1998 Workplace Employee Relations Survey

User Guide

Volume 1: Survey in Transition
A SURVEY IN TRANSITION:
The Design of the 1998 Workplace Employee Relations Survey

Mark Cully
Department of Trade and Industry
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This paper is the outcome of a vast collaborative effort on the part of the WERS Research Team, which I head, and the WERS Steering Committee, comprised of representatives from the four funding organisations: the Department of Trade and Industry, the Economic and Social Research Council, the Advisory Conciliation and Arbitration Service, and the Policy Studies Institute. The views expressed in the paper are my own and should not be attributed to any of the sponsors.
1. Introduction

The series of Workplace Industrial Relations Surveys that began in 1980, and undertaken again in 1984 and 1990, is widely regarded as among the principal sources of information on changes in the contours of British industrial relations.

There are a number of features of the series which encourage this view. First, it is (near enough to) national, covering almost all workplaces across Britain with 25 employees or more. Only agriculture, forestry and fishing, and coal mining have been excluded. In terms of employee coverage, past surveys covered about 70 per cent of employees at work in the population. Second, the surveys are done to irreproachable methodological standards, so that users are confident as can be about the accuracy of the data. Third, enormous efforts are made to encourage participation which in the past has resulted in response rates of around 80 per cent, thus providing assurances as to representativeness. Fourth, in subject matter the series is quite comprehensive, with the questionnaires collecting information about most facets of industrial relations at the workplace. Fifth, the data collected is seen as impartial, by virtue of its multi-sponsorship which provides checks against any one sponsor attempting to push the survey too far in its preferred direction, and because the surveys collected information from both representatives of managers and of workers. Taken together, these features mean that users of the data feel confident about its reliability and authority.

The present survey, the fourth in the series continues in this vein. The basic structure of the survey remains; that is, a sample survey of managers and worker representatives in their roles as ‘key informants’ answering questions about the state of employee relations at their workplace. And, the objectives are similar to those of past surveys:

(i) to map the system of workplace employee relations in Britain and changes in the system over time;

(ii) to provide a comprehensive and statistically reliable database on British workplace employee relations, which is made publicly available and easily accessible; and,

(iii) to inform Government policy development, and stimulate and inform debate among employers and workers and their organisations and the wider community, through the provision of a summary report and sourcebook presenting a primary analysis of the survey findings and the publicly available database.

In preparing for the present survey we recognised that much had altered in British industrial relations since the series began, and that it was time to re-consider the issues which informed the structure of the survey and the design of the questionnaires. This paper summarises the discussions which took place among the sponsors about the ways in which the survey should be modified. One change, which some see as symbolic, is to name the present survey the 1998 Workplace Employee Relations Survey, or WERS 98 for short.¹

¹ In fact, the series has always had an ambivalent identity. It has each time been presented to respondents as an employee relations survey, but in publications and other documentation WIRS was used. We have opted for a single identity of WERS as better reflecting the content of the present survey.
In the next section we discuss what seemed to us to be the more important employee relations issues being discussed in policy forums and academic journals across the country as we came to design the study. We then outline the design adopted for the 1998 survey. In the final section, we present information on the outcome of the survey in the field, and explain our plans for disseminating the data.

2. Contemporary Issues In Employee Relations

Employment in Britain has changed markedly since the foundations of the WIRS series were laid in 1979. Human resource management, the flexible firm, and European Works Councils were unheard of, and in addition, the period since 1979 saw several major pieces of legislation to do with employment and industrial relations. All of these have had a marked effect upon the activities of employers and trade unions, along with many other aspects of the employment relationship.

This necessitated a careful re-examination of the survey design to ensure that it remained relevant to contemporary circumstances. The sponsor’s deliberations on these matters were helpfully informed by two pieces of work commissioned to examine the future development of the series. The first of these was a consultation exercise with leading employers, policy officials, employer associations and unions carried out by the Institute for Employment Studies on behalf of the DTI (Atkinson et al. 1996). In addition, the Industrial Relations Research Unit at the University of Warwick undertook a survey and organised a one-day workshop of academic WIRS users for the ESRC (Edwards and Marginson 1996).

Those contemplating changes to a repeated survey must be wary of faddishness. It is inevitable that a certain proportion of questioning will deal with issues which seem highly pertinent at the time, but in the longer-run prove to be red-herrings. An example from the 1980s, which the WIRS researchers avoided, was the prevalence of so-called ‘macho’ management. What should be avoided is mistaking secular change for cyclical change: if the series is to have long-standing value, it needs underlying continuity to measure change over a period of time. But, if it is to avoid criticisms of outdatedness it does need to take cognisance of contemporary issues. We have tried to reconcile this conundrum by looking at ways of re-structuring the survey, and by bringing in innovations, so that we can measure both the new and changes in the old.

Central to our approach was to ensure that we met our objective of mapping workplace employee relations over time, but beyond that to use the survey to address several themes, and accept that themes may vary from one survey to the next. We settled on three themes for the 1998 survey - they are to:

- assess whether there has been a transformation in workplace employee relations in Britain;
- examine the state of the contemporary employment relationship; and,
- explore how employee relations and practices at the workplace impact upon its performance and competitiveness.

We look at each of these in turn.
Within academic circles, there is often debate as to whether the study of employee relations constitutes an academic discipline, the point of contention being whether, like subjects such as economics or sociology, it can be described by an underlying theoretical model. It is not our intention to engage in this debate, but we must have some frame of reference to decide what should form the core of our empirical endeavours.

