



REPORT

# WOMEN AND FLEXIBLE WORKING

IMPROVING FEMALE EMPLOYMENT OUTCOMES IN EUROPE

Amna Silim and Alfie Stirling

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Institute for Public Policy Research

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# **SUMMARY**

There is a significant employment gap between men and women across Europe. This means that European economies are failing to utilise the full potential of their societies. Despite decades of increased participation and attainment in education among women, as well as improved legislative guarantees of maternity and parental leave, there remains significant room for improvement. If we average across the 28 EU member states we find that:

- the gap between male and female employment rates stood at 11.7 percentage points in 2013
- the female employment rate remained steady at around 62.5 per cent between 2008 and 2013 (Eurostat 2014).

In seeking to identify the causes of weak employment outcomes for women, this report acknowledges the structural dynamics of economies and firms, the role of government and regulation, and cultural developments that over time have changed the nature of households and the supply of labour. The interplay of these pressures has resulted in three undesirable employment outcomes for women.

- 1. Low rates of female employment, and their effect on economic output.
- 2. The prevalence of women working below their 'qualification grade' and the effect this might have in terms of a sub-optimal allocation of skills across an economy.
- 3. Underemployment in terms of hours particularly a persistent yet variable gap in working hours between men and women across typical life phases, which raises issues of productivity, staff retention and recruitment costs at the level of the firm.

This report will consider the role that flexible working options can play in addressing these adverse labour market outcomes. By assessing the extent and nature of demand for flexible work practices we also point towards some of the challenges and opportunities that greater flexible working might offer, including the following findings.

- Across countries, both part-time work and increased employee control over the scheduling of working hours can be associated with an increased female employment rate.
- The concentration of part-time work outside of high-level jobs may increase the tendency for women to work in occupations below their skill level.
- The prevalence of part-time work as the main flexible working option may be contributing to two problems: unnecessarily low average working hours among mothers during the early stages of parenthood, and mothers' average working hours *remaining* low during subsequent life-phases.
- There is considerable demand for a larger range of flexible working options among working women. Our research suggests that giving employees more control over the scheduling of their working hours would be particularly popular.

In light of these findings, we suggest that the continued expansion of part-time work is likely to help raise women's employment rates further, and that there would be particular benefits to making more part-time working options available within highergrade professional industries and jobs. However, expanded part-time work alone may not be enough to address the problems of women working reduced hours involuntary, and working in jobs that are below their skill grade. Expanded access to flexible work scheduling would be particularly beneficial to firms and employees alike, particularly those outside of the classic 'professional' sectors of European economies.

# 1. INTRODUCTION

Economies across Europe should aspire to use the talents of their entire populations. Utilising residual capacity in the labour market, through an increased employment rate and an improved allocation of skills, represents a key opportunity to boost economic performances across Europe.

A low employment rate is testament to a loss of potential for employers and countries alike. With only two thirds of the European working-age population in work, there remains substantial scope to improve performances (Dolphin et al 2014). Mothers, older workers, recent immigrants, ethnic minorities, young people, people with disabilities and low-skilled workers all face disproportionately low employment rates across Europe (ibid). This report considers what scope there is to boost employment outcomes for one such group – mothers – as part of a broader strategy for increasing inclusivity and productivity in European labour markets.

There is a significant gender employment gap across Europe. Despite decades of increased educational participation and attainment among women, as well as legislative guarantees of maternity and parental leave, female employment still lags behind that of men. Averaging across the 28 EU member states (the EU28), the percentage-point gap between male and female employment stood at 11.7 in 2013 (Eurostat 2014). This represents a decrease since 2002, when the gap stood at 17.4 percentage points, which averages out at about half a percentage point per year (ibid). However, our analysis shows that since 2007 this reduction in the gender gap has not been driven by rising female employment rates as it was previously. Instead, it can be almost entirely accounted for by falling levels of male employment in the wake of the global financial crisis.

The female employment rate in Europe has increased by less than four percentage points in the past 10 years, and has flatlined at around 62.5 per cent over the past six years (Eurostat 2014). It is difficult to be sure of the extent to which this can be explained by the cyclical effects of slow-moving European economies, as opposed to a more structural and enduring 'ceiling' to female employment. It does suggest, however, that it would be complacent to assume that general economic recovery alone will be sufficient to significantly increase the proportion of women in work. Women – and especially mothers – face additional barriers to gaining and remaining in employment.

Much of this gender disparity in employment outcomes is due to persistently low employment rates among mothers. In the UK, this disparity accounts for 90 per cent of the gap between male and female employment rates (Ben-Galim 2014). To contribute to previous work by IPPR and others on how women might gain greater access to the labour market, this report looks at the role that 'flexible working' can play in promoting and retaining mothers in work. However, we recognise that flexible work is just part of the answer: a broader strategy for better supporting mothers into the right types of work is needed, one that also includes measures such as expanded affordable childcare and improved parental leave

For the purposes of this report, 'flexible working' is defined in terms of the ability of an *employee* to effectively reconcile commitments in their work and domestic lives. This is distinct from the more conventional use of the phrase 'flexible' when used in relation to labour markets, which often refers to the ability of *employers* to hire and fire staff.

Flexible working (in the former sense) can be a key tool for boosting employment across all social demographics. It can boost employment for young people by enabling them to adjust their hours to accommodate further training and development; it can also help elderly workers manage a staggered retirement. However, this report is primarily concerned with the economic benefits of flexible working in relation to improved employment outcomes for women, and particularly mothers.

Flexible working options have the potential to help bring down many of the barriers that are preventing women from entering and remaining in work after having children. Demographic, societal and economic developments across Europe have meant that the standard way in which work continues to be scheduled lags behind the changing lifestyles, needs and expectations of a modern society. Employers and policymakers need to ensure that workplaces respond to employees' changing needs so that they better reflect lifestyles in the 21st century, and thus utilise the full range of human resources across society.

It is also worth noting that, although it is predominantly women that are affected, this escalating conflict of responsibilities is likely to impact upon workers of both genders to an increasing degree. These tensions are increasing because of a number of trends: the rise of female breadwinners, the ageing population, and cultural shifts which mean that men are taking increasingly active roles in care and domestic responsibilities. Since far fewer men than women currently work part-time or flexible hours, there is a lack of reliable data on those men who do so. This is one reason why women and mothers are the primary focus of this report. Another, which is equally important, is the argument that economic benefits will be greatest if gender employment outcomes can be equalised by boosting the representation of women and mothers without reducing the representation of men.

In recent years, much has been made of the benefits that flexible working offers to both employers and employees (see for example FWI 2012). Businesses are becoming increasingly aware of the numerous advantages associated with flexible work. Firms that used flexible working found that it resulted in 'vital recruitment advantage, higher levels of staff retention, lower absence rates, better employee relations and morale, and hence increased productivity' (ibid). Another advantage is that part-time work allows firms to increase or reduce hours without incurring overtime costs or other related excess costs. However, the extent to which governments and firms have succeeded in changing workplaces to better reflect the variety of modern lifestyles and households is not clear. In this report we examine the dynamics behind three undesirable labour market outcomes that affect women, across seven European countries (Germany, Spain, France, the Netherlands, Sweden, the UK and Poland). The three labour market outcomes are:

- low rates of female employment
- underemployment of women in terms of hours
- the prevalence of women working below their 'skill grade'.

The work set out in this report is part of the wider New Skills at Work programme, which aims to focus attention on what can be done to overcome unemployment – from macro strategies to boost job creation, expand labour market participation and develop the skilled workforce for the future, to smaller-scale innovations that improve the skills of the workforce and meet local employers' needs.

As part of the New Skills at Work programme, this report aims to arrive at a better understanding of the role that flexible working can play in helping to improve employment outcomes for women. It begins by discussing flexible working in more detail, and setting out the benefits that more diverse forms of working can bring. The report then goes on to summarise government policies in a number of European countries, and gives a brief account of their effectiveness in relation to the flexible working agenda. We then examine the relationship between the prevalence of parttime work and the employment rate, as well as looking at the implications that parttime work has for the allocation of skills in the economy. We then provide a deeper analysis of working-time arrangements across countries, and present new analysis of how working hours are distributed across typical life phases. Finally, we look at worktime scheduling, including existing employee preferences and the extent to which hours are determined by employees or employers . We conclude with a summary of our findings and a discussion of the main challenges and possible directions for the future of flexible working.

