

# Money Talks:

## Communicating Employee Benefits

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needs a back-up plan

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### EXECUTIVE SUMMARY

Peter O'Donnell, Chief executive of Unum:

“Money Talks: Communicating Employee Benefits’ shows that simply offering a great employee benefits package isn’t enough to promote wellbeing and financial security amongst employees.

What’s evident is that a startling number of organisations are failing to communicate the employee benefits they offer to their staff, meaning that they are not getting a return on their investment. This lack of communication is costing UK Plc dearly - around £2.75bn each year in labour turnover and workplace absence, or over £470,000 a year for a company with 1,000 employees.”

The aim of this report is to provide new and distinctive primary research into how organisations communicate with their workforce around the employee benefits that they offer, and the impact benefits communication has on staff morale, loyalty and retention, in addition to workplace absence.

Earlier in 2013 we published Keeping Pace? Financial Insecurity in the Modern Workforce, which identified that today’s employees are more likely to fall into financial difficulty than they were 30 years ago. It noted that the UK workforce has changed dramatically, but that employee benefits provision – particularly pensions and Income Protection – haven’t kept pace with change, resulting in a workforce that is less financially secure.

This report, which has also been commissioned by Income Protection provider, Unum, builds on the findings of ‘Keeping Pace?’, using data from the UK Government’s 2011 Workplace Employment Relations Survey (WERS) to explore the idea that even where organisations are making employee benefits available, they are not communicating about these benefits effectively with their workforces. And, most importantly, to uncover the impact of this lack of communication.

We identify a startling number of organisations that invested in a wide range of employee benefits and yet are failing to communicate them effectively to their staff (Silent Types), a failure that could be costing UK employers over £2.75bn per year in labour turnover expenditure and workplace absence. This ‘communications chasm’ exists for management staff as well as non-management staff, and also for women with dependent children, despite the expectation that such benefits – particularly those relating to flexible working – would be specifically targeted at this employee group.

### The communications chasm

- 64% of employers that provide a large range of employee benefits are poor communicators
- Among non-management employees, lack of awareness about these employee benefits ranged from 81% (unaware of job sharing opportunities) to 53% (unaware of flexi-time availability)
- Among management employees, lack of awareness about employee benefits ranged from 80% (unaware of opportunities for term-only working) to 35% (unaware of home working opportunities)
- Poor communications have a clear impact on employee attitudes. Staff in workplaces that offer benefits, but are not aware of their availability, are less likely to share the values of, and feel loyal to, their organisation and be proud to tell people who they work for
- The attitudes displayed by staff who are unaware of the employee benefits on offer are no different from those in workplaces that do not offer these benefits. **Hence, offering benefits but not making the workforce aware of their availability is no better than not offering these benefits at all.**

### The impact on labour turnover

With the cost of living rising more quickly than many peoples' incomes and employers struggling for growth, staff retention is a vital issue. Organisations cannot easily increase the salaries of their workforce and thus need to identify other ways to build loyalty with their staff, to prevent employees from being tempted by higher offers elsewhere.

It is estimated that for every employee that leaves an organisation, the replacement cost is roughly equivalent to one year's salary<sup>2</sup> in terms of recruitment and training costs combined with the lost productivity that occurs throughout the resignation/replacement process, amounting to an annual cost of £71.7bn<sup>3</sup> to UK employers every year.

Employee benefits packages – particularly those that offer financial security such as private medical insurance or Income Protection – are proven to have a positive impact on employee attitudes, thus greatly improving staff retention. However, our research clearly shows that organisations need to communicate these benefits effectively with the workforce in order to see a meaningful impact on staff retention:

- Communications Champions, (companies that are high benefit providers and communicate well with their workforce), have lower annual turnover rates (7.73%) than the Silent Types (high benefit provider organisations that communicate badly) (8.65%)
- For an organisation with 1,000 employees, this means an additional £250,000 spent on turnover costs every single year<sup>4</sup> through a simple failure to communicate effectively with their workforce about the benefits they're already making available.
- Extrapolated across the whole of the UK, workplaces that offer good benefits, but fail to communicate them are losing out on £1.44bn each year<sup>5</sup>

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1 <http://www.myfinances.co.uk/savings/2013/05/07/uk-savings-levels-fall-as-cost-of-living-outpaces-wage-growth>

2 PWC, via <http://www.workplacelaw.net/services/news/30673/replacing-staff-costs-a-year-s-salary>

3 Replacement cost of workers is 1x annual salary (UK average salary £26,500). With the total working population currently 29,120,000, and a current resignation rate of 9.3% (<http://www.personneltoday.com/articles/21/08/2012/58751/resignation-rates-at-lowest-level-since-2007.htm>), the number of workers resigning in a year is currently 2,708,160. Multiplied by the average salary, this equals £71,766,240,000

4 Average yearly salary in the UK is currently £26,500. Hence, in organisations with 1000 employees:

- Cost of turnover in high benefit providers/ low communicators (where turnover is 8.65%):  $0.0865 \times 26,500 \times 1000 = \text{£}2,292,250$
- Cost of turnover in high benefit provider/ high communicators (where turnover is 7.73%)  $0.0773 \times 26,500 \times 1000 = \text{£}2,048,450$

The difference in the cost of turnover between the two: £243,800

5 Total number of employees in the high benefit provider/ low communicator sector: 29,120,000 (the current UK workforce size) x 0.203 (the proportion of organisations in the high benefit provider/ low communicator category) = 5,911,360

Average cost of turnover per employee:

- High benefit providers/ high communicators: £2,048.45
- High benefit providers/ low communicators: £2,292.25

Cost of turnover in all high benefit provider/ low communicator organisations  $\text{£}2,292.25 \times 5,911,360 = \text{£}13,550,314,960$

Cost of turnover in these organisations were they to have the same turnover rate as high benefit provider/ high communicator organisations:  $\text{£}2,048.45 \times 5,911,360 = \text{£}12,109,125,392$

Hence, the saving to UK plc would the level of labour turnover the same in high benefit provider/ low communicators as in high benefit providers/ high communicators:  $\text{£}13,550,314,960 - \text{£}12,109,125,392 = \text{£}1,441,189,568$

### The impact on workplace absence

Workplace absence currently costs UK organisations £17bn ever year<sup>6</sup> in direct costs, not including the knock-on effect of lost productivity or reduced customer service.

Our research shows that Communications Champions have lower absence rates than the Silent Types. This could either be because of the positive impact on attitudes displayed by employees in organisations that have a high awareness of the benefits available to them – i.e. staff do not feel as inclined to ‘pull a sickie’. It could also be because many employee benefits are specifically designed to improve work/life balance and well-being, and thus if employees are aware of the benefits and take them up, they are genuinely less likely to be ill and need time off work.

- Communications Champions have lower annual workplace absence rates (4.2% of total days lost to absence) than the Silent Types (5.04% of total days lost to absence)
- For an organisation with 1,000 employees, poor communications can therefore result in an extra £222,600 lost as a result of workplace absence each year<sup>7</sup>
- Extrapolated across the whole of the UK, these high benefit provider/low communicator workplaces could save a total of over £1.3bn each year<sup>8</sup> by communicating more effectively with their workforce. Again, this saving is based purely on improving the way they communicate to employees about the benefits they already offer.

### Which types of organisation are good/bad communicators?

Our research casts new light on the differences between organisations in different sectors or with different types of owner. Some of these findings are particularly illuminating. For example, it’s clear that both UK and EU owned workplaces can take lessons from the US in terms of how to communicate the benefits that are offered to staff. This could well be because US employees are provided for less by the state and therefore naturally look to their employers for their benefits – thus increasing the onus on employers to communicate effectively about them.

Similarly, communication is better in public sector workplaces than in the private sector. Employees in private sector workplaces are also less likely to be specifically aware of the employee benefits available to them than their counterparts in the public sector.