How are we best to characterise the employment relationship? The British tradition, drawing notably on the work of Alan Flanders, is to see it as the ‘study of the institutions of job regulation’ (1975: 86). In Britain where there is relatively little statutory regulation, the state can be seen as providing some form of overarching framework within which workplace relations are conducted. Our interest may be in how regulations or rules are formulated, ways in which they are adhered to or modified, and how they effect behaviour. These regulations may be legal, agreements between the parties, either procedural (e.g. the process to follow in disciplining a worker) or substantive (e.g. hours or work), and they may also be conventions, which may not be codified in any agreement, but have become ‘custom and practice’.

At the heart of the WIRS series has been a focus on the institutional arrangements at the workplace which determine these regulations, notably, following Clegg (1976), the extent, level, scope and depth of collective bargaining. But institutional job regulation goes beyond collective bargaining. Flanders’ definition, while mostly employed to analyse interaction between managers and unions, is also a useful tool for exploring relations between managers and individual employees, as noted for instance by Edwards (1995). For the employment relationship, in its essence, is triangular.

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Management

                 ▲
                /   \
              /     \
Unions/Worker representatives

                 ▼
                /   \
              /     \
Employees
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The emergence of individualisation in the employment contract - direct employee involvement, variable pay, contingent contracts, and so on - has led to a renewed emphasis on the direct link between management and employees, whether or not this relationship is mediated by the presence of trade unions (or other representatives) as employees’ bargaining agents. This could be either in the context of one-to-one negotiations (i.e. individual contracts), or more commonly the acceptance by individual employees (or groups of employees) of management stipulation of certain terms and conditions or working practices (Brown and Rea 1995). This has received relatively little attention in the WIRS series, although there has been a consistent series of questions about such matters as employee involvement and employment practices.
We, therefore, see the ‘mapping’ of employee relations as an exercise in getting managers and worker representatives (and employees) to articulate the nature of workplace regulation, both its institutions and the processes by which regulations are modified and contested.

**A transformation in employee relations?**

As implied at the start of this section, it is evident that much has altered since 1979, but is the amount of change sufficient to describe it as a transformation. Attention has focused on two areas: first, the decline in the strength of organised labour as evidenced by a variety of statistics; and, second, what if anything has emerged in its place. Some have pointed to the emergence of human resource management as presaging a new form of employee relations, while others suggest that the absence of worker representation might best be characterised as a ‘bleak house’.

The 1984 WIRS showed little change from 1980 in the institutions of worker representation and collective bargaining, but the 1990 survey revealed a strong fall in collective representation. This was said by the authors of the 1990 report to be ‘stark, substantial and incontrovertible’ (Millward et al. 1992: 352).

What evidence we have from other sources suggests a continued decline since 1990. For example, since 1990 union density has fallen from 38 per cent to 30 per cent (in 1997), and union membership is now two-fifths below its peak in 1979 (Cully and Woodland 1998). There is now likely to be a much greater proportion of workplaces where there are either no union members present; and, where unions are present and recognised there is evidence for some workplaces that what remains is an ‘empty shell’ (Atkinson et al. 1996).

Despite, or because of, this decline there has been much debate in recent years about representation at work. Kessler and Undy (1996), in an employee survey for the Institute of Personnel and Development (IPD), found that two-thirds of employees had their aspirations unmet in relation to being involved in decisions over pay levels. At the same time there have been countervailing pressures emanating from the European Union, and these may have influenced structures of worker representation - the European Works Council directive and changes in 1995 to requirements for consulting employees over collective redundancies and health and safety matters. In May this year, the Government released a white paper, *Fairness at Work*, which announced its intentions to give workers the right to statutory union recognition where a majority of workers are in favour.

However, it is on the management side that we have witnessed a profusion of publications grappling with the concept of human resource management. This has never been explored in much detail in past WIRS - although there were ‘fragments’ throughout (Sisson 1993) - but has continued to remain at the forefront of debate since 1990. Much of the discussion focuses on defining human resource management. At the most basic, a checklist approach is adopted while more sophisticated analyses examine which practices cluster together, or construct ‘ideal types’ of employers.

What is missing is solid, empirical data that might help to shed light on the profusion of these practices across British workplaces. A sneaking suspicion is evident in some quarters that the incidence of human resource management practices is not as widespread as may be implied by
the amount of discussion on the topic; and, moreover, that where they are found it is more likely to be in ‘traditional’ unionised firms than new firms.

Whether this all amounts to a transformation in the regulation of work in Britain is something that the survey can shed light on. The potential for addressing this with both a cross-sectional and panel survey is extensive. In exploring this we need to also examine factors promoting or retarding change, in particular the importance of changes in the external environment in which workplaces operate, such as ‘product’ and labour markets, and regulatory changes (Godard 1995).

The state of the modern employment contract

As discussed above, the case was made for some new areas of questioning on the regulation of work between management and individual employees.

All employees can be said to be ‘governed’ by a personal contract of employment, whether they are covered by a collective agreement or have an ‘individual’ contract of employment. Rather than positing a situation of collectivism versus individualism, which research shows can clearly co-exist (Kessler and Purcell 1995), the more interesting feature is differentiation versus standardisation. In terms of the regulation of work, do managers differentiate among employees doing like work, and, if so, for what purposes? WIRS has partly addressed this in the past, particularly in the area of pay determination, where there are questions about merit and performance-related pay, and various forms of financial participation.

There is scope for broadening this, to look at how work is organised, and how this ties in with management strategies to pursue, say, greater differentiation. If team working and quality circles have become more prevalent, then what does this mean for performance-related pay systems which are based on measures of individual performance?

