both managers and employee representatives expressed this view) and also by cases where both views (i.e. the employees' needs and the needs of the establishment) were regarded as being equally important.

**Figure 16: Main motivation for introducing part-time work, by interview type (%)**



Base: Establishments with part-time employment (both types of interviews)  
Source: ESWT, 2004–2005

**Possibilities to switch between part-time and full-time hours**

For many employees who work part time, or who are thinking about doing so in the future, part-time work is not regarded as a permanent status, but rather as a transitory phase in their working lives.<sup>26</sup> Therefore, an important aspect of the part-time work arrangements offered in an establishment is the possibility to change. In other words, is the part-time work option offered in the establishment not generally reversible, or is it relatively easy to switch from part-time to full-time hours and vice versa, without having to leave the company or without having to suffer negative consequences such as job deterioration?

<sup>26</sup> See also the findings of the survey, *Employment and working time in Europe*, carried out in 1998 on behalf of the Foundation among individuals across the EU15. The survey results show that in many countries, the presence of children of a certain age in the household has, among other factors like the financial situation of the household, a significant influence on both the actual and the preferred number of working hours, especially of women (see Bielenski, Bosch and Wagner 2002a, p.75).

This issue was addressed in the survey through a set of questions asking about the possibilities of switching from full-time to part-time hours and vice versa. In relation to the question about the possibilities of switching from full-time to part-time hours, a distinction was made between skilled and unskilled or low skilled personnel.

Results show that although companies in some countries (e.g. Germany) are obliged by law to offer their employees adequate part-time jobs on request wherever possible, the managers of quite a large share of establishments regard such a transition as being very difficult, if not impossible. Not surprisingly, the switch from full-time to part-time hours is particularly difficult in companies that do not have recent experience of part-time work: more than a quarter of the managers in these establishments state that there is virtually no chance of employees making such a switch. Even in establishments currently employing at least one person on a part-time basis, changes are not always a matter of course. While in just over 50% of these establishments the switch from full-time to part-time hours or vice versa is usually possible either quickly or after some time of waiting, roughly a third of the managers say that such switches in their establishment would be possible only in exceptional circumstances or not at all. It is also worth noting that differences in the skills levels of the employees wishing to switch their hours and in the

direction of the intended switch – from full-time to part-time or from part-time to full-time – are surprisingly small.

Both the sector and the size of an establishment have an influence over the possibilities of switching from full-time to part-time hours or vice versa: switches are easier in larger establishments than in smaller ones and they are generally somewhat easier in the services sector – especially in larger units – than in industry.

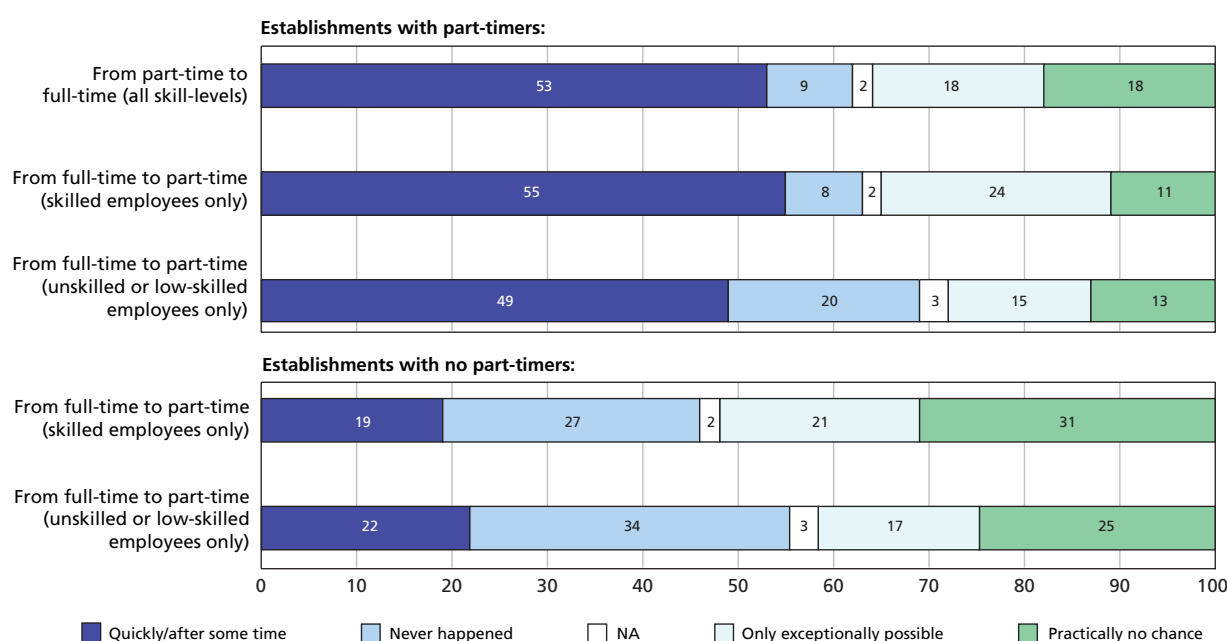
Further analyses have shown that, apart from the establishment's size and the kind of activity it is involved in, some further factors can influence the possibilities for switching between full-time and part-time employment, namely:

- the existence of formal employee representation in the establishment;
- the proportion of part-time workers in the establishment;
- the reason for introducing part-time work.

#### Existence of formal employee representation in establishment

Whether an establishment has formal employee representation or not has no clear influence on the possibilities of changing from part-time to full-time hours. However, the data indicate that when switching from full-time to part-time employment, the existence of employee

**Figure 17: Possibilities of switching from part-time to full-time hours, and vice versa, within an establishment (%)**



Base: Establishments with and without part-time employment (management interviews)

Source: ESWT, 2004–2005

representation facilitates such a transition. On average, a change from full-time to part-time hours is possible relatively quickly or after some time for unskilled or low skilled personnel in 48% of the establishments with employee representation, but only in 35% of those that do not have a works council or trade union representation. For skilled employees, such changes are possible in 53% of the establishments with employee representation, but in only 37% of establishments without employee representation. As Figure 18 below illustrates, this is not merely related to the size of the establishment: more opportunities for change from full-time to part-time hours can be observed not only at a fully aggregate level, but also within each of the individual size-classes.

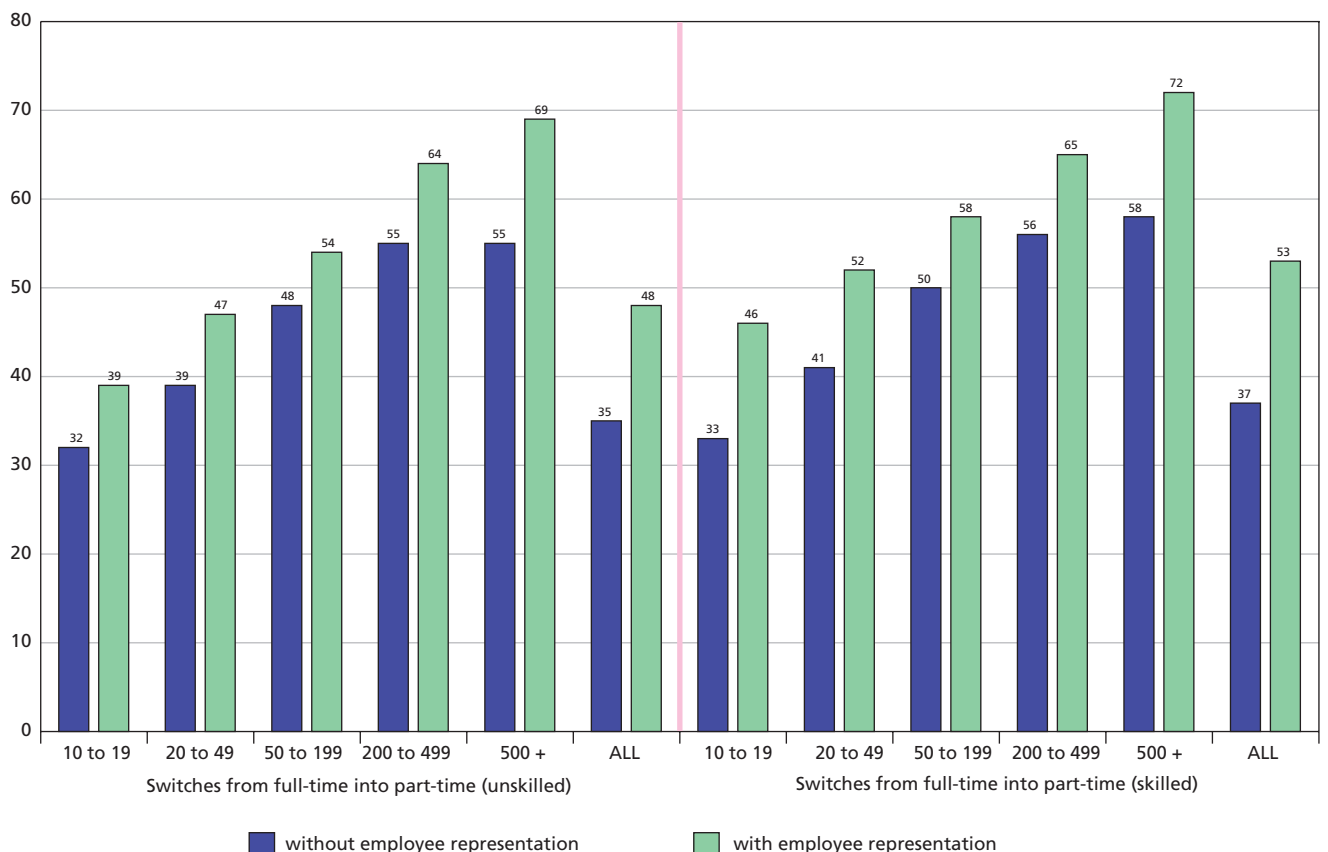
The positive influence of employee representation on the possibilities for switching between part-time and full-time hours is also reflected in the employee representatives' own assessment of their role in relation to this issue. On average, 55% of the employee representatives interviewed stated that employees consult them either sometimes or normally if they wish to change their working hours, while only 21% say that employees never consult them about

such an issue. In Austria, Belgium and Germany, in particular, employee representatives are often asked for support in this respect. This could either be interpreted as a sign that the desire for such changes is especially frequent in these countries, or that such changes are more difficult and problematic in these countries, thus often requiring the intervention of employee representatives. A third possible explanation is the role and power of the employee representation in these matters: consultation rates are generally thought to be higher in countries where the employee can expect valuable support from the employee representation than in those where the employee representatives have few powers to exert influence over the management.

**Proportion of part-time workers in establishment**

As already mentioned, whether or not the establishment currently employs part-time workers has some influence over the possibility of switching between part-time and full-time employment. Further differentiation of establishments according to the share of part-time workers employed shows that it also makes a difference if there are only a few people working part time in an establishment,

**Figure 18: Possibility to switch hours in establishments with or without employee representation, by company size (%)**



Base: All establishments, separately by skill-level (management interviews)

Source: ESWT, 2004–2005



or if part-time work is widely used by the company. Switching from full-time to part-time hours is considerably easier in establishments in which a substantial proportion of the workforce is already working part time than in those in which only a small share of employees work part time. This is especially true for switches made by skilled personnel. Making the transition from part-time to full-time employment is in turn more difficult in companies with a high proportion of part-time workers.

**Table 3: Possibility for skilled and unskilled workers to switch hours, according to share of part-time workers**

Share of part-time workers in company	Switch usually possible from full-time to part-time hours, skilled workers	Switch usually possible from full-time to part-time hours, unskilled workers
Companies with few part-time workers (<20%)	48%	46%
Companies with a substantial share of part-time workers (>20%)	65%	55%

Source: ESWT, 2004–2005

#### Reason for introducing part-time work

The reason why an establishment introduces part-time work also has a considerable influence on the level of flexibility in switching between part-time and full-time hours. In companies where part-time employment is mainly a response to the establishment's needs, the possibility of switching between full-time and part-time hours is much more restricted than in those establishments where part-time work was mainly introduced because of the employee's wishes. Differences are most pronounced in cases where the switch is being made from part-time to full-time employment.

The results of the survey show that part-time work has become an important element of the working time policy

**Table 4: Possibility for skilled and unskilled workers to switch hours, according to reason for introduction of part-time work**

Reason for introducing part-time work	Switch usually possible from part-time to full-time hours	Switch usually possible from full-time to part-time hours, skilled workers	Switch usually possible from full-time to part-time hours, unskilled workers
Introduced due to needs of establishment	39%	46%	46%
Introduced due to employees' wishes	67%	62%	53%

Source: ESWT, 2004–2005

in the majority of European establishments with 10 or more employees. Nevertheless, in several southern European countries, the option of working part time is still not a matter of course, even in large establishments.

Although part-time employment is concentrated particularly in branches with a high proportion of female employees, it is also found in a significant proportion of all establishments surveyed. The profile of part-time workers within establishments shows some interesting variations across the 21 countries surveyed. Nonetheless, women still dominate the part-time workforce in all the countries and throughout their economies. Part-time work is the preferred working status of many women with family obligations; however, not all women working part time deliberately choose to do so. In many cases, part-time work is chosen because of the lack of adequate full-time employment.

Whether or not the part-time working arrangements offered within an establishment are favourable for the work-life balance of employees depends on a series of factors, including the organisation of part-time work, the tasks assigned to part-time employees, their position within the establishment, career prospects or financial aspects such as remuneration and integration into social security systems. The ESWT survey covers some of these aspects. One of the conclusions from the survey is that, even from the managers' viewpoint, a considerable proportion of part-time jobs show certain problematic features: career prospects tend to be worse for part-time workers than for full-time workers; possibilities of switching between full-time and part-time hours within an establishment are far from being clearly set in place; and for some part-time employees, it is common to be called in to work only when the establishment requires additional workers. Nevertheless, part-time work can represent an important and useful option for many employees, as long as the general framework of conditions is maintained at a certain level.



# Non-standard working hours 4

## Unusual work hours

Considering the growing variety of working time models, making a distinction between 'normal' and 'unusual' working hours is becoming increasingly difficult, even at national level. Thus, in a standardised, multi-national survey, it is even more difficult to define which times of the day are to be considered as 'unusual'. While in countries such as Belgium, the standard working day ends at about 18.00 when most shops are closed, in other countries such as Spain or Ireland, shop opening hours extend until late in the evening and might be regarded by the employees concerned as 'normal' working hours.

In the survey questionnaire, therefore, only those types of working hours that are regarded as 'unusual' in most of the countries featured were taken into account, i.e. night work from 22.00 to 06.00, and work on Saturdays or on Sundays. All three types of 'unusual' working hours can be potentially problematic for people's work-life balance, particularly if the employees concerned have families with young children.

Altogether, some 42% of the establishments surveyed employ people who regularly have to work unusual hours, i.e. at night between 22.00 and 06.00 or at weekends. The most common atypical working time is work on Saturdays, and this occurs in 38% of the establishments. Moreover, a significant proportion (24%) of establishments employ people who work on Sundays, while 19% of the establishments employ people who regularly work at night (between 22.00 and 06.00). In 58% of all the establishments, none of these work forms are used on a regular basis.

No particularly clear patterns of work at unusual hours can be distinguished between the countries. However, some observations can be made on the basis of the data.

- Saturday work is reported as being particularly frequent in establishments in Latvia (56% of establishments), the UK (53%), Cyprus (52%), Ireland (51%) and France (49%); it is less widespread in most Mediterranean countries, such as Italy, Greece, Portugal and Spain, where Saturday work occurs in 25% to 32% of establishments, and also in Hungary (27%) and Poland (28%).
- Sunday work is particularly frequent in Latvia (48%) and the UK (41%). In most Mediterranean countries, few establishments employ people to work on Sundays

(8% in Portugal, 15% in Italy, 17% in Spain, and 18% in Greece).<sup>27</sup>

- Night work is especially common in establishments in Latvia (32%) and the UK (26%) and least common in establishments in Italy (13%) and Portugal (14%).