The following types of workplaces are more likely to fall into the ‘communications chasm’:

- High benefit provider workplaces that are part of both UK- or EU-owned organisations are more likely to be poor communicators than high benefit provider US owned workplaces
- High benefit provider smaller organisations (with fewer than 50 employees) are more likely than high benefit provider larger organisations to be poor communicators,
- However, employees in mid-sized organisations (250-499 employees) are the least likely to be aware of the employee benefits available to them, as they frequently suffer HR-related problems as they grow, as they often lack HR expertise

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6 Workplace absence costing UK economy £17bn in 190 million working days (2010) . Does not include lost productivity and lowered customer service quality.  
<http://www.cbi.org.uk/media-centre/press-releases/2011/05/workplace-absence-costing-economy-%C2%A317billion-cbi-pfizer-survey>

7 For an employer with 1000 employees:

Workplaces in the high benefits/ low communication category, the rate of absence is 5.04%. Average earnings are £26,500.

Hence for an employer with 1000 employees, annual cost of absence would be £26,500 x 0.0504 x 1000= £1,335,600

Workplaces in the high benefits/ high communication category have an absence rate of 4.2%. The same calculation yields the following: £26,500 x 0.0420 x 1000 = £1,113,000

The difference between the two = £222,600

8 Workplaces in the high benefits/ low communication category comprise 20.3% of workplaces. In terms of the number of employees this covers:

29.12 million (total current UK workforce size) x 0.203= 5,911,360 people

The cost of absence per employee in this category is £1,335.60

Hence the cost to UK plc of absence in the high benefits/ low communication category is 5,911,360 x 1,335.6 = £7,895,212,416

Were these workplaces high benefit providers/ high communicators, the cost per employee would be £1,113.00

This would result in a total cost to UK plc of 5,911,360 x 1,113.20 = £6,580,525,952

The cost to UK plc, therefore, of organisations being high benefit providers/ low communicators rather than high benefit providers/high communicators is:

£7,895,212,416 - £6,580,525,952 = £1,314,686,464

- High benefit provider workplaces in the ‘professional, scientific and technical’, ‘financial and insurance’, ‘real estate’, ‘arts, entertainment and recreation’ and the ‘electricity, gas, steam and air conditioning supply’ sectors are more likely to be poor communicators
- Employees within the ‘financial and insurance’, ‘water supply, sewerage, waste management and remediation services’, ‘construction’, ‘wholesale and retail trade, repair of motor vehicles and motorcycles’, ‘transport and storage’ and ‘information and communication’ sectors are less likely to be aware of the employee benefits available to them
- High benefit-provider non-union workplaces are more likely than high benefit provider workplaces with union recognition to be poor communicators, with their employees being less likely to be aware of the benefits available to them. This is likely to be because Unions provide an additional channel through which employees can be made aware of the employee benefits available to them

### Conclusions

Our work with Unum on this report and ‘Keeping Pace? Financial Insecurity in the Modern Workforce’, is designed to cast new light on the state of employee benefits in the UK. The findings go a long way to understanding some of the most significant workforce challenges currently facing employers and employees across the UK.

It is no wonder that 77% of employees admit to feeling financially insecure<sup>9</sup>. Employee benefits have failed to evolve alongside the rapidly changing demographics within the UK workforce – with a notable deficiency in the modern-day provision of harder financial benefits such as private medical insurance or Income Protection.

At the same time, even where employers are making benefits available, they are failing to communicate this availability to their staff, resulting in workforces that do not show loyalty/pride towards or share the values of their employers. The evidence suggests that this simple failure to communicate could ultimately be costing UK employers over £2.7bn per year in labour turnover expenditure and workplace absence.

The response needed from employers is self-evident. The time is ripe for them to take a new look both at the types of employee benefits they provide, and the way in which they communicate availability of these benefits. In doing so, there are immediate opportunities for them to cut costs by improving internal communications as well as significant long term gains to be made by rebalancing their benefits packages to meet the needs of the modern workforce.

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<sup>9</sup> “Changing Benefits” Unum / Populus, 2012

### Contents

#### Method

#### Section 1: Communicating employee benefits

- 】 Summary
- 】 The existence of an employee benefits communications chasm
- 】 The impact of poor benefits communications on employee attitudes. Does this affect whether employees:
  - a. share the values of their organisation?
  - b. feel loyal to their organisation?
  - c. feel pride in their organisation?
- 】 A closer look at pensions communications practices

#### Section 2: Good and bad communications in the workplace

- 】 Summary
- 】 The impact of poor workplace communications
- 】 Identifying high provider/low communicator workplaces
- 】 The impact of poor communications on organisational performance
- 】 The impact of good and bad communications on employee attitudes

#### Section 3: Characteristics of workplaces in the communications chasm

- 】 Summary
- 】 Shared attributes
- 】 Characteristics of workplaces that are poor communicators
- 】 Communications chasm workplaces as defined by employees

#### Acknowledgements

APPENDIX: definition of communication practices

### METHOD

Money Talks: Communicating Employee Benefits draws on data from the 2011 Workplace Employment Relations Survey (WERS). WERS is regarded as the most authoritative source of information on employment relations in Britain, being sponsored by the Department for Business, Innovation & Skills, Acas, and the Economic and Social Research Council. It includes data collected from 2,680 workplaces<sup>10</sup>.

#### The report has three sections:

- i) **Communicating employee benefits:** For a range of employee benefits<sup>11</sup> the analysis identifies:
  - a. Whether the management in each workplace states that the benefit is available to workers in the largest occupational group.
  - b. The extent to which workers within these workplaces state that the benefit is available to them.

It also identifies the extent to which workers who are the target group for such employee benefits (in particular, women with dependent children) are aware of their availability to them. This provides an indication of how well the availability of such benefits is being communicated to the workforce. The analysis then identifies whether employees in workplaces that have these benefits in place and are aware of their availability to them display more positive work-related attitudes than employees in workplaces that either don't offer these benefits or that don't communicate them effectively.

- ii) **Good and bad communication in the workplace:** This stage of the report builds on Section I by examining in more detail why employees are not more aware of the benefits they are entitled to. It focuses on the practices employers have put in place to communicate with the workforce, and identifies workplaces in which a wide range of practices have been implemented (for example, employee attitude surveys, team briefings and consultation committees).

The analysis then identifies whether workers in high benefit provider/high communicator workplaces display more positive work-related attitudes than do those in high benefit provider/low communicator workplaces (i.e. workplaces in the communications chasm). The analysis also addresses whether the metrics for employee absence and labour turnover are better in high benefit provider/high communicator workplaces than elsewhere.

- iii) **Characteristics of workplaces in the communications chasm:** The final stage of the analysis identifies the profile of the workplaces that fall into the communications chasm. Specifically, it explores whether workplaces that are unionised, have a personnel/HR specialist present, are larger or smaller, are foreign owned, are in certain sectors, or are in the public or private sector, are more or less likely to display poor communications practices around benefits<sup>12</sup>.

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<sup>10</sup> WERS is designed to be nationally representative of British workplaces with five or more employees in all industry sectors (with the exception of agriculture, hunting, forestry and fishing, and mining and quarrying) when probability weighted to account for the complex nature of the WERS survey design. The survey comprises several elements, including: a survey of managers at each of the workplaces, and a survey of employees and a survey of worker representatives within the same workplace. This report draws on findings from both the survey of managers and the survey of employees. The survey of managers comprises 2,680 observations with a response rate of 46.5%. Respondents to the survey of managers are the most senior manager in the workplace with responsibility for employment relations, human resources or personnel. Where the survey of employees is concerned, in workplaces with 25 or fewer employees, all employees were provided with a questionnaire to complete. In larger workplaces (with more than 25 employees), 25 employees were selected at random to participate. In total, 21,981 employees completed a survey, representing a response rate of 54.3%. For further details see van Wanrooy, B., Bewley, H., Bryson, A., Forth, J., Freeth, S., Stokes, L. and Wood, S. (2013) The 2011 Workplace Employment Relations Study First Findings. London: Department for Business, Innovation and Skills.