The Institute of Personnel and Development has imported from the United States the concept of the ‘psychological contract’ to explain the, usually implied, duties and obligations of managers and workers, the one toward the other. Starting from the premise that no contract can fully document all of the expectations of both parties, these theories go on to explore the hidden nature of the deal. Given a partly open-ended contract, how do managers encourage co-operation rather than conflict? Industrial relations writers, sociologists and economists, have long had a parallel concept of the ‘wage-effort’ bargain (e.g. Baldamus 1961).

These debates tie in with a far broader discussion about the nature of work in the late twentieth century, where several societal trends are evident: changing composition of employment away from large-scale manufacturing to small-scale services; increasing labour-market participation of married women; consequent pressures to balance work and family lives; much greater variation in employment status, notably more self-employment, part-time employment and contingent employment; and, a fairly widespread feeling of greater insecurity of employment.

While there is certainly scope within WERS to explore some of these issues, the limitations of fixed-time interviews with managers and worker representatives does present a constraint. The desire for exploring these areas in greater depth was a major factor for the sponsors in exploring the feasibility of an employee survey.
It is widely held that, as a result of increasing competition - ‘globalisation’ in the private sector, and a variety of quasi-market initiatives in the public sector (e.g. compulsory competitive tendering) - British workplaces must continually adapt and innovate if they are to remain competitive. Employee relations are clearly of relevance here, for management must ensure, by some means, the consent of employees to change, which amounts to a re-negotiation of the rules regulating the employment relationship.

Are there any systematic factors which help to explain why some workplaces are able to adapt and survive, and remain competitive, whereas others fall by the wayside? Much industrial relations research over the past decade or more has explored this question, notably the role of trade unions. US researchers proposed what was, to many, the novel thesis that unions promoted improvements in productivity, and found empirical evidence which supported it (Freeman and Medoff 1986). In Britain, where a series of step-by-step reforms had restricted the conditions under which unions could claim immunity from civil torts for industrial action, such an idea was almost counter-intuitive. Some writers ascribed the productivity rise in British manufacturing in the 1980s to these reforms (Metcalf 1989), which is difficult to square with the notion that unions can improve productivity. The empirical evidence, some of which is based on past WIRS, is inconclusive; either the tests have proved inadequate or there are complaints about the use of proxy or subjectively-based indicators of performance. We are exploring whether we can partly remedy this by linking WERS 98 data with that from the ONS Annual Business Inquiry (formerly the Census of Production).

Beyond this fairly narrow issue is the much broader question about the overall state of employment relations in a given workplace and its relationship with workplace performance. In short, to adopt the catch-phrase of a recent article, we are interested in ‘what works at work’ (Ichniowski et al. 1996). Employee relations may impact upon a workplace’s productivity, its profitability, its capacity to innovate, or all three. Stereotypically, there is the ‘high road’ of investing in people, skill acquisition and improved performance as a result; and the ‘low road’ of improved financial performance by reducing unit-labour costs and making more from less.

In past WIRS this question has been explored in most detail in relation to the introduction of technological and organisational change (Daniel 1987), but there is a good argument for exploring a broader definition of change, especially in the area of management initiatives, that comes under the banner of ‘high performance work systems’, including such things as total quality management, team working, performance pay, employee involvement, and so on. This must be linked, where possible, to genuine measures of performance which, of themselves, are a significant indicator of a workplace’s attempt to remain competitive. For these reasons, we increased the number of questions about the measurement and monitoring of performance, as well as collecting a wider range of financial and non-financial indicators of performance.

Conclusion

Doubtless, there are many other issues which some people feel the survey has not in the past adequately addressed and should be now, but the ones discussed above seemed to us to be the most important long-standing issues, from both a policy and an academic viewpoint. We must also recognise the constraints of the survey and its method. We are limited in how much information we can collect, and we need to achieve a balance between all of the competing
requirements. We must also not lose sight of the fact that WERS is, after all, just a survey which is an efficient way of gathering easily accessible information, but does not lend itself to investigating nuances of organisational behaviour or causal mechanisms.

3. WERS 98 - Survey Structure

This section outlines the eventual design of WERS 98, as agreed by the sponsors considering what was left out, as well as what was eventually included. It must be borne in mind that the overall structure for the survey had to be capable of meeting its broad objectives while staying within the financial and staff resource constraints. In total, these were broadly similar in real terms to the 1990 WIRS, implying a project of a similar scale. Any innovations would, therefore, have to come at the cost of changing other parameters.

Among the lessons drawn from the 1990 WIRS were that the main cross-sectional element had, like its predecessors, been extremely successful in meeting its objectives, but that questionnaire content should be closely examined in any future survey. On the additional elements, the experimental survey of new workplaces yielded few benefits from a costly exercise and was not worth repeating, but the 1984-90 panel had generated many insights in identifying the sources of change (Millward 1996).

Our starting point, therefore, was that the structure of the 1998 survey should be very similar to the earlier surveys, and that it would be desirable to incorporate a 1990-98 panel. One particular virtue of this approach was that using mainly 1990 questions in the panel would allow for a greater proportion of new questions in the 1998 cross-sectional element than might otherwise be the case. We begin by looking at the continuing elements - the face-to-face interviews with managers and worker representatives from a fresh sample of workplaces - before going on to examine several other elements proposed for the project.

The management questionnaire

The study undertaken by the IES shows the management data to be the most extensively used, with greatest interest in ‘headline’ figures (Atkinson et al. 1996). The clear implication was that some of the more supplementary questions are of relatively little use, and could be candidates for cuts. In section 2 we outlined a range of new question areas that we wanted to accommodate within WERS 98. Our objective was to find a balance between the old and the new within the constraint of an average interview length of 90-100 minutes.