# 2. WHAT IS FLEXIBLE WORKING, AND WHY IS IT IMPORTANT?

Towards the end of the 20th century, various developments led to a move away from the once standard 40-hour working week, and towards more flexible workingtime arrangements. 'Flexibility' describes a range of different working practices with corresponding and varying effects on workers and employers. Flexibility can refer to both the volume and the scheduling of working hours (Plantenga and Remery 2010). Building on previous work by Kate Purcell et al (1999), Colette Fagan (2004) has proposed three different categories of flexibility.

- 1. **Unstructured flexibility:** employees have limited autonomy over their working schedule and the volume of hours worked; the needs of the employer in relation to flexibility are privileged above those of the employee.
- 2. **Structured flexibility:** working-time arrangements that are predictable but non-standard, such as regular part-time schedules or rotating shifts, wherein the employer concedes flexibility over the volume of hours, but the employee concedes at least some flexibility over the pattern in which those hours are scheduled.
- 3. Autonomous flexibility: driven more by the employees' needs rather than the structure of the business, this type of flexibility gives employees the ability to change their working time in order to accommodate other responsibilities or activities.

Given that our analysis is concerned predominantly with flexibility for the employee, the latter two of these categories of flexibility are more relevant to the present study.

Part-time work is an example of structured flexibility and is the most prevalent type of flexible working. However, although it is a popular means of balancing competing demands, it can also be associated with suppressed career progression and a consequent misallocation of skills in the economy. This is especially true for mothers, who often end up on a 'mummy track', working part-time and below their skill level. Other flexible work practices can include (but are not limited to) job-sharing, compressed hours, annualised hours schemes, staggered working hours and spatial flexibility.

There have been great changes in household and demographic structures across most industrialised economies since the 1980s. The diversification and individualisation of working-time arrangements has been driven not only by globalisation and the rise of the 24-hour economy, but also by social changes such as the entry of large numbers of women into the workforce (Eurofound 2012a). The most marked trend in household structures has been a rise in the number of dual-earner households. Since the turn of the 21st century, the majority of partner households in Europe have had both adults in work, with at least one of them on full-time hours (ibid; Fagan 2004). These changes also have implications for working-time practices. Given that most households have family responsibilities, the traditional 40-hour work week – which was originally designed to meet the needs of the male-breadwinner household – is no longer sufficient to accommodate the diversity of modern living and working arrangements (Plantenga and Remery 2010).

Flexible working, such as part-time working, has facilitated the individualisation of working time. This has enabled a wide variety of families to meet multiple responsibilities, particularly where childcare would be otherwise incompatible with full-time working hours (Rubery 1998). Thus, where women are still overwhelmingly responsible for child care, such practices can boost labour market participation among an otherwise underrepresented demographic.

Unlocking potential in the labour market also stands to benefit individual firms. The constrained employment prospects for women described above mean that there are opportunities for new flexible work practices to recoup lost output and utilise skills more effectively. The rise of flexible working has already had an impact on the agility and competitiveness of firms. In place of the traditional ways of adjusting staffing, much more flexible methods of organising work and working time have emerged which allow business to remain competitive and retain talent (Eurofound 2006 and 2012b). For firms, this ability to retain experienced and skilled staff is crucial to maintaining quality and minimising costs (FWI 2012). Flexible work practices have therefore been shown to improve productivity and, consequently, profits (FFWHT 2010). As a result of these changes in the way firms operate, a growing number of companies are abandoning strict control of working hours in favour of greater reliance on performance monitoring (Eurofound 2006).

Suppressed female employment outcomes are the result of interactions between the structural dynamics of economies and firms, government policies and regulations, and cultural changes which over time have affected the nature of the household – but drawing definitive conclusions about the precise nature and direction of causality is not the objective of this report. Instead, we will attempt to assess the extent to which flexible working may represent a reconciliation of the tensions between countervailing pressures on the labour market, and offer the potential to produce positive employment outcomes for women, firms and the European economy as a whole.

## 3. LEGISLATIVE APPROACHES TO FLEXIBLE WORKING RIGHTS AN OVERVIEW

For most of the seven EU countries reviewed here, employees (and particularly employees with children) have a right to request flexibility in their working hours. However, despite the prevalence of reduced-hours legislation, there has been little if any focus on legislative rights for employees over the scheduling of those hours.

Legislative interventions into flexible working options tend to consist of three types of statutes.

- 1. Statutes which make rights to flexible working conditional to specified activities, such as caring for young children or dependent adults.
- 2. Statutes which provide access to flexibility not as an employment right but as part of protection against discrimination, either on the basis of sex or of broader family care-giving responsibilities.
- 3. Statutes which provide flexible working rights to all employees, irrespective of their reason for seeking change (Hegewisch 2009).

The majority of flexible working statutes fall into the first group, and are particularly targeted at combining caring responsibilities with paid employment. However, recent legislative changes – such as the 'right to request' in the UK – have extended access to reduced or part-time hours to all or most of the working age population.

Table 3.1 offers a brief overview of recent legislation across our seven selected countries, as well as some recent data on the take-up of flexible work. As we have mentioned previously, we do not presume to infer a direct line of causation between the two, nor do we seek to underplay the importance of other factors in influencing the nature of flexible work practices.

#### Table 3.1

Recent legislative entitlements and outcomes concerning flexible working in selected EU countries

| Country | Legislative entitlement to flexible work for women in employment  | Outcomes   |
|---------|---|--|
| Spain   | Right to request reduced hours (enhanced if<br>responsible for a child under the age of six)<br>in some provinces since 2002; Employers<br>have a right to refuse on appropriate<br>business grounds. | Some of the lowest levels of flexible<br>work in Europe: the prevalence of 'low<br>flexibility' organisations in Spain was over<br>25 per cent higher than the EU average<br>(Eurofound 2006).   |
| France  | Standardised 35-hour working week since<br>2001.<br>Any reduction in hours necessitates a<br>permanent change in contract.<br>Employees can also be made to reduce<br>their hours by their employer.  | Increasing levels of part-time work over time.<br>However, only a low proportion of<br>those taking on part-time work have<br>been of parenting age, suggesting<br>that flexibility is working for employers<br>more than for employees. |

| Country     | Legislative entitlement to flexible work for women in employment   | Outcomes   |  |  |
|-------------|--|--|--|--|
| Germany     | Since January 2001, employees have been<br>entitled to contractual reductions in hours,<br>provided that their employer's workforce is<br>greater than 15 people.                  | Around 80,000 employees took a<br>reduction in hours during the first year of<br>the policy change, from January 2001<br>(Hegewisch 2005).   |  |  |
|             | Employees can reduce their hours for up<br>to three years after the birth of a child while<br>retaining the legal right to return to full-time                                     | The majority of organisations offset newly reduced hours by redistributing the residual workload among existing employees.   |  |  |
|             | work afterwards.   | One in three of these reductions in hours<br>led to an increase in the number of staff<br>employed (ibid).   |  |  |
| Sweden      | Parents have a legal entitlement to reduce<br>their working hours by up to 25 per cent<br>until the child's eighth birthday, with a return<br>to full hours guaranteed thereafter. | Part-time employment rates are above<br>the EU average, with workers able to<br>move between part- and full-time work<br>with little difficulty.   |  |  |
| UK          | Until recently, only employees with care responsibilities were entitled to flexible scheduling and reduced-hour options.   | Around 25 per cent of all employees<br>(and 36 per cent of female employees<br>with dependent children under the age of  |  |  |
|             | New laws passed in April 2014 extended<br>the right to request flexible working hours<br>to all employees.   | six) have requested more flexible hours<br>since the new legislation came into force,<br>with around 80 per cent of requests either<br>partially or fully instated (Moss 2014).  |  |  |
| Netherlands | Since 2000 all people in employment with<br>the same organisation for over a year are<br>entitled to request an increase or decrease<br>in their working hours.                    | It has since been found that the legislation<br>contributed to 9 per cent of workers<br>reducing their hours.  |  |  |
|             | A single, non-transferable entitlement to<br>reduced hours is offered to all employees<br>with children up to the age of eight.  | However, it was also found that only 53 per<br>cent of employees who wanted a reduction<br>in hours actually submitted an official request<br>(Moss 2014).   |  |  |
|             | This entitlement applies to all employers with 10 or more employees, but organisations are able to reject requests on business grounds.  |  |  |  |
| Poland      | Employers face no obligation to offer<br>part-time work to employees with<br>caring responsibilities.  | The state of family policy in Poland has<br>been labelled an 'imposed home care'<br>model, in which the lack of formal childcare<br>infrastructure mirrors the lack of rights to<br>part-time work.                          |  |  |
|             |  | Around 45 per cent of women with children<br>under three years old and who were not in<br>work claimed that they could not enter the<br>labour market because of the difficulty of<br>reconciling home and work commitments. |  |  |
|             |  | Nearly one in three of all Polish mothers could not find a job (Moss 2014).  |  |  |

