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Research Paper

An overview of employment relations in the Acas regions

Ref: 14/14

2014

John Forth (NIESR)

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AN OVERVIEW OF EMPLOYMENT RELATIONS IN THE ACAS REGIONS

John Forth
NIESR

Report to Acas

December 2014

DISCLAIMER

The views in this report are the authors' own and do not necessarily reflect those of Acas.

FOREWORD

The Workplace Employment Relations Study (WERS) series has been a crucial evidence base for Acas since the series commenced in 1980. WERS is internationally admired for its rich quantitative data and insights on employment relations collected from managers, employees and their representatives about their experiences in the workplace.

Acas commissioned John Forth at NIESR to write this tailor made report for Acas to analyse this rich data at a regional level, as well an accompanying set of tables analysing data at government office region level. This report fills a gap in the evidence base by providing an overview of employment relations and highlighting changes over time in each of the four broad regions in which Acas organises its services.

We hope that the analysis of WERS at a regional level will also be used to inform debate and developments outside of Acas, amongst regional bodies such as employers' organisations and trade unions, academics, human resource managers, workplace employee representatives and employment law specialists. It is certainly a dataset very worthy of being explored and disseminated further to maximise the value of such an robust and insightful study and aid decision making.

Jonathan Cooper
Head of Research and Evaluation
Acas

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ABBREVIATIONS

MQ	Management Questionnaire (WERS)
SEQ	Survey of Employees Questionnaire (WERS)
SWMW	South West, the Midlands and Wales
WERS	Workplace Employment Relations Study

REPORTING CONVENTIONS

Tables presenting the results of statistical tests use asterisks to indicate levels of statistical significance. A key is provided under each table.

The presentation of the statistical results focuses only on the main estimates of interest. However detailed tables of coefficients for all of the statistical models are available from the author on request.

SUMMARY

Introduction

This report examines the nature of employment relations in each of the four broad geographical areas into which Acas' activities are organised, namely:

- The South East of England - comprising the East of England, London, and the South East
- The South West, Midlands and Wales – comprising the South West of England, Wales, the East Midlands and the West Midlands.
- The North of England – comprising the North East of England, the North West of England and Yorkshire and the Humber.
- Scotland.

The purpose of the report is to provide an overview of employment relations in each of these four broad regions and to highlight recent changes. The report itself comprises four self-contained chapters – one for each of the broad regions described above. Each chapter contains a commentary accompanied by a set of statistical tables.

Data and analytical approach

The report is based on data from the Workplace Employment Relations Survey (WERS) series. WERS is a national survey of British workplaces and employees which provides a comprehensive account of the state of employment relations and working life in Britain.

The WERS data are used to examine changes in employment relations in each of the specified regions over the period 2004-2011, and to identify areas in which employment relations in each region differs from the Rest of Great Britain.

When making comparisons across time or between regions, one possibility is that differences may be accentuated (or hidden) by the composition of the economy and workforce. Statistical methods are therefore used to examine whether any statistically-significant variations in the prevalence of a practice between regions persist after removing any differences in composition. Such methods are also used to examine whether statistically-significant changes in employment relations within a single region can be explained by compositional change within that region over the same period.

Coverage of the report

Each of the four chapters begins by looking at the prevalence of arrangements for employee representation and voice in the workplace. It then goes on to examine methods of pay determination. Attention then turns to the way in which work is organised, before considering the availability of mechanisms for workplace dispute resolution. Levels of job satisfaction are also discussed. Finally each chapter looks at the use of Acas as a source of information and advice. The individual estimates for each region, and the results of all statistical tests, are presented in tables at the end of each chapter.

Main findings, by region

The main findings for each region can be summarised as follows:

South East of England

- The proportion of all employees in the region whose own pay was set by collective bargaining was lower in the South East (16 per cent) than in the Rest of Great Britain (27 per cent).
- The use of performance-related pay was more prevalent in the South East than in the Rest of Great Britain. Some 30 per cent of employees in the region had some performance-related element to their pay, compared with 19 per cent in the rest of Britain.
- Long-hours working was more common in the South East. Around one in seven employees in the South East of England (14 per cent) usually worked more than 48 hours per week. This was higher than for the Rest of Great Britain (9 per cent). Work intensity had also increased in the region since 2004, as it had in the Rest of Great Britain.
- In 2011, more than two-fifths (43 per cent) of employees in the South East agreed that people in their kind of job have to put in long hours to progress at their workplace – a higher percentage than that seen in the Rest of Great Britain (40 per cent).
- In respect of issues such as job security and the receipt of training, job quality was similar in the South East to that seen in the Rest of Great Britain.
- The prevalence of individual and collective disputes in the South East was similar to that seen in the Rest of Great Britain. The region also mirrored the national picture in showing an increase in the prevalence of systematic procedures for workplace dispute resolution within the region.
- Levels of job satisfaction among employees were also similar to those seen in Britain as a whole.

South West, Midlands and Wales

- The percentage of employees in the region whose pay was set by collective bargaining (25 per cent) was not substantively different from the figure seen in the Rest of Great Britain (22 per cent).
- Some 19 per cent of employees in the region had some performance-related element to their pay, lower than in the Rest of Great Britain (24 per cent). The difference could be explained by the composition of the regional economy however.
- In respect of issues such as working hours, job security and the receipt of training, job quality was similar in the region to that seen in the Rest of Great Britain. But work intensity had increased in the region since 2004, and job security had fallen, as was the case in the Rest of Great Britain.
- The prevalence of individual and collective disputes in the region was similar to that seen in the Rest of Great Britain. The region also mirrored the national picture in showing an increase in the prevalence of systematic procedures for workplace dispute resolution within the region.
- In 2011 levels of job satisfaction were slightly higher in the region than they were in the Rest of Great Britain, even after controlling for the composition of the regional economy.

North of England

- The percentage of employees in the region whose pay was set by collective bargaining (25 per cent) was not substantively different from the figure seen in the Rest of Great Britain (22 per cent).
- Some 18 per cent of employees in the region had some performance-related element to their pay, lower than in the Rest of Great Britain (25 per cent). The difference could not be explained by the composition of the regional economy.
- Around three fifths (62 per cent) of employees in the North of England work in establishments that have staff meetings or team briefings where at least 25 per cent of the meeting time is left open for employees' questions or comments. This figure had increased since 2004 and, in 2011, was higher than the figure seen in the Rest of Great Britain (56 per cent).
- The percentage of employees receiving training had increased since 2004. Employees in the North of England received longer durations of training than in the Rest of Great Britain.
- In respect of issues such as working hours and job security, job quality was similar in the region to that seen in the Rest of Great Britain. But work intensity had increased in the region since 2004, and job security had fallen, as was the case in the Rest of Great Britain.
- The prevalence of individual and collective disputes in the region was similar to that seen in the Rest of Great Britain. The region also mirrored the national picture in showing an increase in the prevalence of systematic procedures for workplace dispute resolution within the region.
- Levels of job satisfaction among employees were also similar to those seen in Britain as a whole.

Scotland

- In 2011, the proportion of all employees in Scotland whose own pay was set by collective bargaining stood at 38 per cent. This figure was much higher than that seen in the Rest of Great Britain (21 per cent); the difference is not explained by the industry composition of the region. Scotland was also the only region not to see a decline in the coverage of collective bargaining between 2004 and 2011.
- Overall half (51 per cent) of employees in Scotland worked in an establishment where there is payment-by-results, merit pay, profit-related pay or a share scheme. This was lower than in the Rest of Great Britain (62 per cent) and the difference was not explained by compositional factors.
- In respect of issues such as working hours, job security and training receipt, job quality was similar in the region to that seen in the Rest of Great Britain. But work intensity had increased in the region since 2004, and job security had fallen, as was the case in the Rest of Great Britain.
- The prevalence of individual and collective disputes in the region was similar to that seen in the Rest of Great Britain. The region also mirrored the national picture in showing an increase in the prevalence of systematic procedures for workplace dispute resolution within the region.
- Levels of job satisfaction among employees were also similar to those seen in Britain as a whole.

Main findings, across all four regions

At an overall level, between 2004 and 2011, all four regions saw an increase in work intensity and a decline in job security – two trends which could each reasonably be attributed to the recession. All four regions also saw an increase in the prevalence of systematic procedures for workplace dispute resolution – a change which is more likely to have come as the result of broader policy initiatives at a national level.

Further key findings which varied by region were:

- All regions except Scotland saw a decline in the prevalence of collective bargaining.
- The North of England and Scotland both saw an increase in the prevalence of arrangements for direct employer/employee communication.
- The North of England saw a decline in the use of incentive pay systems, and an increase in the use of training (particularly training of short duration).
- Scotland saw increases in employees' job autonomy and increases in employees' ratings of the extent to which managers understood about employees' non-work responsibilities.

Further reading

A further set of tables presenting separate results for each of the 11 Government Office Regions (without commentary) is also available on the research section of the Acas website at www.acas.org.uk/researchpapers. See:

Forth J and Acas Research and Evaluation Section (2014) *Headline Estimates from WERS by Government Office Region*, London: Acas.

1. INTRODUCTION

1.1. The purpose of the report

This report uses the Workplace Employment Relations Survey (WERS) to examine the nature of employment relations in four broad regions of Great Britain, namely:

- The South East of England - comprising the East of England, London, and the South East
- The South West, Midlands and Wales – comprising the South West of England, Wales, the East Midlands and the West Midlands.
- The North of England – comprising the North East of England, the North West of England and Yorkshire and the Humber.
- Scotland.

These four regions represent the broad geographical areas into which Acas' activities are organised and, together, they cover all 11 Government Office Regions in Britain.

The purpose of the report is to provide an overview of employment relations in each of these four broad regions and to highlight recent changes. The report itself comprises four self-contained chapters – one for each of the broad regions described above. Each chapter contains a commentary accompanied by a set of statistical tables.

1.2. The data source for the report

The data source for the report – WERS – is a national survey of British workplaces and employees. It provides a comprehensive account of the state of employment relations and working life, and is considered by many to be the most authoritative source of information on employment relations in Britain. The survey is representative of all workplaces with five or more employees, which together account for around 90 per cent of all employees in Britain.

This report draws on the two most recent WERS surveys, undertaken in 2004 and 2011. Each of these two surveys collected data from workplace employment relations managers, who reported on employment practices at their workplace, and from employees, who were asked about their experience of working life. The data from workplace managers was collected in a face-to-face interview with the most senior workplace manager responsible for employee relations. The data from employees was collected through a self-completion questionnaire that was distributed to a random sample of up to 25 employees in those workplaces that had provided a management interview.

The WERS Survey of Workplace Managers offers data for a total of 2,295 workplaces in 2004 and 2,680 in 2011. The Survey of Employees naturally offers larger samples, having data from 22,451 employees in 2004 and 21,981 in 2011. The sample sizes for each of the four broad regions considered in this report are provided in Table 1.1 below.

Table 1.1: Sample sizes from WERS

	Survey of Workplace Managers		Survey of Employees	
	2004	**2011**	**2004**	**2011**
South East	820	976	7,117	7,196
South West, Midlands & Wales	688	753	6,708	6,506
North	546	675	6,111	5,865
Scotland	223	276	2,515	2,414
Total	2,295	2,680	22,451	21,981

Fieldwork for the 2004 WERS was conducted between January 2004 and April 2005 and achieved a response rate of 64 per cent among workplace managers and 60 per cent among employees. Fieldwork for the 2011 WERS was conducted between March 2011 and June 2012, achieving a response rate of 46 per cent among workplace managers and 54 per cent among employees. Weights are provided with the survey data to correct for the sample design and any observable non-response biases.

1.3. The analytical approach

The WERS data are used to examine changes in employment relations in each of the specified regions over the period 2004-2011, and to identify areas in which employment relations in each region differs from the Rest of Great Britain.

For a given practice (e.g. whether the workplace has a disciplinary procedure), we use the WERS Survey of Workplace Managers to estimate the percentage of all employees in the region who work in a workplace with that practice. We produce such estimates for 2004 and 2011 and we look to see whether the prevalence of the practice has changed over this period. We also estimate the prevalence of the practice in the rest of Great Britain in 2011, and look to see whether the practice is then more or less common in the region than it is elsewhere in the country. The same approach is taken when looking at employee attitudes, using data from the WERS Survey of Employees. All of the various estimates are presented in statistical tables.

If the prevalence of a particular practice or attitude appears to have changed between 2004 and 2011 (or appears to differ between regions), we conduct a statistical test to identify the robustness of this conclusion. Such tests are important because, unlike a census, a survey can only provide an *estimate* of what is going on in the full population. We must then look at the statistical properties of the survey sample to gauge how confident we can be that an increase or decrease has actually occurred in the population at large. When examining estimates from the WERS Survey of Employees, we highlight differences that are statistically significant at the 5 per cent level (meaning that we can be 95 per cent confident that a change has occurred on that item in the population at large). When examining estimates from the WERS Survey of Workplace Managers, we apply a less rigorous threshold because of the smaller sample size, and highlight differences that are statistically significant at the 10 per cent level (meaning that we can be 90 per cent confident that a change has occurred in the population at large).

Statistically significant differences are marked in the tables through the use of asterisks. In view of the sample sizes indicated in Table 1, regional estimates from the Survey of Workplace Managers will typically have to change by around five percentage points

between 2004 and 2011 in order to be statistically significant at the ten per cent level (six point for the North; eight points for Scotland). Regional estimates from the Survey of Employees will typically have to change by around three percentage points between 2004 and 2011 in order to be statistically significant at the five per cent level (five points in Scotland).

When making comparisons across time or between regions, one further possibility is that differences may be accentuated (or hidden) by the composition of the economy and workforce. For example, Financial intermediation and Other business services account for a larger percentage of employment in the South East than in the rest of Great Britain, whilst Manufacturing and the public sector account for less. Statistical methods are therefore used to examine whether any statistically-significant variations in the prevalence of a practice between regions persist after removing any differences in composition.[1] Such methods are also used to examine whether statistically-significant changes in employment relations within a single region can be explained by compositional change within that region over the same period. The tables in the report indicate whether statistically-significant variations in practice remain after removing compositional differences.

1.4. Coverage of the report

As noted earlier, the report comprises four self-contained chapters – one for each of the broad regions described in Section 1.1.