In the end about a third of the questions used in the 1990 management questionnaires have been retained, mostly of the ‘headline’ type. There are some 200 variables which are comparable back to 1990 and/or earlier surveys, although in some cases the comparison is not exact because of modifications to the wording. New questions devoted to the themes described in the previous section were added. Broadly, these cover:

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The sampling frame for the 1998 survey is current, which obviates the need for a special effort to track new workplaces, unlike the 1990 survey where the sampling frame was roughly three years old when the survey went into the field.
• attitudes to employee relations
• employee relations strategy
• functional flexibility and team working
• quality circles and continuous improvement groups
• performance appraisal systems
• individualisation of the employment contract
• equal opportunities
• family friendly working arrangements
• numerical flexibility
• performance monitoring, benchmarking and targets
• introduction of workplace change.

Previous WIRS have included an alternative management respondent so as ‘... to supplement information obtained from the primary respondent where the primary respondent was clearly in the industrial relations or personnel function, rather than being a general manager.’ (Millward et al. 1990: 4) In 1980 and 1984 a secondary management respondent was included, and in 1990 the additional respondent was a financial manager. These alternative and additional management respondents added to the overall cost of the project, and also had some limitations (e.g. financial managers were only interviewed in 1990 where the main management respondent was a personnel specialist and the establishment was in the trading sector, which restricted the number of cases to less than a quarter of the sample).

Given these considerations, we opted for a single management questionnaire in WERS 98. Our view was that we should specify the information we wanted from the management perspective and identify the key role holder(s) to provide it. If it transpired that our main target respondent - the workplace manager responsible for employee relations - was not the best person to complete a portion of the questionnaire (e.g. on financial performance), there was scope to identify an alternative respondent for this section. In practise this happened very rarely.

The worker representative questionnaire

Findings from the ESRC consultation of the academic research community into the future development of workplace industrial relations surveys (Edwards and Marginson 1996) cast doubt on the merit of including a worker representative module in WERS 98. Their argument was based on the following grounds:
the absence of any identifiable worker representative in the majority of workplaces;

the relatively low use made of the data from worker representatives in previous surveys; and,

the relatively low priority given to questioning on union resources and structure in the survey element of the consultation exercise.

To this list could also be added the cost of this element.

Past WIRS sourcebooks have seen the greatest use of the worker representative data, but even this has not been extensive. Daniel’s book (1987) is the only substantial analysis conducted of the differences in management and worker representative responses, in this case to do with the introduction of new technology. There has only been fleeting use of the worker representative data in secondary analysis (e.g. Green and McIntosh, 1998).

The most compelling reason supporting the continued inclusion of this element was that it increases the overall acceptability of the survey. Whether one accepts, or not, the notion that employee relations is adversarial, it is certainly the case that one would obtain a different perspective on affairs from a worker representative than from management. Without it, the survey may be regarded as being unbalanced. There are also a number of areas of interest where a management respondent would simply not be in a position to provide an informed answer (e.g. union organisation and activity).

However, we found the argument for continuing to survey manual and non-manual representatives, where both present, uncompelling. Approximately a third of the 1990 sample of worker representatives was from establishments where two representatives were surveyed. We were aware of no analysis on whether manual and non-manual unions are treated differently by management. This appeared to be the only substantive argument supporting the retention of this dual approach and, given also the increasingly fragile distinction between a manual and a non-manual union, we decided to survey only one worker representative. The criteria for selection was:

- the senior lay representative of the recognised union with the most members at the workplace; or,

- if there were no recognised unions, but a joint consultative committee operated, the senior employee representative on that committee.

The number of workplaces where interviews were conducted with worker representatives in non-recognised workplaces in 1990 was extremely small. Our expectation was that this number would increase - in the event, it did not. We also recognised that the questionnaire was primarily written for union representatives. As a result, large sections were not applicable to non-union employee representatives.

A further issue was that many of the questions duplicated questions asked of managers. Because of the smaller sample of worker representatives, there is no compelling reason to use this data as a substitute for managerial responses, although it can provide a useful counterpoint to management views on certain matters.
In the end we opted for a worker representative questionnaire that focuses more on the process of representation than in the past. There were some questions which duplicated those asked of management, for the specific purpose of exploring the degree of commonality in views.

A 1990-98 panel

A panel survey is one where the same cases are surveyed over two or more time periods. They are particularly valuable in unravelling change, in ways that are not possible with multiple cross-sectional surveys. An example from the 1984-90 WIRS panel illustrates this point: the fall in trade union density from 1984 to 1990 (as observed from comparing the two cross-section surveys) arose more from changes in density within continuing workplaces, than from changes in the composition of workplaces. Such a conclusion could not have been reached from analysing the two cross-sections alone.

Use of the 1984-90 panel has been fairly slight, despite its successful execution. The restricted coverage of the panel - it was confined to trading sector establishments - may have been a hindrance to its usefulness, as well as the relatively moderate sample size of 537 observations.

Respondents to the 1984-90 panel were asked the entire 1990 main management module. Potentially, this may have caused difficulties with comparability but, as the vast bulk of the 1984 questions were repeated in 1990, this did not arise. For WERS 98, however, this strategy could not be repeated because of the considerable changes to the management questionnaire.

The panel survey, therefore, took the 1990 questionnaire as its building block, the specific purpose being to measure precisely the scale of change within on-going workplaces. In addition, because we used computer-aided interviewing, we were able to incorporate 1990 responses within the course of the interview. Where change had occurred (e.g. from recognition to non-recognition) we were able to identify it, then probe for the reasons.