# 4. WHO IS WORKING PART-TIME, AND WHY?

### 4.1 Part-time work and the employment rate

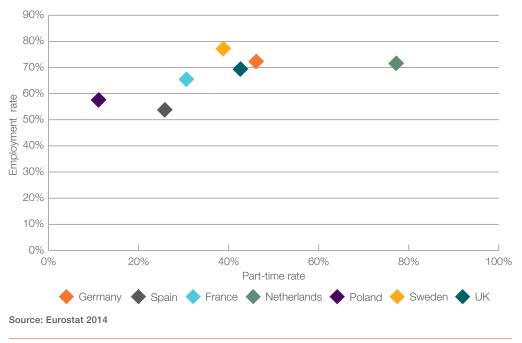
Across Europe, higher rates of part-time work are associated with higher female (and male) employment rates.

The most common type of flexible work available is part-time work, which is generally considered to describe working up to 34 hours a week on average (Eurofound 2012a).

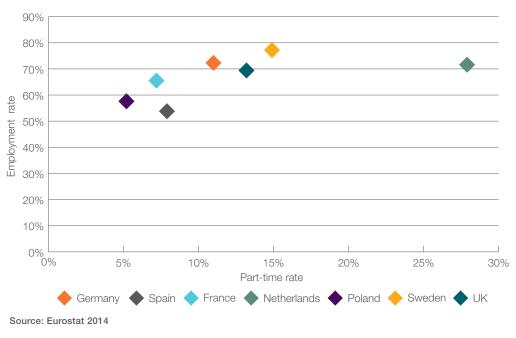
Various forms of part-time work are becoming increasingly widespread in the Netherlands, Sweden, Germany and the UK. Almost 80 per cent of women in the Netherlands work part time, while the same is true of roughly two-fifths of women in the UK (43 per cent), Germany (46 per cent), and Sweden (39 per cent) (Eurostat 2014). Eurofound research (2012b) has found that higher employment rates are 'positively correlated with the proportion of the general part-time rate' – findings which the analysis presented in this report supports. Those countries with higher rates of part-time work also tend to have higher employment rates (see figures 4.1 and 4.2). The association appears to be most striking among the female workforce, but the trend is also evident among men.

#### Figure 4.1

Female employment rates and the proportion of female employees in part-time work in selected EU countries, 2013



#### Figure 4.2



Male employment rates and the proportion of male employees in part-time work in selected EU countries, 2013

This trend is true of all seven countries examined in this report. Of the four countries with the highest proportions of women in employment working parttime (Sweden, Germany and the Netherlands), three also have the highest female employment rates of the seven. They also have among the highest female employment rates in the EU, which stands at over 71 per cent for each of them. Conversely, Poland has the lowest share of women working part-time, at 11 per cent, and its female employment rate, at 57.6 per cent, is among the lowest in the EU.

To help explain why there may be an association between the proportion of women in part-time work and the female employment rate, it is necessary to consider women's reasons for working part time. The reasons why people work reduced hours range from pursuing education to wanting more leisure time, and from the desire or need to care for friends and families to the availability of jobs. Based on our analysis of data from the EU Labour Force Survey (EU LFS), the most common reason given by women in our seven countries for working part time is to reconcile work commitments with caring responsibilities. This illustrates the fact that women continue to play the role of primary carers in modern industrial economies. In the UK, more than twofifths (41.7 per cent) of women who work part-time do so primarily to take care of children or incapacitated adults; over a third of women in the Netherlands (36.6 per cent) and France (33.7 per cent) give the same reason (see table 4.1). The inability to find full-time work is also an oft-cited reason for working part-time, with well over half (57.9 per cent) of part-time female workers in Spain giving this as their primary reason (Eurostat 2013).

#### Table 4.1

Percentage of part-time workers who work part time because of caring responsibilities by country, 2012

|             | Female | Male |
|-------------|--------|------|
| UK          | 41.7   | 5.7  |
| Germany     | 25.5   | 2.7  |
| Spain       | 14.6   | 1.2  |
| Netherlands | 36.6   | 7.8  |
| France      | 33.7   | 6.4  |
| Sweden      | 20.1   | 6.4  |
| Poland      | 9.4    | 0.6  |

Source: IPPR analysis of EU LFS (Eurostat 2013)

These findings suggest that flexible working options, in the form of part-time hours, are being used for the purposes of combining work and caring responsibilities. To the extent that part-time employment is allowing mothers to work who would otherwise be unable to do so, this may help explain the association between part-time work and a higher employment rate. It is also likely that the volume of part-time workers reportedly seeking full-time employment has been exacerbated by the medium-term effects of the eurozone financial crisis, chief among which has been higher demand for (and undersupply of) jobs and hours. However, any structural underemployment that underlies this also represents economic potential that firms and countries can realise by expanding part-time work.

The true extent of demand for (flexible) work among mothers who are currently *without* work is difficult to measure. In their review of the literature on maternal preferences for work, Nadia Steiber and Barbara Haas (2012) found that while there is evidence of a link between individual preferences about work or family care and employment behaviour, the relationship between the two may run both ways. For instance, many mothers who are initially less happy to be working outside the home change their minds over time.

Analysis by IPPR has demonstrated that as the age of their youngest child rises, mothers become increasingly likely to enter work, and the rate at which they do so rises significantly when that child reaches school age (Ben-Galim and Thompson 2014). While this may in part reflect mothers' preferences inclining towards work as their children get older, it is also linked to the fact that those children will be in school for a large proportion of every weekday. Although not all working hours are compatible with the school day, and there are problems with the availability of wraparound care, the transition into school does mark a change in employment patterns for many mothers.

Steiber and Haas (2009) also report findings from several studies that show inconsistencies between women's working behaviour and their attitudes. For instance, some mothers who were not in employment were found to strongly believe that mothers (in general) should be able to work. It is suggested that this may indicate barriers that are preventing households from achieving their desired work–care balance. Similarly, Daniela Del Boca and her colleagues have presented compelling evidence showing that low preferences for maternal work found among mothers in most southern European economies (with the exception of Portugal) may be explained by structural features of the economy, such as the lack of part-time jobs (Del Boca et al 2002). This indicates that the potential for flexible working options to better tap into existing labour market potential is far from exhausted.

### 4.2 Which jobs are part-time?

Part-time work is more concentrated in elementary occupations, and less concentrated in professional and managerial roles, than full-time work is.

The under-qualification of workers is higher in the full-time labour market than it is in the part-time labour market.

Although there is an apparent correlation between the prevalence of part-time work and the employment rate, part-time work may also be contributing to a misallocation of skills across the economy. One reason for this may be that part-time work is disproportionately concentrated in elementary-grade occupations relative to – and at the expense of – professional occupations (Eurofound 2012b). This, in turn, may be caused in part by a failure to employ mothers in jobs that meet their level of experience and qualifications – although reverse causality, along with other institutional and economic factors, is also important.

Our analysis of evidence from Eurostat shows that across the EU, part-time work is more concentrated in elementary occupations, and less concentrated in professional and managerial roles, than full-time work. Thus, while professional and managerial occupations make up more than two-fifths (43 per cent) of fulltime jobs across the EU28, these jobs account for less than a third (31 per cent) of part-time work (Eurostat 2014). Furthermore, this 12-percentage-point difference is the same as the difference between the proportions of elementary occupations among part-time jobs (19 per cent) and full-time jobs (7 per cent) (ibid). This suggests that many high-skilled mothers who decide to return to work part time are finding themselves obliged to take up work of a lower level than they are capable of - or indeed, a lower level compared to the work they were doing before the birth of their child. While any mother's return to work will contribute to boosting a country's economic performance, and to boosting a firms' output, having highly qualified women working in low-skilled jobs is a suboptimal outcome for both employers and employees. It represents a significant opportunity cost and loss of potential output.