<sup>11</sup> Flexi-time, job sharing, the chance to reduce working hours, working the same number of hours across fewer days, working at or from home in normal working hours, working only during term times, paid leave to care for dependents in an emergency, pensions

<sup>12</sup> All results throughout the report are based on weighted data. The application of weights to the WERS data is essential if unbiased population estimates are to be obtained. This is because larger workplaces and workplaces in certain sectors are over-sampled within WERS to enable analysis by key sub-groups. The data is thus weighted to compensate for the unequal selection probabilities that this generates, and to compensate for non-response.

### SECTION 1: COMMUNICATING EMPLOYEE BENEFITS

#### Summary

Our research shows that a large proportion of the staff in workplaces where a range of employee benefits are provided are in fact unaware that these benefits are available. This 'communications chasm' exists for both managerial and non-managerial employees, and also for women with dependent children, one of the groups most likely to require the types of benefits examined.

This evidence of poor workplace communications practices is important because of the impact it has on work-related attitudes. Our research clearly shows that employees who are aware of the benefits available to them are more likely to share the values of their organisation, feel loyal to their organisation and be proud to tell people who they work for. At a time when staff retention and loss of talent continues to cause problems for employers throughout the UK, the importance of a positive attitude towards work cannot be understated.

There is strong evidence that employees in workplaces where benefits are not available display poorer attitudes than those who have benefits and are aware of them. While this is not of itself surprising, what is interesting is that employees who are unaware of the benefits available display the same attitudes as those in workplaces that do not offer these benefits at all. Hence, offering benefits but not communicating their availability effectively is no better than not offering these benefits in the first place – a stark warning to workforces that are attempting to use their employee benefits packages as a market differentiator and means of talent recruitment and retention.

Finally, it should be noted that the WERS data only offers us an insight into a limited range of benefits, and does not cover 'harder' financial benefits such as private medical insurance and Income Protection. Nevertheless, with such strong evidence of a communications chasm identified, there is clearly a risk that employee awareness of financial benefits is also likely to be limited. At a time of increased employee financial insecurity, employers need to prioritise communicating the availability of these benefits to the wider workforce if they wish to see a positive impact both on attitudes as well as absence and turnover rates.



### The existence of an employee benefits communications chasm

Table 1.1 explores the extent to which different employee benefits are offered to the workforce. The results show significantly different levels of provision relating to different benefits. For example, financial help with the care of older adults is offered in just 0.6% of workplaces. By contrast, 56.7% of workplaces offer the opportunity to reduce working hours while 49.1% offer the opportunity to change set working patterns such as shifts. Where the other employee benefits are concerned, it is perhaps notable that most are offered in no more than one fifth to one third of workplaces.

**Table 1.1: The adoption of employee benefits**

	Percentage
Workplace nursery or nursery linked with workplace	2.7
Financial help with childcare (e.g. childcare vouchers, loans, repayable contributions to fees for childcare outside the workplace, subsidised places not located at the workplace)	31.7
Financial help with the care of older adults	0.6
A specific period of leave for carers of older adults (in addition to time off for emergencies)	8.0
A specific period of paid parental leave (in addition to maternity or paternity leave, and time off for emergencies)	11.2
Working at or from home in normal working hours	30.2
Flexi time (where an employee has no set start or finish time but an agreement to work a set number of hours per week or per month)	34.8
Job sharing schemes (sharing a full-time job with another employee)	16.1
The ability to reduce working hours (e.g. switching from full-time to part-time employment)	56.7
Compressed hours (i.e. working standard hours across fewer days)	19.8
The ability to change set working patterns (including changing shift pattern)	49.1
Working only during school term times	15.7
Females going on maternity leave receive maternity pay above the statutory minimum	26.3
Fathers taking paternity leave receive paternity pay above the statutory minimum	20.9

Base: All workplaces

Table 1.2 begins to identify the existence of a communications chasm, analysing the extent to which people in workplaces where employee benefits are offered are aware that they are being offered<sup>13</sup>.

It is quickly apparent that across all of these employee benefits, employee awareness of them varies greatly. For example:

- In workplaces where working from home during normal working hours is available, only 35% of employees have either used this benefit or are at least aware that it is available to them. Hence 65% of employees in workplaces that claim the benefit is available are unaware of its availability
- Similarly, 52% of employees in workplaces where flexi-time is offered are not aware of this
- 81% of employees in workplaces where job sharing is offered are not aware of this;
- 66% of employees in workplaces where there is the chance to reduce working hours are not aware of this
- 72% of employees in workplaces where the option to work the same number of hours per week across fewer days are not aware of this
- 75% of employees in workplaces where term-only working is offered are not aware of this

Perhaps one explanation for this overall lack of awareness of benefits is that some benefits may be made more widely available to senior employees than to the workforce as a whole. However, what is notable about table 1.2 is that, while the size of the 'communications chasm' is smaller among managers than among non-managers, it is nevertheless still large. For example, where working from home in normal working hours is concerned, while 68% of non-managers are unaware of the availability of this benefit, the figure for managers it is still sizeable at 35%. Management awareness of the availability of other benefits is even lower. For example, where flexi-time is concerned, while 53% of non-managers are unaware of the availability of this benefit, the figure for managers is 43%. Where job-sharing is concerned, while 81% of non-managers are unaware of the availability of this benefit, the figure for managers is 69%. This suggests that, even where managerial staff are concerned, the availability of these benefits is being poorly communicated.

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<sup>13</sup> In interpreting this table it is important to bear in mind that the employees under observation here are all in workplaces where the management respondent has stated that the benefit is offered. Hence, the lack of a 'communications chasm' would mean that 100% of employees would state that they have either used the benefits on offer or are aware of the availability of the benefits but they have not used them.

Table 1.2: Staff awareness of employee benefits (workplaces in which the benefit is offered)

	I have used this arrangement	Available to me but I do not use	Not available to me	Don't know
Working at or from home in normal working hours				
Non-Managers	23.6	9.0	61.8	5.7
Managers	50.0	15.5	32.6	1.9
All	25.7	9.5	59.5	5.4
Flexi-time				
Non-Managers	36.4	10.4	44.4	8.8
Managers	41.0	16.4	38.4	4.2
All	36.8	10.9	43.9	8.4
Job sharing				
Non-Managers	3.9	14.6	66.6	14.8
Managers	4.8	25.8	60.4	9.0
All	4.0	15.2	66.3	14.5
The chance to reduce your working hours (e.g. full time to part time)				
Non-Managers	7.7	25.9	48.6	17.8
Managers	5.8	28.6	57.0	8.6
All	7.6	26.1	49.2	17.2
Working the same number of hours per week across fewer days (e.g. 37 hours in four days instead of five)				
Non-Managers	8.9	18.9	55.8	16.4
Managers	6.9	24.3	59.4	9.4
All	8.7	19.3	56.0	16.0
Working only during school term times				
Non-Managers	14.0	10.9	61.7	13.3
Managers	2.1	18.5	69.1	10.4
All	13.4	11.3	62.1	13.2

However, as many of the employee benefits outlined are more relevant to employees with dependents, it is worth taking a look at a specific group to whom such benefits might be deemed directly relevant – women with at least one dependent child. One might expect that this cohort of employees would be particularly aware of the more ‘family-friendly’ benefits offered by their employer, and hence the communications chasm for them should be significantly smaller.

What is notable from table 1.3 below, however, is that even these employees appear to be the victim of poor communications practices in their workplaces around benefits availability.

It is useful to compare the figures against those in table 1.2. The results for working from home are particularly striking. 65% of all respondents in workplaces where this benefit is available are not aware that it is available to them, while the corresponding figure for women with at least one dependent child is practically the same at 64%. Elsewhere, although the communications chasm is smaller for women with one dependent child than for the workforce as a whole, it is still sizeable.

- For flexi-time the ‘communications chasm is 44% for women with one dependent child, in comparison with 52% in the sample as a whole;
- For job sharing it is 72% for women with one dependent child in comparison with 81% for the sample as a whole;
- For the chance to reduce working hours it is 52% for women with one dependent child in comparison with 66% for the sample as a whole;
- For the option to work the same number of hours per week across fewer days it is 65% for women with at least one dependent child in comparison with 72% for the sample as a whole;
- For term-only working it is 60% for women with at least one dependent child compared with 75% for the sample as a whole.