It was also felt that many of the supplementary-type questions asked in 1990 were of little value in the panel. Accordingly, we decided to trade-off a shorter questionnaire duration against a larger achieved sample. Our target was 1,000 workplaces with an average interview length of one hour. In addition to this, all workplaces that took part in the 1990 survey were traced to establish the ‘survivors’ and the ‘deaths’ – this, on its own, will tell us much about factors that encourage or inhibit workplace growth.

An employee survey

Employees have never been surveyed as part of WIRS. At the design stage of WERS 98 Geary (1996) produced a paper offering six possible reasons for incorporating an employee survey within the project:

• to obtain an employee perspective rather than, or in addition to, a worker representative perspective;

• to obtain an employee perspective where there are no identifiable worker representatives;
• to explore relationships between workplace structures, processes and outcomes, and the attitudes and views of employees;

• to measure management style, from an employee perspective;

• to explore variation in management initiatives across different categories (eg. occupation) of employees; and,

• to learn more about employees’ working lives.

These are all sound reasons but the point Geary failed to make is the added value obtained from conducting a linked employer-employee survey, as opposed to a stand-alone employee survey. It is most closely alluded to in the third reason offered which Geary suggests might be seen as ‘a new methodological and analytical bridge’. The main feature of almost all employee surveys is that they are self-contained, and the analysis is restricted to exploring relationships between different variables in the dataset. On the whole this is fairly unproblematic, but there is one in-built weakness of this: employee surveys are notoriously unreliable in providing information about employers. What is required is a dataset with accurate information on employers and accurate information on employees. This can best be done by a design which surveys employees within the sampled unit where management representatives are surveyed.

Only with a linked survey can we explore how employee behaviour, attitudes and views are shaped and conditioned by formal structures of workplace relations, and the role of unions as effective or ineffective agents in the management-employee relationship.

The sponsors view was that a linked employer-employee survey would be a potentially exciting innovation, but required a careful look into how it might be accommodated within the existing WIRS framework. Here, we were most fortunate in having a highly successful example to draw upon from the recent Australian WIRS (Morehead et al. 1997). We commissioned the Survey Methods Centre at SCPR to look at the Australian study and to make a recommended approach for WERS 98 (Thomas et al. 1996).

The Australian approach was to use the management respondent as the vehicle for both employee selection and distribution of self-completion questionnaires to several employees in each surveyed workplace. Depending on the number of employees at the workplace, interviewers used a pre-assigned sampling fraction to randomly select employees from a list provided by the management respondent, who then passed the questionnaires on to the chosen employees. Reply-paid envelopes were provided, or the employee could leave the completed questionnaire at a central point within the workplace for the interviewer to return a week or so later and collect them. The number of employees selected per workplace ranged from 5 in the smallest workplaces to over 100 in the largest.

We made one major modification to the Australian approach: 25 employees were selected in each workplace, irrespective of the number of people employed there. This number is sufficiently high for analysts to compile workplace-level employee indicators, for those workplaces where a reasonable number of employees responded. This means that the link between management data and employee data can operate both ways. An example of linking employee data with management data would be to explore determinants of individual wages incorporating product market information from management. Alternatively, measures of
average employee effort, commitment and job satisfaction may be important in explaining levels of workplace performance.

Surveying very small workplaces

Consistent throughout the WIRS series has been an employment size threshold of 25 employees working at or from the workplace. Naturally, this threshold excludes a fair proportion of employees as well as the overwhelming majority of workplaces in Britain. Table 1 shows the distribution of establishments and employment by employment size for the 1993 Census of Employment.

**TABLE 1: NUMBER OF ESTABLISHMENTS AND EMPLOYEES BY SIZE OF ESTABLISHMENT, 1993**

<table>
<thead>
<tr>
<th>Establishment Size</th>
<th>Number</th>
<th>Percent</th>
<th>Establishment</th>
<th>Employees (000s)</th>
<th>Establishments</th>
<th>Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-9 employees</td>
<td>947002</td>
<td>73.8</td>
<td>73.8</td>
<td>3560.4</td>
<td>17.1</td>
<td></td>
</tr>
<tr>
<td>10-24 employees</td>
<td>186317</td>
<td>14.5</td>
<td>14.2</td>
<td>2952.4</td>
<td>14.2</td>
<td></td>
</tr>
<tr>
<td>25 or more</td>
<td>150544</td>
<td>11.7</td>
<td>68.8</td>
<td>14330.7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>1283863</td>
<td>100.0</td>
<td>100.0</td>
<td>20843.5</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Source: 1993 Census of Employment.

What is apparent from this table is that the universe of small workplaces is extremely large both in terms of the number of establishments and the number of employees in this group. Although the traditional WIRS threshold covers more than two-thirds of employees in employment, the policy and academic interest in small businesses led us to explore the options of lowering the threshold.

Small workplaces are likely to cover a very heterogeneous range of employment practices. Our knowledge about this is derived mainly from case study analysis (Rainnie 1989; Gunnigle and Brady 1984). Those examples of surveys of workplaces that are not subject to limitations in terms of employment size (e.g. Casey *et al.* 1992) are either industry or regional specific.

The relatively small amount of quantitative data on industrial relations in small establishments can be explained on two grounds. First, the primary focus of the study of industrial relations has been the description of the institutions of industrial relations. The lack of formality of these institutions in small workplaces makes it extremely difficult to capture them via a quantitative survey. Second, the very nature of small workplaces makes them a difficult unit to observe. There will always be considerable problems associated with getting hold of a manager in small workplace, and allocating sufficient amounts of time for an interview. With all surveys, there is potential for non-response bias, and this is likely to be greater for small establishments relative to large workplaces. Employers doubtful about the legality of their practices or those that offer poor working conditions and low wages may be less likely to participate. The last WIRS showed a positive association between employment size and response rates (with a gamma of 0.17).