Based on an analysis of qualifications, it is also possible to argue that more people in full-time work are under-qualified, compared with those in part-time work. Our analysis shows that in the part-time labour market, the difference between the proportion of jobs at a high skill-level (managers, professionals and associate professionals) in the economy and the proportion of highly qualified employees (tertiary qualifications and above) in the labour market stands at 4 percentage points. Yet for full-time work, the same difference stands at 10 percentage points (Eurostat 2013). This means that the ratio of highly skilled jobs to highly qualified workers is higher for full-time employment than it is for part-time. Along with structural and institutional dynamics, an important factor that may be contributing to this phenomenon could be the exclusion of highly gualified mothers from full-time work, many of whom may instead take up parttime work that is below their skill level. This may be occurring in part because of an undersupply of part-time work in high-level occupations (and possibly an undersupply of flexible working options that do not necessitate a drop in hours). In any case, it can result in the promotion and progression of less able men and women at the expense of retaining or returning more able mothers in the workforce. This, in turn, can be expected to affect profits negatively, especially in the long run, due to the costs of ineffectual recruitment relative to the lost opportunity costs of retaining highly skilled mothers.

Our analysis of the yearly EU LFS shows that although a significant number of all part-time employees (31 per cent) are in professional occupations, the proportion of all professional employees who work part-time is much smaller.<sup>1</sup> This latter point is particularly true of female employees. In Germany, 75.3 per cent of women working in elementary occupations work part time, compared to just 36.6 per cent of women working in professional occupations (Eurostat 2013; see table 4.2). This trend holds true across the other six countries we examined. Women employed in elementary occupations, or as clerks or service workers, are more likely to work part time than women in professional or managerial positions. This further supports the idea that part-time working options are more readily available to women working in lower-skilled occupations.

The evidence suggests that women in professional jobs do not make the same use of, or do not have access to, similar part-time opportunities. Furthermore, the fact that part-time hours are available to a lower proportion of employees in high-level jobs than those in elementary occupations could in part explain the relatively large mismatch between the numbers of highly qualified workers and the number of highly skilled jobs in the full-time labour market. Lastly, referring back to Fagan's three part typology (Fagan 2004), professional female workers are more likely to have access to flexible working options that focus more on autonomous scheduling as opposed to reduced hours. We will explore the prevalence and demand for this type of scheduling in more detail in chapter 7.

#### Table 4.2

Proportion of women working part time in given occupation groups in selected European countries, 2012

|             | Legislators, senior officials & managers | Professionals | Clerks | Service workers and shop<br>& market sales workers | Elementary<br>occupations |
|-------------|--|---------------|--------|--|---------------------------|
| Poland      | 4.0%                                     | 7.5%          | 8.7%   | 13.9%  | 19.3%                     |
| Sweden      | 10.7%                                    | 31.1%         | 38.4%  | 56.9%  | 59.5%                     |
| France      | 11.6%                                    | 26.3%         | 27.8%  | 32.5%  | 58.5%                     |
| Netherlands | 50.1%                                    | 67.3%         | 78.6%  | 86.7%  | 90.4%                     |
| Spain       | 7.1%                                     | 15.6%         | 19.5%  | 28.3%  | 45.0%                     |
| Germany     | 15.5%                                    | 36.6%         | 42.6%  | 56.8%  | 75.3%                     |
| UK          | 19.5%                                    | 30.6%         | 44.9%  | 53.7%  | 67.5%                     |

Source: IPPR analysis of EU LFS (Eurostat 2013)

<sup>1</sup> This is due to the fact that, across EU economies, there are more high-level jobs than there are jobs in elementary occupations.

# 5. WEEKLY WORKING HOURS

# 5.1 Working-time durations, gender dynamics and the employment rate

Across our seven countries, lower average weekly hours appear to be associated with higher female employment rates.

The same association does not appear to exist for male employment.

To understand some of the dynamics that underlie part-time employment rates, it is important to look at the dynamics and trends in working hours, and how they differ both between men and women and across countries. Research by Eurofound found that countries in which the average number of weekly hours worked by women is low tend to have higher female employment rates, with the exception of central and eastern European economies (Eurofound 2012a). This association appears to hold for the seven countries included in the present study. Our analysis of evidence from Eurostat shows an apparent (inversely correlated) relationship between the average weekly number of hours worked by women and the female employment rate (see figure 5.1).

Figure 5.1 below shows that the two countries with the lowest weekly hours worked by women in employment – the Netherlands (24.4 hours) and Germany (30.4 hours) – also had the second- and third-highest female employment rates (71.6 and 72.3 per cent respectively).<sup>2</sup> Conversely, the countries with the two highest numbers of hours worked by women – Spain (34.8 hours) and Poland (38.4 hours) – had the two lowest employment rates (53.8 per cent and 57.6 per cent respectively). What is equally striking is the fact that this inverse relationship between lower average hours and the employment rate is not immediately apparent for men (figure 5.2).

Trends in employment rates can be attributed to a number of economic and institutional factors. However, an apparent positive association between lower average weekly hours for women and the female employment rate might also suggest that reduced-hours work is helping mothers to reconcile work and caring responsibilities. In this way, labour markets with a greater supply of part-time work may be enabling women to remain in work, or else find a new job, after becoming a parent.

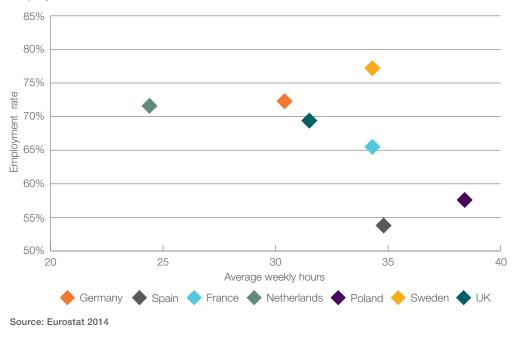
To the extent that reduced hours can be associated with higher female employment rates, it is worth highlighting the direct fiscal benefits that might be associated with a wider adoption of flexible working practices across the economy. Besides the boosts to GDP and output that would follow from an increase in the female employment rate, previous fiscal modelling by IPPR showed that the UK could be £750 million better off each year if maternal employment were to rise by five percentage points (Ben-Galim 2014).<sup>3</sup>

<sup>2</sup> Sweden had the highest female employment rate (77.2 per cent) among the seven countries.

<sup>3</sup> The £750 million figure represents the sum of increased tax revenues (from new workers paying income tax) and reduced costs (brought about by mothers moving off of out-of-work benefits).

#### Figure 5.1

Female employment rates and average weekly working hours of all women in employment, 2013



#### Figure 5.2

Male employment rates and average weekly working hours of all men in employment, 2013



### 5.2 The distribution of working hours within countries

Countries in which both:

- relatively large proportions of employees work the same one or two particular weekly work schedule(s) (for example, 40 per cent of employees working 40 hours per week), and
- men and women have similar working schedules

...tend to have low rates of female employment and a larger gender gap in employment rates.

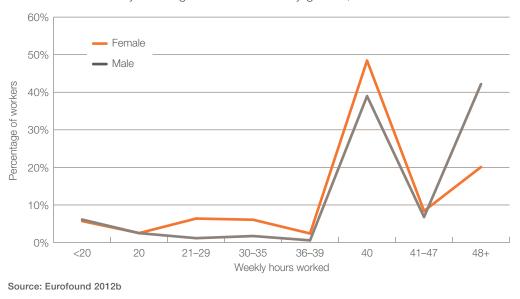
Conversely, countries with working hours that are less concentrated in a particular work schedule tend to have moderate-to-high female employment rates, yet still have high gender gaps in employment rates.

Men on average work longer hours than women. However, to focus solely on differences in average working-time is to risk overlooking differences in the distribution of working hours across the population.

Figures 5.3, 5.4 and 5.5 show the distribution of working hours for both men and women in the three of our seven chosen countries which best illustrate the key distribution types that we found: Poland, the Netherlands and Sweden.<sup>4</sup> Where there are discernible peaks in the graphs, they typically correspond with the standard number of working hours within a given country. Our analysis found that while the standard 40-hour working week has declined across Europe, it still remains the most prevalent working-time arrangement in four of the countries examined in this report: Germany, Spain, the Netherlands and Sweden.