In the establishments that require people to work unusual hours, often a substantial proportion of the workforce is obliged to regularly work these hours. In 66% of all establishments in which people work on Saturdays and in 63% of those requiring Sunday work, at least one fifth of the workforce (20%) is regularly obliged to do so. In about half of the establishments with night work, over 20% of the total workforce is eligible for this form of work. Thus, unusual work hours in the affected establishments do not merely concern a small minority of employees – e.g. the watchman or the cleaning staff – but rather a much larger proportion of the employees.

## Changing work hours

In a recent German survey of individuals with family care duties (care of children or of disabled or elderly relatives), the majority of respondents named changing work hours (e.g. shift work), together with Sunday work, as being the most detrimental work form for a favourable work-life balance (Klenner, 2004, p.20). The ESWT questionnaire asked the managers whether any, and if so how many, of their employees have working hours that regularly change due to the nature of their jobs.

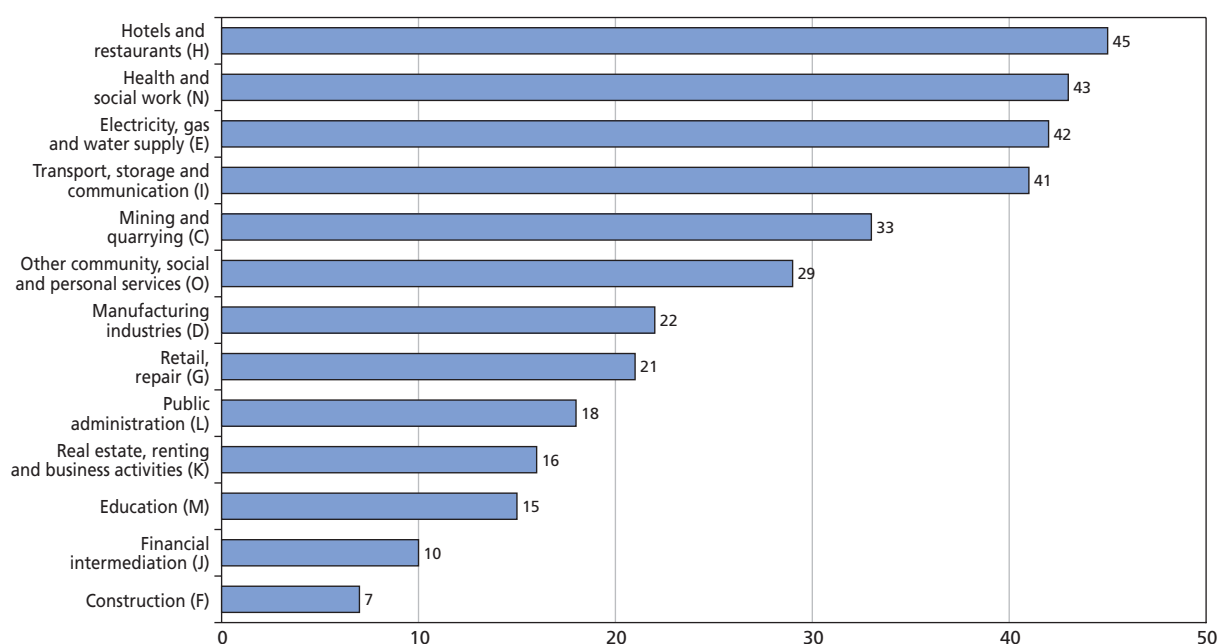
Results show that shift work, or similar types of regularly changing work patterns, occur on average in 23% of the establishments with 10 or more employees. There is only a relatively moderate variance between countries in the incidence of changing working hours in establishments, ranging from 13% in the Netherlands and 15% in Portugal to 32% in Finland and Poland and 38% in Latvia.

Changing work patterns are reported far more frequently among large establishments than among smaller ones. While 49% of the establishments with 200 or more employees report that some of their employees do shift work or other forms of work involving changing work hours, only 21% of those establishments with less than 50 employees do so. Changing work hours tend to be a more frequent phenomenon in the services sector (25%) than in industry (19%). Nonetheless, a closer look at the types of establishments with changing working hours, by sub-sector, reveals quite a diverse picture (Figure 19 overleaf).

<sup>27</sup> Due to the presumable under-representation of NACE M (education) and/or NACE N (health and social work), the share of establishments with night work and Sunday work is underestimated by up to 3% in the figures presented for Italy, Greece, Portugal and Spain.



Figure 19: Establishments with changing work times, by NACE sector of activity (%)



Base: All establishments (management interviews)

Source: ESWT, 2004–2005

The most widespread and well known form of regularly changing work hours used to be the customary shift system. This was traditionally practised, in various degrees, in the industry sector, generally to extend the running times of expensive machinery, but also in certain parts of the services sector that provide around the clock services (for example, parts of the health, transport and public security sectors, as well as hotels and restaurants). As the data show, these branches of the services sector still have the highest share of establishments practising changing work hours. However, apart from these specific sub-sectors where shift work is generally unavoidable, changing work hours have also become increasingly common in sub-sectors such as retail and repair, which according to the survey results shows an incidence similar to that of the manufacturing industries. Although changing hours in establishments like shops and supermarkets are not always categorised as shift work, the patterns and problems emerging from these changes are quite similar to those pertaining to traditional ‘shift work’, especially where shop opening hours typically stretch late into the evening.

In relation to employees who are obliged to work changing hours, the amount of notification given prior to the changes is an important criterion with regard to these

employees’ work–life balance. In the survey, therefore, personnel managers were asked how much notice employees are given in advance of the change in working times. Naturally, the longer the notification period, the easier it is for the employees concerned to organise their personal duties or to synchronise their own working time schedule with that of their partner, particularly if the latter is also engaged in paid work.

According to the information provided by managers, in a majority of the concerned establishments, employees are usually informed well in advance. Some 53% of the managers state that the notification period in their establishment is two weeks or more. This time span enables employees to reasonably plan their family duties and leisure events. A further 24% of managers indicate that employees are informed between four days to two weeks in advance of the change. In only a relatively small proportion of establishments are people informed less than four days in advance: in 10% of cases, the notification period is between one to three days, while 7% of the establishments normally give their employees only less than one day’s notice. The probability of having to work shifts, or similar changing work times, at very short notice decreases linearly according to the size of the establishment.<sup>28</sup> While only 6% of the personnel managers

<sup>28</sup> This does not necessarily mean that small establishments have more problems in relation to planning working times. Partly, this result might also simply reflect a more informal way of handling these issues. Since people in small establishments often know each other’s time preferences and their non-work obligations quite well, the planning of work at unusual hours might not need such large notification periods.

in large establishments (500 or more employees) state that employees are informed less than four days in advance of the change, this proportion increases to over 20% in smaller establishments with 10 to 19 employees.<sup>29</sup>

**Table 5: Notification period for changing work hours, by company size**

Size of company	< 4 days' notification	4 days to <2 weeks' notification	>2 weeks' notification
10 to 19 employees	20%	25%	48%
20 to 49 employees	18%	25%	53%
50 to 199 employees	14%	23%	58%
200 to 499 employees	8%	19%	70%
500 or more employees	6%	15%	74%
<b>All size-classes</b>	<b>17%</b>	<b>24%</b>	<b>53%</b>

Base: Establishments with employees whose working hours change regularly due to nature of their jobs

Source: ESWT, 2004–2005

A comparison of notification periods between industry and the services sector reveals virtually no difference. Both very short and very long notification periods are given, to approximately equal extents, in both sectors. However, when analysing the notification periods in the various branches, three major sub-sectors can be identified in which short notification periods are frequently given, namely: construction; transport and communication; and real estate, renting and business activities.

Work at unusual hours often tends to have an unfavourable effect on the work–life balance of employees, especially if they have family obligations. This is not always the case since work at unusual hours can, for example, enable a couple to organise childcare so that no external help is needed, even if both parents have a full-time job. However, such arrangements require a certain predictability of working hours – work schedules that are fixed sufficiently well in advance and that are not subject to frequent involuntary short-term changes.

### Possibilities to switch between changing and regular hours

Switching between jobs involving regularly changing work hours (e.g. shift work) to an equivalent job during ‘normal’ work hours is far more difficult than switching between part-time and full-time hours. Only 25% of all the establishments that employ shift workers state that a switch to regular hours would be possible either quickly or after some time. At the same time, 35% of the managers

judged such a switch as being virtually impossible (‘there is practically no chance’), while another 26% said that this would be possible only in exceptional circumstances. In many establishments, therefore, the only way that shift workers can revert to normal working times – e.g. due to life course events such as the birth of a child or due to health problems – is either by changing their position within the company and accepting another, possibly inferior, job, or by leaving the establishment to search for a new job elsewhere.

### Role of employee representatives in regulating unusual hours

Among those establishments in which employees work nights or at weekends and where employee representation exists, 25% of employee representative report that problems with work at these times are raised in negotiations with the employer. The most problematic ‘atypical working times’ are generally those involving work on Sundays: this was named as the most problematic atypical working time by 39% of the employee representatives who reported any problems with atypical times. Some 34% of the employee representatives stated that night work was the most problematic work form, while 12% viewed Saturday work as the most difficult of all these working time arrangements.

The most frequently debated issue in negotiations between employer and employee representatives with regard to atypical working times is the compensation granted for work at these times: this issue was named by 63% of the employee representatives who reported any problems with work at atypical hours, followed by organisational issues as cited by 51% of employee representatives. A surprisingly high proportion (39%) of employee representatives are involved in negotiations about the general necessity of work at unusual hours. The least often negotiated issue between employer and employee representatives is in relation to the selection of employees for work at unusual hours (36%).

The requirement to work ‘unusual’ hours – on Saturdays, Sundays or at night – is a feature of the working conditions in many European establishments in various sub-sectors. This varies somewhat between countries, depending among other things on the structure of the national economy and on the legal framework in relation to shop opening hours and working times. As the responses of the

<sup>29</sup> The given percentage figures do not add up to 100%, since a relatively large section of the respondents could not or did not want to answer this question (5% don’t know/no answer).

employee representatives show, the general need for working unusual hours is not always agreed upon by all parties involved and is thus a subject for debate between employer and employee representatives in some establishments.

From a work–life balance perspective, one of the most important aspects of work at unusual hours is the possibility of planning these hours well in advance and of being able to exert some influence on the structure of the

working time schedule. In this respect, survey results show that employees in larger establishments generally tend to be in a better position than those in smaller establishments. Another crucial aspect is the reversibility of these forms of work, providing the possibility to switch from jobs involving unusual and/or changing work hours to other, qualitatively comparable jobs with ‘normal’ working hours. In the majority of the establishments with shift work, this is only possible under certain circumstances or not at all.

# Family-related leave and leave of absence 5

Although the concept of work–life balance should not be limited to aspects concerning only family life, for many employees family-related obligations, particularly the responsibility for younger children, are among the most important considerations in relation to reconciling work and family life. Several questions in the survey were therefore dedicated to experiences with family-related leave.

In EU countries, a broad variety of family-related leave forms exist. Typically, this type of leave can be broken down into four categories<sup>30</sup>, which are distinguished according to the characteristics of the entitled person(s) and the age of the child for whose care the leave is taken.

- Maternity leave – the oldest form of family-related leave. It is granted to mothers only and is mainly aimed at the physical recovery of mothers after they have given birth to their child. The maternity leave period stretches from a couple of weeks prior to the birth until some weeks afterwards, usually totalling about 14 to 16 weeks. In the EU, maternity leave is a standard right and mothers are even obliged to make use of it. Women on maternity leave are protected from dismissal and continue to receive their previous salary, or at least a reduced portion of their salary (according to national legislation).
- Paternity leave: this type of leave is usually of a short duration, lasting only a number of days, and is granted to fathers directly after the birth of their child. There is no EU-wide compulsory regulation regarding this leave form, and in several countries, paternity leave regulations either do not exist or are agreed at sectoral or establishment level only.
- Parental leave: this usually commences after maternity leave is finished, although in several countries, it is also possible to stagger this or postpone it until later, e.g. up to the child's eighth birthday. Since 1998, Council Directive 96/34/EC<sup>31</sup> grants male and female workers in all EU Member States an individual right to parental leave on the grounds of the birth or adoption of a child, to enable them to take care of that child for a period of at least three months. The core element of parental leave is a protection against dismissals during that period: 'Workers must be protected against dismissal on the grounds of applying for or taking parental leave, and have the right to return to the same or (if that is not possible) a similar job and maintain

rights previously acquired or in the process of being acquired' (cited by Math and Meilland, 2004, p.12). Whether, to what extent and from whom parents on parental leave additionally receive financial remuneration varies greatly from country to country (for an overview of the country-specific parental leave regulations, see Annex 3 of this report; for more detailed information see, for example: Fagan and Hebson, 2005; Drew, 2005; or Math and Meilland, 2004).

- Leave for the care of older children in special circumstances: this is a specific form of leave, which in some countries is granted to parents for the care of ill or disabled children. There are no compulsory EU regulations with regard to this kind of leave: in several countries, the regulation of such ad hoc forms of leave for specific circumstances is entirely up to the company.

In the ESWT, the questions dealing with family-related leave refer to parental leave only, since this is usually the longest and, from the perspective of an establishment, probably most difficult kind of leave to handle in terms of work organisation.

## Incidence of parental leave

In 51% of all establishments interviewed for the ESWT, at least one employee has been on parental leave in the three years preceding the interview. Up-to-date experience of parental leave is evidently much more frequent in large companies than in smaller ones; however, even among the smaller establishments with 10 to 19 employees, 40% have had employees on parental leave in the past three years and therefore have some experience of this specific form of leave.

The share of establishments with recent experience of having employees on parental leave is larger in the services sector than in industry: employees in 55% of service establishments have taken parental leave within the reference period, while in industry, this figure is just 43%. Considering that in all EU countries it is still mainly mothers who make use of parental leave to take care of their children, this result is not surprising, since the proportion of female employees is much higher in the services sector than in industry.

While, on average, employees in about half of the establishments in the majority of countries involved in this

<sup>30</sup> The definition of the various forms of family-related leave closely follows the classification set out in the EIRO report *Family-related leave and industrial relations*, which is available online at [www.eiro.eurofound.eu.int](http://www.eiro.eurofound.eu.int) (Math and Meilland, 2004, p.5).

<sup>31</sup> For details about the history and content of this EU directive, see Drew, 2005.