Each of the four chapters begins by looking at the prevalence of arrangements for employee representation and voice in the workplace, and moves on to examine methods of pay determination. Attention then turns to the way in which work is organised, before considering the availability of mechanisms for workplace dispute resolution. Levels of job satisfaction are also discussed. Finally each chapter looks at the use of Acas as a source of information and advice. The individual estimates for each region, and the results of all statistical tests, are presented in tables at the end of each chapter.

1.5. Further reading

A further set of tables presenting separate results for each of the 11 Government Office Regions (without commentary) is available from the research section of the Acas website at www.acas.org.uk/researchpapers. See:

> Forth J and Acas Research and Evaluation Section (2014) *Headline Estimates from WERS by Government Office* Region, London: Acas.

The national findings from the 2011 WERS are summarised in:

> Van Wanrooy B et al (2013) *The 2011 Workplace Employment Relations Study: First Findings*, London: Department for Business Innovation and Skills.

This publication and further details about the WERS survey are available from the WERS 2011 pages on the GOV.UK website.

[1] We use regression methods to do this, examining whether the raw difference in the prevalence of a practice between two regions remains statistically significant after controlling for regional differences in workplace and workforce characteristics. The workplace and workforce characteristics that are included in the regression analyses are outlined in the notes to the individual tables within the body of the report.

2. EMPLOYMENT RELATIONS IN THE SOUTH EAST

2.1. Introduction and summary

This chapter examines changes in employment relations in the South East of England between 2004 and 2011, and also investigates the extent to which employment relations in the South East of England differ from those in the Rest of Great Britain. The South East of England here comprises three Government Office Regions: London, the East of England and the South East.

We use WERS data from workplace managers who reported on employment practices at their workplace, and from employees who were asked about their experience of working life. The South East of England sample in WERS contains 820 workplaces in 2004 and 976 in 2011. Regional estimates from the Survey of Workplace Managers will typically have to change by around five percentage points between 2004 and 2011 in order to be statistically significant at the ten per cent level. The WERS Survey of Employees offers data from 7,117 employees in the South East in 2004 and 7,196 in 2011. Regional estimates from the Survey of Employees will typically have to change by around three percentage points between 2004 and 2011 in order to be statistically significant (we use the five per cent level of significance here because of the larger sample size).

One possibility is that differences may be accentuated (or hidden) by the particular composition of the economy and workforce in the South East of England. Table 2.1 and Table 2.2 use the WERS data to indicate the characteristics of workplaces and employees in the South East of England, and to compare these with the characteristics of workplaces and employees in the Rest of Great Britain. All tables use survey weights and thus provide estimates of the prevalence of a particular characteristic in the population at large (rather than simply in the survey sample itself). Table 2.1 shows, for example, that Financial intermediation and Other business services account for a larger percentage of employment in the South East than the Rest of Great Britain, whilst Manufacturing and the public sector account for less. Statistical methods (outlined in Section 1.3) are used in the analysis to examine whether any of the compositional differences shown in Table 2.1 and Table 2.2 are important in explaining differences in employment relations between the South East and the Rest of Great Britain.

To summarise the main results from the chapter, the principal changes seen in the region between 2004 and 2011 were:

- an increase in work intensity and a decline in job security, both of which could reasonably be attributed to the recession;
- an increase in the prevalence of systematic procedures for workplace dispute resolution, which is more likely to have come as the result of broader policy initiatives at a national level;
- a relatively large decline in collective bargaining, both in terms of the workplaces with any collective bargaining and the percentage of employees covered by collective bargaining (neither of which can simply be attributed to compositional factors).

2.2. Employee representation and voice

The most prevalent arrangement through which employees are collectively represented at work is through trade unions. However the recognition of trade unions for collective

bargaining has fallen dramatically in Britain over the past three decades and attention has increasingly fallen upon arrangements for information and consultation, some of which may not involve unions. Table 2.3 shows that:

- Nearly two-fifths (38 per cent) of employees in the South East of England work in establishments where trade unions are recognised for negotiating pay and conditions.
- Over one-third (36 per cent) of employees work in establishments with at least one joint consultative committee (a committee of managers and that is primarily concerned with consultation rather than negotiation).
- Just under one fifth (18 per cent) of employees work in establishments where there is at least one non-union representative.
- None of these figures changed to a significant degree between 2004 and 2011.
- In 2011 the rate of union recognition in the South East of England (38 per cent) was lower than that seen in the Rest of Great Britain (52 per cent), and this difference was not explained by compositional factors.

Many employers in Britain state a preference for direct communication with their employees. One way in which this communication takes place is in staff meetings or team briefings, although such meetings do not always provide substantial opportunities for dialogue. Table 2.3 further shows that:

- Over half (56 per cent) of employees in the South East of England work in establishments that have staff meetings or team briefings where at least 25 per cent of the meeting time is left open for employees' questions or comments. This figure had not changed since 2004 and was not significantly different to the figure seen in the Rest of Great Britain (59 per cent).

An overall measure of the availability of arrangements for employee 'voice' is provided by looking at the share of employees whose workplace offers any of the representative or direct methods discussed above.

- In 2011 around three-quarters (76 per cent) of employees in the South East of England worked in such an establishment. This had not changed since 2004, but was lower than in the Rest of Great Britain (81 per cent). The difference was not due to compositional factors.

Despite the broad availability of such arrangements, only a minority of employees rate their managers positively on their approach to consultation.

- In 2011, half (52 per cent) of all employees in the South East of England judged that managers at their workplace were either 'Good' or 'Very good' at seeking the views of employees and their representatives. This had increased from 48 per cent in 2004.
- Nearly half (47 per cent) judged that managers were 'Good' or 'Very good' at responding to suggestions from employees and their representatives. This had increased from 43 per cent in 2004.
- Only one-third (35 per cent) judged that managers were 'Good' or 'Very good' at allowing employees and their representatives to influence decisions.
- The percentages were similar to those for the Rest of Great Britain (52 per cent, 47 per cent and 35 per cent respectively).

2.3. Pay determination

The recent recession has put pressure on terms and conditions, with many employees experiencing a decline in real wages. There have also been some changes to the formal arrangements for pay determination over this period. Table 2.4 shows that:

- One in five (20 per cent) of all employees in the South East of England work in establishments where there is some collective bargaining over pay and conditions. This is lower than in the Rest of Great Britain (32 per cent) and has declined since 2004 (when it stood at 27 per cent).
- In some workplaces, not all employees are covered however, and the proportion of all employees in the region whose own pay is set by collective bargaining stands at around one sixth (16 per cent). Again, this is lower than in the Rest of Great Britain (27 per cent) and has declined since 2004 (from 23 per cent).
- Neither the declines nor the difference between the region and the Rest of Great Britain are explained by compositional factors.

Performance-related pay systems and financial participation schemes may be an attractive way for firms to share risk with their employees in difficult times, and to reward them when times are better.

- Over half (55 per cent) of employees in the region work in establishments where there is some payment-by-results or merit pay.
- Some 30 per cent of employees in the region have some performance-related element to their pay; 27 per cent receive performance-related payments on top of a fixed wage and 3 per cent are paid solely on performance.
- One-third (36 per cent) of employees work in an establishment with a profit-related pay scheme and 25 per cent work in an establishment with an employee share-ownership scheme.
- Overall three-fifths (67 per cent) of employees in the region work in an establishment where there is payment-by-results, merit pay, profit-related pay or a share scheme.
- Each type of incentive pay scheme was more prevalent in the region than nationally. In the Rest of Great Britain, 19 per cent of employees have some performance-related element to their pay and 57 per cent work in an establishment with at least one form of incentive scheme.

2.4. Work organisation and job quality

The way that work is organised and the quality of jobs have broad implications, affecting employees' productivity and their physical and mental well-being. We begin by examining the demands that employees' face in their jobs, before going on to examine the degree of autonomy or control that they have over their work. We then examine some of the factors that support an employee in their work, including help to develop their skills. Table 2.5 shows that:

- Around one in seven employees in the South East of England (14 per cent) usually work more than 48 hours per week. This is higher than for the Rest of Great Britain (9 per cent).
- The intensity of work appears to have increased, with over four-fifths (83 per cent) of employees in the region saying that their job requires them to work very hard (up from 76 per cent in 2004). This is in line with the Rest of Great Britain.
- More than two-fifths (43 per cent) agree that people in their kind of job have to put in long hours to progress at their workplace – a higher percentage than that seen in

the Rest of Great Britain (40 per cent), although the difference disappeared once compositional factors were taken into account.

- Job autonomy is viewed as an important factor in helping employees to cope with a demanding job. Three-in-ten employees in the South East of England (30 per cent) judged that they had 'A lot' of influence over three key elements of their job: how they do their work; the pace at which they work; and the order in which they carry out tasks. This was similar to the Rest of Great Britain (31 per cent) and had not changed significantly since 2004.
- Job security is also typically valued by employees, but one would expect it to have suffered through the economic downturn. This proves to be the case. Just 60 per cent of employees in the region judged that their job was secure in 2011, compared with 66 per cent in 2004. A similar decline was seen in the Rest of Great Britain.
- The percentage of employees receiving off-the-job training rose from 66 per cent in 2004 to 70 per cent in 2011. This was due to an increase in the percentage of employees receiving 1-4 days of training (48 per cent in 2004, but 54 per cent in 2011). There was no significant change in the percentage of employees receiving 5 or more days of training. Receipt of training was similar to the Rest of Great Britain.
- Three-fifths (60 per cent) of employees in the South East of England agreed that managers at their workplace encouraged employees to develop their skills; this was no different to the figure reported in 2004 nor to the Rest of Great Britain.
- Similarly, there was no change in the percentage of employees who agreed that managers at their workplace were understanding about employees having to meet responsibilities outside work (63 per cent in 2011).

2.5. Dispute resolution and the quality of employment relations

The formalisation of mechanisms for workplace dispute resolution has been a defining feature of the changing employment relations landscape in recent years, supported by an increased policy focus on resolving disputes at an early stage. Table 2.6 shows that:

- In 2011, 96 per cent of all employees in the South East of England worked in an establishment with a formal procedure for dealing with disciplinary matters or dismissals. This was similar to the Rest of Great Britain (97 per cent) and unchanged increase from 2004.
- Similarly, in 2011, 97 per cent of all employees in the South East of England worked in an establishment with a formal procedure for dealing with employee grievances, similar to the Rest of Great Britain (96 per cent), but a slight increase from 2004 (95 per cent).

The Acas Code of Practice proposes that the handling of grievances and disciplinary matters should include three principles: (i) set the issue out in writing; (ii) hold a meeting to discuss the matter; (iii) provide the employee with an opportunity to appeal against the decision.

- In 2011, 91 per cent of employees in the South East of England worked in an establishment where the manager said all three of the principles were always followed in disciplinary cases. This was an increase from 84 per cent in 2004.
- The three principles were less commonly followed when handling grievances: just 58 per cent of employees worked in an establishment where the manager said they were always used in grievance cases. But again this was an increase from 2004, when the figure stood at 52 per cent.
- This expansion of systematic approaches to the resolution of disputes at work in the South East of England mirrored an expansion seen in the Rest of Great Britain, where the share of workplaces using all three principles all of the time rose from 49 per cent to 56 per cent in the case of grievances and from 79 per cent to 91 per cent in the case of disciplinary matters.

Turning to the incidence of collective and individual disputes, we see some evidence of an upturn between 2004 and 2011, but employees' general evaluations of their relationships with managers have not deteriorated.

- Twelve per cent of employees in the region worked in establishments that had experienced industrial action in the 12 months prior to the 2011 survey, up from 5 per cent in 2004. An increase was also seen in the Rest of Great Britain (from 7 per cent to 17 per cent).
- As indicated above, the prevalence of industrial action in the South East of England was lower than that seen in the rest of the country. However, the difference could be explained by compositional differences.
- Managers issued 4.8 disciplinary sanctions per 100 employees in the South East of England in 2011 (covering formal warnings, suspensions and dismissals). The rate had not changed since 2004 and was similar to the rate seen in the Rest of Great Britain (4.6 sanctions per 100 employees).
- Grievances were raised at a rate of 1.3 per 100 employees in 2011, a rate similar to that of the Rest of Great Britain (1.4 per 100 employees).
- When asked to rate managers at their workplace, just over half (59 per cent) of employees in the region judged that their managers dealt with employees honestly, and the same percentage judged that managers treated employees fairly. More than three-fifths (65 per cent) rated the relationship between managers and employees at their workplace as either 'Good' or 'Very good'.
- There had been no change in any of the three employee ratings in the region since 2004; nor were there any significant differences from the figures seen in the Rest of Great Britain.

2.6. Job satisfaction

Levels of job satisfaction provide another useful barometer of employees' experience of work. Moreover, satisfied employees are more productive and less likely to quit their jobs. However job satisfaction measures must also be treated with some caution, as levels of satisfaction can improve either as a result of improvements in an employee's own conditions of work or because of a decline in the availability of alternative job opportunities. It is then quite possible to see satisfaction levels rise in a downturn. Table 2.7 shows that:

- In 2011, around three quarters (74 per cent) of employees in the South East were satisfied with the sense of achievement that they got from work and similar proportions were satisfied with the scope for using their initiative and with the work itself.
- Around three-fifths of employees were satisfied with the amount of influence they had over their job or their level of job security, whilst around half were satisfied with the training they receive or their degree of involvement in workplace decision-making. Only two-fifths were satisfied with their level of pay.
- The levels of satisfaction with their sense of achievement, training, pay and involvement in workplace decision making all rose in the South East between 2004 and 2011, after controlling for compositional factors. However the level of satisfaction with job security fell in the region.
- These changes were similar to those seen in Britain as a whole.

2.7. Use of Acas

The WERS survey asks the manager with responsibility for employment relations at the workplace whether they have sought information or advice from various bodies over the previous 12 months. The list includes Acas. Table 2.8 shows that:

- In 2011, managers at 30 per cent of workplaces in the region said that they had sought information or advice from Acas. This had risen from 22 per cent in 2004. These figures are similar to those for the Rest of Great Britain (25 per cent and 31 per cent).