Clearly delineated peaks in the distribution of working hours in a given country can suggest the prevalence of less flexible working hours. Poland presents a good example of this. In figure 5.3, there are two clearly discernible peaks in the distribution of hours at two main working schedules: 40 hours and 48 hours per week. Of all those in employment in Poland, 81 per cent of men and 69 per cent of women were working one of these two schedules in 2010 (Eurofound 2012b).

#### Figure 5.3



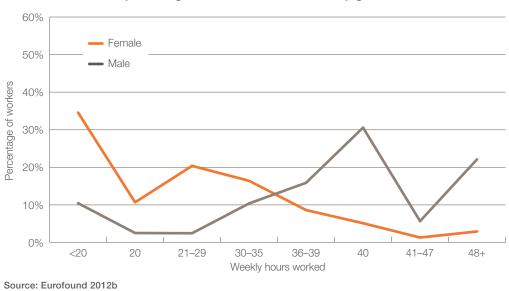
Distribution of weekly working hours in Poland by gender, 2010

4 Figures for Spain, Germany, the UK and France are included in the appendix of this report.

In the case of Poland, it is clear that the distributions of male and female working hours are closely aligned, with each tending to work long hours. In Poland we also see both the lowest female employment rate (57.6 per cent), and the highest employment gap (22.7 percentage points) between men and women, among the seven countries covered in this report (Eurostat 2014). The prevalence of standard working hours in Poland may mean that mothers – who may otherwise want to work alongside their caring responsibilities – are presented with the choice of either working to a rigid schedule or dropping out of work altogether. This might help explain both the low female employment rate and the large employment gap between Polish men and women.

On the opposite end of the spectrum to Poland, working-hour patterns in the Netherlands are entirely different (see figure 5.4). Not only are the working hours of both genders more evenly distributed, which suggests a greater variety of working-time arrangements, they are also noticeably divergent from one another: around 74 per cent of men work at least 36 hours per week, while 82 per cent of women work for less than 36 hours (Eurofound 2012b).

#### Figure 5.4



Distribution of weekly working hours in the Netherlands by gender, 2010

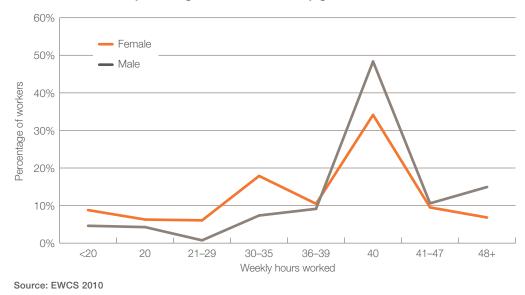
While the Netherlands ranks around the middle of our seven countries in terms of female employment (69.4 per cent), it falls comfortably within the top half of countries in the EU. It also has higher female employment than those countries examined here in which male and female working hours are more closely aligned, such as France (65.5 per cent), Spain (53.8 per cent) and Poland (57.6 per cent) (Eurostat 2014). This higher female employment rate in the Netherlands may in part reflect a jobs market that allows women to work hours that are more compatible with caring responsibilities.

Yet it is also worth noting that the Netherlands, out of all the countries presented here, had the third-highest percentage-point gap between male and female employment rates. Besides Poland, the other country that outranked the Netherlands in this regard was the UK, which had a similar distribution of hours – including a high gender disparity (see figure A.3 in the appendix). This suggests that the relatively high female employment rates in the UK and the Netherlands may owe more to structural economic and institutional factors that have led to high employment among both men and women than it does to more flexible working hours that specifically help mothers back into the labour market.

Sweden adds a further dimension to this discussion. Despite having both the highest female employment rate and the lowest employment gap, Sweden comes out somewhere around the middle for working-hour distributions by gender (in terms of the size of the gender disparity; see figure 5.5). Working-time is reasonably concentrated in a 40-hour schedule, but female working hours still differ significantly from those of men.

The fact that Sweden has such a high female employment rate despite its relatively average distribution of working hours also suggests the importance of alternative, more structural influences on employment rates. However, as chapter 7 will show, greater employee control over work start and finishing times in Sweden may also be important.

#### Figure 5.5



Distribution of weekly working hours in Sweden by gender, 2010

# 6. WORKING HOURS OVER THE LIFE-COURSE

#### 6.1 A life-course perspective on working hours

Key to expanding both the availability and the take-up of more flexible working options is a greater understanding of the relationship between working hours and lifestyle choices and life stages. Women's working-time arrangements and hours are more sensitive to different life-phases than men's (Eurofound 2012a). There are also cross-country differences between the employment patterns of men and women over a life-course, which suggests that institutions, policy, labour market structure and culture all have a role in determining patterns in employment for men and women. In particular, country-level variations can be driven by differences in the ages at which people leave school, have children and retire, and the deeper factors that influence these choices. The parental leave systems, the availability and affordability of childcare, the care available for older family members, and aspects of social policy such as employment regimes can all impact the degree to which people integrate into the labour market – and, by extension, the extent to which their economic potential is utilised by firms.

Taking a life-course perspective in this way can help to explain how the workingtime arrangements of men and women in work change according to life-phases. This can help us to better understand where tensions arise, and where flexibility may help to boost the female employment rate. In this chapter we will present new IPPR analysis on the distribution of working hours across a life-course. For illustrative purposes, we split working life into the following nine phases, in line with the work of Anxo et al (2007).<sup>5</sup>

- 1. Single under the age of 46
- 2. Couple in which the woman is under 46
- 3. Couple with child(ren) under 7
- 4. Couple with child(ren) aged 7-18
- 5. Single with child(ren) under 7
- 6. Single with child(ren) aged 7–18
- 7. Middle-aged couple (women aged 46–59) with no resident children
- 8. Older couple (women aged 60+) with no resident children
- 9. Single over 45, without children.

The household types included in the analysis include: young people; single adults without children; union-forming adults without children; adults part of a two-parent household with young children; single- and two-parent households with young children; single- and two-parent households with older children; middle-aged couple

<sup>5</sup> The report *Working time and work–life balance in a life course perspective* (Eurofound 2012a), which, like this report, uses a variant of the family life cycle approach set out by Anxo et al (2007), explains this typology as follows.

<sup>&#</sup>x27;The typology used here does not assume that everyone moves through a uniform sequence of household formations across their life course. Rather this study selects a range of household categories coinciding with widely experienced transitions and phases in the life course as a basis for comparative analysis... no distinction is made between married or unmarried couples. For the purpose of this study, it is only decisive whether couples are cohabiting or not.' Eurofound 2012a

households without resident children; and older couples or singles without resident children in the transitional period to retirement (Anxo et al 2007, Eurofound 2012a).

### 6.2 Stylised life-course of female and male wage-earners

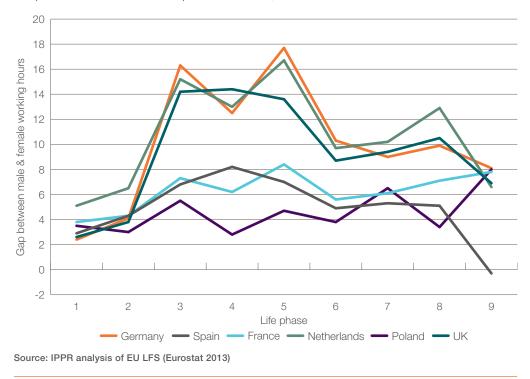
Women face a gender 'hours gap' – fewer working hours on average compared to men – across all life phases.

The 'hours gap' is highest for women with young children.

Figure 6.1 shows the results of IPPR analysis of the EU LFS for 2012. It gives the average working-time gender gap, across the nine life-stages described above, in six countries.<sup>6</sup> In each country there is a gender gap in working-time at every life-stage – women always work fewer hours than men, regardless of phase. Figures A.5 and A.6, which illustrate women and men's average weekly hours in each life-phase in these six countries, can be found in the appendix of this report.

#### Figure 6.1

Difference between men and women's average weekly hours worked, in different life-phases, in selected European countries, 2012



People in early adulthood are typically single and have no children, and so have few family or caring responsibilities. In the UK, Germany, Netherlands, France, and Spain, the working-time gap is smallest during this 'first phase'. Although the gender gap is narrow, it is also true that both genders work fewer hours on average in this first life-phase.

The second stylised phase of life based on our analysis is 'union formation'. Women's working-time reaches a peak during this period, yet we still see a widening of the gender working-time gap in every country except Poland.