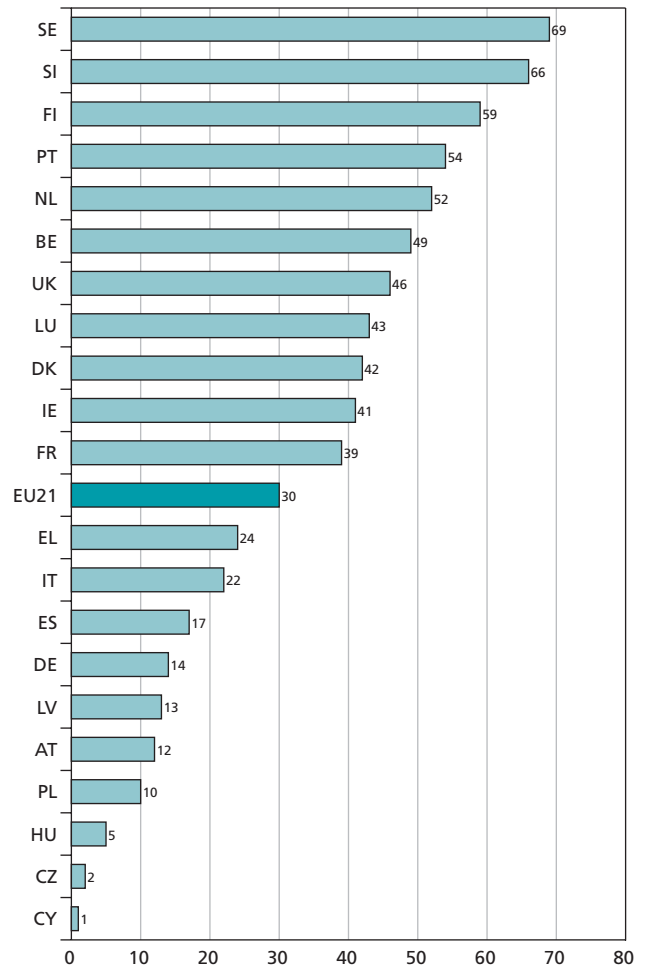
survey have been on parental leave, three of the countries do not fit into this general pattern. In Spain, the share of establishments with recent experience of having employees on parental leave is relatively low at 25% of establishments.<sup>32</sup> By contrast, in Finland and Sweden, the share of establishments with recent experience of parental leave is well above the average – at 89% in Sweden and 80% in Finland. To a large extent, these differences depend on the length and financial conditions of the national parental leave regulations. In Spain, for example, the leave is totally unpaid, while in Sweden, parents receive compensation of 80% of their previous salary. Apart from the regulatory framework, other factors also influence the incidence of parental leave at establishment level, such as the prevailing gender roles within a society, the existence of childcare facilities for small children, the fertility rate, and the overall employment rate among young women.

In many countries, there is a political impetus to encourage the participation of men in childcare activities. To this end, some countries reserve a specific part of the parental leave period exclusively for fathers as an individual entitlement, rather than providing a family-based leave entitlement. In the context of the ESWT, it is therefore interesting to see whether, and how many, men are among those who took parental leave. The reasoning behind this question is that in certain types of establishments, the general attitude towards men taking parental leave may be more favourable than in other establishments, and might therefore influence the take-up of parental leave by fathers.

On average, 30% of the establishments with recent experience of parental leave reported that one or more male employees were among those who took parental leave. Nonetheless, there is a large variation in this respect across the countries, with values ranging from as little as 1% of establishments in Cyprus and 2% of establishments in the Czech Republic, to as high as 69% of establishments in Sweden, a country that is often cited as exemplifying a ‘positive model’ with regard to the involvement of fathers in childcare duties. In Slovenia, a similarly high proportion – 66% of establishments – is reported.

Cultural differences with regard to the sharing of childcare duties between men and women is only one explanation for the variation between countries. Other factors include, for example, the duration of parental leave, the legal framework, or the amount and conditions of

Figure 20: Establishments with male employees taking parental leave, by country (%)



Base: Establishments with employees on parental leave in past three years (management interviews)

Source: ESWT, 2004–2005

compensation. In both Sweden and Slovenia – the two countries with the highest reported incidences of establishments with men on parental leave – a specific part of the parental leave period is reserved exclusively for fathers. This means that the full period of leave is only granted if the father of the child takes a part of the leave. For some fathers, such a measure no doubt provides an incentive to make use of parental leave. However, national studies among individuals have shown that even in countries like Sweden, where a substantial share of fathers makes use of parental leave, the leave period taken by fathers is, on average, considerably shorter than that taken by mothers.

<sup>32</sup> This low share may be partly explained by the fact that Spanish legislation allows the employee to reduce their working hours when having to take care of a young child. Since parental leave is unpaid in Spain, this part-time option might be the more attractive alternative for some young parents.



## Returning to work after parental leave

According to the survey data, a large proportion of the female employees who take parental leave resume employment afterwards to the same extent as before: 44% of the managers from establishments with employees on parental leave stated that the majority of their female employees resumed work afterwards, working the same number of hours as before. However, a further 34% of the managers stated that the majority of mothers in their establishment asked for reduced working hours after parental leave, for a part-time job or, if the employee already worked part time before their parental leave, for a further reduction in their number of hours. Only a relatively small minority of establishments (10%) reported that the majority of mothers did not resume work at all afterwards.<sup>33</sup> The latter does not necessarily imply a total temporary or permanent exit from the labour market by mothers. In some cases, the mothers may not return to the same establishment as before, but may take up a job in another company instead, e.g. because there is a discouraging atmosphere in their previous company towards mothers wishing to return to work after taking parental leave, or because working conditions (e.g. working times) are generally unsuitable for mothers of young children.

Of particular interest are both the first and the latter of these three groups – i.e. mothers who resume work as before and mothers who do not return to the same company at all. It would be interesting to observe in which types of establishments a resumption of work is manageable to the same extent when combined with family duties, and in which type of establishments this is difficult. To address such a question, the overall national framework, along with other aspects like the availability of public childcare facilities, private family networks, or the financial needs of young families, would need to be taken into consideration. Such deeper analyses go beyond the

scope of this overview report and will be tackled in a separate report concentrating on parental leave.

Considerable differences exist between European countries in relation to the ‘typical’ behaviour of employees at the end of parental leave. In the 21 countries covered by the ESWT, three distinct groups of countries can be identified, according to the most frequent behaviour of mothers after parental leave.

In the first group of countries, the most frequently observed type of behaviour is the resumption of work with the same number of hours as before, followed by the wish to work reduced hours: in 13 of the 21 countries surveyed, the managers’ answers conformed to this type of pattern. Yet, as Table 6 below shows, considerable differences in the incidence of such behaviours are apparent even within this group of countries. The share of establishments where most mothers resume work as before varies from around 50% of establishments in Belgium, France and Ireland to 75% or more of establishments in Cyprus, Denmark and Portugal. Work at reduced hours – the second most frequent alternative in this group – is reported in only a minority of establishments in Slovenia and Denmark, but is much more apparent in most of the other countries of this group. The total abandonment of the previous job (‘Do not resume work at all’) is reported in only a marginal share of companies in each country within this group.

In a second group of countries, the most frequently observed type of behaviour is working at reduced hours, followed by a resumption of working to the same extent as before as the second most frequent behaviour type. Not resuming the previous work at all is the least frequent behaviour observed in this group of countries, which consists of Germany, the Netherlands, Austria, Sweden and the UK. Once again, this group is not entirely homogenous. Germany and its neighbour Austria – both countries of the so-called ‘conservative welfare regime’ – show a very pronounced concentration of answers in relation to the resumption of work at reduced hours and

**Table 6: Returning to work after parental leave – first group of countries**

Action after parental leave	BE	DK	EL	ES	FR	IE	IT	CY	LV	LU	PT	SI	FI
Resume work to same extent	49%	79%	71%	53%	50%	49%	57%	75%	59%	55%	75%	78%	62%
Ask for reduced working hours	34%	9%	23%	30%	24%	34%	31%	13%	18%	26%	18%	3%	14%
Do not resume work at all	2%	4%	3%	5%	8%	5%	4%	8%	7%	7%	0%	1%	3%
Don't know/no answer	15%	8%	3%	12%	18%	12%	8%	4%	16%	12%	7%	17%	21%

Base: Establishments with employees on parental leave in the past three years (management interviews)

Source: ESWT, 2004–2005

<sup>33</sup> Some 13% of respondents did not or could not answer this question: therefore, the answers analysed above do not total 100% exactly.



considerable, almost equal frequencies for the other two alternatives. The Netherlands and Sweden, in turn, have a substantial share of establishments in which the majority of women resume work to the same extent as before, but very few establishments (1% each) in which women completely give up their previous job. In the UK, work at reduced hours and work to the same extent as before are both very frequent, while the share of those establishments in which the majority of mothers do not return to the same company after parental leave is equivalent to the European average of 10%.

**Table 7: Returning to work after parental leave – second group of countries**

Action after parental leave	DE	NL	AT	SE	UK
Ask for reduced working hours	55%	58%	49%	47%	40%
Resume work to same extent	19%	25%	22%	29%	35%
Do not resume work at all	18%	1%	20%	1%	10%
Don't know/no answer	8%	17%	10%	23%	15%

Base: Establishments with employees on parental leave in the past three years (management interviews)

Source: ESWT, 2004–2005

In the third group of countries, the resumption of work to the same extent as before is, as in the first group of countries, the most frequently observed type of behaviour; however, this is followed by a total exit of mothers from the company (and presumably often from the labour market as a whole) as the second most frequent type of behaviour. Work at reduced hours is the least common behaviour type in this group. The three countries belonging to this group are all central European new Member States, i.e. the Czech Republic, Hungary and Poland.

**Table 8: Returning to work after parental leave – third group of countries**

Action after parental leave	CZ	HU	PL
Resume work to same extent	47%	61%	73%
Do not resume work at all	23%	19%	13%
Ask for reduced working hours	10%	7%	4%
Don't know/no answer	20%	13%	9%

Base: Establishments with employees on parental leave in the past three years (management interviews)

Source: ESWT, 2004–2005

Apart from the three group patterns, there are a number of distinct trends in certain countries. For instance, managers

of establishments in the Czech Republic state more often (23%) than those in any other country that the majority of their female employees do not return to the establishment after parental leave is over. In contrast, this is rarely reported (1% or less) by managers in establishments in the Netherlands, Portugal, Sweden and Slovenia. In Sweden, a good public infrastructure providing childcare facilities and a broad availability of part-time jobs facilitate mothers' re-entry into the labour market and thus does not compel women with young children to fully give up their previous jobs<sup>34</sup>.

A multivariate regression analysis backs the observation that the country variable has a strong influence over whether or not mothers resume work after parental leave. The analysis model also indicates that the existence of employee representation at establishment level also has an influence over the behaviour of the majority of mothers after parental leave. In particular, the probability that most mothers never return to the company after finishing parental leave is smaller if employee representation exists in the establishment.

The share of establishments reporting problems with parental leave is relatively low. Altogether, only 11% of the establishments in which employees have taken parental leave in the past three years report that they have encountered any problems related to parental leave. Among the most frequently reported problems are 'difficulties in finding staff to replace absent workers', which was named by 57% of the establishments reporting problems with parental leave, and 'lack of continuity of work', as named by 52% of the establishments. Both of these issues are closely related to each other and to the work organisation during the time when employees on parental leave are absent. A substantial share of the managers who indicated encountering problems with parental leave reported 'uncertainty if or when persons on parental leave will return' (44%) and 'difficulties in re-integrating the returning staff' (22%) as significant problems.

### Training opportunities following leave

Employees who take a prolonged period of time off work due to childcare obligations, to take care of other family members, or for any other reasons, are often afraid that they may not be able to cope with new developments within the company following their absence. One of the desirable policies for employees returning to work after parental leave, or other forms of long-term leave, is

<sup>34</sup> For more information on the institutional framework of childcare facilities, see Anxo, Boulin et al, 2005, p.10.

therefore the provision of specific training programmes designed to help employees re-integrate into the workplace after returning from leave.<sup>35</sup> Such programmes are particularly important in situations where parental leave – still by far the most common type of long-term leave – may extend to several years and where technical and organisational developments at the workplace take place frequently.

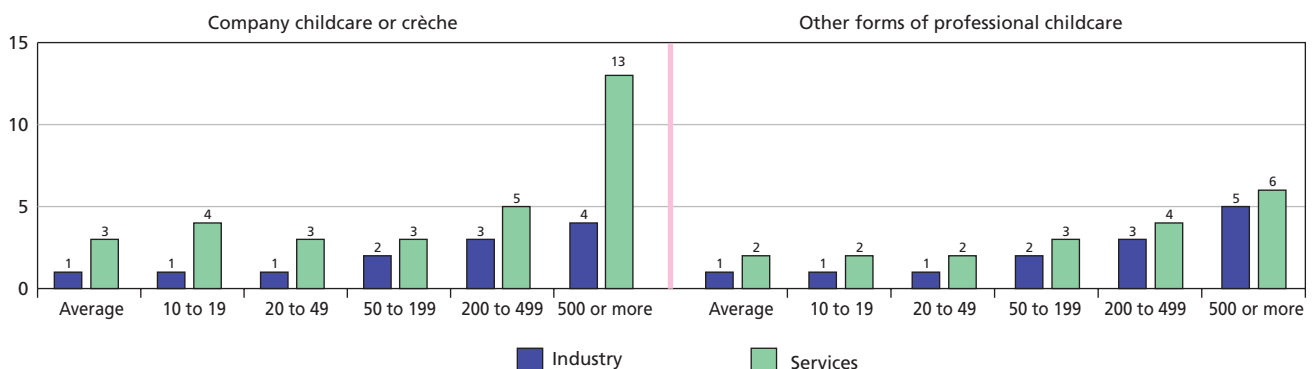
On average, training programmes for people returning to work after an extended period of leave are offered by about 22% of all establishments covered by the ESWT (i.e. all establishments with 10 or more employees). While an average of 20% of the smaller establishments (10 to 19 employees) offer such a programme in order to facilitate the re-integration of employees returning to work, some 40% of the larger establishments (500 or more employees) provide such a service. In establishments within the services sector, the possibility of receiving training after returning to work is considerably higher (26%) than in establishments in industry (15%). Training programmes of this type are particularly infrequent in establishments in the manufacturing and construction sub-sector, where only 14% and 15%, respectively, of the establishments offer such programmes. This may be due to the fact that this type of training is either regarded as being generally unnecessary or because most of the skills are acquired ‘on the job’. In contrast, training programmes for employees returning to work after extended leave are very frequent among establishments in the sub-sectors ‘education’ (40%), ‘health and social work’ (38%), ‘financial intermediation’ (34%) and ‘electricity, gas and water supply’ (34%).

Establishments with a high share of female employees are generally more likely to offer training programmes than establishments with no or only a few female employees. Surprisingly, there is no clear positive correlation between the share of skilled workers in an establishment and the existence of such a training programme, although one might expect these programmes to be of particular importance for employees in skilled jobs. According to the survey results, the provision of such training programmes is above the average for establishments in Poland (54%), Sweden (45%), the UK (35%), Latvia (33%) and Finland (32%). Offers of training were comparatively low among establishments in Italy (6%) and Belgium (10%).

### Childcare facilities offered by the company

A possible means of lowering the level of staff turnover due to family obligations is for the establishment to offer childcare facilities, supplementary to the childcare services provided by the state or other suppliers (e.g. private for-profit firms or religious institutions). Whether or not a company offers ‘own childcare facilities’ depends on a variety of factors, such as the existing supply of public childcare facilities or private ‘childcare networks’, the size of the establishment, the structure of the workforce, and the level of demand expressed by the employees. For example, the need to offer own childcare facilities is less pressing among establishments in countries with a well-developed public childcare infrastructure than among those with a poor childcare infrastructure. Nevertheless, offering such opportunities can, in any case, increase the attractiveness of the firm as an employer and thus contribute to its enhanced competitiveness.

Figure 21: Childcare facilities offered by establishment, by sector and size (%)



Base: All establishments (management interviews)  
 Source: ESWT, 2004–2005

<sup>35</sup> In a survey among employees with family care duties, carried out in Germany in 2003, 74% of respondents with experience of parental leave within the previous 10 years named provision of further training as one of the most desirable services being sought from the employer (Klenner, 2004, p.30).

On average, only 3% of all establishments covered by the survey offer an own company kindergarten or crèche service; a further 2% offer, partly in addition to a company kindergarten or crèche facility, other forms of professional childcare help, e.g. a babysitting service organised and/or paid for by the company. Establishments offering own childcare provisions are more than twice as frequent in the services sector as in industry. Such services are also far more common in larger establishments than in smaller ones, although some smaller establishments, especially in the Netherlands and the UK, also have their own childcare provisions.