Table 2.1: Workplace characteristics (percentage of employees in workplaces with the specified characteristic)

Workplace characteristics	South East 2004 [1]	South East 2011 [2]	Rest of GB 2004 [3]	Rest of GB 2011 [4]	Significant differences [1] vs [2]	Significant differences [2] vs [4]
Workplace size:						
Mean number of employees	32	33	32	31		
Workplace size (distribution):						
5-9 employees	9	9	10	10		
10-19 employees	11	11	10	11		
20-49 employees	19	16	19	18		
50-99 employees	13	12	13	15		
100-499 employees	27	30	29	25		*
500+ employees	21	21	19	20		
Industry sector, SIC(2003):						
D: Manufacturing	11	8	17	12	*	*
E: Electricity, gas and water	0	0	1	0		
F: Construction	3	3	4	3		
G: Wholesale and retail	16	16	18	15		
H: Hotels and restaurants	6	5	6	7		
I: Transport and communication	6	5	6	7		
J: Financial intermediation	7	6	4	2		*
K: Other business services	17	24	12	13	*	*
L: Public administration	5	7	6	7	*	
M: Education	9	10	8	13		*
N: Health and social work	14	12	13	15		*
O: Other community services	5	4	5	4		
Single independent workplaces	22	24	27	26		
Public sector workplaces	21	20	25	26		*

Source: WERS Survey of Workplace Managers

Note: * indicates that the difference between the two columns indicated in the heading is statistically significant at the 10 per cent level.

Table 2.2: Employee characteristics (percentage of employees with the specified characteristic)

Employee characteristics	South East 2004 [1]	South East 2011 [2]	Rest of GB 2004 [3]	Rest of GB 2011 [4]	Significant differences [1] vs [2]	Significant differences [2] vs [4]
Male	49	50	51	48		
Age:						
Less than 20 years	3	2	5	2	*	
20-29 years	20	20	19	18		
30-59 years	71	71	72	72		
60 years and above	6	7	5	8	*	
Non-white ethnic group	12	17	6	9	*	*
Occupation, SOC(2000):						
Managers and senior officials	15	17	11	12	*	*
Professional	12	13	10	12		
Associate professional and technical	17	17	14	15		
Administrative and secretarial	18	16	17	14		
Skilled trades	6	4	9	7		*
Caring, leisure and personal service	7	6	7	9		*
Sales and customer service	8	6	10	7		
Process, plant and machine operatives	6	4	10	8		*
Routine unskilled occupations	11	11	13	13		
Not known	1	4	1	3	*	*
Usual working hours:						
Less than 10 hours per week	4	5	4	4		
10-29 hours per week	16	14	18	18		*
30-48 hours per week	64	64	66	64		
More than 48 hours per week	14	14	10	9		*
Not known	2	4	2	4	*	
Temporary or fixed-term contract	8	7	8	7		

Source: WERS Survey of Employees

Note: * indicates that the difference between the two columns indicated in the heading is statistically significant at the 5 per cent level.

Table 2.3: Employee representation and voice

	South East		Rest of GB		Significant differences		With controls^	
	2004	2011	2004	2011				
	[1]	[2]	[3]	[4]	[1] vs [2]	[2] vs [4]	[1] vs [2]	[2] vs [4]
Percentage of employment in workplaces with specific characteristics:								
Any recognised unions	38	38	49	52		*		*
Any joint consultative committee	35	36	39	37				
Any non-union reps	18	18	17	16				
Any group meetings with 25% question time	55	56	51	59				
None of the above	24	24	22	19		*		*
Percentage of employees rating managers+ at their workplace as 'Good' or 'Very good' at:								
Seeking the views of employees and their representatives	48	52	48	52	*		*	
Responding to suggestions from employees and their representatives	43	47	44	47	*		*	
Allowing employees and their representatives to influence decisions	32	35	32	35				

Source: WERS Survey of Workplace Managers (for items headed 'Percentage of employment') and Survey of Employees (for items headed 'Percentage of employees')

Notes:

* indicates that the difference between the two columns indicated in the heading is statistically significant at the 10 per cent level (upper section) or 5 per cent level (lower section).

+ The three employee ratings were given on a five-point scale: Very good, Good, Neither good nor poor, Poor or Very poor.

^ Multivariate regression analysis is used to test whether statistically significant differences exist between the South East and the Rest of GB after eliminating compositional differences between workplaces and employees in the two regions. Items in the upper section of the table above derive from the workplace-level data in WERS and so we control for the items presented in Table 2.1. Items in the lower section derive from the employee-level data in WERS and so we control for the items presented in Table 2.1 and Table 2.2.

Table 2.4: Pay determination

	South East		Rest of GB					
	2004	2011	2004	2011	Significant differences		With controls^	
	[1]	[2]	[3]	[4]	[1] v [2]	[2] v [4]	[1] v [2]	[2] v [4]
Percentage of employment in workplaces with specific characteristics:								
Any collective bargaining	27	20	36	32	*	*	*	*
Any payment-by-results or merit pay	51	55	45	43		*		*
Any profit-related pay	36	36	31	29				
Any share schemes	27	25	22	17		*		*
Any incentive scheme	65	67	60	57		*		*
Percentage of employees paid in the following ways:					*			
Pay set by collective bargaining	23	16	31	27	*	*	*	*
Fixed pay only	n/a	70	n/a	81	n/a	*	n/a	*
Performance-related pay only	n/a	3	n/a	3	n/a		n/a	
Both	n/a	27	n/a	16	n/a	*	n/a	*

Source: WERS Survey of Workplace Managers (for items headed 'Percentage of employment') and Survey of Employees (for items headed 'Percentage of employees')

Notes:

* indicates that the difference between the two columns indicated in the heading is statistically significant at the 10 per cent level (upper section) or 5 per cent level (lower section)

n/a indicates that the question was not asked in the 2004 survey.

^ Multivariate regression analysis is used to test whether statistically significant differences exist between the South East and the Rest of GB after eliminating compositional differences between workplaces and employees in the two regions. Items in the upper section of the table above derive from the workplace-level data in WERS and so we control for the items presented in Table 2.1. Items in the lower section derive from the employee-level data in WERS and so we control for the items presented in Table 2.1 and Table 2.2.

Table 2.5: Work organisation and job quality

Percentage of employees who give the following ratings:	South East		Rest of GB		Significant differences		With controls^	
	2004	2011	2004	2011				
	[1]	[2]	[3]	[4]	[1] v [2]	[2] v [4]	[1] v [2]	[2] v [4]
Job demands:								
''Agrees' or 'Strongly agrees' that their job requires them to work very hard.	76	83	76	83	*		*	
''Agrees' or 'Strongly agrees' that people in their kind of job have to put in long hours to progress at their workplace	n/a	43	n/a	40	n/a	*	n/a	
Job control:								
Has 'A lot' of influence over: how they do their work; the pace at which they work; and the order in which they carry out tasks.	29	30	26	31				
Job security:								
''Agrees' or 'Strongly agrees' that their job is secure in their workplace.	66	60	68	61	*		*	
Skill development:								
Off-the-job training received in past 12 months:								
None	34	30	39	33	*		*	
Less than 5 days	48	54	43	51	*	*	*	
5 days or more	18	16	18	16				
''Agrees' or 'Strongly agrees' that managers at the workplace encourage employees to develop their skills	59	60	58	58				
Work-life balance:								
''Agrees' or 'Strongly agrees' that managers at their workplace understand about employees having to meet responsibilities outside of work.	61	63	59	61				

Source: WERS Survey of Employees.

Notes: * indicates that the difference between the two columns indicated in the heading is statistically significant at the 5 per cent level
n/a indicates that the question was not asked in the 2004 survey.

^ Multivariate regression analysis is used to test whether statistically significant differences exist between the South East and the Rest of GB after eliminating compositional differences between workplaces and employees in the two regions. All items in the table above derive from the employee-level data in WERS and so we control for the items presented in Table 2.1 and Table 2.2.

Table 2.6: Dispute resolution and the quality of employment relations

	South East		Rest of GB		Significant differences		With controls^	
	2004	2011	2004	2011				
	[1]	[2]	[3]	[4]	[1] v [2]	[2] v [4]	[1] v [2]	[2] v [4]
Percentage of employment in workplaces with specific characteristics:								
Formal procedure for dealing with discipline and dismissals	95	96	95	97				
Dismissals: three principles used all of the time	84	91	79	91	*		*	
Formal procedure for dealing with employee grievances	95	97	93	96	*		*	
Grievances: three principles used all of the time	52	58	49	56	*		*	
Any industrial action in past 12 months	5	12	7	17	*	*	*	
Incidence of individual disputes per 100 employees:								
Number of disciplinary sanctions per 100 employees	4.9	4.8	5.3	4.6				
Number of grievances raised per 100 employees	n/a	1.3	n/a	1.4	n/a		n/a	
Percentage of employees giving the following ratings:								
'Agrees' or 'Strongly agrees' that managers at their workplace deal with employees honestly	57	59	56	58				
'Agrees' or 'Strongly agrees' that managers at their workplace treat employees fairly	57	59	57	58				
Rates relations between managers and employees at the workplace as 'Good' or 'Very good'	63	65	62	64				

Source: WERS Survey of Workplace Managers (for items headed 'Percentage of employment' and 'Incidence of individual disputes') and Survey of Employees (for items headed 'Percentage of employees')

Notes:

* indicates that the difference between the two columns indicated in the heading is statistically significant at the 10 per cent level (upper and middle section) or 5 per cent level (lower section)

n/a indicates that the question was not asked in the 2004 survey.

^ Multivariate regression analysis is used to test whether statistically significant differences exist between the South East and the Rest of GB after eliminating compositional differences between workplaces and employees in the two regions. Items in the upper section of the table above derive from the workplace-level data in WERS and so we control for the items presented in Table 2.1. Items in the lower section derive from the employee-level data in WERS and so we control for the items presented in Table 2.1 and Table 2.2.

Table 2.7: Job satisfaction

	South East		Rest of GB		Significant differences		With controls^	
	2004	2011	2004	2011				
	[1]	[2]	[3]	[4]	[1] v [2]	[2] v [4]	[1] v [2]	[2] v [4]
Percentage of employees 'Very satisfied' or 'Satisfied' with:								
The sense of achievement they get from work	72	74	70	74				
The scope for using their initiative	74	75	72	76				
The amount of influence they have over their job	60	62	58	61				
The training they receive	50	53	51	56		*		
The amount of pay they receive	36	41	36	42	*			
Their job security	64	58	65	59	*			
The work itself	72	73	72	76		*		
Their degree of involvement in decision-making at the workplace	41	45	40	42	*	*		
Average number of items where 'Very satisfied' or 'Satisfied' (0-8)	4.7	4.8	4.6	4.9		*		

Source: WERS Survey of Employees

Notes:

* indicates that the difference between the two columns indicated in the heading is statistically significant at the 5 per cent level

^ Multivariate regression analysis is used to test whether statistically significant differences exist between the South East and the Rest of GB after eliminating compositional differences between workplaces and employees in the two regions. All items in the table derive from the WERS Survey of Employees and so we control for the items presented in Table 2.1 and Table 2.2.

Table 2.8: Use of Acas

	South East		Rest of GB		Significant differences		With controls^	
	2004	2011	2004	2011				
	[1]	[2]	[3]	[4]	[1] v [2]	[2] v [4]	[1] v [2]	[2] v [4]
Percentage of employment in workplaces with specific characteristics:								
Manager with responsibility for employment relations at the workplace had sought information or advice from Acas in the previous year	22	30	25	31	*		*	

Source: WERS Survey of Workplace Managers

Notes:

* indicates that the difference between the two columns indicated in the heading is statistically significant at the 10 per cent level

^ Multivariate regression analysis is used to test whether statistically significant differences exist between the South East and the Rest of GB after eliminating compositional differences between workplaces in the two regions. Items in the table above derive from the workplace-level data in WERS and so we control for the items presented in Table 2.1.

3. EMPLOYMENT RELATIONS IN THE SOUTH WEST, MIDLANDS AND WALES

3.1. Introduction and summary

This chapter examines changes in employment relations in the South West, Midlands and Wales (SWMW) between 2004 and 2011. It also investigates the extent to which employment relations in this broad region differ from those in the Rest of Great Britain. The broad region here comprises four Government Office Regions: the South West of England, Wales, the East Midlands and the West Midlands.

We use WERS data from workplace managers who reported on employment practices at their workplace, and from employees who were asked about their experience of working life. The regional sample in WERS contains 688 workplaces in 2004 and 753 in 2011. Regional estimates from the Survey of Workplace Managers will typically have to change by around five percentage points between 2004 and 2011 in order to be statistically significant at the ten per cent level. The WERS Survey of Employees offers data from 6,708 employees in the region in 2004 and 6,506 in 2011. Regional estimates from the Survey of Employees will typically have to change by around three percentage points between 2004 and 2011 in order to be statistically significant (we use the five per cent level of significance here because of the larger sample size).

One possibility is that differences may be accentuated (or hidden) by the particular composition of the economy and workforce in the region. Table 3.1 and Table 3.2 use the WERS data to indicate the characteristics of workplaces and employees in the region, and to compare these with the characteristics of workplaces and employees in the Rest of Great Britain. All tables use survey weights and thus provide estimates of the prevalence of a particular characteristic in the population at large (rather than simply in the survey sample itself). Table 3.1 and Table 3.2 show, for example, that workplaces in the region are smaller, on average, than those found in the Rest of Great Britain, and that the region has more workers in Manufacturing and working part-time. Statistical methods (outlined in Section 1.3) are used in the analysis to examine whether any of the compositional differences shown in Table 3.1 and Table 3.2 are important in explaining differences in employment relations between the region and the Rest of Great Britain.

To summarise the main results from the chapter, the principal changes seen in the region between 2004 and 2011 were:

- an increase in work intensity and a decline in job security, both of which could reasonably be attributed to the recession; and
- an increase in the prevalence of systematic procedures for workplace dispute resolution, which are more likely to have come as the result of broader policy initiatives at a national level.

3.2. Employee representation and voice

The most prevalent arrangement through which employees are collectively represented at work is through trade unions. However the recognition of trade unions for collective bargaining has fallen dramatically over the past three decades and attention has increasingly fallen upon arrangements for information and consultation, some of which may not involve unions. Table 3.3 show that:

- Almost half (49 per cent) of employees in the South West, Midlands and Wales work in establishments where trade unions are recognised for negotiating pay and conditions.
- One-third (36 per cent) of employees work in establishments with at least one joint consultative committee (a committee of managers and that is primarily concerned with consultation rather than negotiation).
- Fifteen per cent of employees work in establishments where there is at least one non-union representative.
- None of these raw figures changed to a significant degree between 2004 and 2011.
- In 2011 the rate of union recognition in the region was higher than that seen in the Rest of Great Britain (46 per cent) once compositional differences in the economies had been taken into account.