Nonetheless, the policy and academic interest in small businesses made the idea of lowering the size threshold an attractive one. Based on other work conducted in the DTI we were confident
that a revised threshold of 10 employees would produce useful data. We set a target of 250 workplaces with between 10 and 24 employees, over and above the normal achieved sample of roughly 2,000 workplaces with 25 employees or more. We also designed the sample so that there would be a representative and sufficient number of small businesses for discrete analysis. In addition, we decided to also conduct the employee survey in these workplaces, with all employees automatically selected to participate.

*Surveying at a higher level in the organisation*

To fully appreciate the complexity of the employment relationship, we might be remiss if we were to ignore any of the relevant actors that participate in defining the rules governing this relationship. Where workplaces are a part of a multi-level organisation, there is usually some, albeit highly variable, amount of influence coming from outside the workplace. If we only wanted to identify the origin of a particular practice or to corroborate establishment level data, it would be difficult to justify the financial outlay associated with surveying beyond the workplace (let alone dealing with the complex array of issues to do with sampling and estimation). There is however a much broader issue about the extent to which the employment relationship is regulated by rules/agreements emanating from a higher level than the workplace.

Some of this may be adequately dealt with by more in-depth probing of the workplace manager. Previously, the survey has identified the source of decision making on issues such as the appointment of senior managers, recognition of trade unions and the use of financial or budgetary surpluses. This we felt could be extended.

The argument for questioning beyond the workplace is further supported by the need to be able to place workplace practices and procedures within the context of the higher levels if they are to be adequately explained (Edwards 1995). Workplace level institutions are often the reflection of other institutions in the organisation and information on these might only be gained by going directly to source.

In practice this already occurs in WIRS. In 1990, 21 per cent of interviews were conducted at a higher level than the workplace, with this figure approaching 75 per cent in some industries (e.g. banking, finance and insurance). In these organisations, workplace respondents were not in a position to answer questions about their own place of work, let alone anything about the organisation they were a part of - at least, that was the view of more senior management in the organisation. This is a pragmatic solution to the problem of heterogeneous, complex, organisational structures. It retains the conceptual simplicity of the design (i.e. the workplace is the unit of analysis), while being flexible enough to the reality of differing organisational structures by permitting a respondent not based at the workplace to answer on behalf of that workplace.

To alter this would have necessitated a fundamental re-appraisal of the choice of respondents, with ramifications for what would constitute the unit of analysis and aggregation. We, therefore, decided against formally incorporating some higher-level element in WERS 98, but were flexible in our approach in identifying the relevant respondents.

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3 Respondents were asked to answer questions only in relation to the workplace in question. In a small number of cases, interviews were conducted with respondents in respect of more than one workplace.
Conclusion: the structure of WERS 98

Figure 1 shows the final structure adopted for WERS 98. In broad terms, it is very similar to previous surveys in the series, the main differences being:

- having a single management questionnaire, rather than two or more;
- surveying only one worker representative, where previously two may have been eligible;
- almost doubling the scale of the panel but with a questionnaire reduced in length;
- surveying very small workplaces for the first time, by reducing the employment size threshold to 10 employees; and,
- incorporating an employee survey for the first time.

FIGURE 1: DESIGN OF WERS 98

CROSS-SECTION

| 3,200 workplaces selected from the Inter-Departmental Business Register, assuming an overall yield (allowing for not in scope and non-response) of about 70 per cent | 2,000 workplaces with 25 or more employees |
| 90-100 minute interview with senior workplace manager responsible for day-to-day employee relations matters, plus completion of data sheet |
| 250 workplaces with 10-24 employees | 45 minute interview with either senior lay representative of recognised union with the most members at the workplace, or the senior employee representative on a JCC |
| 25 (or all) employees to be chosen at random by the interviewer, and sent an Employee Questionnaire |
2,061 workplaces with 25 or more employees surveyed in 1990

4. Progress Of The Survey

*Questionnaire design*

The long period between this survey and the last had at least one positive virtue: it gave us considerable time in which to design and refine the new survey instruments. Designing questionnaires is an iterative process, with no real definable beginning, middle or end. In many ways, the process assumes an importance and serves a purpose of its own. Our objective was to ensure that, within the overarching framework described in the two earlier sections, we managed the process in such a way as to create a sense of shared ownership of the final questionnaires with WERS users.

The process, if we have to choose a date, began in the second half of 1996. A number of academics were invited to bid for developing questions in specified new areas in five minute blocks. They were each asked to visit 10 or so workplaces and discuss with relevant managers how questions might best be framed in a given subject area. Those involved, and their subject area, were:

- Dr Stephen Wood - Human Resource Management
- Professor William Brown - Individualisation of Employment Contracts
- Professor Ian Beardwell and Julie Storey - Pay Determination
- Professor Shirley Dex - Equal Opportunities and Family Friendly Working
- Professor Stephen Machin - Workplace Performance

The five minute modules - or twenty minutes in one case! - were edited and co-ordinated into a seamless whole by the WERS Research Team, and tested in a joint DfEE/DTI omnibus survey in the winter of 1996/97. These new questions were asked of managers in around 150 workplaces, and the researchers then reviewed the data making recommendations for WERS proper.