The Netherlands has by far the largest share of establishments with own childcare facilities, with 12% of the establishments having an own kindergarten or crèche facility and 17% offering other forms of childcare assistance. One of the reasons for this relatively wide availability is the apparently poor supply of public childcare facilities in the country, for children below the age of three years (Anxo and Boulin, 2005, p.10). Nevertheless, in other countries such as Germany, the relatively poor public supply of childcare facilities for this age group is not supplemented to a comparable degree by services from the employer's side. Other countries with an above average incidence of own company kindergarten or crèche facilities are the UK (7% of establishments), Ireland (6%), Latvia, Greece and Luxembourg (4% each). As in the Netherlands, the supply of public childcare facilities in the UK and Ireland is relatively weak, especially for children aged three years or under.

Across the countries, own company childcare facilities are notably more frequent in the public sector than in the private sector. For example, while the overall incidence of own company kindergartens or crèches is only 2% in the private sector, 6% of the establishments in the public sector offer such facilities.

As a multivariate logit regression model shows, there is no significant correlation between the existence of childcare facilities offered by the establishment and the behaviour of the majority of mothers after the parental leave period.

### Other forms of long-term leave

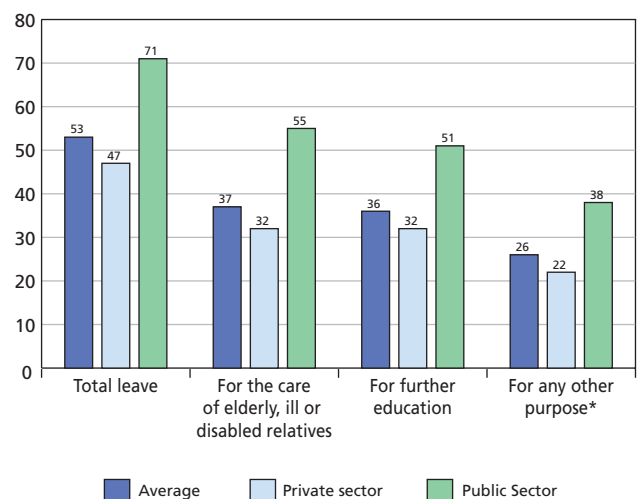
As already outlined, parental leave is the most frequent reason for taking a long period of absence from an establishment, with the intention of returning later on. Increasingly, however, other reasons, such as long-term education, or caring for elderly family members, are gaining importance as motives for temporary absence from the workplace.

Results of the survey show that long-term leave for purposes other than the care of young children is – according to the managers' statements – granted in about half of the establishments covered. Among the most frequently accepted reasons for taking long-term leave are care of elderly, ill or disabled family relatives and further education. Moreover, in about a quarter of the establishments, other reasons for taking leave are also accepted.

Larger establishments are far more likely to offer long-term leave than smaller establishments. For example, 33% of all the establishments with 10 to 19 employees offer long-term leave for care of elderly, ill or disabled family members, while 62% of the establishments with 500 or more employees do so.

Opportunities for taking long-term leave also differ according to the sector of activity. Establishments in the services sector offer such an opportunity about 6% to 8% more often (depending on the reason for taking leave) than do establishments in industry. The sub-sectors most likely to offer long-term leave are 'education' (75% of establishments), 'health and social work' (72%), 'public administration' (69%) and 'electricity, gas and water supply' (69%). These sub-sectors mostly consist of establishments belonging to the public sector and include (with the exception of the latter sub-sector) a large proportion of women in their workforce. In fact, establishments classified by their managers as public sector entities offer long-term leave options much more frequently than privately owned establishments (see

**Figure 22: Availability of long-term leave options, public and private sector (%)**



\* parental leave excluded

Base: All establishments (management interviews)

Source: ESWT, 2004–2005

Figure 22). In many European countries, therefore, the public sector is the forerunner in relation to long-term leave options. Among the sectors dominated by private companies, 'financial intermediation' shows the highest proportion of long-term leave options, with 63% of establishments in this sector offering such provisions.

The conditions of the long-term leave options granted may vary greatly between countries and between establishments. In the questionnaire, managers were asked in a very general way about the possibilities for taking 'paid or unpaid' long-term leave. Whether or not an employee actually takes long-term leave will largely depend on the precise conditions offered by the particular company. Among other factors, the financial conditions, career prospects after leave, and the attitude of superiors and colleagues towards employees wishing to take long-term leave will be important considerations.

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Despite the EU's efforts to harmonise the legal foundations of parental leave, considerable differences remain between countries in relation to the duration and

the financial conditions of the national leave systems. The framework conditions for working parents continue to vary widely from country to country, particularly as regards family-friendly working conditions, the offer of public childcare facilities, or the level of cultural acceptance. This leads to pronounced country-specific patterns of behaviour among young mothers after the parental leave period has ended.

Other forms of long-term leave than parental leave – which is a form of 'flexibility' open to a very specific part of the employees in a specific life phase only – are from the life-course perspective regarded as increasingly important instruments for flexibility. The results of the survey indicate that such long-term leave options (sometimes referred to as 'sabbaticals'), for purposes other than the rearing of small children, are at least in theory offered by a considerable proportion of establishments.



# Phased and early retirement 6

In the debate about an integrated work–life balance over the life course, phased and early retirement schemes have become controversial topics for discussion. The original aim of such flexible retirement schemes was twofold. On the one hand, opportunities for flexible retirement were meant as an employee-friendly option, enabling workers to adapt their working time at the end of their working career to their personal needs and circumstances. On the other hand, phased and especially early retirement schemes aimed to foster the integration of young people into the labour market, by raising the attractiveness of an early exit from the labour market among older employees, especially in sectors facing a structural economic crisis.

In phased retirement schemes, employees beyond a certain age threshold have the possibility of gradually reducing the number of working hours as they approach the retirement age. This is usually to take into account the reduced productivity of some older workers, e.g. due to health problems, or also their desire for more leisure time and time to prepare themselves gradually for this new phase in their lives. Thus, phased retirement enables older employees to remain in the labour market, but with less work pressure and with more time for recreation, although this usually involves a reduction in income. In some countries, nonetheless, the loss of income due to a reduced number of working hours is partly cushioned by social transfer benefits.

In early retirement schemes, older employees are allowed to fully exit the labour market, either a few years or months before they reach the statutory retirement age. The income status of employees within the time span between their exit from the labour market and until they reach the statutory retirement age differs from country to country, in accordance with the social security system and the age of the employees.

Against the background of the increasing ageing of Europe's population which poses enormous challenges to the sustainability of social security systems, early retirement schemes in particular have recently been the focus of criticism as they have sometimes been (mis-)used by managers, pushing older employees out of the firm against their will in order to down-size or rejuvenate the workforce. Thus, in the context of the ESWT, which focuses on the work–life balance of employees, a crucial aspect of early or phased retirement is whether an establishment offers these possibilities as a deliberate option for the employees, or whether early or phased retirement is imposed on employees, even if they would

prefer to work until the regular retirement age either for financial reasons or for reasons of social integration.

The legal framework for phased or early retirement schemes varies between countries. In some countries, such options are regulated by national law; in others, they are usually fixed between the social partners in a collective agreement at sectoral or establishment level.

According to the statements of the managers interviewed in the ESWT, 47% of the early retirement schemes existing at establishment level are based on legal regulations, while another 27% are based on collective agreements at sectoral or establishment level. In 11% of the establishments with early retirement schemes, both legal regulations and collective agreements are the basis for the existing provisions. Some 9% of the managers state that neither legal regulations nor collective agreements regulate the early retirement opportunities offered in the establishment.

The offer of early and phased retirement options in an establishment, and the way in which this working time arrangement is handled, depends, among other things, on the demographic structure of the workforce in the establishment. The ESWT provides some information about the age composition of the workforce by roughly identifying the share of young employees under 30 years of age and the share of those aged 50 years or older. As the data show, the age structure of the establishments within the surveyed countries is not totally homogenous. An above average percentage of employees aged under 30 years is to be found in Austria, Greece, Portugal, the UK and particularly in Ireland. At the same time, relatively large percentages of workers aged 50 years or over are reported by the managers of establishments in Finland, Latvia and Sweden.

## Phased retirement schemes

Altogether, phased retirement schemes are offered in about 37% of those establishments with 10 or more employees that are reported to have employees aged 50 years or over.<sup>36</sup> Establishments in the services sector are significantly more likely to offer this opportunity (41%) than those in industry (28%). Within these two broad sectors, the sub-sectors most likely to offer phased retirement opportunities to employees are education (54% of establishments), health and social work (59%) and financial intermediation (46%). While 47% of the establishments that regard themselves as belonging to the public sector offer phased retirement schemes, only 33%

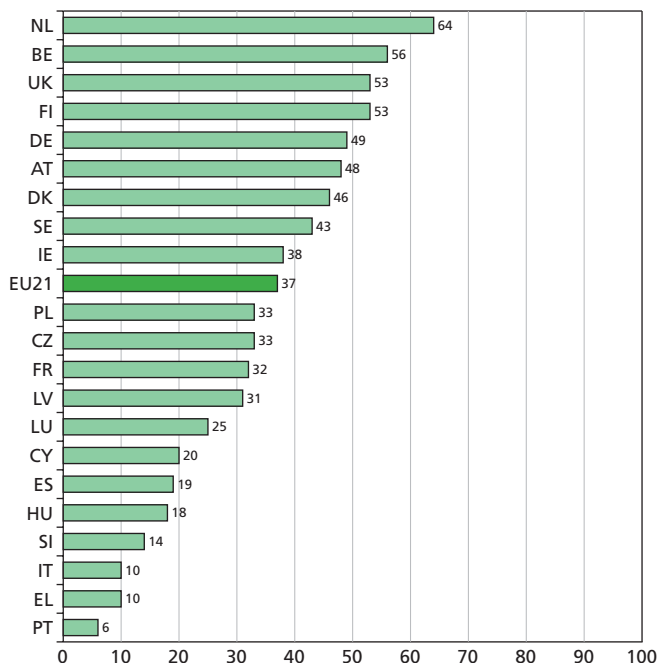
<sup>36</sup> The question was not asked in establishments without any employee aged 50 years or older.



of those in the private sector do so. Although phased retirement is more frequent among the larger companies, where just over 55% of the establishments with 200 or more employees indicate that they offer such schemes, 33% of the smaller establishments with between 10 and 19 employees also offer this provision.

In many mid and northern European countries, phased retirement is offered by a large proportion of companies, e.g. by 64% of establishments in the Netherlands, by 56% in Belgium and by 53% in Finland and the UK. In the southern European countries, such phased retirement schemes tend to be a rare exception and are offered by only 6% of establishments in Portugal, 10% in both Italy and Greece, 19% in Spain and 20% in Cyprus. In all of the new EU Member States surveyed, the incidence of phased retirement is also below the average, particularly in Slovenia where only 14% of establishments offer phased retirement and in Hungary where 18% of establishments offer such provisions.

**Figure 23: Share of establishments offering phased retirement schemes, by country (%)**



Base: Establishments with employees aged 50 years or older (management interviews)

Source: ES WT, 2004–2005

Reasons for these cross-national differences regarding the incidence of phased retirement are manifold and are encountered on both the supply and the demand side. The culture of part-time work within the particular country, for instance, plays an important role in relation to the extent of phased retirement options. This work form is more likely to be found in those countries that have broad experience of part-time employment than in countries where experience of part-time work is still generally sparse. This is reflected in the high proportion of establishments offering phased retirement schemes in the Netherlands and in many other western or northern European countries and in the limited extent of phased retirement provisions in the southern European countries. The fact that phased retirement is offered by 45% of the establishments that currently employ part-time workers, but only by 21% of those establishments without any part-time workers, further supports this observation.<sup>37</sup>

At the same time, the demand for phased retirement schemes is likely to be greater in countries where the general level of salaries (and pension schemes) is high enough to allow for a decent standard of living among those who decide to work part time, than in those countries where salaries are lower and where income is urgently needed for daily subsistence.

### Early retirement schemes

Early retirement schemes are, on average, more widespread than phased retirement schemes. Among the 21 countries covered in the survey, the offer of early retirement schemes are reported in 48% of all the establishments.<sup>38</sup> In addition, early retirement schemes are also more likely to be offered by establishments in the services sector (50% of establishments) than in industry (43%). Differences between both these sectors are less pronounced, however, than in relation to phased retirement. As with phased retirement, the incidence of early retirement is particularly high in the ‘education’ sector, where 72% of the establishments report such opportunities, as well as in ‘financial intermediation’ (63%) and ‘health’ (61%). Early retirement schemes are also more widespread among large establishments than among smaller ones: while 66% of the establishments with 200 or more employees offer an early retirement scheme, only 43% of the smaller establishments (10 to 19 employees) do so. Countries in which the availability of

<sup>37</sup> The difference between these two groups of establishments can be observed throughout each of the size-classes and can thus be considered as being largely independent of the ‘size’ factor.

<sup>38</sup> If taking into account only those establishments that currently employ any person aged 50 years or older (i.e. the same universe as in the question asking for the incidence of phased retirement), the percentage of companies offering early retirement is on average 3% higher, i.e. at 51%.

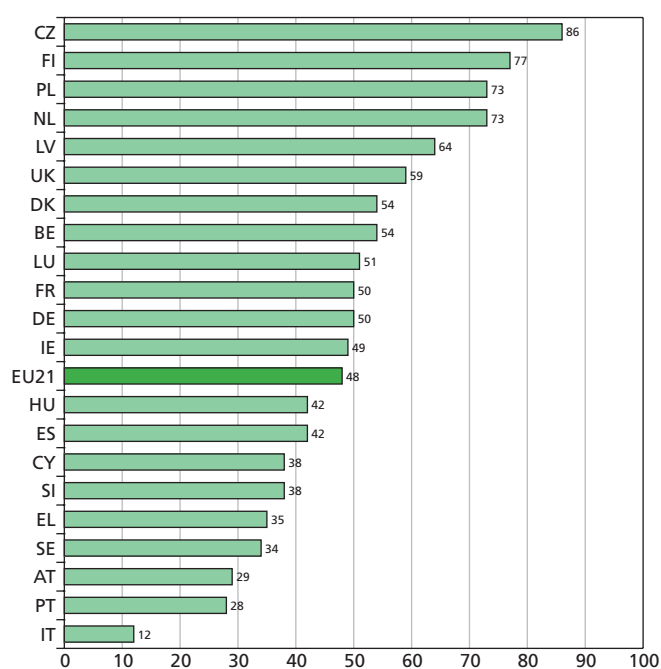
phased retirement is widespread also tend to have a high level of early retirement possibilities.

In the Mediterranean countries, the incidence of early retirement schemes is still below the average, but much higher than the incidence of phased retirement schemes. This is a further indication that the limited spread of phased retirement schemes in these countries is closely connected to the underdeveloped culture of part-time work. An exception to this general observation is Italy, where early retirement schemes are about as rare as phased retirement schemes.

**Figure 24: Share of establishments offering early retirement schemes, by country (%)**

Base: All establishments (management interviews)

Source: ESWT, 2004–2005



Another group of countries in which large differences exist in the incidence of phased and early retirement schemes are the five central European new Member States included in the survey. While phased retirement is not widely offered in establishments in these countries, a considerable share of the establishments do offer employees the possibility of early retirement. This is most notably the case in the Czech Republic, which according to the survey results has the highest rate of all the 21 countries of offering early retirement schemes (86%), in addition to Poland (73%) and Latvia (64%). The relatively

widespread existence of early retirement schemes is understandable given the legal framework under which these schemes were introduced. In the central European countries surveyed, early retirement schemes are largely based on legal regulations, with between 71% (Slovenia) and 93% (Hungary) of the establishments interviewed stating that either legal regulations alone, or both legal regulations and collective agreements are the basis for this working time arrangement. Therefore, the offer of early retirement schemes in these countries is usually not something that is decided on by an establishment, but rather is an obligatory measure backed by labour law. The extent to which the widespread availability of early retirement schemes in these countries coincides with equally high take-up rates is one of the issues that will be further analysed, based on the ESWT survey data results, in a subsequent report focusing on phased and early retirement.