Indeed, with the exception of flexi-time, over half of women with a dependent child are not aware of the availability of these employee benefits. It is also notable that even where female managers with a dependent child are concerned, communications still appear to be inadequate. It is not the case therefore that the communications chasm among women with dependent children is explained by benefits being deliberately targeted only at more senior female members of the organisation.

**Table 1.3: Staff awareness of employee benefits (women with at least one dependent child in workplaces in which the benefit is offered)**

	I have used this arrangement	Available to me but I do not use	Not available to me	Don't know
Working at or from home in normal working hours				
Non-Managers	24.4	8.3	61.9	5.4
Managers	59.7	11.1	27.4	1.8
All	27.0	8.5	59.3	5.1
Flexi-time				
Non-Managers	47.3	7.7	37.0	8.0
Managers	51.1	12.1	31.3	5.4
All	47.6	8.1	36.5	7.8
Job sharing				
Non-Managers	9.8	16.9	58.3	15.0
Managers	13.9	31.3	43.7	11.1
All	10.0	17.7	57.5	14.8
The chance to reduce your working hours (e.g. full time to part time)				
Non-Managers	19.6	28.3	35.7	16.5
Managers	19.7	38.0	36.6	5.8
All	19.6	28.9	35.7	15.8
Working the same number of hours per week across fewer days (e.g. 37 hours in four days instead of five)				
Non-Managers	11.2	23.8	47.1	17.9
Managers	8.2	31.9	46.7	13.3
All	11.0	24.4	47.1	17.6
Working only during school term times				
Non-Managers	30.4	10.5	47.5	11.6
Managers	5.9	19.6	63.9	10.7
All	29.3	10.9	48.2	11.6

### The impact of poor communications on employee attitudes

The previous section identified significant evidence of poor communication practices where employee benefits are concerned. This section aims to explore whether this communications chasm has negative implications for employee attitudes.

This is explored by dividing the employee sample as follows:

- i) Employees that are aware of the benefits available to them<sup>14</sup>
- ii) Employees that are unaware of the benefits available to them<sup>15</sup>
- iii) Employees in workplaces where the benefit is not offered

Using this categorisation for each of the benefits, it is possible to identify whether employees who are aware of the benefits on offer display more positive work-related attitudes than those who are not aware of the benefits on offer. By including employees in category iii) it is possible to identify whether employees in workplaces where the benefit is offered, and employees are aware of this, display more positive work-related attitudes than do those in which the benefit is not offered.

The results are presented in tables 1.4 to 1.9. Tables 1.4 to 1.6 and 1.8 report the association between employee awareness of the benefits on offer and employee attitudes without considering any other issues that may affect employee attitudes. Tables 1.5, 1.7 and 1.9 explore these associations while considering a range of other factors that may affect employee attitudes<sup>16</sup>. Three work-related attitudes are addressed here: whether employees share many of the values of their organisation; whether they feel loyal to their organisation; and whether they are proud to tell people who they work for<sup>17</sup>.

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<sup>14</sup> EITHER employees in workplaces where the benefit is on offer and they have used this benefit, OR employees in workplaces where the benefit is on offer who are aware that it is on offer but have not used it

<sup>15</sup> EITHER employees in workplaces where the benefit is on offer but who state it is not available to them, OR employees in workplaces where the benefit is on offer but who do not know whether it is available to them

<sup>16</sup> These involve survey ordered probit equations to enable the relationships between awareness of the benefits on offer and employee attitudes to be evaluated while holding constant a range of background characteristics, both for the individual respondent themselves and also for the workplace in which they are employed. It is important to do this as differences between the three groups could be driven by, for example, differences in the occupational level, age, gender and ethnicity of the respondents falling into each group, or alternatively by differences in the type of workplace within which they work (whether large or small, in certain industry sectors, unionised, for example). The equations in tables 1.5, 1.7 and 1.9 are therefore able to explore the relationship between the availability of and employee awareness of family-friendly benefits and employee attitudes while controlling for these factors.

<sup>17</sup> These are all measured on a scale of 1-5 where 1= 'strongly disagree' and 5 = 'strongly agree'.

### (a) Does the employee benefits communications chasm affect whether employees share the values of their organisation?

As table 1.5 demonstrates, there are substantial differences between workplace communications around benefits provision and the extent to which employees consequently share the values of their organisation, thus suggesting that the communications chasm matters.

- Where working from home in normal working hours is concerned, 77% of employees who are aware that this benefit is available to them agree that they share many of the values of their organisation, in comparison with 62% of employees who are in workplaces where this benefit is available but who are not aware of this
- Where flexi-time is concerned, 71% of employees who are aware that this benefit is available to them agree that they share many of the values of their organisation, in comparison with 60% of employees who are in workplaces where this benefit is available but are not aware of this
- Where job sharing is concerned, 75% of employees who are aware that this benefit is available to them agree that they share many of the values of their organisation, in comparison with 64% of employees who are in workplaces where this benefit is available but are not aware of this
- Where the chance to reduce working hours is concerned, 71% of employees who are aware that this benefit is available to them agree that they share many of the values of their organisation, in comparison with 63% of employees who are in workplaces where this benefit is available but are not aware of this
- Where working the same number of hours per week across fewer days is concerned, 70% of employees who are aware that this benefit is available to them agree that they share many of the values of their organisation, in comparison with 62% of employees who are in workplaces where this benefit is available but are not aware of this
- Where term-only working is concerned, 75% of employees who are aware that this benefit is available to them agree that they share many of the values of their organisation, in comparison with 64% of employees who are in workplaces where this benefit is available but are not aware of this

**Table 1.5: Relationship between availability/use of employee benefits and the extent to which respondents share the values of their organisation (row percentages)**

	I share many of the values of my organisation:				
	Strongly Disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree
Working at or from home in normal working hours					
Used/ aware of availability	0.4	4.2	18.1	52.4	25.0
Available but unaware or don't know	1.6	6.6	30.2	49.5	12.2
Not available	2.1	7.1	31.7	46.0	13.1
Flexi-time					
Used/ aware of availability	0.6	4.7	23.7	52.4	18.6
Available but unaware or don't know	2.1	7.2	31.0	46.1	13.7
Not available	2.1	7.4	27.9	48.4	14.2
Job sharing					
Used/ aware of availability	0.6	4.2	20.4	54.0	20.8
Available but unaware or don't know	1.8	6.1	28.4	49.4	14.3
Not available	1.9	7.2	28.8	46.7	15.4
The chance to reduce working hours					
Used/ aware of availability	1.1	5.5	22.9	51.5	19.1
Available but unaware or don't know	1.7	6.2	29.3	49.1	13.7
Not available	2.6	8.9	32.7	40.8	15.0
Working the same number of hours per week across fewer days					
Used/ aware of availability	0.9	5.8	23.1	50.9	19.3
Available but unaware or don't know	1.5	6.7	30.0	49.1	12.8
Not available	2.2	6.5	29.0	47.4	14.9
Term-only working					
Used/ aware of availability	0.7	4.0	20.1	51.6	23.7
Available but unaware or don't know	1.5	6.3	28.2	50.2	13.8
Not available	2.0	6.9	30.2	46.8	14.2



Table 1.5 shows the association between the availability/awareness of employee benefits provision and the extent to which employees share the values of their organisation, when considering a range of other factors that might affect their attitudes. Where all six benefits are concerned, employees who are in workplaces where the benefit is offered but are unaware of this are less likely to share the values of their organisation compared to employees who are aware the benefit is offered. The results therefore confirm that the communications chasm does indeed have a negative impact on whether employees share the values of their organisation.

Critically, the results also confirm that employees in workplaces where benefits are offered but who are unaware of this are no more likely to share the values of their organisation compared to employees in workplaces in which the benefits are not offered.