<sup>6</sup> Sweden is not included due to data limitations.

Once households have children, the gap widens even further – the average working hours of women in the UK, the Netherlands and Germany drop significantly during this phase. In the UK, a woman with a child below the age of seven reduces her working time by an average of 10 hours compared to a woman without any children. In Germany, women who are in a relationship but do not have children work an average of 37 hours each week, but this average falls to 25 hours for women with children under seven. There is also a significant widening of the gap in working-time hours between men and women during this life-phase – in the UK it is equivalent to 14 hours' difference between men and women with children under seven and who are in a relationship; this figure is 16 hours in Germany. In the Netherlands, the working hours of women in relationships falls by roughly seven hours when they have children – from 31 hours to 24 hours per week. However, having a child appears to have little impact on men's working time. In fact, in a few countries men in a couple household and who have young children work a greater number of hours than single men without children.

The number of hours worked also differs between single-parent and couple households. In Germany, single women with young children tend to work more hours than women in relationships with young children. In the UK, France and Spain, however, single women with young children tend to work fewer hours than women in relationships with young children. Having children is consistently associated not only with an immediate drop in hours, but also with fewer hours across a lifetime. This indicates a large amount of output being lost to the economy – as well as lost income for some women and their families – over the long-term.

In contrast to the other five countries explored in this chapter, having children does not appear to have an impact on the working time of women in Poland, regardless of whether they are in a relationship. Although women work fewer hours than men, women tend to follow the same pattern of working time across each of the life phases. This supports our earlier finding that women in Poland tend (to a greater degree than women in other countries) to either participate in full-time working hours or else drop out of the labour market altogether. Similarly, the hours of women in Spain do not fall dramatically: a woman in a relationship with a young child tends to work 33 hours per week – two hours less than a woman under 46 in a relationship without any dependent child. However, as has already been mentioned, both Poland and Spain have relatively low employment rates, with just over half of women in work in each country.

With the exception of Poland, the figures illustrated in figure 6.1 show a general widening of the gap in average working hours between men and women with children. The larger gap in working-time hours at this phase in the life-course suggests that more mothers opt to work part-time hours than both women without dependent children and men.

The analysis also reveals marked national differences between men and women's working hours over the life-course. In each of the six economies explored here, women reduce the number of hours they work during the parenting phase, which results in a widening of the gender gap. Although this widening may be associated with some drawbacks, it may also reflect greater flexibility, whereby women are enabled to temporarily shorten their working schedules instead of dropping out of the labour market altogether. The variability in working hours may be explained by reversible working-time options, or generous and flexible parental leave systems. Limited working full-time or dropping out of the labour market altogether, which can have a particularly significant impact on the female employment rate (Hegewisch 2009).

In southern European countries, a significant proportion of women still withdraw from the labour market during the life-course phases of union formation and parenthood. On average, women spend more hours on unpaid activities than men, although employed women in northern economies such as Sweden tend to spend fewer hours on domestic activities than the average for employed women in Europe as a whole. Women tend to rely on reducing hours to enable them to combine multiple responsibilities. As we have already discussed, this can be effective in helping to maintain or boost female employment rates, although it potentially contributes to the underemployment of women and the mismatching of skills in the economy (see chapter 4).

In summary, two main points can be taken from the above analysis.

- 1. There is a clear gender disparity in working-time arrangements, which is exacerbated by having children; after this point, the disparity lessens but never fully disappears.
- 2. Working-time arrangements fluctuate substantially for both genders over the course of a lifetime.

The first point in some ways mirrors the much-cited hypothesis that women who move into low-paid work in order to care for young children suffer an 'hours gap' and are unlikely to fully close that gap across their lifetime.

The second insight might also serve to highlight the broader benefits of flexible working options. Workers of both genders typically need to vary their work commitments to balance them with the varying demands of different life-phases. This gives an indication of the scale of the broader potential that flexible working options may offer. To the extent that flexible working options can help to retain high-performing workers across multiple life-phases, they have the potential to substantially reduce costs while raising (or at least maintaining) quality and standards.

# 7. WHAT FLEXIBLE WORKING OPTIONS DO EMPLOYEES WANT?

### 7.1 Current working-time preferences

Between two-fifths and two-thirds of women would like a change in the number of hours they work.

A significant proportion of women want to increase the number of hours they work.

The preceding analysis has highlighted the advantages of reduced average weekly hours (increased female employment) and the disadvantages (misallocation of skills in the economy, and an hours gap for women across typical life-phases). In advancing further flexible working options, our aim should be to increase employment levels among women without compromising their access to high-skill and full-time occupations. We turn now to assessing the scope for expanding alternative methods of scheduling – particularly those that allow mothers to work in jobs of any skill level without an involuntary reduction in hours.

The key advantage of flexible scheduling is that it enables matching between preferred working patterns and actual working patterns across all life stages. The potential scale of demand for increased flexibility remains significant. Across the seven countries we examined, between 38 per cent (Sweden) and 62 per cent (the UK) of women would like to work either more or less hours than they do currently.

A significant minority of women want to work *fewer* hours than they currently work (see table 7.1). In Germany, close to one-third (31 per cent) of working women would like to work fewer hours, while in Sweden the figure is over two-fifths (44 per cent). Unsurprisingly (given that 77 per cent of the country's female employees already work part-time), in the Netherlands only 18 per cent of working women want to work fewer hours. In the UK, Spain, France and Poland, around a quarter of women (between 23 and 28 per cent) would like to work fewer hours (Eurofound 2012b).

However, a significant share of female workers across all seven countries would like to work *more* hours. In the Netherlands, close to a quarter of women would like to work more hours – probably because women who work part-time hours tend to want to work more hours. This suggests that although part-time work is a popular option, it may not be adequate to meet some families' needs. Workers may want to work more hours due to personal preference, or for financial reasons. By contrast, employed men tend to want to reduce their hours more than employed women do. This may partly be driven by the fact that women are more likely to be underemployed, and so want to increase their hours (Dolphin et al 2014).

Of the countries examined in this report, Poland has the highest proportion of workers who are satisfied with their working time (67 per cent). Given that Poland also has rigid working hours, little discrepancy between male and female hours, and a low proportion of part-time workers, this may seem counterintuitive. However, the explanation is likely to be that, given Poland's low employment rate (58 per cent), only those women who are able to fit their lives around rigid work-schedules remain in the labour force. This may suggest that in order for countries like Poland to make the most of latent labour-market potential and boost the female employment rate, cultural shifts beyond labour market structures may also be required.

#### Table 7.1

Female working-time preferences in selected European countries, 2010

|                      | Germany | Spain | France | Netherlands | Poland | Sweden | UK    |
|----------------------|---------|-------|--------|-------------|--------|--------|-------|
| Fewer hours          | 30.8%   | 27.5% | 26.4%  | 18.3%       | 22.6%  | 44.2%  | 25.2% |
| Same amount of hours | 50.5%   | 54.4% | 55.3%  | 58.5%       | 66.6%  | 38.1%  | 62.3% |
| More hours           | 18.7%   | 18.1% | 18.3%  | 23.2%       | 10.8%  | 17.7%  | 12.5% |

Source: Eurofound 2012b

Besides the long-term benefits to the economy that a rebalancing of skills and occupation types might bring, increasing the number of hours worked by mothers who are already in work would also bring substantial short-term fiscal gains. Previous IPPR modelling found that even without accounting for the fact that an increase in hours may be associated with a mother moving into higherlevel (and subsequently higher-paid) occupation types, the net fiscal gain of a five-percentage-point increase in the proportion of mothers in full-time work in the UK could be £700 million per year (Ben-Galim 2014).

### 7.2 Flexible working arrangements

A large majority of female employees across all countries work fixed start and finishing times.

A majority of female employees in most countries have their hours set entirely by their employer.

Sweden and the Netherlands, the countries with the first- and third-highest female employment rates respectively, also score consistently high on indicators for flexible scheduling.

How work is arranged, and employees' levels of autonomy over working hours, can have an impact on how well individuals reconcile paid work with other commitments. An important indicator for flexibility is how employees' hours are set, and who has control over this. For example, fixed starting times set by an employer indicate inflexible working practices, the rigidity of which may conflict with the varying and changing needs of women, men and households. As is shown in table 7.2, the majority of women in the countries we examine in this report work according to fixed starting and finishing times. Germany (37.9 per cent) and the Netherlands (36.7 per cent) have the highest share of female employees with access to varying start and finishing times, but this still accounts for less than two in five female employees in those countries.