### Company attitudes to phased and early retirement

There is not much difference between the two main sectors of activity, i.e. services and industry, with regard to the active encouragement of phased or early retirement.<sup>39</sup> In industry, however, the share of establishments actively encouraging either phased or early retirement clearly

**Table 9: Management's attitude to phased and early retirement, by company size**

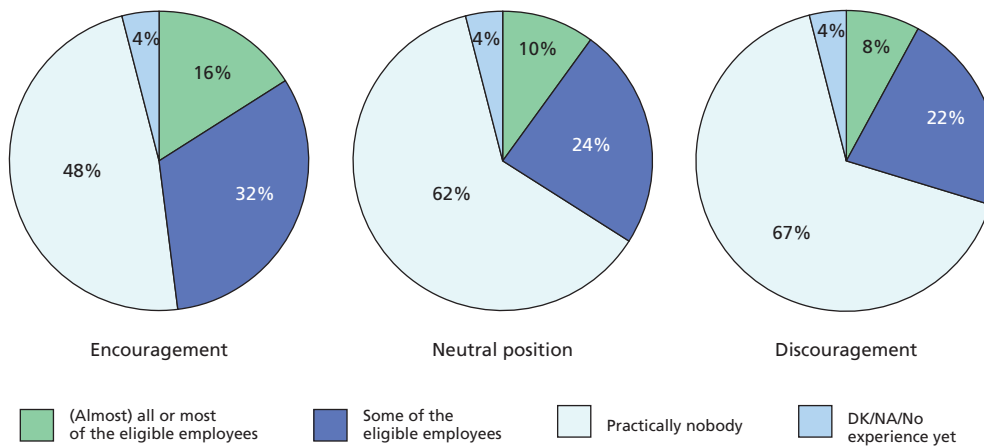
Size of the establishment	Encouragement of phased retirement	Encouragement of early retirement
<b>Industry</b>		
10 to 19 employees:	14%	13%
20 to 49 employees:	17%	17%
50 to 199 employees:	18%	22%
200 to 499 employees:	21%	28%
500 or more employees:	31%	34%
Average all size-classes:	16%	17%
<b>Services</b>		
10 to 19 employees:	16%	16%
20 to 49 employees:	17%	14%
50 to 199 employees:	18%	18%
200 to 499 employees:	17%	19%
500 or more employees:	14%	22%
Average all size-classes:	17%	16%

Base: Establishments with phased/early retirement options (management interviews)

Source: ESWT, 2004–2005

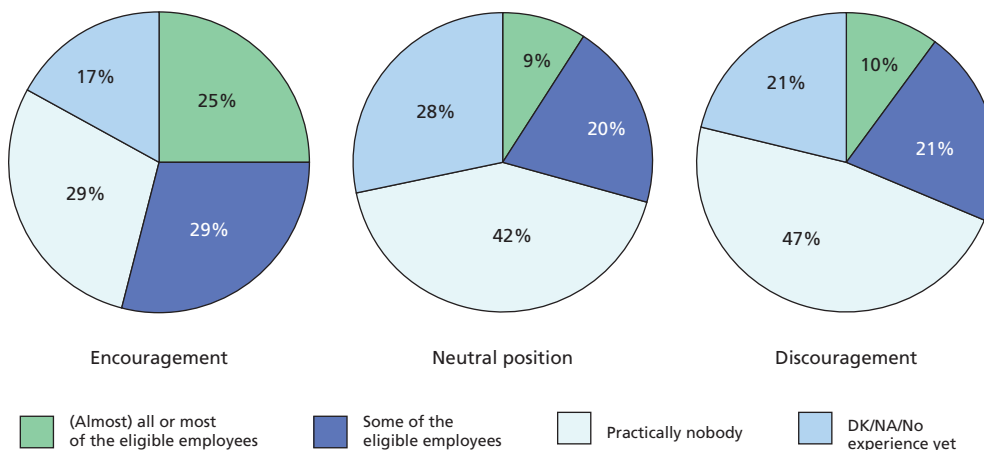
<sup>39</sup> In the survey, questions about the way in which the management encourages employees to make use of early retirement were not asked. Often, encouragement will involve some form of financial incentive for those deciding to make use of early retirement. A less favourable form of 'encouragement' can involve more or less explicit psychological pressure on those eligible employees to make use of early retirement. Both forms can also coexist, in cases where employees wish to remain in the establishment, despite financial incentives, and where they are thus subjected to a certain psychological pressure.

Figure 25: Management's attitude to phased retirement and take-up rates (%)



Base: Establishments with phased retirement schemes (management interviews)  
 Source: ESWT, 2004–2005

Figure 26: Management's attitude to early retirement and take-up rates (%)



Base: Establishments with early retirement schemes (management interviews)  
 Source: ESWT, 2004–2005

increases with the size of the workforce. In the services sector, a clear-cut correlation between the size-class and the behaviour of the management towards either phased or early retirement cannot be observed.

Whether or not the management in an establishment chooses to encourage its employees to make use of phased or early retirement has some influence over the reported overall take-up rates of such schemes. Of those establishments in which phased retirement is neither encouraged nor prevented by the management, only 10% report that 'almost all' or 'most' of the employees make

use of it. In turn, of those establishments in which employees are encouraged to make use of the available phased retirement scheme, 16% report that 'almost all' or 'most' of the eligible employees make use of it. In the case of early retirement, the attitude of the management has an even greater effect. Here, 9% of establishments report high take-up rates if the management maintains a neutral position towards this option, while 25% report a take-up of early retirement by 'almost all' or 'most' of the eligible employees in cases where management encourages the measure among its employees.

Efforts to prevent employees from making use of these schemes, in turn, seem to be less successful. While the take-up of phased retirement is somewhat lower in establishments in which the management shows a discouraging attitude towards that option, differences are very small in the case of early retirement. One possible explanation for this is that efforts to discourage employees are probably often pursued with much less energy and with weaker means than are efforts to encourage take-up of phased and especially early retirement, which are often backed by financial incentives.

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From the life course perspective, phased retirement, and in a sense also early retirement, are important instruments for enabling employees to adapt their working times to individual wishes and to the level of personal productivity at an older age. Survey results have shown a considerable variety between countries with regard to the offer of such retirement schemes at establishment level. Early retirement schemes are generally more common than offers of phased retirement. This is partly due to the fact that in some countries, all employees of a certain age are legally entitled to make use of early retirement schemes.

Another reason is the general affinity that a company has for part-time work. In general, companies that do not currently employ any part-time workers are far less likely to be open to the idea of employees opting for phased retirement. In principle, phased retirement is another specific form of part-time employment and, as such, requires prerequisites on part of the employer that are similar to any other form of part-time work.

Although, from an economic perspective, there are arguments against phased or early retirement in terms of their financial implications on old-age pension insurance, from a work-life balance perspective, both options can generally be regarded as positive. This is, of course, assuming that the eligible employee has full control over their decision on whether or not to make use of such arrangements. Survey results have shown that employers do not always behave in a neutral fashion with regard to such schemes and sometimes encourage their employees to make use of existing phased or early retirement options. In the case of early retirement, in particular, efforts aimed at encouraging employees to avail of the option can considerably influence the take-up rates at establishment level.



The vast majority of managers in the ESWT accept that their establishment has a certain responsibility for the work–life balance of employees. Only 9% of the personnel managers interviewed stated that they consider it ‘not at all’ the establishment’s task to take the private responsibilities of the employee into consideration in the organisation of work and of working time regulations. On a scale from zero to 10, with zero meaning that it is ‘not at all the task of the company’ and 10 meaning that ‘the company should definitely consider’ the private responsibilities of the employees, the average answer of managers was 5.2 on the scale. Between countries, there is relatively little variance in the answers to this question, with the lowest values being registered in France, Luxembourg and Belgium and the highest values in Greece, the UK, Cyprus and Ireland. Not surprisingly, the average value of the interviewed employee representatives regarding the establishment’s responsibility for employees’ work–life balance is higher, at a score of 6.4 on the same scale. Differences between countries are even smaller in this instance, with country average values ranging from 5.7 to 7.1 on the scale.

The offer of working time arrangements, and the way in which these are put into practice in an establishment, are decisive factors in assessing whether or not an establishment is viewed favourably in relation to employees’ work–life balance. This offer is not always a deliberate decision on the part of actors at establishment level. Organisational constraints and financial necessities can also determine the use or non-use of certain working time regimes, whether they are forms that are considered as being mostly favourable for employees (e.g. flexible working time regimes) or forms that are likely to be detrimental to employees’ work–life balance (e.g. shift work). When asked for an assessment of the given working time arrangements in their establishment, the bulk of employee representatives (70%) consider the possibilities combining work and private life as being quite or very easy. However, as many as 28% of the employee representatives consider these possibilities to be quite poor or even very poor. Of these, two thirds (67%) attribute the poor reconcilability of private life and work life to ‘the nature of work’ in the establishment. However, for 9% of employee representatives, it is not the nature of the work but the employer’s attitude that is regarded as the main hindrance to a better work–life balance of employees. For a further 22% of employee representatives, both aspects – the nature of the work and the employer’s attitude – are regarded as obstacles to a better compatibility between work and non-work obligations.

The way in which working times are organised in the establishment is one of the key areas where management can exert a positive influence on the work–life balance of employees. Other ways include, for example, the offer of services by the company that enable employees to use a greater share of their work-free time as real leisure time, instead of dedicating it to other tasks such as household activities. Survey results show that the percentage of companies offering professional help for household duties, such as cleaning or shopping services, is even smaller than that offering childcare facilities and services. On average, only 1% of the establishments with 10 or more employees offer any such services to their employees. The only country in which more than 1% of the managers report the existence of such services in their establishment is the UK, where 3% of the companies interviewed indicate that they provide these services. Obviously therefore, these duties tend to be regarded as part of the private sphere of employees, in which the establishment should not, or does not need to, interfere in any way.

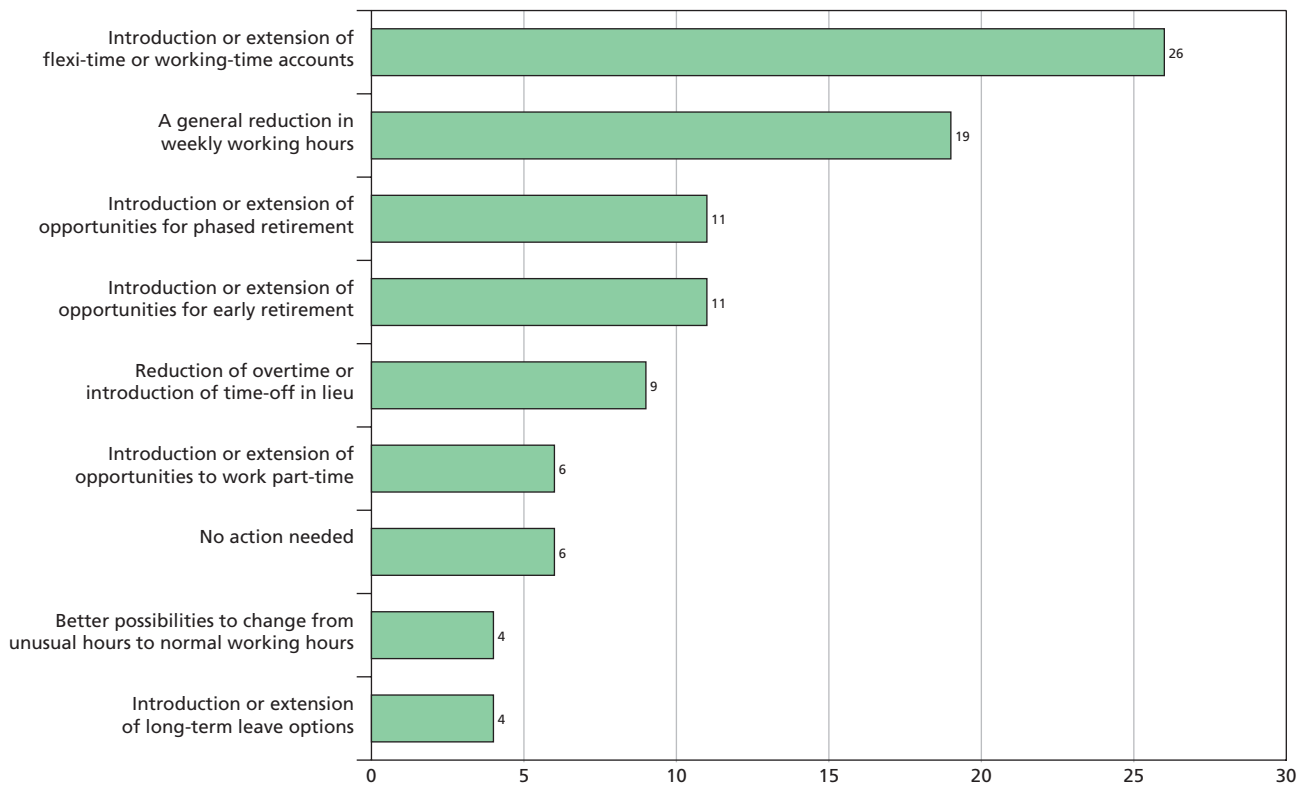
## Preferred working time initiatives

On the top of the ‘wish list’ of the employee representatives with regard to the future working time policy in their establishment is the introduction or extension of working time accounts: 26% of all interviewed employee representatives named this as the only or most important measure for a further improvement of the work–life balance of the employees. Among the employee representatives who named this priority, 60% are from establishments that already practise some form of flexi-time and that wish to improve the existing system or extend it to other groups of employees within the establishment. The remaining 40% do not currently have flexi-time or working-time accounts in their establishment, but would be in favour of their introduction.

A general reduction of the weekly working hours, on average, ranks second in the list of priorities. The third preferred option is the introduction or extension of either phased or early retirement (11% each). Only a few employee representatives (6%) named the introduction of more part-time jobs as being the most important initiative, most of them coming from establishments that already offer part-time employment to at least part of the workforce. Some 4% of employee representatives cited better possibilities for switching from work at unusual hours (night work, weekend work and shift work) to normal working hours as being the preferred option, while the same percentage stated that enhanced possibilities for long-term leave were preferred most.



Figure 27: Most desirable initiatives with regard to work-life balance, according to employee representatives (%)



Base: Establishments with employee representative interview (employee representative interviews)  
 Source: ESWT, 2004–2005

In addition to the above findings, some interesting country-specific preferences can be distinguished:

- In a number of countries, the employee representatives did not name the introduction or extension of flexible working time arrangements, but a general reduction of weekly hours, as the preferred option. This was the case in Cyprus, Greece, Hungary, Portugal, Spain, Sweden and the UK.
- As outlined, only a few employee representatives generally regard the introduction or extension of part-time work as the most important priority. Nevertheless, in Belgium, 28% of the employee representatives and 17% of representatives in Latvia cited this as their preferred option.
- The introduction or extension of opportunities for phased retirement is the most frequently named initiative in Denmark (30% of employee representatives). In Poland, the same is true for early retirement (29% of employee representatives).
- Better opportunities to change from shift work to normal working hours is a relatively important issue for employee representatives in the UK and Slovenia: 19% of the employee representatives in companies in the UK and 12% in companies in Slovenia named this as the most important initiative.