In the spring of 1997, the WERS Research Team got down to the job of re-design in earnest. We were joined for three months by Associate Professor John Godard, on a sabbatical from the University of Manitoba who had worked on several workplace surveys in Canada. During
With the assistance of the Institute of Personnel and Development, and the Trades Union Congress, four focus groups were conducted with managers and trade union representatives in April and May. This helped us to confront issues of jargon and wording. A first draft of the questionnaires was complete by May, and these were circulated widely for comment among policy makers, the academic community and the leading employer and union organisations. All comments were compiled and used to inform re-design of the questionnaires before the first formal pilot.

In May, following a competitive tender process, the contract to conduct the survey was awarded to Social and Community Planning Research (SCPR). One of their strengths was their experience in conducting each of the three previous surveys, with a remarkable degree of continuity in their senior team, who had worked on all past WIRS. We were confident that their rigorous approach to fieldwork backed up with their nationwide fieldforce would ensure that the work was done to the same exemplary standards as in the past.

The sponsors had already decided to opt for using computer-aided interviewing (CAPI) in conducting the survey, and SCPR recommended that the paper questionnaires be converted into CAPI programmes for the first pilot. The enormity of this task is evidenced by computer programmers running up over 300 hours in setting-up, checking and revising the questionnaires. The first pilot took place in July and involved 39 workplaces, 23 cross-section and 16 panel. Members of the research team accompanied interviewers to some of the workplaces, and attended the interviewer briefing and de-briefing sessions.

Following this, the questionnaires went through their last substantial revision in a joint session with the research team and SCPR researchers. The second pilot was in essence a dress rehearsal, attempting to replicate, as near as possible, the experience that interviewers and respondents would encounter during fieldwork. This was conducted in August and was roughly double the scale of the first pilot. Again, members of the research team were heavily involved at this stage.

Employee survey

Before going on to discuss the fieldwork, it is worth briefly recounting the design of the employee survey. This slotted into the process described above, but given its novelty, some additional work was undertaken.

An experimental employee survey was built into the DfEE/DTI omnibus survey mentioned above, and this gave us enough confidence about the methodology to proceed with an employee survey in WERS 98. However, with questionnaire design we were faced with an open canvas, with no need to worry about continuity in the series.

Our objective was to produce a straightforward questionnaire short enough to encourage mass participation. We reckoned on a duration of about 15 minutes to complete, equal to around 75 data items. Any longer than that and we risked substantial non-response by the employee or, potentially worse, the employer. Difficult choices were made in containing the questionnaire - for example, it simply was not possible to indulge those who wanted us to replicate standard
scales used in employee attitude questionnaires many of which are composed of 10 or more items.

More important for the design, the wording of the questionnaire needed to be understood by a heterogeneous sample - potentially, any employee (in workplaces of 10 employees or more). With managers and worker representatives we could at least be reasonably assured that they understood some of the specialist terms we adopted, but this assumption was not tenable at all for employees. To ensure that the wording was understood by employees, and also interpreted as intended, we added a phase of cognitive testing. 25 employees from 3 organisations took part in these tests. Specialist interviewers from SCPR spent around 45 minutes with each employee asking them to think aloud their response to individual questions. This helped us to re-phrase much of the question wording using a vernacular more suited to ordinary employees, and the very low levels of non-response throughout the questionnaire suggests that this worked. The insights generated by the cognitive testing will also help to inform our interpretation of the data.

Once the wording had been finalised, a professional graphic designer was hired to layout the questionnaire so that it looked appealing and not too onerous to complete.

Fieldwork

Survey fieldwork began at the start of October 1997 and ran until June 1998, a period about two months longer than originally planned.

Each of the 175 interviewers used in the survey took part in a two day training course run jointly by the research team and SCPR during October and November. This covered both the cross section and panel surveys, with interviewers being equipped to do both. While training concentrated on the use of CAPI and administering the survey, a substantial proportion of it was also devoted to introductory concepts in employee relations.

Addresses were issued to interviewers progressively, with establishments that were part of large organisations held back while we negotiated access with their head offices. This has been a critical phase in all past WIRS, and helps to explain the extremely high survey response rate. Where necessary, members of the research team or the SCPR team visited head offices and made presentations to senior staff to explain the purpose of the survey and encourage them to take part. As in the past, some of the negotiations were very drawn out and this helps to explain the lag in fieldwork. Nonetheless, it paid off handsomely: of organisations with 5 or more workplaces selected across the cross-section and panel surveys, only a handful refused to take part.

During fieldwork, the research team established a freephone facility so that any potential respondent with a query about the survey could be dealt with immediately by a member of the team. Over the course of fieldwork, almost 400 queries were handled through this line. In addition, reluctant participants were, if deemed appropriate by SCPR, given some gentle persuasion by the research team to reconsider and, our records suggest, about half of the 400 or so workplaces contacted in this way eventually took part in the survey.

All of this helped to contribute to the overall success of the fieldwork period, with the survey meeting, and in some respects exceeding, the benchmark of past surveys in the series -
testimony to the hard work of SCPR staff and the WERS research team, but most of all to the efforts of the SCPR interviewers. It was not uncommon for interviewers to make dozens of phone calls to individual workplaces over periods of several months in their efforts to track down the relevant respondent and persuade them of the merits of the exercise.

Table 2 summarises the provisional fieldwork results. Overall, the cross-section survey response rate was 81 per cent, slightly below the 1990 figure of 83 per cent. The panel response rate was 89 per cent, a slight improvement over the 1984-90 panel, possibly because of the inclusion of the non-trading sector. Among participating workplaces, a little under half had no eligible worker representatives to survey. Of those that were asked to take part in the survey, some 82 per cent were interviewed, a higher figure than in 1990.