Many employers state a preference for direct communication with their employees. One way in which this communication takes place is in staff meetings or team briefings, although such meetings do not always provide substantial opportunities for dialogue. Table 3.3 further shows that:

- Over half (56 per cent) of employees in the South West, Midlands and Wales work in establishments that have staff meetings or team briefings where at least 25 per cent of the meeting time is left open for employees' questions or comments. The percentage is similar to the Rest of Great Britain (58 per cent) and was similar in 2004 (52 per cent).

An overall measure of the availability of arrangements for employee 'voice' is provided by looking at the share of employees whose workplace offers any of the representative or direct methods discussed above.

- In 2011 four-fifth (79 per cent) of employees in the South West, Midlands and Wales worked in such an establishment. This was the same as the figure seen in the Rest of Great Britain.

Despite the broad availability of such arrangements, only a minority of employees rate their managers positively on their approach to consultation.

- In 2011, half (52 per cent) of all employees in the region judged that managers at their workplace were either 'Good' or 'Very good' at seeking the views of employees and their representatives. This had increased from 48 per cent in 2004.
- Nearly half (47 per cent) judged that managers were 'Good' or 'Very good' at responding to suggestions from employees and their representatives.
- Around one third (34 per cent) judged that managers were 'Good' or 'Very good' at allowing employees and their representatives to influence decisions.
- The figures were very similar to the Rest of Great Britain (52 per cent, 47 per cent and 35 per cent respectively).

3.3. Pay determination

The recent recession has put pressure on terms and conditions, with many employees experiencing a decline in real wages. However the formal arrangements for pay determination have remained relatively stable. Table 3.4 shows that:

- Almost one-third (30 per cent) of all employees in the South West, Midlands and Wales work in establishments where there is some collective bargaining over pay and conditions. This figure was lower than the 35 per cent found in 2004.

- In some workplaces, not all employees are covered however, and the proportion of all employees in the region whose own pay is set by collective bargaining stands at around one fifth (25 per cent). Again this is lower than the figure of 29 per cent in 2004.
- Nevertheless, in 2011, the coverage of collective bargaining was similar to that seen in the Rest of Great Britain, where 26 per cent of employees work in establishments with some negotiation over pay and conditions, and where 22 per cent of all employees have their own pay set by collective bargaining.

Performance-related pay systems and financial participation schemes may be an attractive way for firms to share risk with their employees in difficult times, and to reward them when times are better.

- Almost half (45 per cent) of employees in the region work in establishments where there is some payment-by-results or merit pay.
- Some 19 per cent of employees in the region have some performance-related element to their pay, lower than in the Rest of Great Britain (24 per cent). The difference is accounted for by compositional factors however. In the region, 3 per cent of employees are paid solely on performance and 16 per cent receive performance-related payments on top of a fixed wage.
- One third (32 per cent) of employees work in an establishment with a profit-related pay scheme and 17 per cent work in an establishment with an employee share-ownership scheme.
- Overall three-fifths (60 per cent) of employees in the region work in an establishment where there is payment-by-results, merit pay, profit-related pay or a share scheme. The percentage has increased from 56 per cent in 2004, bringing the region into line with the Rest of Great Britain, where 62 per cent of employees work in an establishment with at least of these schemes.

3.4. Work organisation and job quality

The way that work is organised and the quality of jobs have broad implications, affecting employees' productivity and their physical and mental well-being. We begin by examining the demands that employees' face in their jobs, before going on to examine the degree of autonomy or control that they have over their work. We then examine some of the factors that support an employee in their work, including help to develop their skills. Table 3.5 shows that:

- One tenth (10 per cent) of employees in the South West, Midlands and Wales usually work more than 48 hours per week. The intensity of work appears to have increased (as it has in the Rest of Great Britain), with over four-fifths (83 per cent) of employees in the region saying that their job requires them to work very hard (up from 76 per cent in 2004).
- Nearly two-fifths (39 per cent) agree that people in their kind of job have to put in long hours to progress at their workplace.
- Job autonomy is viewed as an important factor in helping employees to cope with a demanding job. Thirty per cent of employees in the region judged that they had 'A lot' of influence over three key elements of their job: how they do their work; the pace at which they work; and the order in which they carry out tasks. This was an increase from 27 per cent in 2004.
- Job security is also typically valued by employees, but one would expect it to have suffered through the economic downturn. This proves to be the case. Just 61 per cent of employees in the region judged that their job was secure in 2011, compared with 68 per cent in 2004.
- The percentage of employees receiving off-the-job training rose from 60 per cent in 2004 to 67 per cent in 2011. This was due to an increase in the proportion of

employees receiving 1-4 days of training (42 per cent in 2004, but 52 per cent in 2011). The percentage of employees receiving 5 or more days of training fell from 18 per cent to 15 per cent.

- Nearly thee-fifths (57 per cent) of employees in the South West, Midlands and Wales agreed that managers at their workplace encouraged employees to develop their skills; this was similar to the figure reported in 2004.
- Similarly, there was no change in the percentage of employees who agreed that managers at their workplace were understanding about employees having to meet responsibilities outside work (62 per cent in 2011).
- On all these indicators, the percentages were similar to those for the Rest of Great Britain.

3.5. Dispute resolution and the quality of employment relations

The formalisation of mechanisms for workplace dispute resolution has been a defining feature of the changing employment relations landscape in recent years, supported by an increased policy focus on resolving disputes at an early stage. Table 3.6 shows that:

- In 2011, 97 per cent of all employees in the South West, Midlands and Wales worked in an establishment with a formal procedure for dealing with disciplinary matters or dismissals. This was an increase from 2004 when the figure stood at 94 per cent.
- Similarly, in 2011, 96 per cent of all employees in the region worked in an establishment with a formal procedure for dealing with employee grievances. Again this was an increase from 2004, when the figure stood at 91 per cent.
- The Acas Code of Practice proposes that the handling of grievances and disciplinary matters should include three steps: (i) set the issue out in writing; (ii) hold a meeting to discuss the matter; (iii) provide the employee with an opportunity to appeal against the decision. In 2011, 91 per cent of employees in the region worked in an establishment where the manager said all three steps were always followed in disciplinary cases. This was an increase from 75 per cent in 2004.
- The three steps were less commonly used when handling grievances: just 59 per cent of employees worked in an establishment where the manager said they were always used in grievance cases. But again this was an increase from 2004, when the figure stood at 49 per cent.
- Usage of systematic approaches to the resolution of disputes at work in the region was similar to that in the Rest of Great Britain, where the share of workplaces using all three principles all of the time rose from 51 per cent to 56 per cent in the case of grievances and from 83 per cent to 91 per cent in the case of disciplinary matters.

Turning to the incidence of collective and individual disputes, we see some evidence of an upturn between 2004 and 2011, but employees' general evaluations of their relationships with managers have not deteriorated.

- One-sixth (16 per cent) of employees in the region worked in establishments that had experienced industrial action in the 12 months prior to the 2011 survey, up from 6 per cent in 2004. The prevalence and increase were similar to those seen in the Rest of Great Britain, where 7 per cent of employees worked in an establishment with industrial action in 2004 and 15 per cent did so in 2011.
- Managers issued 4.6 disciplinary sanctions per 100 employees in the South West and Midlands in 2011 (covering formal warnings, suspensions and dismissals). The rate had not changed since 2004 and was no different to the rate seen in the Rest of Great Britain (4.8 per 100 employees).
- Grievances were raised at a rate of 1.5 per 100 employees in 2011, a figure which was similar to that for the Rest of Great Britain (1.3 per 100 employees).
- When asked to rate managers at their workplace, just over half (59 per cent) of employees in the region judged that their managers dealt with employees honestly,

and 58 per cent judged that managers treated employees fairly. A similar percentage (60 per cent) rated the relationship between managers and employees at their workplace as either 'Good' or 'Very good'.
- There had been no change in any of the three employee ratings in the region since 2004, nor were there any differences with the figures seen in the Rest of Great Britain.

3.6. Job satisfaction

Levels of job satisfaction provide another useful barometer of employees' experience of work. Moreover, satisfied employees are more productive and less likely to quit their jobs. However job satisfaction measures must also be treated with some caution, as levels of satisfaction can improve either as a result of improvements in an employee's own conditions of work or because of a decline in the availability of alternative job opportunities. It is then quite possible to see satisfaction levels rise in a downturn. Table 3.7 shows that:

- In 2011, around three-quarters (76 per cent) of employees in the region were satisfied with the sense of achievement that they got from work and similar proportions were satisfied with the scope for using their initiative (77 per cent) and with the work itself (78 per cent).
- Around three-fifths of employees were satisfied with the amount of influence they had over their job (62 per cent), their level of job security (58 per cent) or the training they received (55 per cent). Under half were satisfied with their level of pay (42 per cent) or with their degree of involvement in workplace decision-making (also 42 per cent).
- Levels of satisfaction rose on most of these items in the region between 2004 and 2011. The exceptions were satisfaction with training and the scope for using initiative, which remained unchanged, and satisfaction with job security, which fell.
- In 2011 levels of satisfaction with sense of achievement and with the work itself were both slightly higher in the region than they were in the Rest of Great Britain. Some 76 per cent of employees in the region were satisfied with the sense of achievement they got from work, compared with 73 per cent in the Rest of Great Britain; 78 per cent were satisfied with the work itself, compared with 74 per cent in the Rest of Great Britain. Satisfaction on these two items remained higher in the region than in the Rest of Great Britain after controlling for compositional differences.

3.7. Use of Acas

The WERS survey asks the manager with responsibility for employment relations at the workplace whether they have sought information or advice from various bodies over the previous 12 months. The list includes Acas. Table 3.8 shows that:

- In 2011, managers at one-third (33 per cent) of workplaces in the region said that they had sought information or advice from Acas. This had increased from 26 per cent in 2004.
- The figure for 2011 was similar to that for the Rest of Great Britain, where 30 per cent of managers had sought information or advice from Acas in the year.

Table 3.1: Workplace characteristics (percentage of employees in workplaces with the specified characteristic)

Workplace characteristics	SWMW 2004 [1]	SWMW 2011 [2]	Rest of GB 2004 [3]	Rest of GB 2011 [4]	Significant differences [1] vs [2]	Significant differences [2] vs [4]
Workplace size:						
Mean number of employees	29	28	33	33		*
Workplace size (distribution):						
5-9 employees	11	12	9	9		*
10-19 employees	12	12	10	11		
20-49 employees	16	17	19	17		
50-99 employees	14	16	13	13		
100-499 employees	28	24	28	29	*	*
500+ employees	18	19	20	21		
Industry sector, SIC(2003):						
D: Manufacturing	21	14	13	10	*	*
E: Electricity, gas and water	1	0	0	0		
F: Construction	4	3	4	3		
G: Wholesale and retail	17	15	17	16		
H: Hotels and restaurants	4	6	6	6		
I: Transport and communication	7	7	6	7		
J: Financial intermediation	3	2	6	4		
K: Other business services	11	14	15	19		*
L: Public administration	5	7	6	7		
M: Education	9	14	8	11	*	
N: Health and social work	14	14	13	13		
O: Other community services	4	4	5	4		
Single independent workplaces	28	27	23	25		
Public sector workplaces	23	25	24	24		

Source: WERS Survey of Workplace Managers

Note: * indicates that the difference between the two columns indicated in the heading is statistically significant at the 10 per cent level.

Table 3.2: Employee characteristics (percentage of employees with the specified characteristic)

Employee characteristics	SWMW 2004 [1]	SWMW 2011 [2]	Rest of GB 2004 [3]	Rest of GB 2011 [4]	Significant differences [1] vs [2]	Significant differences [2] vs [4]
Male	50	47	50	50		
Age:						
Less than 20 years	4	2	4	2	*	
20-29 years	19	17	19	20		
30-59 years	72	72	71	71		
60 years and above	5	9	5	7	*	
Non-white ethnic group	6	10	9	13	*	*
Occupation, SOC(2000):						
Managers and senior officials	10	12	13	15	*	*
Professional	11	12	11	12		
Associate professional and technical	13	15	15	16		
Administrative and secretarial	17	14	17	15	*	
Skilled trades	9	7	7	5		
Caring, leisure and personal service	6	10	7	7	*	
Sales and customer service	10	7	9	6		
Process, plant and machine operatives	10	9	8	6		*
Routine unskilled occupations	12	11	12	12		
Not known	1	3	1	4	*	
Usual working hours:						
Less than 10 hours per week	5	4	4	4		
10-29 hours per week	18	19	17	16		*
30-48 hours per week	65	63	65	65		
More than 48 hours per week	10	10	12	11		
Not known	2	4	2	4	*	
Temporary or fixed-term contract	7	7	8	7		

Source: WERS Survey of Employees

Note: * indicates that the difference between the two columns indicated in the heading is statistically significant at the 5 per cent level.

Table 3.3: Employee representation and voice

	SWMW		Rest of GB		Significant differences		With controls^	
	2004	2011	2004	2011				
	[1]	[2]	[3]	[4]	[1] vs [2]	[2] vs [4]	[1] vs [2]	[2] vs [4]
Percentage of employment in workplaces with specific characteristics:								
Any recognised unions	46	49	44	46			*	*
Any joint consultative committee	37	36	38	37				
Any non-union reps	16	15	18	18				
Any group meetings with 25% question time	52	56	53	58				
None of the above	22	21	23	21				
Percentage of employees rating managers+ at their workplace as 'Good' or 'Very good' at:								
Seeking the views of employees and their representatives	48	52	48	52	*			
Responding to suggestions from employees and their representatives	44	47	43	47				
Allowing employees and their representatives to influence decisions	33	34	32	35				

Source: WERS Survey of Workplace Managers (for items headed 'Percentage of employment') and Survey of Employees (for items headed 'Percentage of employees')

Notes:

* indicates that the difference between the two columns indicated in the heading is statistically significant at the 10 per cent level (upper section) or 5 per cent level (lower section).

+ The three employee ratings were given on a five-point scale: Very good, Good, Neither good nor poor, Poor or Very poor.

^ Multivariate regression analysis is used to test whether statistically significant differences exist between SWMW and the Rest of GB after eliminating compositional differences between workplaces and employees in the two regions. Items in the upper section of the table above derive from the workplace-level data in WERS and so we control for the items presented in Table 3.1. Items in the lower section derive from the employee-level data in WERS and so we control for the items presented in Table 3.1 and Table 3.2.