As already outlined, formal employee representation did not exist in all the establishments surveyed. Employee representation is more likely to exist in large establishments than in smaller ones. Country specific differences also exist in relation to the presence of formal employee representation at establishment level. It should be noted that the answers given by the employee representatives are understood to firstly refer to the situation in their establishments; thus, it has to be carefully checked whether and to what extent findings drawn from this part of the survey are applicable to the other establishments also.

The survey results show that both managers and the employee representatives, to a certain degree, consider it the responsibility of the establishment to take employees' work-life balance into consideration, in the organisation of work and design of working time policies.

According to the employee representatives in many of the countries surveyed, the most important issue in this respect is the improvement or introduction of flexible working times and working time accounts. This coincides with the findings of a series of surveys among individuals, which largely indicated that flexible working times and working time accounts were generally positive instruments

for enhancing the work-life balance of employees. Nonetheless, the mere introduction of such an arrangement is not necessarily perceived as being a universal remedy for all work-life balance issues. For example, the majority of the employee representatives who named flexible working times as their first priority come from establishments already practising a flexibility scheme: this shows that questions about the practical ways of regulating and handling flexible working time arrangements in everyday practice are at least as important as the question of whether or not such a scheme exists.



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# Annex 1

## Survey methodology and technical remarks

### Universe and sample

The unit of enquiry for the survey was the establishment, i.e. the local unit in the case of multi-site enterprises. The survey data in the ESWT are representative of establishments with 10 or more employees from all sectors of activity, except for agriculture (NACE A), fishing (NACE B), private households (NACE P) and extra-territorial organisations (NACE Q), which were excluded for practical reasons. In total, the universe comprises some 2.7 million establishments with about 121 million employees in the 21 countries. Table A1 below shows the size of the universe for each of the countries involved. Figures are partially based on the authors' own estimations, since exact statistical information about the universe is not available for some of the countries.

**Table A1: Size of the universe**

Country	Establishments (in '000)	Employees (in '000)
Belgium	52	2,920
Czech Republic	75	2,980
Denmark	53	2,030
Germany	551	26,890
Greece	59	1,510
Spain	217	9,610
France	348	16,190
Ireland	22	970
Italy	302	11,300
Cyprus	3	130
Latvia	13	570
Luxembourg	4	220
Hungary	64	2,590
Netherlands	97	5,800
Austria	57	2,420
Poland	190	8,490
Portugal	87	2,600
Finland	33	1,420
Slovenia	10	440
Sweden	68	2,980
United Kingdom	370	19,040
<b>Total all 21 countries</b>	<b>2,675</b>	<b>121,100</b>

Due to the limitations of the universe (only establishments of 10 or more employees), the survey does not cover the total economy in the countries concerned. In terms of employees, the effects of this limitation can be calculated on the basis of figures available from the Labour Force Survey 2004<sup>40</sup>. As can be seen in table A2, the size threshold leads to an exclusion of roughly a third of all employees from the universe. The effect of the additional

limitation of the universe with regard to the sectors of activity by excluding NACE sectors A (Agriculture), B (Fishing), P (Private households) and Q (Extraterritorial organisations) is much smaller, reducing the universe by only two further percentage points, since establishments in the excluded sectors rarely surpass the size-threshold. It is estimated that the survey is representative of almost two-thirds of total employment in the 21 countries surveyed. However, the share is markedly lower in a few, mostly southern European, countries (Cyprus, Greece, Italy, Portugal, and Slovenia), with Greece showing the smallest share of employees covered by the survey. The economy in these countries is to a much larger degree based on very small establishments with less than 10 employees. For a further interpretation of country results, it should also be taken into account that the distribution of establishments within the chosen universe varies between countries with regard to both size-class and sector composition.

**Table A2: Share of employment covered by the survey (%)**

Country	Employees in 10+ establishments (all sectors)	Employees in 10+ establish- ments (NACE C-0)
Belgium	71	71
Czech Republic	67	64
Denmark	75	75
Germany	73	72
Greece	40	40
Spain	62	61
France	75	71
Ireland	63	62
Italy	55	54
Cyprus	52	51
Latvia	68	65
Luxembourg	81	76
Hungary	69	67
Netherlands	77	75
Austria	66	65
Poland	63	62
Portugal	53	52
Finland	66	65
Slovenia	58	57
Sweden	74	74
United Kingdom	74	74
<b>Total all 21 countries</b>	<b>68</b>	<b>66</b>

<sup>40</sup> The Dutch values refer to the year 2003 because the Dutch Labour Force Survey for 2004 did not contain the question on the size of the respondent's workplace.



The sampling for the ESWT was done on the basis of the following matrix, where the universe in each of these countries was divided into ten cells which are defined by five size-classes and two main sectors of activity (the industry sector covering NACE codes C to F and the services sector covering NACE G to O):

*Sampling matrix*

Sector Size Class	Industry NACE C-F	Services NACE G-O
10-19 employees		
20-49 employees		
50-199 employees		
200-499 employees		
500 or more employees		

When setting the targets for the sampling matrix, care was taken to ensure a sufficiently high number of net interviews in each cell. To this end, larger establishments were deliberately overrepresented in the net sample. A weighting procedure was then applied to correct this disproportionate sample structure (see below).

**Questionnaire**

For the survey, two types of questionnaires were used: a management questionnaire directed at the highest ranking manager responsible for human resources (HR) in the establishment and an employee-representative questionnaire directed at the chairperson of the formal employee representation in those establishments where such a representation existed and where an interview with the management had been successfully carried out before. TNS Infratest Sozialforschung developed the questionnaires, in close cooperation with the Foundation and a team of experts from different countries. The questionnaires aimed to cover a broad spectrum of different policies and practices regarding working time at establishment level, rather than going into greater depth about a few selected working time arrangements.

**Fieldwork**

National fieldwork institutes carried out the interviews by telephone (CATI) and TNS Infratest Sozialforschung coordinated the data collection. Fieldwork was conducted in two phases. In autumn 2004 (September until November), interviews were conducted in all the EU15 countries; in spring 2005 (May and June), the survey was extended to six of the 10 new Member States (NMS) that joined the European Union on 1 May 2004.

**Response rates and representativity**

Response rates for the different countries are shown in Table A3. In some countries, interviews could be conducted directly by using the addresses from the

address registers, while in other countries, a special screening procedure had to be applied in order to transform a company-related sample into an establishment sample. In the case of multi-site companies, the screening procedure served to identify the eligible establishments and randomly select one of them for interview.

**Table A3: Response rates by country (= net interviews in % of gross sample)**

Belgium	15*
Czech Republic	17*
Denmark	42
Germany	21
Greece	32*
Spain	31
France	20
Ireland	16*
Italy	12
Cyprus	41*
Latvia	53
Luxembourg	23*
Hungary	11*
Netherlands	25
Austria	26
Poland	61
Portugal	33*
Finland	54
Slovenia	19
Sweden	31
United Kingdom	21

\* In these countries the screening procedure was applied. Due to the different methodology (2-stage selection process) response rates in countries with the screening procedure are not directly comparable with response rates in the other countries.

Response rates in all countries are in line with what could be expected according to previous experiences with b2b-telephone interviews. These rates vary to a certain extent according to size and sector of the establishments. During the fieldwork phase, a special effort was made to ensure that in each country a sufficient number of net interviews could be carried out in each cell of the sampling matrix (5 size classes by 2 sectors). The deliberately chosen disproportionate structure of the sample (over-sampling of large establishments), as well as the differences in the response rates depending on sector and size class, were corrected during the weighting procedure. Weighted data reproduce the structure of the universe in terms of size class, sectors (industry/services) and country.

Data collection was organised in such a way as to ensure the representativeness of the net sample. The risk of a bias with regard to the subject to be investigated was minimised by using telephone interviewing for data

collection. The telephone interviewers encouraged the respondents to participate in the survey, giving only general information on the subject matter. Unlike in a postal survey, the respondents' decision as to whether or not to participate in the survey did not depend on a full knowledge of the questions to be asked in the interview. This means that there is little risk that the net sample is biased e.g. towards firms that have (positive) experience with the different working-time arrangements which are the subject of the survey.

The survey covers all relevant sectors of activity<sup>41</sup>, i.e. private firms as well as establishments belonging to the public sector. A special effort was made in the sampling procedure to ensure a sufficient representation of the public administration (NACE L). However, in the case of a couple of countries, establishments in the sub-sectors NACE M (Education) and NACE N (Health and social work), which are largely (but, unlike NACE L, not exclusively) made up of establishments belonging to the public sector are to a certain degree under-represented. This results mainly from deficiencies in the available address sources. Since, for several of the countries concerned, reliable information on the distribution of establishments by branches (i.e. at the NACE 1-digit level or even finer break-downs) and size-classes is not available, the degree of under-representation cannot be precisely measured.<sup>42</sup>

This under-representation usually does not affect the overall results presented in this report. The effect of the under-representation of these two specific sectors was controlled by means of multivariate analysis and in most of the cases is smaller than the statistical margin of error. In the few cases where the under-representation of NACE M and NACE N significantly affects the overall results, this is explicitly stated in this report.

In the course of quality control procedures, data were additionally checked by comparing the weighted survey results with existing information from other sources. Such checks were made by TNS Infratest Sozialforschung, by the experts involved in the data collection phase and by the Foundation. These checks did not reveal any indication that the net samples are biased with regard to the topic under investigation. Survey data can thus be considered representative for the universe of

establishments with ten or more employees in the 21 European countries involved.

#### Net sample: Number of interviews per country

In total, interviews were carried out in over 21,000 establishments, the number of cases per country ranging from about 350 cases in the smallest economies to 1,500 cases in the largest economies. In all establishments, a management interview was carried out. In addition to the management interviews, the chairperson of the employee representative body was to be interviewed. During the fieldwork period it was possible to conduct interviews with employee representatives in more than 5,200 establishments; in these cases, interviews from the management and the employee representation are available and allow a direct comparison of their views at the level of the single establishment. However, due to large national differences in the incidence of formal employee representation at establishment level, and as a result of

**Table A4: Number of completed management (MM) and employee representative (ER) interviews per country\***

Country	MM-Interviews	among them: Est'ments with ER	ER-Interviews
Belgium	1,007	450	214
Czech Republic	950	299	165
Denmark	1,024	834	502
Germany	1,500	791	526
Greece	1,000	185	68
Spain	1,500	1,046	373
France	1,510	831	393
Ireland	502	217	73
Italy	1,500	760	225
Cyprus	400	134	81
Latvia	542	218	112
Luxembourg	352	224	77
Hungary	1,000	358	214
Netherlands	1,008	627	355
Austria	1,000	435	123
Poland	1,088	394	174
Portugal	1,119	242	97
Finland	1,006	813	674
Slovenia	500	289	223
Sweden	1,016	836	489
United Kingdom	1,507	468	74
<b>Total all 21 countries</b>	<b>21,031</b>	<b>10,451</b>	<b>5,232</b>

\* Unweighted number of cases. For descriptive analysis, please refer to the weighted figures shown in chapter 1.

<sup>41</sup> i.e. except for the previously mentioned sectors NACE A, B, P and Q.

<sup>42</sup> An under-representation of NACE M and/or N can be assumed for Greece, Spain, France (NACE M), Italy, Austria, Portugal, Cyprus and Hungary. In Belgium, NACE M is practically not represented and N is under-represented. In Luxembourg the net sample does not contain interviews from either NACE M and N.

variations in their willingness to participate in the interview, the number of interviews with employee representatives varied greatly from country to country, ranging from 68 completed interviews in Greece to 674 interviews in Finland.

### Establishment and employee proportional weighting of the data

The establishment- and employee-proportional weighting of the data was performed separately for each country on the basis of the previously presented 10 cell-matrix. In order to reproduce real quantitative proportions between the countries for cross-national analysis, an additional 'international weighting' was used to adjust the national sample sizes. International weighting was based on the total number of establishments (for establishment proportional weighting) and of employees (for employee proportional weighting) in each country, taking into account the definition of the universe. Since the size of the countries and thus their relative share in the weighted sample varies enormously, the overall results tend to reflect the situation in the larger countries.

In the analysis of establishment-related data there are always two different perspectives, both of which can be of interest, depending on the research questions: the establishment-proportional and the employee-proportional analysis. The data of the survey allow for both types of analysis. Employee and establishment proportional data provide different results whenever there is a strong correlation between the issue to be investigated and the size of the establishment. For example, only 32% of the establishments (with 10 or more employees) in the surveyed 21 countries have a formal employee representation. But 58% of the employees (who work in establishments with 10 or more employees) are employed in establishments with an employee representation. This large difference in incidences results from the fact that formal employee representations at establishment level are much more frequently to be found in larger establishments than in smaller ones.

Generally speaking, analyses with employee-proportional weighting would be likely to show larger incidences than the establishment-weighted analysis wherever the analysed phenomenon is concentrated on larger firms. If

differences between both types of analyses are in turn only small, this indicates a high probability that the phenomenon shows up independently of the variable 'size'. In a breakdown of results by size classes, there is practically no difference between an establishment- and an employee-proportional analysis of the data since the analysis by size-classes minimises the size-effect described above. This is one of the reasons why in some occasions, where results are supposed to be heavily influenced by the variable 'size', results are differentiated by size classes.

The survey results presented in this report are always weighted results. Although in some cases the employee-proportional perspective will certainly be an interesting and important supplement for the further interpretation of the results, this report concentrates on the establishment-proportional weighting in order to improve the readability of the text.

### Treatment of variables for the analysis

For some of the analyses in the report, the 21 countries were grouped into the following five regional categories:

Scandinavia:	<i>Denmark (DK), Finland (FI), Sweden (SE)</i>
British Isles:	<i>Ireland (IE), United Kingdom (UK)</i>
Western Europe:	<i>Belgium (BE), Germany (DE), France (FR), Luxembourg (LU), Netherlands (NL), Austria (AT)</i> <sup>43</sup>
Mediterranean <sup>44</sup> :	<i>Greece (EL), Spain (ES), Italy (IT), Cyprus (CY), Portugal (PT)</i>
Central Europe:	<i>Czech Republic (CZ), Latvia (LV), Hungary (HU), Poland (PL), Slovenia (SI)</i>

In some of the analyses, a differentiation between companies of the public sector and companies of the private sector is made. This differentiation is based on a question posed to all managers: whether they attribute 'their' establishment to the private or the public sector (*"Does this establishment belong to the public sector?"*). This differentiation based on the self-assessment of the management is different from the classification by branches/sectors of activity. According to the survey

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<sup>43</sup> The grouping of countries for this analysis follows a politicoeconomic logic. For this reason, Austria is grouped together with the other, geographically more western EU15 countries into the category 'Western Europe', although from a geographical point of view the country is a central European state. Latvia is grouped with the central European countries, although often being attributed to either eastern Europe or northern Europe/Scandinavia. Since the break-up of the former Eastern Bloc, the notions of 'central Europe', 'eastern Europe', 'middle Europe' and 'western Europe' are generally loose and the attribution of several countries to either one or the other region is quite ambiguous, since the classifications are used in different contexts and with different purposes.

<sup>44</sup> 'Mediterranean' countries' and 'southern Europe' are used interchangeably in the text.

results, practically all establishments of the 'Public administration' sector (NACE L) and the vast majority of establishments from the 'Education sector' (NACE M) characterise themselves as public establishments in the questionnaire. Roughly half of the establishments of the 'Health and social work' sector (NACE N) and of 'Electricity, gas and water supply' (NACE E) also characterise themselves as 'public'. A lower, but still substantial share of public entities is further reported from 'Other community, social and personal services' (NACE O) and from 'Transport, storage and communication' (NACE I). The share and type of establishments attributing themselves to the public sector varies from country to country, mainly according to the degree of privatisation of certain services. In some of the former communist central European countries, a noteworthy minority of establishments from the 'Manufacturing industries' (NACE D) is also in public hands still. All in all, somewhat less than a quarter of the establishments surveyed regard themselves as 'public' entities.