**TABLE 2: FINAL FIELDWORK OUTCOMES FOR WERS 98**

<table>
<thead>
<tr>
<th></th>
<th>Cross-section</th>
<th>Panel</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Issued sample</strong></td>
<td>3192</td>
<td>1301</td>
</tr>
<tr>
<td>out-of-scope</td>
<td>260</td>
<td>89</td>
</tr>
<tr>
<td>closed/untraceable</td>
<td>203</td>
<td>172</td>
</tr>
<tr>
<td><strong>In-scope sample</strong></td>
<td>2729</td>
<td>1040</td>
</tr>
<tr>
<td>took part in survey</td>
<td>2193</td>
<td>882</td>
</tr>
<tr>
<td>took part (with 10-24 employees)</td>
<td>182</td>
<td>-</td>
</tr>
<tr>
<td>took part (with 25+ employees)</td>
<td>2011</td>
<td>-</td>
</tr>
<tr>
<td>refused/unavailable</td>
<td>536</td>
<td>158</td>
</tr>
<tr>
<td><strong>Eligible worker representatives</strong></td>
<td>1157</td>
<td>-</td>
</tr>
<tr>
<td>interview conducted</td>
<td>947</td>
<td>-</td>
</tr>
<tr>
<td>refused/unavailable</td>
<td>210</td>
<td>-</td>
</tr>
<tr>
<td><strong>Eligible for employee survey</strong></td>
<td>2193</td>
<td>-</td>
</tr>
<tr>
<td>questionnaires placed</td>
<td>1879</td>
<td>-</td>
</tr>
<tr>
<td>management refused</td>
<td>314</td>
<td>-</td>
</tr>
<tr>
<td><strong>Employee questionnaires placed</strong></td>
<td>44078</td>
<td>-</td>
</tr>
<tr>
<td>returned complete</td>
<td>28323</td>
<td>-</td>
</tr>
<tr>
<td>out-of-scope</td>
<td>441</td>
<td>-</td>
</tr>
<tr>
<td>refused/never returned</td>
<td>15314</td>
<td>-</td>
</tr>
<tr>
<td><strong>Response rates (per cent)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>all workplaces</td>
<td>80</td>
<td>85</td>
</tr>
<tr>
<td>workplaces with 25+ employees</td>
<td>81</td>
<td>-</td>
</tr>
<tr>
<td>workplaces with 10-24 employees</td>
<td>76</td>
<td>-</td>
</tr>
<tr>
<td>worker representatives</td>
<td>82</td>
<td>-</td>
</tr>
<tr>
<td>employees (of quest. placed)</td>
<td>64</td>
<td>-</td>
</tr>
</tbody>
</table>
Of the two new elements, we anticipated that the response rate would be lower in the very small workplaces, given the association with employment size found in past surveys. In the end, there was a difference but not as great as anticipated - 77 per cent compared to 81 per cent overall. The decision to lower the size threshold to 10 employees appears to have paid off, and should add considerably to the value of the WERS data.

The other new element was the employee survey. The employee survey is an example of multiplicity sampling, adopting a ‘going down the ladder’ approach which generates a cumulative non-response. The simple response rate of questionnaires returned as a proportion of questionnaires placed is 64 per cent. Expressed as a percentage of questionnaires which could potentially have been placed (including those workplaces which refused to take part in WERS altogether), the response rate is about 45 per cent.

**Dissemination of the survey data**

It is a core principle of the series that the data are made publicly available, so as to promote informed debate among policy makers and in the wider community. The main difference of note with past surveys is the speed with which findings and data will be made available. Much of this is due to the use of CAPI which greatly speeds up the data processing stage and enabled SCPR to provide the research team with preliminary data sets in the midst of fieldwork.

We will publish an initial summary of results this coming October, only four months after completion of the final interviews. This is to meet our obligations to provide respondents with timely feedback on the survey, and also to serve the needs of those who are most interested in headline results, and do not wish to wait for the more detailed, contextual analysis.

As before, we will be depositing the data in the Data Archive at the University of Essex, and publishing a book giving a thorough overview of the survey findings. A companion volume devoted solely to the issue of change in industrial relations is also being prepared by members of the research team at PSI. The data release is scheduled for the beginning of next year, and the two books are likely to be launched at a special WERS conference at the end of next summer.

We hope to encourage widespread and active use of the survey data by the research community. There are an estimated 200 registered users of the WIRS data series with the Data Archive. Many of these have been prolific users of the data and they have, often in ingenious ways, extended use of the data beyond that envisaged by the original survey designers. Militating against even greater use has been the sheer complexity of the datasets and associated documentation. We have taken several steps to make improvements.

The data will be available for immediate use as SPSS data sets. In addition to the data collected in the survey, the Research Team will also deposit, with supporting documentation two further data sets, to save duplication of effort. The first will be of derived variables commonly used in analysis, many of which are often complex to construct. The second is a time series data set which will contain over 200 variables where there is comparable data between the 1998 survey and earlier surveys in the series. As was done with the 1990 survey, the ESRC will also establish a dissemination programme designed to promote easy access to, and use of, the data.
Conclusion

The design, conduct and analysis of WERS 98 was always going to be a long and challenging project, as the research team had to find a balance between the old and the new in employee relations. By adopting a rolling panel design, and with two innovations - lowering the employment size threshold, and surveying employees for the first time - we have struck a fair balance that should satisfy the needs of most users.

SCPR rose to the challenges inherent in the new design and have successfully conducted the survey in the field to the same standards for which past WIRS are known. The use of CAPI has greatly facilitated the conduct of the survey and means that results are available quicker than ever before. Analysis of the data is now underway and first results will be made publicly available this October, with user-friendly anonymised data sets available at the start of next year.

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