Table 3.4: Pay determination

	SWMW		Rest of GB		Significant differences		With controls^	
	2004	2011	2004	2011				
	[1]	[2]	[3]	[4]	[1] vs [2]	[2] vs [4]	[1] vs [2]	[2] vs [4]
Percentage of employment in workplaces with specific characteristics:								
Any collective bargaining	35	30	32	26			*	
Any payment-by-results or merit pay	41	45	50	49			*	
Any profit-related pay	31	32	34	32				
Any share schemes	21	17	25	21				
Any incentive scheme	56	60	64	62			*	
Percentage of employees paid in the following ways:								
Pay set by collective bargaining	29	25	28	22			*	
Fixed pay only	n/a	81	n/a	76	n/a	*	n/a	
Performance-related pay only	n/a	3	n/a	3	n/a		n/a	
Both	n/a	16	n/a	21	n/a	*	n/a	

Source: WERS Survey of Workplace Managers (for items headed 'Percentage of employment') and Survey of Employees (for items headed 'Percentage of employees')

Notes:

* indicates that the difference between the two columns indicated in the heading is statistically significant at the 10 per cent level (upper section) or 5 per cent level (lower section)

n/a indicates that the question was not asked in the 2004 survey.

^ Multivariate regression analysis is used to test whether statistically significant differences exist between SWMW and the Rest of GB after eliminating compositional differences between workplaces and employees in the two regions. Items in the upper section of the table above derive from the workplace-level data in WERS and so we control for the items presented in Table 3.1. Items in the lower section derive from the employee-level data in WERS and so we control for the items presented in Table 3.1 and Table 3.2.

Table 3.5: Work organisation and job quality

Percentage of employees who give the following ratings:	SWMW		Rest of GB		Significant differences		With controls^	
	2004	2011	2004	2011				
	[1]	[2]	[3]	[4]	[1] v [2]	[2] v [4]	[1] v [2]	[2] v [4]
Job demands:								
''Agrees' or 'Strongly agrees' that their job requires them to work very hard.	76	83	76	83	*		*	
''Agrees' or 'Strongly agrees' that people in their kind of job have to put in long hours to progress at their workplace	n/a	39	n/a	42	n/a		n/a	
Job control:								
Has 'A lot' of influence over: how they do their work; the pace at which they work; and the order in which they carry out tasks.	27	30	27	31	*			
Job security:								
''Agrees' or 'Strongly agrees' that their job is secure in their workplace.	68	61	67	60	*		*	
Skill development:								
Off-the-job training received in past 12 months:								
None	40	33	36	31	*		*	
Less than 5 days	42	52	46	52	*		*	
5 days or more	18	15	17	17	*		*	
''Agrees' or 'Strongly agrees' that managers at the workplace encourage employees to develop their skills	60	57	58	59			*	
Work-life balance:								
''Agrees' or 'Strongly agrees' that managers at their workplace understand about employees having to meet responsibilities outside of work.	60	62	59	62				

Source: WERS Survey of Employees.

Notes: * indicates that the difference between the two columns indicated in the heading is statistically significant at the 5 per cent level
n/a indicates that the question was not asked in the 2004 survey.

^ Multivariate regression analysis is used to test whether statistically significant differences exist between SWMW and the Rest of GB after eliminating compositional differences between workplaces and employees in the two regions. All items in the table above derive from the employee-level data in WERS and so we control for the items presented in Table 3.1 and Table 3.2.

Table 3.6: Dispute resolution and the quality of employment relations

	SWMW		Rest of GB		Significant differences		With controls^	
	2004	2011	2004	2011				
	[1]	[2]	[3]	[4]	[1] v [2]	[2] v [4]	[1] v [2]	[2] v [4]
Percentage of employment in workplaces with specific characteristics:								
Formal procedure for dealing with discipline and dismissals	94	97	95	97	*		*	*
Dismissals: three principles used all of the time	75	91	83	91	*		*	
Formal procedure for dealing with employee grievances	91	96	94	97	*		*	
Grievances: three principles used all of the time	49	59	51	56	*		*	
Any industrial action in past 12 months	6	16	7	15	*		*	
Incidence of individual disputes per 100 employees:								
Number of disciplinary sanctions per 100 employees	5.3	4.6	5.0	4.8				
Number of grievances raised per 100 employees	n/a	1.5	n/a	1.3	n/a		n/a	
Percentage of employees giving the following ratings:								
'Agrees' or 'Strongly agrees' that managers at their workplace deal with employees honestly	57	59	56	58				
'Agrees' or 'Strongly agrees' that managers at their workplace treat employees fairly	58	58	57	59				
Rates relations between managers and employees at the workplace as 'Good' or 'Very good'	63	65	62	64				

Source: WERS Survey of Workplace Managers (for items headed 'Percentage of employment' and 'Incidence of individual disputes') and Survey of Employees (for items headed 'Percentage of employees')

Notes:

* indicates that the difference between the two columns indicated in the heading is statistically significant at the 10 per cent level (upper and middle section) or 5 per cent level (lower section)

n/a indicates that the question was not asked in the 2004 survey.

^ Multivariate regression analysis is used to test whether statistically significant differences exist between SWMW and the Rest of GB after eliminating compositional differences between workplaces and employees in the two regions. Items in the upper section of the table above derive from the workplace-level data in WERS and so we control for the items presented in Table 3.1. Items in the lower section derive from the employee-level data in WERS and so we control for the items presented in Table 3.1 and Table 3.2.

Table 3.7: Job satisfaction

	SWMW		Rest of GB		Significant differences		With controls^	
	2004	2011	2004	2011				
	[1]	[2]	[3]	[4]	[1] v [2]	[2] v [4]	[1] v [2]	[2] v [4]
Percentage of employees 'Very satisfied' or 'Satisfied' with:								
The sense of achievement they get from work	71	76	70	73	*	*	*	*
The scope for using their initiative	73	77	72	75	*			
The amount of influence they have over their job	59	62	58	62	*			
The training they receive	52	55	50	55				
The amount of pay they receive	35	42	36	42	*			
Their job security	65	58	65	59	*	*		
The work itself	73	78	72	74	*	*	*	*
Their degree of involvement in decision-making at the workplace	41	42	40	44		*		
						*		
Average number of items where 'Very satisfied' or 'Satisfied' (0-8)	4.7	4.9	4.6	4.8	*			

Source: WERS Survey of Employees

Notes:

* indicates that the difference between the two columns indicated in the heading is statistically significant at the 5 per cent level

^ Multivariate regression analysis is used to test whether statistically significant differences exist between SWMW and the Rest of GB after eliminating compositional differences between workplaces and employees in the two regions. All items in the table derive from the WERS Survey of Employees and so we control for the items presented in Table 3.1 and Table 3.2.

Table 3.8: Use of Acas

	SWMW		Rest of GB		Significant differences		With controls^	
	2004	2011	2004	2011				
	[1]	[2]	[3]	[4]	[1] v [2]	[2] v [4]	[1] v [2]	[2] v [4]
Percentage of employment in workplaces with specific characteristics:								
Manager with responsibility for employment relations at the workplace had sought information or advice from Acas in the previous year	26	33	23	30	*		*	

Source: WERS Survey of Workplace Managers

Notes:

* indicates that the difference between the two columns indicated in the heading is statistically significant at the 10 per cent level

^ Multivariate regression analysis is used to test whether statistically significant differences exist between SWMW and the Rest of GB after eliminating compositional differences between workplaces in the two regions. Items in the table above derive from the workplace-level data in WERS and so we control for the items presented in Table 3.1.

4. EMPLOYMENT RELATIONS IN THE NORTH OF ENGLAND

4.1. Introduction and summary

This chapter examines changes in employment relations in the North of England between 2004 and 2011. It also investigates the extent to which employment relations in this broad region differ from those in the Rest of Great Britain. The broad region here comprises three Government Office Regions: the North East of England; the North West of England; and Yorkshire and the Humber.

We use WERS data from workplace managers who reported on employment practices at their workplace, and from employees who were asked about their experience of working life. The regional sample in WERS contains 546 workplaces in 2004 and 675 in 2011. Regional estimates from the Survey of Workplace Managers will typically have to change by around six percentage points between 2004 and 2011 in order to be statistically significant at the ten per cent level. The WERS Survey of Employees offers data from 6,111 employees in the region in 2004 and 5,865 in 2011. Regional estimates from the Survey of Employees will typically have to change by around three percentage points between 2004 and 2011 in order to be statistically significant (we use the five per cent level of significance here because of the larger sample size).

One possibility is that differences may be accentuated (or hidden) by the particular composition of the economy and workforce in the region. Table 4.1 and Table 4.2 use the WERS data to indicate the characteristics of workplaces and employees in the region, and to compare these with the characteristics of workplaces and employees in the Rest of Great Britain. All tables use survey weights and thus provide estimates of the prevalence of a particular characteristic in the population at large (rather than simply in the survey sample itself). Table 4.1 and Table 4.2 show, for example, that workplaces in the North of England are larger, on average, than those found in the Rest of Great Britain, and the region has more workers in the public sector. Statistical methods (outlined in Section 1.3) are used in the analysis to examine whether any of the compositional differences shown in Table 4.1 and Table 4.2 are important in explaining differences in employment relations between the region and the Rest of Great Britain.

To summarise the main results from the chapter, the principal changes seen in the region between 2004 and 2011 were:

- an increase in work intensity and a decline in job security, both of which could reasonably be attributed to the recession;
- a decline in collective bargaining; an increase in arrangements for direct employer/employee communication; and
- an increase in the prevalence of systematic procedures for workplace dispute resolution;
- a decline in incentive pay systems; and
- an increase in training, particularly training of short duration.

4.2. Employee representation and voice

The most prevalent arrangement through which employees are collectively represented at work is through trade unions. However the recognition of trade unions for collective bargaining has fallen dramatically over the past three decades and attention has

increasingly fallen upon arrangements for information and consultation, some of which may not involve unions. Table 4.3 shows that:

- Over one half (54 per cent) of employees in the North of England work in establishments where trade unions are recognised for negotiating pay and conditions.
- Two-fifths (40 per cent) of employees work in establishments with at least one joint consultative committee (a committee of managers and that is primarily concerned with consultation rather than negotiation).
- Just under one fifth (19 per cent) of employees work in establishments where there is at least one non-union representative.
- None of these figures changed to a significant degree between 2004 and 2011.
- In 2011 the rate of union recognition in the North of England (54 per cent) was higher than that seen in the Rest of Great Britain (44 per cent), and this difference could not be attributed to the composition of the economy in the region.

Many employers state a preference for direct communication with their employees. One way in which this communication takes place is in staff meetings or team briefings, although such meetings do not always provide substantial opportunities for dialogue. Table 4.3 further shows that:

- Around three fifths (62 per cent) of employees in the North of England work in establishments that have staff meetings or team briefings where at least 25 per cent of the meeting time is left open for employees' questions or comments. This figure has increased since 2004 (from 52 per cent) and is higher than in the Rest of Great Britain (56 per cent). Again, the differences are not due to the composition of the economy in the region.

An overall measure of the availability of arrangements for employee 'voice' is provided by looking at the share of employees whose workplace offers any of the representative or direct methods discussed above.

- In 2011 around four-fifths (83 per cent) of employees in the North of England worked in such an establishment. There had been no change since 2004. Although the percentage was lower than in the Rest of Great Britain (77 per cent), this could be explained by compositional differences in employment.

Despite the broad availability of such arrangements, only a minority of employees rate their managers positively on their approach to consultation.

- In 2011, half (51 per cent) of all employees in the North of England judged that managers at their workplace were either 'Good' or 'Very good' at seeking the views of employees and their representatives.
- Nearly half (45 per cent) judged that managers were 'Good' or 'Very good' at responding to suggestions from employees and their representatives.
- Only one third (34 per cent) judged that managers were 'Good' or 'Very good' at allowing employees and their representatives to influence decisions.
- There had been no improvement in these figures since 2004.
- The percentages seen in 2011 were similar to those seen in the Rest of Great Britain (52 per cent, 47 per cent and 35 per cent respectively).

4.3. Pay determination

The recent recession has put pressure on terms and conditions, with many employees experiencing a decline in real wages. There have also been some changes in the formal arrangements for pay determination. Table 4.4 shows that:

- Almost one third (30 per cent) of all employees in the North of England work in establishments where there is some collective bargaining over pay and conditions. This has declined since 2004 (from 36 per cent), a decline which is not explained by changes in the composition of the economy. The latest figure of 30 per cent is similar to that of the Rest of Great Britain (26 per cent).
- In some workplaces, not all employees are covered however, and the percentage of employees in the region whose own pay is set by collective bargaining is 25 per cent. This, too, has declined since 2004 (from 31 per cent of employees) and is not attributable to changes in composition. The latest figure is again similar to that of the Rest of Great Britain (22 per cent).

Performance-related pay systems and financial participation schemes may be an attractive way for firms to share risk with their employees in difficult times, and to reward them when times are better.

- Over two-fifths (42 per cent) of employees in the region work in establishments where there is some payment-by-results or merit pay.
- Some 18 per cent of employees in the region have some performance-related element to their pay; 15 per cent receive performance-related payments on top of a fixed wage and 3 per cent are paid solely on performance.
- Over one quarter (28 per cent) of employees work in an establishment with a profit-related pay scheme and 16 per cent work in an establishment with an employee share-ownership scheme.
- Overall three-fifths (57 per cent) of employees in the region work in an establishment where there is payment-by-results, merit pay, profit-related pay or a share scheme. This figure is lower than that seen in the Rest of Great Britain (63 per cent). Indeed, each of the type of performance-related pay was less common in the North of England than in the Rest of Great Britain. However, with the exception of payment-by-results and merit pay, these differences could be attributed to compositional factors.
- The prevalence of incentive schemes fell in the region between 2011 and 2004 (from 65 per cent of employees working in an establishment with incentive schemes in 2004, to 57 per cent tin 2011).

4.4. Work organisation and job quality

The way that work is organised and the quality of jobs have broad implications, affecting employees' productivity and their physical and mental well-being. We begin by examining the demands that employees' face in their jobs, before going on to examine the degree of autonomy or control that they have over their work. We then examine some of the factors that support an employee in their work, including help to develop their skills. Table 4.5 shows that:

- Around one tenth (9 per cent) of employees in the North of England usually work more than 48 hours per week. This was lower than in the Rest of Great Britain (12 per cent). However the intensity of work appears to have increased, with over four-fifths (84 per cent) of employees in the region saying that their job requires them to work very hard (up from 76 per cent in 2004). These figures are in line with those

seen in the Rest of Great Britain, where 83 per cent in 2011 said that their job requires them to work very hard.