Throughout the questionnaire, for practical reasons all questions asking for percentage incidences of certain phenomena (e.g. the share of employees working part-time or overtime) were asked in rough percentage categories only (e.g. 20% to less than 40%, 40% to less than 60% etc.). Where in the text or the figures of this report average shares of a phenomenon are presented, these are calculated on the basis of the mid-points of each of these categories and therefore can only serve as a very rough indication. For the purpose of the analysis, this is in most cases sufficient, since the aim of these questions was not to provide (seemingly) precise shares of e.g. part-time workers within an establishment, but to characterise an establishment for further analyses as an establishment with no, a few, or many part-timers.

All values given in the report are rounded values without any decimals. Discrepancies of plus/minus one or sometimes even two percentage point between the added single values of a described feature and the given total value for that feature are therefore a normal phenomenon resulting from the rounding.

# Annex 2

## Employee representative interviews

Across Europe, there is a wide variety of different systems of employee representation at establishment level. Respondents for the employee representative interviews were therefore defined separately for each country, against a background of some general rules which served as a guideline and which are outlined below. In the interview process, the appropriate respondent for the employee representative interview was identified at the end of the management questionnaire. The employee representative interviews were then carried out immediately, or a few days after the management interviews were completed.

Information about the employee representation, gathered as part of this survey, provides, as a by-product, a unique insight into the incidence and structure of formal employee representation at establishment level in Europe. This is especially true for the new Member States covered by the survey, since empirical information about the current spread of formal employee representation at establishment level is scarce for these countries. After a description of the selection criteria for the employee representative interviews, the following section presents some of these findings.

### Choice of employee representative bodies

In principle, there are two different types of formal employee representation – the ‘de jure’ type (works councils) and the ‘de facto’ type (trade union representatives, shop stewards). In many countries, both types exist in parallel. For the purposes of the ESWT, it was necessary to allocate one respondent for the employee representative interview, in order to obtain a clearly defined universe for this part of the survey and to avoid any arbitrary influence of the management. Decisions were made in the preparatory phase of the survey in close cooperation with the Foundation and with experts from the different countries.

The type of employee representation chosen for interview varied according to its existence and role at establishment level. Works councils were chosen in countries where they are the most widespread and best-informed type of employee representation at establishment level. In other countries, where works council representations do not exist or are usually not the relevant actors in matters

regarding working time, the interview was conducted with the trade union representation within the establishment.<sup>45</sup>

However, in countries where both types of bodies exist and have similar competencies and a comparable level of knowledge in the matter of working time, the decisive criterion was which of the two bodies was the more prevalent. If this body did not exist within a selected establishment, interviewers asked for the alternative body of employee representation. In countries where, theoretically, alternatives do exist, but where these are either of marginal quantitative importance or found almost exclusively in establishments that have another type of representation, a second choice was not requested. This was the case, for example, in Ireland and the United Kingdom (UK), where the works council type representation in some establishments is formed on a completely voluntary basis and mostly overlaps with trade union structures.

The following decisions were made regarding the choice of respondents for the employee representative interviews in the featured countries:

- Works councils as the only choice for interview: Austria, Germany, Luxembourg, the Netherlands and Spain;
- Trade union representation within the establishment (shop steward) as the only choice for interview: Cyprus, Ireland, Italy, Latvia, Poland, Sweden and the UK;
- First choice, the works council; second choice, trade union representation: Belgium, France<sup>46</sup>, Greece, Hungary and Slovenia;
- First choice, trade union representation; second choice, the works council: the Czech Republic, Denmark, Finland and Portugal.

The mapping of the incidence of different types of employee representative bodies at establishment level was not among the objectives of the survey. Thus, the chosen bodies of employee representation do not necessarily reflect the full spectrum of existing bodies in all countries, such as in Ireland and in the UK. An alternative employee body (for instance, a trade union representative) was

<sup>45</sup> In countries where different groups of workers are represented by different trade unions within an establishment, the trade union representing the largest group of employees was chosen for the interview.

<sup>46</sup> In France, the *comité d'entreprise* is a body comprised of employer and employee representatives. The employee representative interview in France was conducted with the *secrétaire du comité d'entreprise*, who is the highest ranking employee representative in this committee.



requested only in those cases where the first choice (for instance, a works council) was unavailable. On the basis of this approach, it cannot be stated, for example, how many establishments in Slovenia that have works councils also have trades union representatives: this implies certain restrictions in the interpretation of the data. Nevertheless, the data do provide valuable empirical information on the spread of establishment-level employee representation across Europe and are therefore included in this analytical report.

### Incidence of employee representation at establishment level

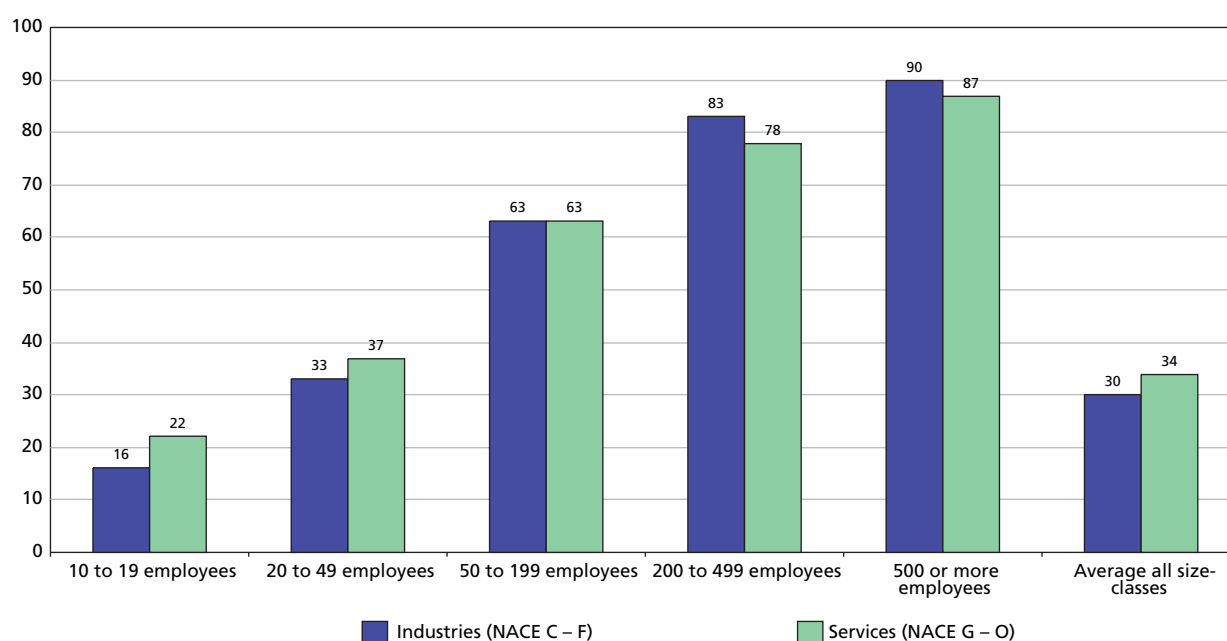
According to the survey results, formal employee representation exists in 32% of the establishments covered by the survey. On average, employee representative bodies are slightly more frequent in the services sector (34%) than in industry (30%). Employee representation bodies are also considerably more common in public sector establishments than among privately owned firms: whereas more than half of the public entities (58%) have formal employee representation, only a quarter (25%) of the private firms do so. This explains to a large extent the slightly higher share of establishments with employee representation in the services sector compared to industry, since there is a high concentration of public entities in the services sector.

Differences in employee representation between establishments of varying size are also quite pronounced. As shown in Figure A1, formal employee representative bodies at establishment level are about four times more common in the largest establishments (200 or more employees) than in the smallest establishments (10 to 19 employees). The incidence of representative bodies is strongly influenced by the fact that in most countries, labour laws define size thresholds at which the formation of employee representation is possible if not obligatory (usually, these thresholds are somewhere between five and 50 employees).

At the country level, the incidence of formal employee representation in establishments also varies greatly, ranging from around 15% or even less in the Czech Republic, Greece and Portugal, to over 70% in Denmark and Sweden (Figure A2 overleaf).

All three Scandinavian countries covered by the survey (Denmark, Finland and Sweden) have a strong tradition of employee representation at establishment level, reflected in the fact that over two thirds of the establishments (with 10 or more employees) have employee representation, mostly in the form of a local trade union representative (shop steward). In these three countries, more than half the establishments have employee representation, even among the smallest size establishments (10 to 19 employees).

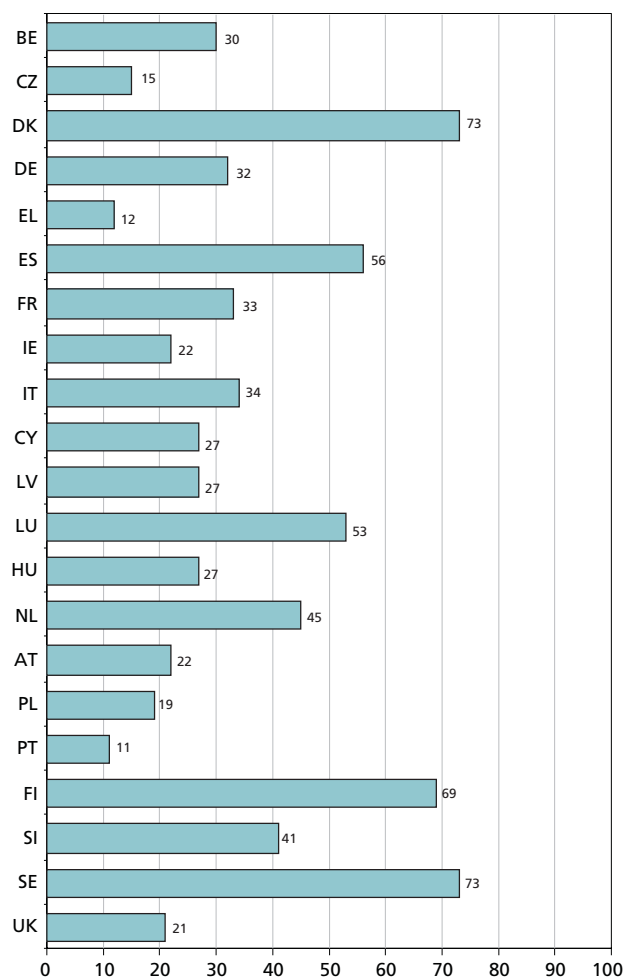
Figure A1: Establishments with employee representation, by sector and size (%)



Base: All establishments

Source: ESWT, 2004–2005



**Figure A2: Establishments with employee representation, by country (%)**


Note: Due to the underrepresentation of the NACE sectors M and/or N mentioned earlier, incidences for Belgium, Greece, Cyprus, Luxembourg, Hungary, Austria and Portugal are likely to be under-estimated by up to about 6 percentage points.

Base: All establishments

Source: ESWT, 2004–2005

In the western and middle EU15 countries, there is a wide spectrum of employee representation at establishment level. In some countries, both trade union and works council type representations are widespread at establishment level (such as in Belgium or France); in others, one of the two forms clearly prevails or is even the only form (such as works councils in Austria, Germany or the Netherlands). Overall, the incidence of employee representation in this group of countries lies in the mid-range – 25% to 35% of establishments.

In Ireland and the UK, the landscape of trade union representation at establishment level is quite fragmented. Shop stewards of different trade unions often coincide at establishment level, each representing a separate group of employees. Overall, the measured incidence of trade union representation is nevertheless relatively low in both Ireland and the UK, with around 20% of the establishments having (one or more) shop stewards.

In the Mediterranean countries, the picture is also diverse. Greece and Portugal have very low rates of employee representation at establishment level. However, incidences are higher at around 30% of establishments in such countries as Cyprus, with its relatively strong trade union culture, and Italy, where a unified system of trade union representation at establishment level (*Rappresentanze Sindacali Unitaria*, RSU) was introduced in the mid 1990s. In Spain, more than half of the establishments have employee representation (mostly *comités de empresa* and *delegados de personal*).

In most of the former socialist countries featured in the survey – the Czech Republic, Hungary, Latvia, Poland and Slovenia – incidences of establishment – level employee representation are relatively low. In these countries, the formerly strong presence of trade unions (often with obligatory membership) has been in steady decline since the early 1990s, although in some countries, new works council structures have been established in addition to the existing trade union representation (Tóth and Ghellab, 2003). In practice, such works council type structures still have a marginal role, with the exception of Hungary and Slovenia. Slovenia is unusual in this respect, as it has maintained quite a strong dual channel representation at establishment level and has thus witnessed a much less pronounced decline in the incidence of employee representation, with a measured level of 41% representation in establishments with 10 or more employees.

According to Tóth and Ghellab, newly founded establishments in the former communist countries in eastern Europe do not usually have employee representation. Where representation does exist, it is mostly related to an older tradition of trade union representation. According to the survey data, in these countries, employee representation is present in just over a third (34%) of all establishments that already existed before the start of the economic transition process (1989–1991).<sup>47</sup> Among the establishments that were

<sup>47</sup> For Latvia, the reference year applied in the questionnaire is 1991; for the other four countries it is 1989.

founded after that date, the rate is as low as 9%.<sup>48</sup> Part of the explanation for the large discrepancy in the incidence of employee representation according to the age of the establishment is that very few of the newly founded firms belong to the public sector.

### Interpretation of data

As these survey results show, formal employee representation does not exist in all establishments surveyed and is much more likely to exist in large establishments than in smaller ones. There are also country-specific differences in relation to the existence of

formal employee representation at establishment level. This should be kept in mind when interpreting data from the employee representative questionnaire contained in this report.

It is also evident that employee representative bodies usually have a specific intermediary role at establishment level and, therefore, also have a particular perception and assessment of what is going on in the establishment. The views expressed by the employee representation cannot necessarily be taken as a substitute for the views of employees.

### Definition of the employee representatives eligible for interviewing

		<i>ER_Type = 1</i>	<i>ER_Type = 2</i>	<i>ER_Type = 3</i>	<i>ER_Type = 4</i>	<i>ER_Type = 5</i>	<i>ER_Type = 6</i>
<b>BE</b>	<b>Belgium</b>	MM600 = 1 <i>conseil d'entreprise/ ondernemingsraad</i>	MM613 = 1 <i>délégation syndicale / vakbonds-afvaardiging</i>	MM613 = 2 <i>délégation syndicale du syndicat le plus important dans cet établissement/ vakbonds-afvaardiging van de belangrijkste vakbond binnen deze vestiging</i>			
		works council	trade union representation at establishment level	representation of the largest union in the establishment			
<b>DK</b>	<b>Denmark</b>	MM604 = 1 <i>tillids-repraesentanter</i>	MM605 = 1 <i>tillids-repraesentanter pa den største gruppe af ansatte pa denne adresse</i>	MM605 = 2 <i>fællestillids-repraesentanter</i>	MM610 = 1 <i>samarbejds-udvalg</i>		
		trade union representation at establishment level	representation of the largest union in the establishment	joint shop steward's committee	works council		
<b>DE</b>	<b>Germany</b>	MM602 = 1 <i>Betriebsrat</i>	MM602 = 2 <i>Personalrat</i>				
		works council in the private sector	works council in establishments of the public sector				
<b>EL</b>	<b>Greece</b>	MM600 = 1 <i>συμβούλιο εργαζομένων</i>	MM613 = 1 <i>συνδικαλιστικό αντιπρόσωπο</i>	MM613 = 2 <i>συνδικαλιστικό αντιπρόσωπο του μεγαλύτερου συνδικάτου</i>			
		works council	trade union representation in the establishment	representation of the trade union representing the largest group of employees in the establishment			

<sup>48</sup> This is not merely related to the size of the establishment (the newly founded companies included in the survey are on average smaller than the older ones), since similarly large differences (between 16% and 38%) are also visible if comparing incidences separately for each of the size-classes.