**Table 1.5: Relationship between availability/use of employee benefits and the extent to which respondents share the values of their organisation (multivariate models)**

	Working at or from home in normal working hours		Flexi-time		Job-sharing		The chance to reduce working hours (e.g. full-time to part-time)	
Reference category: used/aware of availability								
Available but unaware or don't know	-0.251	(0.047)***	-0.217	(0.035)***	-0.189	(0.042)***	-0.203	(0.028)***
Not available	-0.302	(0.050)***	-0.201	(0.041)***	-0.225	(0.047)***	-0.319	(0.055)***
F		11.81		11.79		10.99		11.78
Prob>F		0.000		0.000		0.000		0.000
N		15715		14001		14498		15675

	Working the same number of hours per week across fewer days (e.g. 37 hours in four days instead of five)		Working only during school term times	
Reference category: used/aware of availability				
Available but unaware or don't know	-0.233	(0.053)***	-0.209	(0.055)***
Not available	-0.250	(0.052)***	-0.297	(0.064)***
F		10.73		11.05
Prob>F		0.000		0.000
N		14082		14862

Notes:

Survey ordered probit analysis. Coefficients given, standard errors in brackets.

Dependent variable 'I share many of the values of my organisation' on a scale of 1-5 where 5='strongly agree'

\*\*\* significant at 1%

All equations control for: organisational size; workplace size; single site enterprise; Standard Industrial Classification (2007) major group; national ownership; workplace age; union recognition; public sector; Standard Occupational Classification major group; pay; marital status; respondent age; tenure; ethnicity; gender; disability; dependent child; carer; part-time; temporary or fixed-term contract; union member.

### **(b) Does the employee benefits communications chasm affect whether employees feel loyal to their organisation?**

The relationship between the availability/awareness of employee benefits provision and the extent to which respondents feel loyal to their organisation is reported in table 1.6.

The results in this table again suggest that the communications chasm has a significant impact:

- Where working from home in normal working hours is concerned, 79% of employees who are aware that this benefit is available to them agree that they feel loyal to their organisation, in comparison with 73% of employees who are in workplaces where this benefit is available but are not aware of this
- Where flexi-time is concerned, 77% of employees who are aware that this benefit is available to them agree that they feel loyal to their organisation, in comparison with 70% of employees who are in workplaces where this benefit is available but are not aware of this
- Where job sharing is concerned, 79% of employees who are aware that this benefit is available to them agree that they feel loyal to their organisation, in comparison with 72% of employees who are in workplaces where this benefit is available but are not aware of this
- Where the chance to reduce working hours is concerned, 77% of employees who are aware that this benefit is available to them agree that they feel loyal to their organisation, in comparison with 74% of employees who are in workplaces where this benefit is available but are not aware of this
- Where working the same number of hours per week across fewer days is concerned, 76% of employees who are aware that this benefit is available to them agree that they feel loyal to their organisation, in comparison with 71% of employees who are in workplaces where this benefit is available but are not aware of this
- Where term-only working is concerned, 79% of employees who are aware that this benefit is available to them agree that they feel loyal to their organisation, in comparison with 74% of employees in workplaces where this benefit is available but who are not aware of this

**Table 1.6: Relationship between availability/use of employee benefits and the extent to which respondents feel loyal to their organisation (row percentages)**

	I feel loyal to my organisation:				
	Strongly Disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree
Working at or from home in normal working hours					
Used/aware of availability	1.6	5.9	13.9	45.9	32.7
Available but unaware or don't know	2.1	6.0	18.6	51.7	21.6
Not available	2.5	6.1	18.7	48.9	23.8
Flexi-time					
Used/aware of availability	1.4	5.6	16.5	48.9	27.6
Available but unaware or don't know	2.5	6.8	20.3	48.9	21.5
Not available	2.4	6.3	16.8	49.4	25.1
Job sharing					
Used/aware of availability	1.4	5.4	14.0	49.0	30.1
Available but unaware or don't know	2.5	6.8	18.9	49.8	22.1
Not available	2.3	5.8	17.2	48.6	26.2
The chance to reduce working hours					
Used/aware of availability	1.8	5.1	16.6	48.8	27.8
Available but unaware or don't know	2.3	6.3	17.6	50.7	23.1
Not available	2.6	6.1	19.3	44.4	27.7
Working the same number of hours per week across fewer days					
Used/aware of availability	1.7	6.2	16.1	49.5	26.5
Available but unaware or don't know	2.3	6.9	20.0	50.4	20.6
Not available	2.5	5.9	17.3	47.9	26.4
Term-only working					
Used/aware of availability	1.2	4.5	15.5	47.8	31.0
Available but unaware or don't know	2.0	5.9	18.4	50.9	22.8
Not available	2.4	6.4	17.7	48.8	24.7

Table 1.7 shows the relationship between the availability/awareness of employee benefits provision and the extent to which employees feel loyal to their organisation when considering a range of issues that might also affect their attitudes. The results demonstrate that where all six benefits are concerned, employees who are in workplaces that offer the benefit, but are unaware of its availability, feel less loyal to their organisation than employees who are in workplaces where the benefit is offered and they are aware of this<sup>19</sup>. Again, the results confirm the importance of the communications chasm and its impact on employee loyalty.

The results also confirm that employees in workplaces where benefits are offered and they are unaware of this, feel no more loyal to their organisation than employees in workplaces in which the benefits are not offered.

**Table 1.7: Relationship between availability/use of employee benefits and the extent to which respondents feel loyal to their organisation (multivariate models)**

	Working at or from home in normal working hours		Flexi-time		Job-sharing		The chance to reduce working hours (e.g. full-time to part-time)	
Reference category: used/aware of availability								
Available but unaware or don't know	-0.176	(0.048) <sup>***</sup>	-0.187	(0.038) <sup>***</sup>	-0.201	(0.042) <sup>***</sup>	-0.115	(0.030) <sup>***</sup>
Not available	-0.252	(0.055) <sup>***</sup>	-0.165	(0.049) <sup>***</sup>	-0.240	(0.050) <sup>***</sup>	-0.146	(0.051) <sup>***</sup>
F		8.05		7.83		8.13		8.42
Prob>F		0.000		0.000		0.000		0.000
N		15951		14195		14692		15905

	Working the same number of hours per week across fewer days (e.g. 37 hours in four days instead of five)		Working only during school term times	
Reference category: used/aware of availability				
Available but unaware or don't know	-0.202	(0.055) <sup>***</sup>	-0.146	(0.046) <sup>***</sup>
Not available	-0.199	(0.055) <sup>***</sup>	-0.266	(0.055) <sup>***</sup>
F		7.36		8.33
Prob>F		0.000		0.000
N		14283		15083

Notes:

Survey ordered probit analysis. Coefficients given, standard errors in brackets.

Dependent variable 'I feel loyal to my organisation' on a scale of 1-5 where 5='strongly agree'

<sup>\*\*\*</sup> significant at 1%

All equations control for: organisational size; workplace size; single site enterprise; Standard Industrial Classification (2007) major group; national ownership; workplace age; union recognition; public sector; Standard Occupational Classification major group; pay; marital status; respondent age; tenure; ethnicity; gender; disability; dependent child; carer; part-time; temporary or fixed-term contract; union member.

<sup>19</sup> The reference category

### (c) Does the employee benefits communications chasm affect whether employees feel pride in their organisation?

The relationship between the availability/awareness of employee benefits provision and the extent to which respondents are proud to tell people who they work for is reported in table 1.8.