- Two-fifths (40 per cent) agree that people in their kind of job have to put in long hours to progress at their workplace – a similar percentage to that seen in the Rest of Great Britain (41 per cent).
- Job autonomy is viewed as an important factor in helping employees to cope with a demanding job. Almost one third of employees in the North of England (30 per cent) judged that they had 'A lot' of influence over three key elements of their job: how they do their work; the pace at which they work; and the order in which they carry out tasks. This had grown from 26 per cent between 2004 and 2011. It was similar to the Rest of Great Britain (31 per cent).
- Job security is also typically valued by employees, but one would expect it to have suffered through the economic downturn. This proves to be the case. Just 60 per cent of employees in the region judged that their job was secure in 2011, compared with 67 per cent in 2004. A similar decline was seen in the Rest of Great Britain (from 67 per cent to 61 per cent).
- The provision of training grew in the region despite the economic downturn. Two thirds (67 per cent) of employees reported receiving some off-the-job training in 2011, up from 61 per cent in 2004. The increase was in training of short duration (under five days), rising from 44 per cent of employees to 49 per cent. This was not the result of compositional factors. The percentage of employees receiving training was similar to that for the Rest of Great Britain, but employees in the North received longer durations of training than in the Rest of Great Britain.
- Almost three fifths (59 per cent) of employees in the North of England agreed that managers at their workplace encouraged employees to develop their skills. This was the same as for the Rest of Great Britain and similar to 2004.
- Three fifths of employees (60 per cent) agreed that managers at their workplace were understanding about employees having to meet responsibilities outside work. This was similar to the percentage for the Rest of Great Britain (62 per cent) and similar to the percentage in the region in 2004 (59 per cent).

4.5. Dispute resolution and the quality of employment relations

The formalisation of mechanisms for workplace dispute resolution has been a defining feature of the changing employment relations landscape in recent years, supported by an increased policy focus on resolving disputes at an early stage. Table 4.6 shows that:

- In 2011, 97 per cent of all employees in the North of England worked in an establishment with a formal procedure for dealing with disciplinary matters or dismissals. This was similar to the percentage in 2004.
- Similarly, in 2011, 97 per cent of all employees in the North of England worked in an establishment with a formal procedure for dealing with employee grievances. This was an increase from 2004, when the figure stood at 94 per cent.

The Acas Code of Practice proposes that the handling of grievances and disciplinary matters should include three steps: (i) set the issue out in writing; (ii) hold a meeting to discuss the matter; (iii) provide the employee with an opportunity to appeal against the decision.

- In 2011, 91 per cent of employees in the North of England worked in an establishment where the manager said all three steps were always followed in disciplinary cases. This was an increase from 83 per cent in 2004.
- The three steps were less commonly used when handling grievances: just 54 per cent of employees worked in an establishment where the manager said they were always used in grievance cases. This had not changed significantly since 2004.

- This use and expansion of systematic approaches to the resolution of disputes at work in the North of England mirrored the use and expansion in the Rest of Great Britain, where the share of workplaces using all three principles all of the time rose from 50 per cent to 58 per cent in the case of grievances and from 80 per cent to 91 per cent in the case of disciplinary matters.

Turning to the incidence of collective and individual disputes, we see some evidence of an upturn between 2004 and 2011, but employees' general evaluations of their relationships with managers have not deteriorated.

- One in six (18 per cent) of employees in the region worked in establishments that had experienced industrial action in the 12 months prior to the 2011 survey, up from 8 per cent in 2004. The increase was not due to a change in compositional factors. The level and change were similar to the Rest of Great Britain, where 6 per cent of employees worked in an establishment with industrial action in 2004 and 14 per cent did so in 2011.
- Managers issued 4.9 disciplinary sanctions per 100 employees in the North of England in 2011 (covering formal warnings, suspensions and dismissals). The rate had not changed significantly since 2004 and was no different to the rate seen in the Rest of Great Britain.
- Grievances were raised at a rate of 1.3 per 100 employees in 2011, similar to the rate for the Rest of Great Britain (1.4 per 100 employees).
- When asked to rate managers at their workplace, just over half (56 per cent) of employees in the region judged that their managers dealt with employees honestly, and 58 per cent judged that managers treated employees fairly. Three-fifths (63 per cent) rated the relationship between managers and employees at their workplace as either 'Good' or 'Very good'.
- There had been no change in any of the three employee ratings in the region since 2004; nor were there any differences with the figures seen in the Rest of Great Britain.

4.6. Job satisfaction

Levels of job satisfaction provide another useful barometer of employees' experience of work. Moreover, satisfied employees are more productive and less likely to quit their jobs. However job satisfaction measures must also be treated with some caution, as levels of satisfaction can improve either as a result of improvements in an employee's own conditions of work or because of a decline in the availability of alternative job opportunities. It is then quite possible to see satisfaction levels rise in a downturn. Table 4.7 shows that:

- In 2011, over two-thirds (72 per cent) of employees in the region were satisfied with the sense of achievement that they got from work and similar proportions were satisfied with the scope for using their initiative (75 per cent) and with the work itself (74 per cent).
- Around three-fifths of employees were satisfied with the amount of influence they had over their job (60 per cent), their level of job security (59 per cent) or the training they received (56 per cent). Around two-fifths were satisfied with their degree of involvement in workplace decision-making (41 per cent) or with their level of pay (42 per cent).
- The levels of satisfaction with training and pay rose in the region between 2004 and 2011, after controlling for compositional changes, whilst the level of satisfaction with job security fell in the region.
- These changes were similar to those seen in Britain as a whole.

4.7. Use of Acas

The WERS survey asks the manager with responsibility for employment relations at the workplace whether they have sought information or advice from various bodies over the previous 12 months. The list includes Acas. Table 4.8 shows that:

- In 2011, managers at just under one third (30 per cent) of workplaces in the region said that they had sought information or advice from Acas. The figure was virtually the same as that for the Rest of Great Britain (31 per cent).
- The use of Acas appeared to have increased in the region since 2004, but the change was not statistically significant.

Table 4.1: Workplace characteristics (percentage of employees in workplaces with the specified characteristic)

Workplace characteristics	North		Rest of GB		Significant differences	
	2004	2011	2004	2011		
	[1]	[2]	[3]	[4]	[1] vs [2]	[2] vs [4]
Workplace size:						
Mean number of employees	35	37	31	30		*
Workplace size (distribution):						
5-9 employees	8	7	10	11		*
10-19 employees	9	8	11	12		*
20-49 employees	21	20	18	17		
50-99 employees	13	14	13	14		
100-499 employees	30	28	27	27		
500+ employees	19	22	20	20		
Industry sector, SIC(2003):						
D: Manufacturing	16	13	15	10		
E: Electricity, gas and water	1	0	0	0		
F: Construction	4	3	4	3		
G: Wholesale and retail	19	15	16	16	*	
H: Hotels and restaurants	7	7	5	6		
I: Transport and communication	7	8	6	6		
J: Financial intermediation	4	2	6	4	*	*
K: Other business services	13	13	14	18		*
L: Public administration	8	9	5	7		
M: Education	7	11	9	12	*	
N: Health and social work	10	15	14	13	*	
O: Other community services	5	4	5	4		
Single independent workplaces	27	26	24	25		
Public sector workplaces	25	28	23	23		*

Source: WERS Survey of Workplace Managers

Note: * indicates that the difference between the two columns indicated in the heading is statistically significant at the 10 per cent level.

Table 4.2: Employee characteristics (percentage of employees with the specified characteristic)

Employee characteristics	North		Rest of GB		Significant differences	
	2004	2011	2004	2011		
	[1]	[2]	[3]	[4]	[1] vs [2]	[2] vs [4]
Male	52	49	50	49		
Age:						
Less than 20 years	6	2	4	2	*	
20-29 years	20	20	19	18		
30-59 years	70	70	72	72		
60 years and above	5	7	5	8	*	
Non-white ethnic group	7	9	8	13		*
Occupation, SOC(2000):						
Managers and senior officials	11	12	12	15		*
Professional	9	11	12	13		
Associate professional and technical	13	16	15	16		
Administrative and secretarial	17	15	17	15		
Skilled trades	8	6	8	5		
Caring, leisure and personal service	7	9	7	8		
Sales and customer service	10	7	9	7	*	
Process, plant and machine operatives	9	7	8	7		
Routine unskilled occupations	14	15	11	11		*
Not known	1	3	1	4	*	*
Usual working hours:						
Less than 10 hours per week	4	4	4	4		
10-29 hours per week	19	18	17	16		
30-48 hours per week	65	65	65	64		
More than 48 hours per week	10	9	12	12		*
Not known	2	4	2	4	*	
Temporary or fixed-term contract	9	7	8	7		

Source: WERS Survey of Employees

Note: * indicates that the difference between the two columns indicated in the heading is statistically significant at the 5 per cent level.

Table 4.3: Employee representation and voice

	North		Rest of GB		Significant differences		With controls^	
	2004	2011	2004	2011				
	[1]	[2]	[3]	[4]	[1] vs [2]	[2] vs [4]	[1] vs [2]	[2] vs [4]
Percentage of employment in workplaces with specific characteristics:								
Any recognised unions	50	54	43	44		*		*
Any joint consultative committee	41	40	37	36				
Any non-union reps	19	19	17	16				
Any group meetings with 25% question time	52	62	53	56	*	*	*	*
None of the above	21	17	23	23		*		
Percentage of employees rating managers+ at their workplace as 'Good' or 'Very good' at:								
Seeking the views of employees and their representatives	48	51	48	52				
Responding to suggestions from employees and their representatives	43	45	43	47				
Allowing employees and their representatives to influence decisions	32	34	32	35				

Source: WERS Survey of Workplace Managers (for items headed 'Percentage of employment') and Survey of Employees (for items headed 'Percentage of employees')

Notes:

* indicates that the difference between the two columns indicated in the heading is statistically significant at the 10 per cent level (upper section) or 5 per cent level (lower section).

+ The three employee ratings were given on a five-point scale: Very good, Good, Neither good nor poor, Poor or Very poor.

^ Multivariate regression analysis is used to test whether statistically significant differences exist between the North and the Rest of GB after eliminating compositional differences between workplaces and employees in the two regions. Items in the upper section of the table above derive from the workplace-level data in WERS and so we control for the items presented in Table 4.1. Items in the lower section derive from the employee-level data in WERS and so we control for the items presented in Table 4.1 and Table 4.2.

Table 4.4: Pay determination

	North		Rest of GB		Significant differences		With controls^	
	2004	2011	2004	2011				
	[1]	[2]	[3]	[4]	[1] vs [2]	[2] vs [4]	[1] vs [2]	[2] vs [4]
Percentage of employment in workplaces with specific characteristics:								
Any collective bargaining	36	30	32	26	*		*	
Any payment-by-results or merit pay	51	42	46	50	*	*	*	*
Any profit-related pay	33	28	33	34				
Any share schemes	22	16	25	21	*	*		
Any incentive scheme	65	57	61	63	*	*	*	*
Percentage of employees paid in the following ways:					*			
Pay set by collective bargaining	31	25	27	22	*		*	
Fixed pay only	n/a	82	n/a	75	n/a	*	n/a	*
Performance-related pay only	n/a	3	n/a	3	n/a		n/a	
Both	n/a	15	n/a	22	n/a	*	n/a	*

Source: WERS Survey of Workplace Managers (for items headed 'Percentage of employment') and Survey of Employees (for items headed 'Percentage of employees')

Notes:

* indicates that the difference between the two columns indicated in the heading is statistically significant at the 10 per cent level (upper section) or 5 per cent level (lower section)

n/a indicates that the question was not asked in the 2004 survey.

^ Multivariate regression analysis is used to test whether statistically significant differences exist between the North and the Rest of GB after eliminating compositional differences between workplaces and employees in the two regions. Items in the upper section of the table above derive from the workplace-level data in WERS and so we control for the items presented in Table 4.1. Items in the lower section derive from the employee-level data in WERS and so we control for the items presented in Table 4.1 and Table 4.2.

Table 4.5: Work organisation and job quality

Percentage of employees who give the following ratings:	North		Rest of GB		Significant differences		With controls^	
	2004	2011	2004	2011				
	[1]	[2]	[3]	[4]	[1] v [2]	[2] v [4]	[1] v [2]	[2] v [4]
Job demands:								
''Agrees' or 'Strongly agrees' that their job requires them to work very hard.	76	84	76	83	*		*	
''Agrees' or 'Strongly agrees' that people in their kind of job have to put in long hours to progress at their workplace	n/a	40	n/a	41	n/a		n/a	
Job control:								
Has 'A lot' of influence over: how they do their work; the pace at which they work; and the order in which they carry out tasks.	26	30	28	31	*		*	
Job security:								
''Agrees' or 'Strongly agrees' that their job is secure in their workplace.	67	60	67	61	*		*	
Skill development:								
Off-the-job training received in past 12 months:								
None	39	33	37	32	*		*	
Less than 5 days	44	49	46	53	*	*	*	*
5 days or more	17	18	18	16		*		*
''Agrees' or 'Strongly agrees' that managers at the workplace encourage employees to develop their skills	57	59	59	59				
Work-life balance:								
''Agrees' or 'Strongly agrees' that managers at their workplace understand about employees having to meet responsibilities outside of work.	59	60	60	62				

Source: WERS Survey of Employees.

Notes: * indicates that the difference between the two columns indicated in the heading is statistically significant at the 5 per cent level
n/a indicates that the question was not asked in the 2004 survey.

^ Multivariate regression analysis is used to test whether statistically significant differences exist between the North and the Rest of GB after eliminating compositional differences between workplaces and employees in the two regions. All items in the table above derive from the employee-level data in WERS and so we control for the items presented in Table 4.1 and Table 4.2.