## Working time and work–life balance in European companies

		<i>ER_Type = 1</i>	<i>ER_Type = 2</i>	<i>ER_Type = 3</i>	<i>ER_Type = 4</i>	<i>ER_Type = 5</i>	<i>ER_Type = 6</i>
ES 5	Spain	MM601 = 1 <i>Comite de Empresa</i>	MM601 = 2 <i>Junta de Personal</i>	MM601 = 3 <i>Delegado de Personal</i>			
		works council in establishments >49 employees	works council in establishments of the public sector	worker representative in establishments <50 employees			
FR 6	France	MM600 = 1 <i>comité d'entreprise</i>	MM613 = 1 <i>délégation syndicale</i>	MM613 = 2 <i>délégation syndicale du syndicat le plus important dans cet établissement</i>			
		works council	trade union representation	representation of the largest trade union in the establishment			
IE 7	Ireland	MM604 = 1 shop steward/trade union representation in the establishment	MM605 = 2 shop steward/trade union representation of the largest union in the establishment	MM605 = 1 joint shop stewards' committee			
IT 8	Italy	MM600 = 1 <i>Rappresentanza Sindacale Unitaria</i>					
		mix of works council/ union representation					
LU 9	Luxembourg	MM604 = 1 <i>délégation du personnel</i>	MM605 = 2 <i>délégation du personnel représentant le groupe le plus grand dans cet établissement</i>	MM610 = 1 <i>comité mixte d'entreprise</i>			
		employee committee	employee committee representing the largest group of workers in the establishment	joint works committee in larger establishment, composed half-and-half of employer and employee representatives			
NL 10	Netherlands	MM602 = 1 <i>Ondernemingsraad</i>	MM602 = 2 <i>PVT (= personeels-vertegenwoordiger)</i>				
		works council (in establishments >49 employees)	worker representative in establishments <50 employees				
AT 11	Austria	MM604 = 1 <i>Betriebsrat</i>	MM604 = 2 <i>Betriebsrat der größten Gruppe</i>	MM604 = 1 <i>Personalvertretung</i>	MM604 = 2 <i>Personalvertretung der größten Gruppe</i>		
		works council	works council representing the largest group of employees in the establishment	works council in establishments of the public sector	works council representing the largest group of employees in establishments of the public sector		

		<i>ER_Type = 1</i>	<i>ER_Type = 2</i>	<i>ER_Type = 3</i>	<i>ER_Type = 4</i>	<i>ER_Type = 5</i>	<i>ER_Type = 6</i>
PT 12	Portugal	MM604b = 1 <i>comissão sindical or intersindical</i>	MM604b = 2 <i>comissão sindical or intersindical representante da maioria na estabelecim.</i>	MM604c = 1 <i>delegado sindical</i>	MM6004c = 2 <i>delegado sindical do maior sindicato neste estabelecimento</i>	MM610 = 1 <i>comissão de trabalhadores</i>	
		trade union committee in the establishment	trade union committee representing the largest group of employees in the establishment	shop steward/trade union representative in the establishment	shop steward/trade union of the largest union in the establishment	works council	
FI 13	Finland	MM604 = 1 <i>luottamusmies</i>	MM604 = 2 <i>luottamusmies representing the largest group</i>	MM610 = 1 <i>yhteistoiminta-järjestelmä</i>			
		trade union representation in the establishment	trade union representation of the largest group of employees in the establishment	works council			
SE 14	Sweden	MM604 = 1 <i>fackförening</i>	MM604 = 2 <i>största fackföreningen</i>				
		trade union representation in the establishment	largest trade union representation in the establishment				
UK 15	United Kingdom	MM604 = 1 shop steward/trade union representation in the establishment	MM605 = 2 shop steward/trade union representation of the largest union	MM605 = 1 joint shop stewards' committee			
CZ 16	Czech Republic	MM604 = 1: <i>predsedou základní odborové organizace</i>	MM605 = 2 or 3: <i>predsedou největší základní odborové organizace v tomto podniku</i>	MM605 = 1: <i>predsedou vyjednávacího výboru základní odborové organizace v tomto podniku</i>	MM610 = 1: <i>predsedou rady zamestnancu</i>		
		shop steward	shop steward of the largest trade union in the establishment	chairperson of the joint shop stewards' committee	works council		
CY 17	Cyprus	MM604 = 1: <i>συνδικαλιστικό αντιπρόσωπο</i>	MM605 = 2 or 3: <i>συνδικαλιστικό αντιπρόσωπο του μεγαλύτερου συνδικάτου</i>	MM605 = 1 <i>Πρόεδρο της μικτής επιτροπής των συνδικαλιστικών οργανώσεων</i>			
		shop steward/union representative at establishment level	shop steward/union representative representing the largest union in the establishment	chairperson of the joint shop stewards' committee			

## Working time and work–life balance in European companies

		<i>ER_Type = 1</i>	<i>ER_Type = 2</i>	<i>ER_Type = 3</i>	<i>ER_Type = 4</i>	<i>ER_Type = 5</i>	<i>ER_Type = 6</i>
<b>LV</b> <b>18</b>	<b>Latvia</b>	MM604 = 1 <i>arodbiedrības pārstāvniecības priekšsēdētāju vietējā uzņēmuma vienībā</i>  профсоюзным представителем на местном уровне  shop steward/union representative at establishment level	MM605 = 2 or 3 <i>lielākās arodbiedrības pārstāvniecības priekšsēdētāju vietējā uzņēmuma vienībā</i>  проффоргом самого крупного профсоюза на местном уровне  shop steward of the largest trade union in the establishment	MM605 = 1 <i>apvienoto uzņēmuma vienības arodbiedrību pārstāvniecību valdes priekšsēdētāju</i>  председателем объединённого комитета профоргов на местном уровне  chairperson of the joint shop stewards' committee			
<b>HU</b> <b>19</b>	<b>Hungary</b>	MM601 = 1 <i>üzemi tanács elnökével</i>  works council	MM601 = 2 <i>üzemi megbízott</i>  worker trustee (in establishments < 51 employees)	MM601 = 3 <i>közalkalmazotti tanács</i>  works council in public sector establishments	MM613 = 1 <i>szakszervezeti titkárral vagy szakszervezeti elnökkel</i>  trade union representation in the establishment	MM614 = 2 or 3 <i>szakszervezeti titkárral vagy a munkahely legnagyobb szakszervezetének elnökével</i>  representation of the largest union in the establishment	MM614 = 1 <i>a szakszervezeti bizalmiak vagy szakszervezeti bizottságok közös tanácsának elnökével vagy titkárával</i>  chairperson of the joint shop stewards' committee
<b>PL</b> <b>20</b>	<b>Poland</b>	MM604 = 1 <i>zakładową organizacją związkową</i>  trade union representation at establishment level	MM604 = 2 <i>największą zakładową organizacją związkową</i>  representation of the largest trade union in the establishment				
<b>SI</b> <b>21</b>	<b>Slovenia</b>	MM600 = 1 <i>svet delavcev</i>  works council	MM613 = 1 <i>sindikata podjetja</i>  trade union representation/shop steward	MM613 = 2 <i>največjega sindikata podjetja</i>  trade union representation/shop steward of the largest union in the establishment			

# Annex 3

## Parental leave schemes in Europe

The following table provides an overview of the most important features of the different national parental leave regulations, to aid interpretation of the data presented in this report about the parental leave questions contained in the management questionnaire. The findings of the survey

will be interpreted in greater detail against the background of these country-specific regulations, in a subsequent report, specifically on the ESWT findings on childcare leave.

Country	Term	Overview
Austria	<i>Karenz(urlaub)</i>	Parental leave is granted up until the child is two years old. Flat rate compensation is granted for up to one year (two years in total if both parents share it).
Belgium	<i>ouderschapsverlof</i> <i>cong� parental</i>	Parental leave of three months for each parent can be taken up until the child is four years old. Parents are compensated with a low flat rate benefit, not means tested. Leave can also be taken as half-time leave of six months per parent.
Cyprus	<i>γονικ� �δεια</i>	The duration of parental leave is 13 weeks per parent after the end of maternity leave. This leave is unpaid.
Czech Republic	<i>matersk� (nebo</i> <i>sodcovsk�) dovolen�</i>	Parental leave can be taken up until the child is four years old. Duration of leave is up to three years and can be taken by either the mother or the father of the child. Flat rate compensation is granted. The commonly used Czech term for both maternity leave in the narrower sense (i.e. 28 weeks of paid leave which are granted to each woman directly before and after the birth of a child) and for the much longer parental leave (i.e. up to three years leave for rearing a child with a guarantee from the employer to be able to reassume work afterwards) are the same ( <i>matersk� dovolen�</i> ).
Denmark	<i>foraeldreorlov</i>	Parental leave of up to 32 weeks is granted for each parent. Leave doesn't necessarily have to be taken directly after maternity leave; part of it can be saved and taken at any time until the child is nine years old. Compensation in parental leave is proportional to the previously earned wage.
Finland	<i>vanhempainvapaalla</i> <i>tai hoitovapaalla</i>	Parental leave (26 weeks after maternity leave) and care leave (after parental leave, until the child is three years old) are granted. The parental leave is paid at about 70% of previous wage; the care leave is paid at a flat rate only. Since 2003, fathers are allowed up to 12 bonus days if they take part of the parental leave.
France	<i>cong� parental</i>	Parental leave is granted up until the child is three years old. The leave can also be used to work part time. Compensation is a flat rate payment if the family has more than one child; otherwise, they are unpaid. Payments are not means tested.
Germany	<i>Erziehungsurlaub (old term)</i> <i>Elternzeit (new term)</i>	Parental leave can be taken up until the child is three years old. Flat rate compensation is granted for the first two years (in Bavaria for the entire three years), and is means tested.
Greece	<i>γονικ� �δεια</i>	Leave can be taken up until the child reaches three and a half years of age. The leave is unpaid, with a maximum duration of three and a half months for each parent. In the public sector, parental leave is longer.
Hungary	<i>gyermekgondoz�si dij</i> <i>(GYED) or</i> <i>gyermekgondoz�si</i> <i>seg�ly (GYES)</i>	Parental leave is granted up until the child reaches three years of age. Leave can be taken by either the mother or the father. There are two sub-types of parental leave. The GYED can be taken until the child is two years old and compensation is based on the previous income (up to 70%); the GYES can be taken for a further year after the end of GYED. The GYES provides a flat rate payment, which is not means tested.



Country	Term	Overview
Hungary (cont.)		Although literally speaking, GYED and GYES refer to the financial compensation granted during parental leave (childcare allowance), both terms are commonly used in Hungary to refer to parental leave.
Ireland	<i>parental leave</i>	Unpaid leave of 14 weeks is granted for each parent and can be taken up until the child is five years old, not necessarily directly after maternity leave. Leave can be taken in one block or broken up over a period of time (if the employer agrees). After the standard maternity leave of 18 consecutive weeks with maternity benefit, it is possible to take a further eight weeks of unpaid maternity leave immediately afterwards.
Italy	<i>congedo parentale</i> ( <i>per maternità o paternità</i> )	Parental leave is granted for a period of up to 10 months, plus one additional month if the father shares leave. The leave can be taken up until the child is eight years old. Payment is proportional to the previously earned wage (30%) for a maximum of six months.
Latvia	<i>berna kopsanas</i> <i>atvalinajums</i>	Parental leave of up to three years is granted (inclusive of maternity leave). Leave can be taken all together or split up into shorter periods up until the child's eighth birthday. Flat rate compensation is granted, and is higher if claimed for half of the possible leave period (i.e. for 18 months) only.
Luxembourg	<i>congé parental</i>	Parental leave of up to six months full-time, or 12 months part-time is granted for each employed parent, up until the child is five years of age (DTI). Leave allowance is paid for up to six months at a substantive rate (close to the minimum wage). Parents can opt for a longer leave period of up to 22 months instead, but with a much lower payment and with no guarantee of re-employment (EMIRE).
Netherlands	<i>ouderschapsverlof</i>	Up to six months of unpaid part-time parental leave is granted for each parent, and can be taken at any time up until the child is eight years old. The number of hours an employee is entitled to take as leave is calculated on basis of the number of weekly hours he or she worked before the leave. The leave can also be taken as full-time leave, but in this case the period is shorter (three months). There is no statutory right in relation to payment of leave, but in some collective agreements, compensation is foreseen.
Poland	<i>urlop wychowawczy</i>	Parental leave is granted for a period of up to 36 months for the purpose of caring for a child. It can be taken either by the mother or the father. Flat rate financial compensation is granted for 24 months of the parental leave period (36 months for multiple births), and this is means tested.
Portugal	<i>Licença para assistência</i> <i>a filhos</i>	Parental leave of up to six months is granted for each parent for the first and second child. The leave can be taken up until the child is three years old. A longer leave period is possible for the third, fourth, etc, child. No financial compensation is granted.
Slovenia	<i>starevski dopust</i>	<p>Parental leave of up to 260 days is granted, and can be taken by either the mother or the father, but not split between both. Compensation is paid at the full rate (i.e. 100% of the previous wage).</p> <p>In addition, a specific form of parental leave for fathers only has gradually been introduced in the past three years. Fathers can take this period of leave (<i>ocetovski dopust</i>) in addition to the usual parental leave of 260 days, regardless of which parent claimed the 100% paid regular parental leave period. The maximum duration of this leave is 90 days, of which 15 days have to be taken directly after the birth of the child, while the rest can be taken until the child's eighth birthday. During <i>ocetovski dopust</i>, the employee's social security contributions are paid by the state, based on the minimum wage.</p>

Country	Term	Overview
Slovenia (cont.)		The official Slovenian term for the standard parental leave is now <i>starevski dopust</i> , previously it used to be commonly referred to as <i>porodniska or porodniski dopust</i> .
Spain	<i>excedencia para el cuidado de un hijo</i>	Parental leave starts after maternity leave ( <i>baja por maternidad</i> , 16 weeks - after birth), and lasts up until the child's third birthday. The leave is unpaid and is granted for up to a maximum of one year. After this time, the employee is granted the right to return to his/her former workplace or a comparable one within the company. However, if the leave is extended to up to three years after the birth, in the second and third year, such a right is granted only if there is a vacant position within the company.
Sweden	<i>föräldraledighet</i>	Parental leave of up to 480 days is granted for the family in total. Some 360 days of this period are paid at a rate of 80% of the previous wage (with an upper limit); another 90 days are paid at a flat rate. There are many options for splitting this leave, but 30 days of it cannot be transferred to the other parent. The leave can be taken up until the child's eighth birthday.
United Kingdom	<i>maternity or parental leave</i>	Parents are entitled to 13 weeks' parental leave each, which can be taken at any time before the child is five years old. Parental leave is unpaid.

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<sup>49</sup> Information on parental leave in the different sources indicated is not always identical.

# Annex 4

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*The Lisbon agenda has set EU Member States the challenge of increasing employment rates, especially for women and for older workers. In order for the targets to be met, it will be necessary to attract these groups into the labour force in increasing numbers, and to retain them there. For this to happen, work must be compatible with the other roles and activities people undertake. In short, an appropriate work-life balance must be achieved. An important element of such a work-life balance is the arrangement of working time.*

*Against this background, the Foundation's Establishment Survey on Working Time and Work-Life Balance 2004–2005 set out to map the use of a variety of working time arrangements in companies, to assess the reasons for their introduction and their impact. This report presents an overview of the survey's initial findings. It focuses on aspects such as flexible time arrangements in general, overtime, part-time work, non-standard working hours, childcare leave and other forms of long-term leave, phased and early retirement and company policies to support work-life balance.*

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