This table yet again suggests that the communications chasm matters:

- Where working at or from home in normal working hours is concerned, 73% of employees who are aware that this benefit is available to them agree that they are proud to tell people who they work for, in comparison with 67% of employees who are in workplaces where this benefit is available but are unaware of this
- Where flexi-time is concerned, 70% of employees who are aware that this benefit is available to them agree that they are proud to tell people who they work for, in comparison with 66% of employees who are in workplaces where this benefit is available but are unaware of this
- Where job sharing is concerned, 72% of employees who are aware that this benefit is available to them agree that they are proud to tell people who they work for, in comparison with 66% of employees who are in workplaces where this benefit is available but are unaware of this
- Where the chance to reduce working hours is concerned, 70% of employees who are aware that this benefit is available to them agree that they are proud to tell people who they work for, in comparison with 67% of employees who are in workplaces where this benefit is available but are unaware of this
- Where working the same number of hours per week across fewer days is concerned, 68% of employees who are aware that this benefit is available to them agree that they are proud to tell people who they work for, in comparison with 66% of employees who are in workplaces where this benefit is available but are unaware of this
- Where term-only working is concerned, 73% of employees who are aware that this benefit is available to them agree that they are proud to tell people who they work for, in comparison with 68% of employees who are in workplaces where this benefit is available but are unaware of this

**Table 1.8: Relationship between availability/use of employee benefits and the extent to which respondents are proud to tell people who they work for (row percentages)**

	I am proud to tell people who I work for:				
	Strongly Disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree
Working at or from home in normal working hours					
Used/aware of availability	1.3	5.3	20.1	40.0	33.4
Available but unaware or don't know	3.1	5.9	23.8	43.3	23.8
Not available	3.8	7.4	24.7	40.2	23.9
Flexi-time					
Used/aware of availability	2.2	5.7	22.6	40.6	28.9
Available but unaware or don't know	3.6	6.5	24.4	42.2	23.4
Not available	3.2	7.4	24.5	40.4	24.5
Job sharing					
Used/aware of availability	2.1	6.1	20.0	42.5	29.4
Available but unaware or don't know	3.1	6.3	24.3	41.8	24.4
Not available	3.3	6.6	23.8	40.2	26.1
The chance to reduce working hours					
Used/aware of availability	2.6	6.5	21.3	41.3	28.4
Available but unaware or don't know	3.0	5.7	24.1	42.4	24.9
Not available	3.8	8.7	24.2	38.5	24.8
Working the same number of hours per week across fewer days					
Used/aware of availability	2.7	7.4	21.8	40.6	27.5
Available but unaware or don't know	3.2	6.6	24.5	43.2	22.5
Not available	3.3	6.4	24.3	40.1	25.9
Term-only working					
Used/aware of availability	2.0	5.4	20.0	41.2	31.4
Available but unaware or don't know	3.1	6.7	22.2	44.0	24.0
Not available	3.1	6.5	24.8	40.4	25.1

Table 1.9 shows the relationship between the availability/awareness of employee benefits provision and the extent to which employees are proud to tell people who they work for, while controlling for a range of issues that might affect their attitudes. With a range of both individual and workplace characteristics being held constant, where all six benefits are concerned, employees who are in workplaces where the benefit is offered but are unaware of this are less likely to feel loyal to their organisation compared to employees in workplaces where the benefit is offered and they are aware of this (although where working only during school term times is concerned the relationship is less significant). The results therefore confirm that the communications chasm is indeed significantly negatively associated with whether employees feel loyal to their organisation.

Once more the results confirm that employees who are unaware of the benefits that are available to them feel no more loyal to their organisation than do employees in workplaces in which the benefits are not offered.

**Table 1.9: Relationship between availability/use of employee benefits and the extent to which respondents are proud to tell people who they work for (multivariate models)**

	Working at or from home in normal working hours		Flexi-time		Job-sharing		The chance to reduce working hours (e.g. full-time to part-time)	
Reference category: used/aware of availability								
Available but unaware or don't know	-0.122	(0.054) <sup>***</sup>	-0.152	(0.047) <sup>***</sup>	-0.125	(0.049) <sup>***</sup>	-0.107	(0.031) <sup>***</sup>
Not available	-0.219	(0.054) <sup>***</sup>	-0.192	(0.051) <sup>***</sup>	-0.184	(0.057) <sup>***</sup>	-0.220	(0.054) <sup>***</sup>
F		8.58		8.39		8.55		8.75
Prob>F		0.000		0.000		0.000		0.000
N		15964		14207		14698		15916

	Working the same number of hours per week across fewer days (e.g. 37 hours in four days instead of five)		Working only during school term times	
Reference category: used/aware of availability				
Available but unaware or don't know	-0.157	(0.045) <sup>***</sup>	-0.090	(0.048) <sup>***</sup>
Not available	-0.174	(0.048) <sup>***</sup>	-0.167	(0.058) <sup>***</sup>
F		8.15		7.95
Prob>F		0.000		0.000
N		14294		15097

Notes:

Survey ordered probit analysis. Coefficients given, standard errors in brackets.

Dependent variable 'I am proud to tell people who I work for' on a scale of 1-5 where 5='strongly agree'

\*\*\* significant at 1%; \*\* significant at 5%; \* significant at 10%

All equations control for: organisational size; workplace size; single site enterprise; Standard Industrial Classification (2007) major group; national ownership; workplace age; union recognition; public sector; Standard Occupational Classification major group; pay; marital status; respondent age; tenure; ethnicity; gender; disability; dependent child; carer; part-time; temporary or fixed-term contract; union member.

**(d) A closer look at pension communication**

As demonstrated by table 1.10, managers in 49% of workplaces state that employees in the largest occupational group are entitled to employer contributions to a pension scheme.

**Table 1.10: Proportion of workplaces in which management respondent states employees are entitled to employer pension contributions**

	Yes	No
Employees in the largest occupational group are entitled to employer contributions to a pension scheme	49	51

Base: all workplaces

However, within these workplaces, as demonstrated by Table 1.11, only 68% of managers and 53% of non-managers state that they are in receipt of employer contributions to a pension. This would appear to suggest a significant breakdown in communications – 32% of managers and 47% of non-managers in workplaces in which pensions are offered are not in receipt of this benefit . The figures also appear to be particularly worrying for female non-managers. As Table 1.11 shows, just over half of female non-managerial employees who are in workplaces that offer pensions are not in receipt of them.



**Table 1.11: Employee entitlement to and uptake of employer contributions to a pension**

	Male	Female	All
Proportion of employees in workplaces where management respondent states employees are entitled to employer contributions to a pension scheme:			
Managers	74.2	69.2	72.3
Non-managers	80.2	77.3	78.7
All	79.6	76.7	78.2
Proportion of employees who report that they are in receipt of employer contributions to pensions:			
Managers	55.9	48.9	53.2
Non-managers	46.0	39.8	42.7
All	46.9	40.3	43.6
Proportion of employees in workplaces where managers state pension contributions are offered who report that they are in receipt of employer contributions to pensions:			
Managers	68.9	67.2	68.2
Non-managers	55.8	49.5	52.6
All	57.0	50.5	53.8

When we conduct the same analysis as before around the impact of poor pensions communications practices on employee attitudes, however, there is only a negligible difference in attitude between those who are aware of the pension available to them, those who are not aware of it, and those who are not offered a pension at all.

One conclusion to draw from this is that pensions are not deemed as significant a benefit in the eyes of employees when compared to some of the other benefits examined. Arguably, this is because employee attitudes are more likely to be driven by factors that impact on their day-to-day lives or on their immediate future rather than on factors such as pensions which will only impact directly on them once they have reached retirement age. There might also be a belief on the part of employees not in receipt of an employer pension that the state pension will be sufficiently adequate to meet their future financial requirements without the need to investigate employer-led pension schemes.

### SECTION II: GOOD AND BAD COMMUNICATIONS IN THE WORKPLACE

#### Summary

By exploring communication practices within workplaces we can cast further light on the communications chasm. Our research shows that two thirds of workplaces that make a number of employee benefits available only adopt a small number of methods by which to communicate with the workforce. Assuming that workplaces which are poor at communicating generally are also likely to be poor at communicating the availability of benefits to employees, the implication is that a large number of workplaces that make benefits widely available are likely to be communicating the availability of those benefits poorly.

Employees in high benefit/high communicator workplaces are more likely to share the values of their organisation compared to employees in high benefit/low communicator workplaces. There is also evidence that this lack of communication around benefits has negative implications in terms of labour turnover and absence rates.

Labour turnover costs the UK £71.7bn every year. High benefit provider organisations that are also high communicators with their workforce have lower annual turnover rates (7.73%) than high benefit provider organisations that are low communicators (8.65%). For an organisation with 1,000 employees, this means an additional quarter of a million pounds spent on turnover costs every single year through a simple failure to communicate effectively with their workforce about the benefits they're already making available. Extrapolated across the whole of the UK, all high benefit provider/low communicator workplaces combined could save a total of £1.44bn each year by communicating more effectively with their workforce.