Table 4.6: Dispute resolution and the quality of employment relations

	North		Rest of GB		Significant differences		With controls^	
	2004	2011	2004	2011				
	[1]	[2]	[3]	[4]	[1] v [2]	[2] v [4]	[1] v [2]	[2] v [4]
Percentage of employment in workplaces with specific characteristics:								
Formal procedure for dealing with discipline and dismissals	96	97	95	97				
Dismissals: three principles used all of the time	83	91	80	91	*		*	
Formal procedure for dealing with employee grievances	94	97	93	97	*		*	
Grievances: three principles used all of the time	51	54	51	58				
Any industrial action in past 12 months	8	18	6	14	*		*	
Incidence of individual disputes per 100 employees:								
Number of disciplinary sanctions per 100 employees	5.7	4.9	4.9	4.7				5.7
Number of grievances raised per 100 employees	n/a	1.3	n/a	1.4	n/a		n/a	n/a
Percentage of employees giving the following ratings:								
'Agrees' or 'Strongly agrees' that managers at their workplace deal with employees honestly	56	56	57	59				
'Agrees' or 'Strongly agrees' that managers at their workplace treat employees fairly	57	58	57	59				
Rates relations between managers and employees at the workplace as 'Good' or 'Very good'	62	63	62	65				

Source: WERS Survey of Workplace Managers (for items headed 'Percentage of employment' and 'Incidence of individual disputes') and Survey of Employees (for items headed 'Percentage of employees')

Notes:

* indicates that the difference between the two columns indicated in the heading is statistically significant at the 10 per cent level (upper and middle section) or 5 per cent level (lower section)

n/a indicates that the question was not asked in the 2004 survey.

^ Multivariate regression analysis is used to test whether statistically significant differences exist between the North and the Rest of GB after eliminating compositional differences between workplaces and employees in the two regions. Items in the upper section of the table above derive from the workplace-level data in WERS and so we control for the items presented in Table 4.1. Items in the lower section derive from the employee-level data in WERS and so we control for the items presented in Table 4.1 and Table 4.2.

Table 4.7: Job satisfaction

	North		Rest of GB		Significant differences		With controls^	
	2004	2011	2004	2011				
	[1]	[2]	[3]	[4]	[1] v [2]	[2] v [4]	[1] v [2]	[2] v [4]
Percentage of employees 'Very satisfied' or 'Satisfied' with:								
The sense of achievement they get from work	69	72	71	75				
The scope for using their initiative	71	75	73	76	*			
The amount of influence they have over their job	59	60	59	62				
The training they receive	50	56	51	54	*			
The amount of pay they receive	36	42	36	42	*		*	
Their job security	65	59	65	59	*			
The work itself	71	74	72	75				
Their degree of involvement in decision-making at the workplace	40	41	40	44		*	*	*
Average number of items where 'Very satisfied' or 'Satisfied' (0-8)	4.6	4.8	4.7	4.9				

Source: WERS Survey of Employees

Notes:

* indicates that the difference between the two columns indicated in the heading is statistically significant at the 5 per cent level

^ Multivariate regression analysis is used to test whether statistically significant differences exist between the North and the Rest of GB after eliminating compositional differences between workplaces and employees in the two regions. All items in the table derive from the WERS Survey of Employees and so we control for the items presented in Table 4.1 and Table 4.2.

Table 4.8: Use of Acas

	North		Rest of GB		Significant differences		With controls^	
	2004	2011	2004	2011				
	[1]	[2]	[3]	[4]	[1] v [2]	[2] v [4]	[1] v [2]	[2] v [4]
Percentage of employment in workplaces with specific characteristics:								
Manager with responsibility for employment relations at the workplace had sought information or advice from Acas in the previous year	25	30	23	31				

Source: WERS Survey of Workplace Managers

Notes:

* indicates that the difference between the two columns indicated in the heading is statistically significant at the 10 per cent level

^ Multivariate regression analysis is used to test whether statistically significant differences exist between the North and the Rest of GB after eliminating compositional differences between workplaces in the two regions. Items in the table above derive from the workplace-level data in WERS and so we control for the items presented in Table 4.1.

5. EMPLOYMENT RELATIONS IN SCOTLAND

5.1. Introduction and summary

This chapter examines changes in employment relations in Scotland between 2004 and 2011. It also investigates the extent to which employment relations in the region differ from those in the Rest of Great Britain.

We use WERS data from workplace managers who reported on employment practices at their workplace, and from employees who were asked about their experience of working life. The Scotland sample in WERS contains 223 workplaces in 2004 and 276 in 2011. Regional estimates from the Survey of Workplace Managers will typically have to change by around eight percentage points between 2004 and 2011 in order to be statistically significant at the ten per cent level. The WERS Survey of Employees offers data from 2,515 employees in Scotland in 2004 and 2,414 in 2011. Regional estimates from the Survey of Employees will typically have to change by around five percentage points between 2004 and 2011 in order to be statistically significant (we use the five per cent level of significance here because of the larger sample size).

One possibility is that differences may be accentuated (or hidden) by the particular composition of the economy and workforce in the region. Table 5.1 and Table 5.2 use the WERS data to indicate the characteristics of workplaces and employees in Scotland, and to compare these with the characteristics of workplaces and employees in the Rest of Great Britain. All tables use survey weights and thus provide estimates of the prevalence of a particular characteristic in the population at large (rather than simply in the survey sample itself). Table 5.1 and Table 5.2 show, for example, that workplaces in Scotland are smaller, on average, than those found in the Rest of Great Britain, and that Scotland has relatively fewer employees working in Manufacturing and Other business services, but relatively more in Construction. Statistical methods (outlined in Section 1.3) are used in the analysis to examine whether any of the compositional differences shown in Table 5.1 and Table 5.2 are important in explaining differences in employment relations between Scotland and the Rest of Great Britain.

To summarise the main results from the chapter, the principal changes seen in the region between 2004 and 2011 were:

- an increase in work intensity and a decline in job security, both of which could reasonably be attributed to the recession;
- increases in arrangements for direct employer/employee communication and in employees' ratings of consultation;
- increases in job autonomy and in managers' understanding of employees' non-work responsibilities.

In addition, it is notable that the incidence of collective bargaining has remained unchanged in the region over this period, whilst it has declined in the Rest of Great Britain of Britain.

5.2. Employee representation and voice

The most prevalent arrangement through which employees are collectively represented at work is through trade unions. However the recognition of trade unions for collective bargaining has fallen dramatically over the past three decades and attention has

increasingly fallen upon arrangements for information and consultation, some of which may not involve unions. Table 5.3 shows that:

- Nearly three-fifths (56 per cent) of employees in Scotland work in establishments where trade unions are recognised for negotiating pay and conditions.
- One-third (36 per cent) of employees work in establishments with at least one joint consultative committee (a committee of managers and that is primarily concerned with consultation rather than negotiation).
- Fewer than one-seventh (13 per cent) of employees work in establishments where there is at least one non-union representative.
- None of these figures changed to a significant degree between 2004 and 2011.
- In 2011, the rate of union recognition in Scotland (56 per cent) was higher than that seen in the Rest of Great Britain (46 per cent); this difference was not explained by differences in the composition of the two economies.

Many employers state a preference for direct communication with their employees. One way in which this communication takes place is in staff meetings or team briefings, although such meetings do not always provide substantial opportunities for dialogue. Table 5.3 further shows that:

- Almost three-fifths (57 per cent) of employees in Scotland work in establishments that have staff meetings or team briefings where at least 25 per cent of the meeting time is left open for employees' questions or comments. This had increased from 47 per cent in 2004.
- The percentage in 2011 was similar to the Rest of Great Britain (58 per cent).

An overall measure of the availability of arrangements for employee 'voice' is provided by looking at the share of employees whose workplace offers any of the representative or direct methods discussed above.

- In 2011, four-fifths (80 per cent) of employees in Scotland worked in such an establishment. This was similar to the percentage for the Rest of Great Britain (79 per cent) and had not changed significantly since 2004.

Despite the broad availability of such arrangements, only a minority of employees rate their managers positively on their approach to consultation.

- In 2011, over half (54 per cent) of all employees in Scotland judged that managers at their workplace were either 'Good' or 'Very good' at seeking the views of employees and their representatives. This had increased from 47 per cent in 2004.
- Half (50 per cent) judged that managers were 'Good' or 'Very good' at responding to suggestions from employees and their representatives. This had increased from 42 per cent in 2004.
- Nearly two-fifths (38 per cent) judged that managers were 'Good' or 'Very good' at allowing employees and their representatives to influence decisions. Again, this had increased, from 30 per cent in 2004.
- The percentages seen in 2011 were similar to those for the Rest of Great Britain (52 per cent, 46 per cent and 34 per cent respectively).

5.3. Pay determination

The recent recession has put pressure on terms and conditions, with many employees experiencing a decline in real wages. However the formal arrangements for pay determination have remained relatively stable. Table 5.4 shows that:

- Two-fifths (42 per cent) of all employees in Scotland work in establishments where there is some collective bargaining over pay and conditions. The figure is substantially higher than in the Rest of Great Britain (26 per cent) and is not explained by compositional factors.
- In some workplaces, not all employees are covered however, and the proportion of all employees in Scotland whose own pay is set by collective bargaining stands at 38 per cent. Again the figure is higher than in the Rest of Great Britain (21 per cent) and is not explained by compositional factors.
- Neither of the percentages had changed significantly in Scotland since 2004.

Performance-related pay systems and financial participation schemes may be an attractive way for firms to share risk with their employees in difficult times, and to reward them when times are better.

- Two-fifths (39 per cent) of employees in Scotland work in establishments where there is some payment-by-results or merit pay, fewer than in the Rest of Great Britain (49 per cent). The difference is again not explained by compositional factors.
- Some 18 per cent of employees in Scotland have some performance-related element to their pay. This appears lower than in the Rest of Great Britain (23 per cent) but the difference is not statistically significant. One in seven employees in Scotland (16 per cent) receive performance-related payments on top of a fixed wage and 2 per cent are paid solely on performance.
- One quarter (27 per cent) of employees work in an establishment with a profit-related pay scheme and 16 per cent work in an establishment with an employee share-ownership scheme. The latter has fallen from 26 per cent in 2004, a change which is not due to change in the composition of the Scottish economy. The prevalence of these systems is similar to that in the Rest of Great Britain, where 33 per cent of employees work in an establishment with a profit-related pay scheme and 20 per cent work in an establishment with a share-ownership scheme.
- Overall half (51 per cent) of employees in Scotland work in an establishment where there is payment-by-results, merit pay, profit-related pay or a share scheme. This is lower than in the Rest of Great Britain (62 per cent) and the difference is not explained by compositional factors

5.4. Work organisation and job quality

The way that work is organised and the quality of jobs have broad implications, affecting employees' productivity and their physical and mental well-being. We begin by examining the demands that employees' face in their jobs, before going on to examine the degree of autonomy or control that they have over their work. We then examine some of the factors that support an employee in their work, including help to develop their skills. Table 5.5 shows that:

- One tenth (10 per cent) of employees in Scotland usually work more than 48 hours per week, similar to 2004. However the intensity of work appears to have increased, with four-fifths (81 per cent) of employees in Scotland saying that their job requires them to work very hard (up from 74 per cent in 2004). These figures are in line with those seen in the Rest of Great Britain. The increase was not explained by compositional factors.
- Two-fifths (40 per cent) agree that people in their kind of job have to put in long hours to progress at their workplace – a similar percentage to that seen in the Rest of Great Britain (41 per cent).
- Job autonomy is viewed as an important factor in helping employees to cope with a demanding job. Around one-third of employees in Scotland (35 per cent) judged that they had 'A lot' of influence over three key elements of their job: how they do their work; the pace at which they work; and the order in which they carry out tasks. The

percentage had increased from 27 per cent in 2004, resulting in a higher figure than for the Rest of Great Britain (30 per cent).

- Job security is also typically valued by employees, but one would expect it to have suffered through the economic downturn. This proves to be the case. Just 62 per cent of employees in Scotland judged that their job was secure in 2011, compared with 68 per cent in 2004. A similar decline was seen in the Rest of Great Britain (67 per cent in 2004, but 60 per cent in 2011).
- The provision of training was less heavily affected by the downturn. In 2011, the percentage of employees receiving off-the-job training in the 12 months prior to the survey was 33 per cent, down from 37 per cent in 2004. Moreover there was an indication that training durations had shortened, with the proportion receiving less than 5 days of training rising from 45 to 51 per cent. This was not the result of compositional factors and mirrored a change seen in the Rest of Great Britain.
- Three-fifths (60 per cent) of employees in Scotland agreed that managers at their workplace encouraged employees to develop their skills; this was similar to the figure reported in 2004.
- Over three-fifths (63 per cent) of employees agreed that managers at their workplace were understanding about employees having to meet responsibilities outside work. This was an increase from 57 per cent in 2004, and could not be explained by compositional changes.

5.5. Dispute resolution and the quality of employment relations

The formalisation of mechanisms for workplace dispute resolution has been a defining feature of the changing employment relations landscape in recent years, supported by an increased policy focus on resolving disputes at an early stage. Table 5.6 shows that:

- In 2011, 96 per cent of all employees in Scotland worked in an establishment with a formal procedure for dealing with disciplinary matters or dismissals. Once compositional changes were taken into account, this was an increase from 2004 when the figure stood at 94 per cent.
- Similarly, in 2011, 96 per cent of all employees in Scotland worked in an establishment with a formal procedure for dealing with employee grievances. Again, once compositional factors were taken into account, this was an increase from 2004, when the figure stood at 94 per cent.
- The Acas Code of Practice proposes that the handling of grievances and disciplinary matters should include three steps: (i) set the issue out in writing; (ii) hold a meeting to discuss the matter; (iii) provide the employee with an opportunity to appeal against the decision.
- In 2011, 90 per cent of employees in Scotland worked in an establishment where the manager said all three steps were always followed in disciplinary cases. This was an increase (from 79 per cent in 2004) which was not explained by compositional factors.
- The three steps were less commonly used when handling grievances: just 54 per cent of employees worked in an establishment where the manager said they were always used in grievance cases. But again, once compositional changes were taken into account, this was an increase from 2004, when the figure stood at 45 per cent.
- This prevalence and change in systematic approaches to the resolution of disputes at work in Scotland was similar to that in the Rest of Great Britain, where the share of workplaces using all three principles all of the time rose from 51 per cent to 57 per cent in the case of grievances and from 81 per cent to 91 per cent in the case of disciplinary matters.

Turning to the incidence of collective and individual disputes, we see some evidence of an upturn between 2004 and 2011, but employees' general evaluations of their relationships with managers have not deteriorated.