Research by Fagan (2004) found that, contrary to what might be expected, variable start-times were actually associated with occupations that were *less* compatible with family commitments. This is especially true when variable times are set by the employer, but the problem persists even when they are set by the employee (Fagan 2004). The reason for this might be that employees who have more freedom to set their own start and finishing times are more likely to be working in high-level occupations that require particularly long hours. Thus, in such circumstances, the ability to influence scheduling is not sufficient to allow the employee to strike a satisfactory balance with other commitments (ibid).

The level of autonomy that an employee has over their working schedules does a great deal to determine the quality of their work–life balance. Greater autonomy over how working hours are arranged over the course of a week can help workers to combine paid work with other commitments. The degree of autonomy that employees have over their working hours varies between countries, although the share of workers who are able to set hours entirely independently – between

12 and 20 per cent of employees – varies little between those examined in this report (Eurofound 2012b; see table 7.3). In Sweden and the Netherlands, only a third (34.7 and 31.6 per cent respectively) of working women have their working hours set by their company or organisation. These two countries appear to have the highest degree of autonomy among our sub-sample of European economies. However, a majority of workers in Germany, Spain, France, the UK and Poland have their hours set by their employer, with no possibility of amendment by the employee. In Germany, just over a fifth of women have the ability to adapt their working hours within certain limits.

#### Table 7.2

Proportion of women with fixed start and finishing times at work in selected European countries, 2010

|                         | Germany | Spain | France | Netherlands | Poland | Sweden | UK    |  |
|-------------------------|---------|-------|--------|-------------|--------|--------|-------|--|
| No                      | 37.9%   | 23.4% | 30.5%  | 36.7%       | 24.3%  | 32.8%  | 35.6% |  |
| Yes                     | 62.1%   | 76.6% | 69.5%  | 63.3%       | 75.7%  | 67.2%  | 64.4% |  |
| Source: Eurofound 2012b |         |       |        |             |        |        |       |  |

Source: Eurofound 2012b

#### Table 7.3

Who sets working time as a proportion of all female workers (percentage), in selected European countries, 2010

|  | Germany | Spain  | France | Netherlands | Sweden | UK     | Poland |
|--|---------|--------|--------|-------------|--------|--------|--------|
| Hours are set by<br>the company/<br>organisation with<br>no possibility of<br>alteration | 52.93%  | 72.72% | 62.53% | 31.69%      | 34.7%  | 58.64% | 67.2%  |
| You can choose<br>between several<br>fixed working<br>schedules                          | 11.49%  | 7.57%  | 9.26%  | 14.04%      | 7.58%  | 10.08% | 5.3%   |
| You can adapt<br>your working hours<br>within certain limits                             | 21.77%  | 7.19%  | 14.29% | 38.26%      | 40.98% | 18.83% | 8.0%   |
| Your working<br>hours are entirely<br>determined by<br>yourself                          | 13.53%  | 11.91% | 13.4%  | 15.33%      | 13.61% | 11.51% | 19.6%  |

Source: Eurofound 2012b

Another indicator of flexibility is how easily workers can rearrange their work schedules to handle personal matters. In Germany, 53 per cent of female workers find it difficult to take an hour off during work. Meanwhile, a substantial proportion of workers in France (45 per cent), Poland (44 per cent) and Spain (39 per cent) also find it difficult to take a short period of time off. In Sweden and the Netherlands, over 80 per cent of workers are able to take time off with relative ease, and only 15 and 18 per cent respectively find it difficult. This type of ad hoc flexibility is often what employees seek in better flexible work provision.

#### Table 7.4

Percentage of female workers who find it difficult to take one or two hours off work to attend to personal matters at short notice, in selected European countries, 2010

|                         | Germany      | Spain | France | Italy | Netherlands | Poland | Sweden | UK    |
|-------------------------|--------------|-------|--------|-------|-------------|--------|--------|-------|
| Not at all<br>difficult | 47.4%        | 61.3% | 55.4%  | 69.6% | 82.4%       | 56.5%  | 84.8%  | 75.5% |
| Difficult               | 52.6%        | 38.7% | 44.6%  | 30.4% | 17.6%       | 43.5%  | 15.2%  | 24.5% |
| Source: Euro            | ofound 2012b | )     |        |       |             |        |        |       |

Across all the indicators above, the data for Sweden consistently points to a high prevalence of flexible and adaptable working options. This is important, as it may help to explain how Sweden is able to maintain high levels of female employment without a large gender gap in average weekly working hours.

Breaking down the scheduling of working time by occupation, our analysis shows that across Europe, the women who have the greatest autonomy over their work schedule are legislators, senior officials and managers (43 per cent). A significant minority of craft workers also determine their hours independently (25 per cent). Only 10 per cent of professional workers, and 5 per cent of clerks, set their hours completely independently (Eurostat 2013).

Most female workers in elementary occupations (65 per cent) have no autonomy over their hours. Women in higher-skilled jobs have higher levels of autonomy than women in lower-skilled jobs. Senior staff often enjoy considerably greater individual flexibility regarding *when* they work, but (as the availability of part-time working shows above) often have little scope to reduce *the number of hours* that they work (Hegewisch 2009).

Looking back to Fagan's categories for flexible working, it would appear that there is an undersupply of 'structured flexibility' in high-skilled work, and an undersupply of 'autonomous flexibility' in lower-skilled work. The latter will often result in lower employment rates, as low-skilled women will be forced out of the labour market altogether, while the former might cause higher-qualified women to downgrade to lower-skilled work. This take-up of lower-skilled part-time work by highly skilled mothers may in turn supress employment opportunities for lower skilled workers, who may find themselves out-competed for low-skill jobs and displaced from the labour market altogether.

Finally, although the greater propensity for flexible work in senior managerial roles is undoubtedly positive, research by the Timewise Foundation has shown that the proportion of high-level jobs that are advertised as flexible at the point of recruitment is far lower than the proportion of all jobs that are flexible at any one time (Stewart et al 2012). This suggests that employers are more willing to negotiate more flexible hours with existing employees than they are with prospective employees. Rigid hours therefore remain a significant obstacle to mothers seeking to re-enter the labour market. This may in part explain why increased levels of flexible working do not always bring about increased levels of maternal employment, as those women seeking flexible options while trying to enter work may remain locked out of the labour market.

#### Non-legislative flexible working policy

Case Study: Germany and Familienpflegezeit

The German *Familienpflegezeit* ('family caring time') scheme allows employees to reduce their working time (and income) over a fixed period in order to care for a dependent. Under this scheme, when employees return to full-time work after having children, they continue to receive a reduced income until they have 'paid back' the

difference. In practice this means that if, for example, an employee reduces her or his hours from full-time to half-time for two years, she or he will receive 75 per cent of their full-time income over a four-year period. This insurance-type income-smoothing scheme provides the flexibility that employees require while protecting them against fluctuations in their income, and gives assurance and stability to employers (Blum and Erler 2013).

### 7.3 Key insights

In summary, the key empirical insights from the present chapter are twofold. First, given the current lack of employee control over scheduling, there is scope for more dynamic flexible working options in the labour market. Across the seven countries we examined:

- between 13 and 23 per cent of women would like to increase the number of hours they work
- a large majority of female employees presently work fixed start and finishing times
- a majority of female workers have no control over their own work schedules.

To refer back to Fagan's three-part typology (Fagan 2004), this demonstrates the extent of potential demand for autonomous scheduling within the workforce. Further work needs to be done to assess the levels of potential demand for flexible work among the unemployed and inactive populations. However, to the extent that their reasons for being unemployed or inactive are related to being unable to reconcile domestic and work commitments, we might expect the demand for autonomous scheduling to be even greater among those outside the labour market.