Workplace absence currently costs UK organisations £17bn every year. High benefit provider employers that are also high communicators with their workforce have lower annual workplace absence rates (4.20% of total days lost to absence) than high benefit provider employers that are low communicators (5.04% of total days lost to absence) For an organisation with 1,000 employees, poor communications can therefore result in an extra £222,600 lost as a result of workplace absence each year. Extrapolated across the whole of the UK, these high benefit provider/low communicator workplaces combined could save a total of over £1.3bn each year by communicating more effectively with their workforce.

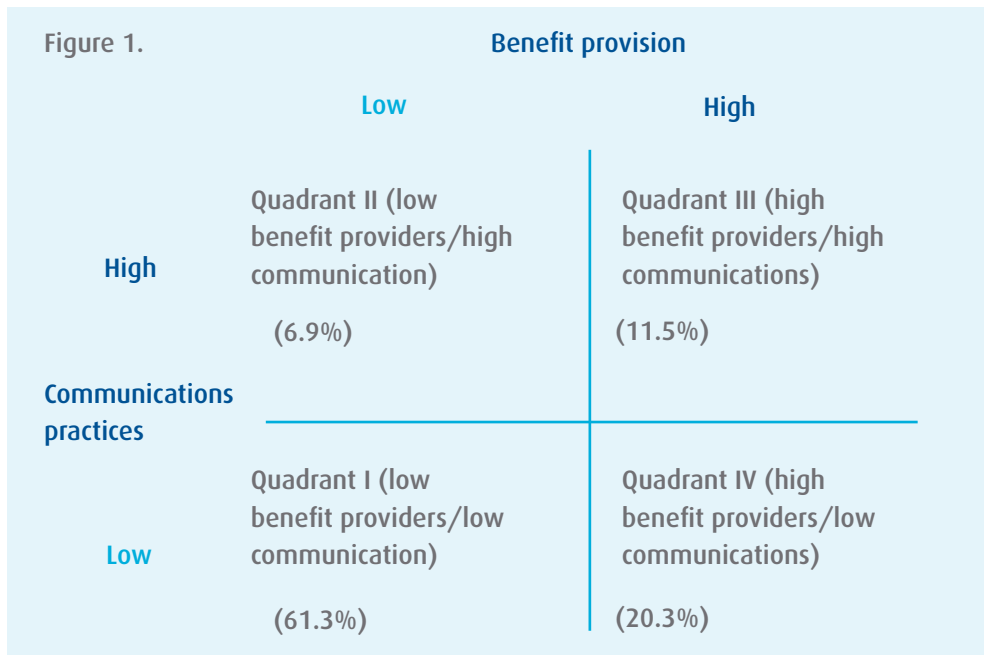
#### The impact of poor workplace communications

As Section I identified, communications between employer and employee – as far as benefits are concerned – are key to improving employee attitudes to their workplace. In this section, we will use the WERS data to look in more detail at the range of communication practices different workplaces adopt (for example, employee attitude surveys, team briefings and consultation committees). Our assumption is that workplaces which display positive communications practices will also be those that are more likely to communicate effectively about the benefits available to their staff. We can then identify the extent to which some workplaces that provide a wide range of benefits to their workforce are simultaneously poor communicators – and thus missing a clear opportunity to improve employee workplace attitudes.

This section of the report also identifies whether workplaces that provide a range of benefits and also have a range of communication practices in place (high benefit providers/high communicators) perform better than workplaces that provide a range of benefits but are less good at communicating (high benefit providers/low communicators). Additionally, it identifies whether workers in high benefit provider/high communicator workplaces display better work-related attitudes than do employees in high benefit provider/low communicator workplaces.

### Identifying high provider/low communicator workplaces

The first stage of the analysis is to identify the proportion of workplaces that are high/low benefit providers and high/low communicators. This is explored in Figure 1.



This figure splits the sample of workplaces into four Quadrants.<sup>22</sup> Looking at each Quadrant in turn, Quadrant I consists of low benefit provider/low communicator workplaces (61.3% of workplaces fall into this category). Quadrant II consists of low benefit providers/high communicators (6.9% of workplaces fall into this category). Quadrant III consists of high benefit providers/high communicators (11.5% of workplaces fall into this category). Quadrant IV consists of high benefit providers/low communicators (20.3% of workplaces fall into this category). It is this latter category where we find the ‘communications chasm’.

Given that 20.3% of workplaces fall into the high benefit provider/low communicator category and just 11.5% fall into the high benefit provider/high communicator category. This suggests that almost two-thirds of high benefit provider workplaces are poor communicators (based on the range of communication techniques they employ).

<sup>22</sup> Within the Figure, high benefit provision is defined as workplaces that offer at least three of the following four benefits: employer contributions to a pension scheme; private health insurance; more than 28 days of paid annual leave (including public holidays); sick pay in excess of statutory requirements. High communication is calculated as workplaces with at least three of the following: team briefings; consultation committee; employee attitude survey; use of communication and consultation practices; information provision (see the Appendix table for a detailed definition of these practices).

### The impact of poor communications on organisational performance

This stage of the analysis seeks to identify whether, with regard to Figure 1 above, workplaces in Quadrant III (high benefit providers/high communicators) have better organisational performance than do workplaces in the other Quadrants. Five different organisational performance measures are used: absence rate<sup>23</sup>; labour turnover<sup>24</sup>; labour productivity; quality of product or service; and financial performance<sup>25</sup>.

The results are presented in table 3.1. The results suggest notable differences between the groups in terms of absence and labour turnover rates:

- Where absence rates are concerned, workplaces in Quadrant III (high benefit providers/high communicators) have the second lowest mean absence rate (4.20% of days lost to absence over the last 12 months), while workplaces in Quadrant IV (high benefit providers/low communicators) have the highest mean absence rate (5.04% of days lost to absence over the last 12 months)
- Where labour turnover is concerned, the labour turnover rate for workplaces in Quadrant III is the lowest at 7.73%, compared with 8.65% for workplaces in Quadrant IV, 11.06 for workplaces in Quadrant II and 10.85% for workplaces in Quadrant I
- Where labour productivity, quality of product or service or financial performance is concerned, there is no notable link between communications practices and organisational performance

We know that workplace absence currently costs UK organisations £17bn every single year<sup>26</sup>, while the average employer also has to spend £26,500 for every employee that leaves, amounting to an annual cost of £71.7bn every year<sup>27</sup>. It is clear from the above that by providing a range of employee benefits, and communicating effectively with the workforce, employers will be better able to reduce both absence rates and turnover.

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23 This is measured as the percentage of working days lost through employee sickness or absence in the preceding 12 months, tabulated by quartiles (1= 'low absenteeism' (zero to less than 1.7%); 2= 'medium-low absenteeism' (1.7% to less than 3%); 3= 'medium-high absenteeism' (3% to less than 5%); and 4= 'high absenteeism' (5% or higher)).

24 Measured as the percentage of employees that have resigned voluntarily in the preceding 12 months, with workplaces with above zero labour turnover being tabulated by quartiles (1= 'zero labour turnover'; 2= 'low labour turnover' (greater than zero to less than 3.95%); 3= 'average labour turnover' (3.95% to less than 7.3%); 4= 'medium-high labour turnover' (7.3% to less than 14.3%); 5= 'very high labour turnover' (14.3% or higher)).

25 For the labour productivity, quality of product or service and financial performance measures, management respondents were asked to rate the performance of their workplace relative to other workplaces in the same industry on a five-point scale where 1='a lot below average' and 5='a lot better than average'.