- One in six (17 per cent) of employees in Scotland worked in establishments that had experienced industrial action in the 12 months prior to the 2011 survey, up from 8 per cent in 2004. The prevalence and increase was similar to that in the Rest of Great Britain, where 6 per cent of employees worked in an establishment with industrial action in 2004 and 15 per cent did so in 2011.
- Managers issued 4.2 disciplinary sanctions per 100 employees in Scotland in 2011 (covering formal warnings, suspensions and dismissals). The rate had not changed since 2004 and was similar to the rate seen in the Rest of Great Britain (4.8 per 100 employees).
- Grievances were raised at a rate of 1.4 per 100 employees in 2011, the same rate seen in the Rest of Great Britain.
- When asked to rate managers at their workplace, nearly three-fifths (58 per cent) of employees in Scotland judged that their managers dealt with employees honestly, and the same percentage judged that managers treated employees fairly. More than three-fifths (64 per cent) rated the relationship between managers and employees at their workplace as either 'Good' or 'Very good'. The latter had increased from 58 per cent in 2004. Otherwise there was no change.
- These ratings of managers were similar to those in the Rest of Great Britain.

5.6. Job satisfaction

Levels of job satisfaction provide another useful barometer of employees' experience of work. Moreover, satisfied employees are more productive and less likely to quit their jobs. However job satisfaction measures must also be treated with some caution, as levels of satisfaction can improve either as a result of improvements in an employee's own conditions of work or because of a decline in the availability of alternative job opportunities. It is then quite possible to see satisfaction levels rise in a downturn. Table 5.7 shows that:

- In 2011, around three-quarters (74 per cent) of employees in the region were satisfied with the sense of achievement that they got from work and similar proportions were satisfied with the scope for using their initiative (75 per cent) and with the work itself (76 per cent).
- Around three-fifths of employees were satisfied with the amount of influence they had over their job (62 per cent), their level of job security (also 62 per cent) or the training they received (56 per cent). Under half were satisfied with their level of pay (45 per cent) or with their degree of involvement in workplace decision-making (44 per cent).
- Levels of satisfaction rose on each of these items in Scotland between 2004 and 2011, with the sole exception of satisfaction with job security, which remained approximately unchanged.
- The improvements in job satisfaction in Scotland were larger than those seen in the Rest of Great Britain.
- In 2011 there were no significant differences between the levels of satisfaction seen in Scotland and those seen in the Rest of Great Britain.

5.7. Use of Acas

The WERS survey asks the manager with responsibility for employment relations at the workplace whether they have sought information or advice from various bodies over the previous 12 months. The list includes Acas. Table 5.8 shows that:

- In 2011, managers at three in ten (29 per cent) of workplaces in Scotland said that they had sought information or advice from Acas. This had increased from 18 per cent in 2004 and was not explained by compositional changes.

- This increase resulted in similar usage in Scotland to the Rest of Great Britain, where managers at 31 per cent of workplaces said that they had sought information or advice from Acas in 2011.

Table 5.1: Workplace characteristics (percentage of employees in workplaces with the specified characteristic)

Workplace characteristics	Scotland 2004 [1]	Scotland 2011 [2]	Rest of GB 2004 [3]	Rest of GB 2011 [4]	Significant differences [1] vs [2]	Significant differences [2] vs [4]
Workplace size:						
Mean number of employees	31	27	32	32		*
Workplace size (distribution):						
5-9 employees	10	11	10	10		
10-19 employees	10	15	11	11	*	*
20-49 employees	19	16	18	17		
50-99 employees	12	13	13	14		
100-499 employees	27	24	28	27		
500+ employees	22	19	20	21		
Industry sector, SIC(2003):						
D: Manufacturing	7	7	16	11		*
E: Electricity, gas and water	1	1	0	0		
F: Construction	8	7	4	3		*
G: Wholesale and retail	13	16	17	15		
H: Hotels and restaurants	5	8	6	6		
I: Transport and communication	5	9	6	6		
J: Financial intermediation	8	5	5	4		
K: Other business services	14	10	14	18		*
L: Public administration	6	6	6	7		
M: Education	12	13	8	11		
N: Health and social work	18	17	13	13		
O: Other community services	3	3	5	4		
Single independent workplaces	21	26	25	25		
Public sector workplaces	32	27	23	24		

Source: WERS Survey of Workplace Managers

Note: * indicates that the difference between the two columns indicated in the heading is statistically significant at the 10 per cent level.

Table 5.2: Employee characteristics (percentage of employees with the specified characteristic)

Employee characteristics	Scotland 2004 [1]	Scotland 2011 [2]	Rest of GB 2004 [3]	Rest of GB 2011 [4]	Significant differences [1] vs [2]	Significant differences [2] vs [4]
Male	51	49	50	49		
Age:						
Less than 20 years	3	3	4	2		
20-29 years	17	15	19	19		*
30-59 years	76	75	71	71		*
60 years and above	5	7	5	8	*	
Non-white ethnic group	2	5	9	13	*	*
Occupation, SOC(2000):						
Managers and senior officials	10	13	12	14		
Professional	12	13	11	12		
Associate professional and technical	14	12	15	16		*
Administrative and secretarial	18	15	17	15		
Skilled trades	11	8	7	5		
Caring, leisure and personal service	9	8	7	8		
Sales and customer service	8	7	9	7		
Process, plant and machine operatives	8	8	8	6		
Routine unskilled occupations	10	12	12	12		
Not known	1	5	1	4	*	
Usual working hours:						
Less than 10 hours per week	3	5	4	4	*	
10-29 hours per week	16	16	18	17		
30-48 hours per week	70	65	65	64	*	
More than 48 hours per week	9	10	12	11		
Not known	2	5	2	4	*	
Temporary or fixed-term contract	9	7	8	7		

Source: WERS Survey of Employees

Note: * indicates that the difference between the two columns indicated in the heading is statistically significant at the 5 per cent level.

Table 5.3: Employee representation and voice

	Scotland		Rest of GB		Significant differences		With controls^	
	2004	2011	2004	2011				
	[1]	[2]	[3]	[4]	[1] vs [2]	[2] vs [4]	[1] vs [2]	[2] vs [4]
Percentage of employment in workplaces with specific characteristics:								
Any recognised unions	57	56	44	46		*		*
Any joint consultative committee	42	36	37	37				
Any non-union reps	16	13	18	17				
Any group meetings with 25% question time	47	57	53	58	*		*	
None of the above	24	20	23	21				
Percentage of employees rating managers+ at their workplace as 'Good' or 'Very good' at:								
Seeking the views of employees and their representatives	47	54	48	52	*		*	
Responding to suggestions from employees and their representatives	42	50	44	46	*		*	
Allowing employees and their representatives to influence decisions	30	38	32	34	*		*	

Source: WERS Survey of Workplace Managers (for items headed 'Percentage of employment') and Survey of Employees (for items headed 'Percentage of employees')

Notes:

* indicates that the difference between the two columns indicated in the heading is statistically significant at the 10 per cent level (upper section) or 5 per cent level (lower section).

+ The three employee ratings were given on a five-point scale: Very good, Good, Neither good nor poor, Poor or Very poor.

^ Multivariate regression analysis is used to test whether statistically significant differences exist between Scotland and the Rest of GB after eliminating compositional differences between workplaces and employees in the two regions. Items in the upper section of the table above derive from the workplace-level data in WERS and so we control for the items presented in Table 5.1. Items in the lower section derive from the employee-level data in WERS and so we control for the items presented in Table 5.1 and Table 5.2.

Table 5.4: Pay determination

	Scotland		Rest of GB		Significant differences		With controls^	
	2004	2011	2004	2011				
	[1]	[2]	[3]	[4]	[1] vs [2]	[2] vs [4]	[1] vs [2]	[2] vs [4]
Percentage of employment in workplaces with specific characteristics:								
Any collective bargaining	43	42	32	26		*		*
Any payment-by-results or merit pay	39	39	48	49				*
Any profit-related pay	26	27	33	33				
Any share schemes	26	16	24	20	*		*	
Any incentive scheme	57	51	62	62		*		*
					*			
Percentage of employees paid in the following ways:								
Pay set by collective bargaining	38	38	27	21		*		*
Fixed pay only	n/a	82	n/a	77	n/a		n/a	
Performance-related pay only	n/a	2	n/a	3	n/a	*	n/a	*
Both	n/a	16	n/a	20	n/a		n/a	

Source: WERS Survey of Workplace Managers (for items headed 'Percentage of employment') and Survey of Employees (for items headed 'Percentage of employees')

Notes:

* indicates that the difference between the two columns indicated in the heading is statistically significant at the 10 per cent level (upper section) or 5 per cent level (lower section)

n/a indicates that the question was not asked in the 2004 survey.

^ Multivariate regression analysis is used to test whether statistically significant differences exist between Scotland and the Rest of GB after eliminating compositional differences between workplaces and employees in the two regions. Items in the upper section of the table above derive from the workplace-level data in WERS and so we control for the items presented in Table 5.1. Items in the lower section derive from the employee-level data in WERS and so we control for the items presented in Table 5.1 and Table 5.2.

Table 5.5: Work organisation and job quality

Percentage of employees who give the following ratings:	Scotland		Rest of GB		Significant differences		With controls^	
	2004	2011	2004	2011				
	[1]	[2]	[3]	[4]	[1] v [2]	[2] v [4]	[1] v [2]	[2] v [4]
Job demands:								
''Agrees' or 'Strongly agrees' that their job requires them to work very hard.	74	81	76	83	*		*	
''Agrees' or 'Strongly agrees' that people in their kind of job have to put in long hours to progress at their workplace	n/a	40	n/a	41	n/a		n/a	
Job control:								
Has 'A lot' of influence over: how they do their work; the pace at which they work; and the order in which they carry out tasks.	27	35	27	30	*	*	*	*
Job security:								
''Agrees' or 'Strongly agrees' that their job is secure in their workplace.	68	62	67	60	*		*	
Skill development:								
Off-the-job training received in past 12 months:								
None	37	33	37	32			*	
Less than 5 days	46	51	45	52			*	
5 days or more	17	16	18	16				
''Agrees' or 'Strongly agrees' that managers at the workplace encourage employees to develop their skills	57	60	59	59				
Work-life balance:								
''Agrees' or 'Strongly agrees' that managers at their workplace understand about employees having to meet responsibilities outside of work.	57	63	60	62	*		*	

Source: WERS Survey of Employees.

Notes: * indicates that the difference between the two columns indicated in the heading is statistically significant at the 5 per cent level

n/a indicates that the question was not asked in the 2004 survey.

^ Multivariate regression analysis is used to test whether statistically significant differences exist between Scotland and the Rest of GB after eliminating compositional differences between workplaces and employees in the two regions. All items in the table above derive from the employee-level data in WERS and so we control for the items presented in Table 5.1 and Table 5.2.

Table 5.6: Dispute resolution and the quality of employment relations

	Scotland		Rest of GB		Significant differences		With controls^	
	2004	2011	2004	2011				
	[1]	[2]	[3]	[4]	[1] v [2]	[2] v [4]	[1] v [2]	[2] v [4]
Percentage of employment in workplaces with specific characteristics:								
Formal procedure for dealing with discipline and dismissals	94	96	95	97			*	
Dismissals: three principles used all of the time	79	90	81	91	*		*	
Formal procedure for dealing with employee grievances	94	96	93	97			*	
Grievances: three principles used all of the time	45	54	51	57			*	
Any industrial action in past 12 months	8	17	6	15	*		*	
Incidence of individual disputes per 100 employees:								
Number of disciplinary sanctions per 100 employees	4.0	4.2	5.2	4.8				
Number of grievances raised per 100 employees	n/a	1.4	n/a	1.4	n/a		n/a	
Percentage of employees giving the following ratings:								
'Agrees' or 'Strongly agrees' that managers at their workplace deal with employees honestly	54	58	57	58				
'Agrees' or 'Strongly agrees' that managers at their workplace treat employees fairly	56	58	57	59				
Rates relations between managers and employees at the workplace as 'Good' or 'Very good'	58	64	63	65	*			

Source: WERS Survey of Workplace Managers (for items headed 'Percentage of employment' and 'Incidence of individual disputes') and Survey of Employees (for items headed 'Percentage of employees')

Notes:

* indicates that the difference between the two columns indicated in the heading is statistically significant at the 10 per cent level (upper and middle section) or 5 per cent level (lower section)

n/a indicates that the question was not asked in the 2004 survey.

^ Multivariate regression analysis is used to test whether statistically significant differences exist between Scotland and the Rest of GB after eliminating compositional differences between workplaces and employees in the two regions. Items in the upper section of the table above derive from the workplace-level data in WERS and so we control for the items presented in Table 5.1. Items in the lower section derive from the employee-level data in WERS and so we control for the items presented in Table 5.1 and Table 5.2.

Table 5.7: Job satisfaction

	Scotland		Rest of GB		Significant differences		With controls^	
	2004	2011	2004	2011				
	[1]	[2]	[3]	[4]	[1] v [2]	[2] v [4]	[1] v [2]	[2] v [4]
Percentage of employees 'Very satisfied' or 'Satisfied' with:								
The sense of achievement they get from work	68	74	71	74	*			
The scope for using their initiative	68	75	73	76	*			
The amount of influence they have over their job	54	62	59	62	*			
The training they receive	49	56	51	55	*			
The amount of pay they receive	36	45	36	41	*	*		
Their job security	65	62	65	58		*		
The work itself	70	76	72	75	*			
Their degree of involvement in decision-making at the workplace	39	44	40	43	*	*		
Average number of items where 'Very satisfied' or 'Satisfied' (0-8)	4.5	5.0	4.7	4.8	*	*		

Source: WERS Survey of Employees

Notes:

* indicates that the difference between the two columns indicated in the heading is statistically significant at the 5 per cent level

^ Multivariate regression analysis is used to test whether statistically significant differences exist between Scotland and the Rest of GB after eliminating compositional differences between workplaces and employees in the two regions. All items in the table derive from the WERS Survey of Employees and so we control for the items presented in Table 5.1 and Table 5.2.

Table 5.8: Use of Acas

	Scotland		Rest of GB		Significant differences		With controls^	
	2004	2011	2004	2011				
	[1]	[2]	[3]	[4]	[1] v [2]	[2] v [4]	[1] v [2]	[2] v [4]
Percentage of employment in workplaces with specific characteristics:								
Manager with responsibility for employment relations at the workplace had sought information or advice from Acas in the previous year	18	29	24	31	*		*	

Source: WERS Survey of Workplace Managers

Notes:

* indicates that the difference between the two columns indicated in the heading is statistically significant at the 10 per cent level

^ Multivariate regression analysis is used to test whether statistically significant differences exist between Scotland and the Rest of GB after eliminating compositional differences between workplaces in the two regions. Items in the table above derive from the workplace-level data in WERS and so we control for the items presented in Table 5.1.

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