The second major insight is how important such flexible working options could be for positive female employment outcomes. A comparative perspective finds that among our seven countries, the three (Sweden, the Netherlands and Germany) with the highest proportion of female workers with some degree of autonomy over their scheduling (62, 68 and 47 per cent respectively) are also the three countries with the highest female employment rate (77, 72 and 72 per cent respectively). Meanwhile, Spain. France and Poland have both the lowest proportions of female workers with any autonomy over their schedules (27, 37 and 33 per cent respectively) and the three lowest female employment rates (54, 66 and 58 per cent) of the countries examined here (Eurofound 2012b; Eurostat 2012). Interestingly, Germany and the Netherlands enjoy these high female employment rates at the apparent cost of a relatively large gender gap in hours (9.2 and 10.4 hours per week respectively; see chapter 4). Yet, as has already been noted, this is not true of Sweden, which has the smallest gender gap in terms of hours. With such a small sample of countries, the evidence presented here can only be treated as circumstantial: deeper analysis is required to arrive at a more robust understanding of any associations. Nevertheless, the findings of this report do give strong initial indications of the potential employment benefits of flexible working practices that allow for greater work-life compatibility without necessitating a reduction in hours.

# 8. CONCLUSION

The key argument of this report is that flexible work practices can result in higher rates of employment, and better matches between qualifications and job skill-level, for women and mothers. As women and mothers represent a group who are underrepresented in workplaces across Europe, improving the scale and quality of their representation in the labour market promises significant net gains for the economy.

Our analysis has documented broad associations between reduced (and parttime) hours and the female employment rate. This trend is to be welcomed, and the indications explored here suggest that there is significant scope for raising female employment rates further through more reduced-hour and part-time work. Increasing the availability of part-time hours in high-level occupations is likely to be particularly advantageous. However, these findings notwithstanding, it is also noted that the current distribution of reduced hours across most European economies is a contributing factor to the lack of female job progression. This in turn may be contributing to an apparent misallocation of skills across European economies, particular within the full-time labour market.

The life-course perspective adopted in this report serves to illustrate both the degree of variability in hours worked across a lifetime, as well as the long-term effects that having children has on women's working hours. Literature in this field has often referred to a motherhood pay gap. In examining employment in terms of hours, according to gender and across life-phases, we have identified what we refer to as an average motherhood 'hours gap' – one that is never fully recovered from across women's lifetimes. For those women who do not take a reduction in hours voluntarily, this 'hours gap' may in part be caused by the failure of labour markets to adapt to the rise of the joint-breadwinner household, although other factors are also in play.

Higher level occupations may already be more likely to accommodate flexible working practices that do not require reduced hours. However, an assessment of employee preferences shows that even within these job types, there is substantial scope for further expansion. Making more flexible scheduling arrangements available at the point of recruitment would also be an important step that would better allow mothers to re-engage with the labour market in a way that makes best use of their skills and potential.

Some governments have already made progress, in the form of statutory interventions, towards addressing the observed shortcomings in the labour market. Laws that are designed to guarantee employer provision of flexible working – particularly for mothers and parents – vary from country to country, and have had varying levels of success in terms of aggregate employment outcomes. However, to the extent that some countries have seen progress, this can only be partially attributed to legislative intervention. Structural economic and labour-market factors that shape the behaviour of firms, as well as cultural and household developments that affect the nature of labour, are clearly also key. New laws will only drive further take-up and diversification of flexible working.

Equally if not more important will be the voluntary adjustments required from within firms and industries in recognition of the benefits that more creative methods of flexible working can bring. Work by the Timewise Foundation<sup>7</sup> has set out how these adjustments might be promoted by stimulating part-time and flexible work opportunities through corroboration with and between employers. By focusing on job-design and recruitment strategies, as well as supporting women (and men) to find work that fits with their caring responsibilities, it has been shown how untapped labour market potential may be utilised with minimal government intervention (Blum and Erler 2013). More creative thinking is also required to challenge and improve upon existing models of flexible work – for example, by considering how a scheme like the German *Familienpflegezeit* could be adapted for more countries and more employers. Creative approaches such as these demonstrate that there are effective ways to broker, develop and harness the potential of flexible working.

Across European economies, the demand is clearly there for greater flexible working of all kinds, as our findings have shown. Across the seven countries examined in this report, an average of 45 per cent of female workers would like to change their hours. The (on average) 28 per cent of women who would like to work *fewer* hours represent part of the potential for female employment levels to be boosted by flexible working options such as job-share opportunities and part-time work (particularly in professional sectors). Similarly, the 17 per cent of female employees who would like to *increase* their hours represent the potential for flexible working to address underemployment. Our findings indicate that increased employee flexibility over scheduling would help address underemployment, in terms of both hours and skill-grade. Given the higher levels of under-qualified workers in the full-time workforce relative to the part-time, such an innovation would stand to benefit employers and employees alike.

Flexible working in its current, reduced-hours form simply isn't flexible enough – especially for low-income jobs. The prevalence of rigid scheduling among all jobs, and especially in elementary occupations, often means that even reduced-hours work is not sufficient for meeting the often more spontaneous demands of caregiving. As such, failure to address this issue will mean that a significant minority of women and mothers continue to be blocked from the labour market, despite an expansion of part-time working options. This would represent a continued loss of potential for the economy.

<sup>7</sup> http://timewisefoundation.org.uk/

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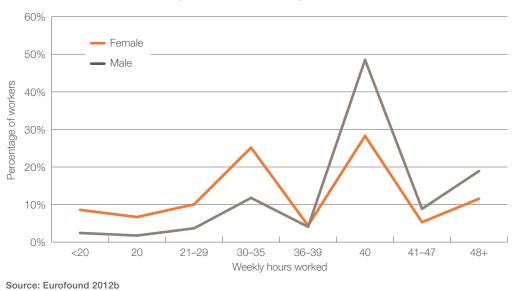
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### APPENDIX DISTRIBUTION OF WORKING HOURS BY GENDER IN SELECTED EUROPEAN COUNTRIES<sup>8</sup>

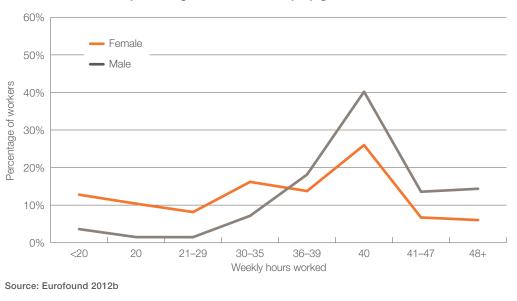
#### Figure A.1

Distribution of weekly working hours in Spain by gender, 2010



#### Figure A.2

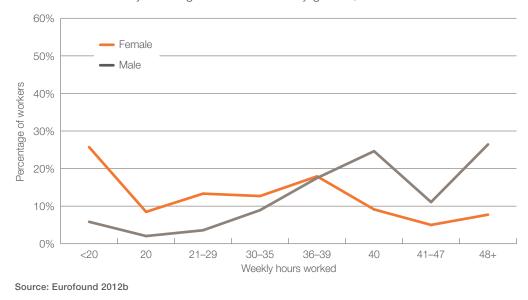
Distribution of weekly working hours in Germany by gender, 2010



8 Figures 5.3, 5.4 and 5.5 illustrate this data for the other three of the seven countries examined within this report (Poland, the Netherlands and Sweden respectively).

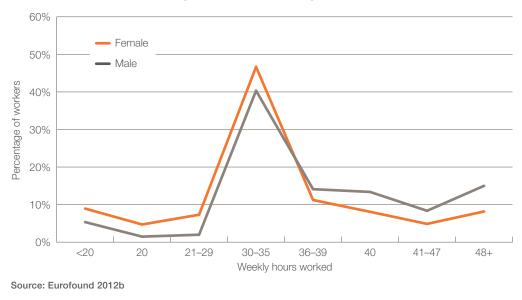
#### Figure A.3

Distribution of weekly working hours in the UK by gender, 2010



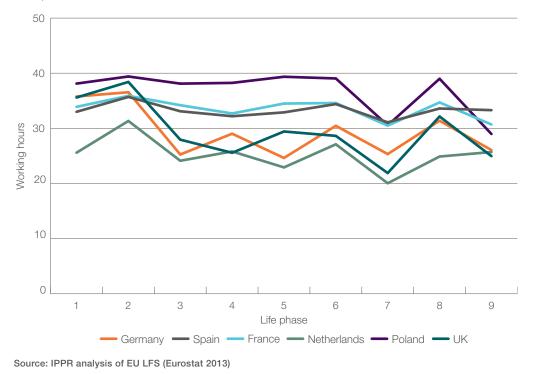
#### Figure A.4

Distribution of weekly working hours in France by gender, 2010



#### Figure A.5

Women's average weekly working hours in different life-phases in selected European countries, 2012



#### Figure A.6

Men's average weekly working hours in different life-phases in selected European countries, 2012