26 Workplace absence costing UK economy £17bn in 190 million working days (2010). Does not include lost productivity and lowered customer service quality. <http://www.cbi.org.uk/media-centre/press-releases/2011/05/workplace-absence-costing-economy-%C2%A317billion-cbi-pfizer-survey>

27 Replacement cost of workers is 1x annual salary (UK average salary £26,500) according to PWC: <http://www.workplacelaw.net/services/news/30673/replacing-staff-costs-a-year-s-salary>. With the total working population currently 29,120,000, and a current resignation rate of 9.3% (<http://www.personneltoday.com/articles/21/08/2012/58751/resignation-rates-at-lowest-level-since-2007.htm>), the number of workers resigning in a year is currently 2,708,160. Multiplied by the average salary, this equals £71,766,240,000

Table 3.1: Performance outcomes by benefit provision and communication

	Low benefit provision/low communication	High benefit provision/low communication	Low benefit provision/high communication	High benefit provision/high communication	All workplaces
Absence rates <sup>1</sup>					
Low (0- less than 1.7%)	45.7	35.5	31.1	29.7	40.9
Medium low (1.7% to less than 3%)	17.4	18.2	9.7	23.5	17.7
Medium- high (3% to less than 5%)	10.5	19.4	29.4	24.2	15.0
High (5% or higher)	26.5	27.0	29.9	22.7	26.4
Mean absence rate	4.13	5.04	4.82	4.20	4.36
Labour turnover <sup>2</sup>					
Zero	46.0	41.5	27.4	35.8	42.7
Low (greater than zero to less than 3.95%)	2.2	5.1	5.1	13.8	4.3
Average (3.95% to less than 7.3%)	6.0	11.9	15.0	13.4	8.6
Medium high (7.3% to less than 14.3%)	14.1	14.9	23.4	16.6	15.2
Very High (14.3% or higher)	31.8	26.6	29.1	20.4	29.2
Mean labour turnover rate	10.85	8.65	11.06	7.73	10.06
Labour productivity <sup>3</sup>					
A lot better than average	10.2	7.0	12.9	7.3	9.5
Better than average	45.6	43.9	49.2	40.9	45.0
Average	41.0	44.4	33.5	43.4	41.4
Below average	3.2	4.6	4.4	8.4	4.1
A lot below average	0.0	0.1	0.0	0.0	0.0
Mean score	3.63	3.53	3.71	3.47	3.60
Quality of product or service <sup>3</sup>					
A lot better than average	24.9	21.8	46.7	25.6	25.9
Better than average	56.1	58.8	37.6	45.6	54.1
Average	18.1	17.8	14.2	27.4	18.8
Below average	1.0	1.5	1.5	1.4	1.2
A lot below average	0.0	0.1	0.0	0.0	0.0
Mean score	4.05	4.01	4.30	3.95	4.05
Financial performance <sup>3</sup>					
A lot better than average	9.0	12.2	13.4	11.6	10.2

Better than average	37.4	32.9	39.9	43.6	37.4
Average	45.6	48.3	40.2	37.0	44.8
Below average	7.3	6.3	6.5	6.9	7.0
A lot below average	0.6	0.4	0.0	1.0	0.6
Mean score	3.47	3.50	3.60	3.58	3.50

1 Absence rates are calculated as the percentage of work days lost due to sickness or absence in the past year, tabulated by quartiles.

2 Labour turnover is calculated as the number of employees that stopped working at the workplace in the previous 12 months because they left or designed voluntarily divided by the number of employees working at the workplace one year ago, tabulated by quartiles if greater than zero.

3 Rating by management respondent.

### The impact of good and bad communications on employee attitudes

This section explores the extent to which there is variation in terms of the work-related attitudes displayed by employees in workplaces in each of the four Quadrants.

The results are presented in tables 3.2 and 3.3. Table 3.2 reports employee attitudes in workplaces in each of the Quadrants without controlling for any other issues that might affect employee attitudes, while Table 3.3 explores the differences in employee attitudes between workplaces in each of the four Quadrants while taking into account other issues that might affect employee attitudes<sup>28</sup>.

The work-related attitudes are (as in previous sections): whether employees share many of the values of their organisation; whether they feel loyal to their organisation; and whether they are proud to tell people who they work for.

While there is no noticeable impact on loyalty or pride in work, the results do show a number of differences between employees in terms of whether they share the values of their workplace.<sup>29</sup>

Table 3.2 shows that 66% of employees in workplaces in Quadrant III (high benefit providers/high communicators) strongly agree or agree that they share many of the values of their organisation compared with 63% of employees in Quadrant IV (high benefit providers/low communicators). Although this difference might seem slight, it is significant when a range of other issues that might affect employee attitudes are taken into account (Table 3.3)<sup>30</sup>. There is evidence therefore, that employees in workplaces in Quadrant III (high benefit providers/high communicators) are more likely to share the values of their organisation compared to employees in Quadrant IV (high benefit providers/low communicators).

There is also evidence<sup>31</sup> that employees in Quadrant III (high benefit providers/high communicators) are more likely to share the values of their organisation compared to employees in Quadrant I (low benefit providers/low communicators).

28 These three survey ordered probit equations enable the differences between the Quadrants to be evaluated while holding constant a range of background characteristics both for the individual respondent themselves and also for the workplace in which they are employed.

29 All measured on a scale of 1-5 where 1= 'strongly disagree' and 5 = 'strongly agree'.

30 The multivariate analysis in Table 3.3, which holds constant a range of both individual and workplace characteristics, demonstrates it to be significant at 5%.

31 At the 10% significance level.

**Table 3.2: Relationship between benefit availability/ communication and employee attitudes**

	I share many of the values of my organisation				
	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree
High benefit provision/high communication	1.6	6.6	26.0	50.7	15.2
Low benefit provision/high communication	1.6	6.2	28.7	49.8	13.7
High benefit provision/low communication	1.5	5.6	29.6	48.9	14.5
Low benefit provision/low communication	1.6	5.7	28.2	45.6	18.9
	I feel loyal to my organisation				
	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree
High benefit provision/high communication	2.5	6.1	18.5	49.7	23.2
Low benefit provision/high communication	1.8	5.9	18.1	51.1	23.2
High benefit provision/low communication	1.9	5.9	16.6	51.5	24.1
Low benefit provision/low communication	1.7	4.6	15.1	46.4	32.2
	I am proud to tell people who I work for				
	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree
High benefit provision/high communication	3.0	6.4	23.2	42.2	25.2
Low benefit provision/high communication	3.2	7.8	22.3	44.0	22.8
High benefit provision/low communication	2.5	5.6	24.3	41.9	25.8
Low benefit provision/low communication	2.9	5.4	21.9	38.8	31.0

Table 3.4: Relationship between benefit availability/communication and employee attitudes (multivariate models)

	I share many of the values of my organisation		I feel loyal to my organisation		I am proud to tell people who I work for	
Reference category: High benefit provision/ high communication						
Low benefit provision/ high communication	0.005	(0.049)	0.027	(0.043)	-0.059	(0.054)
High benefit provision/ low communication	-0.096	(0.038) <sup>***</sup>	-0.007	(0.042)	-0.041	(0.043)
Low benefit provision/ low communication	-0.086	(0.045) <sup>*</sup>	0.038	(0.046)	-0.057	(0.051)
F		11.84		8.49		8.63
Prob>F		0.000		0.000		0.000
N		16934		17184		17200

Notes:

Survey ordered probit analysis. Coefficients given, standard errors in brackets.

Dependent variables are on a scale of 1-5 where 5='strongly agree'

<sup>\*\*\*</sup> significant at 5%; <sup>\*</sup> significant at 10%

All equations control for: organisational size; workplace size; single site enterprise; Standard Industrial Classification (2007) major group; national ownership; workplace age; union recognition; public sector; Standard Occupational Classification major group; pay; marital status; respondent age; tenure; ethnicity; gender; disability; dependent child; carer; part-time; temporary or fixed-term contract; union member.



### SECTION III: CHARACTERISTICS OF WORKPLACES IN THE COMMUNICATIONS CHASM

#### Summary

Workplaces that are particularly likely to fall into the communications chasm have a number of commonalities. Most notably, public sector workplaces are less likely than private sector workplaces to suffer from poor communications practices. Employees in private sector workplaces are also less likely to be specifically aware of the employee benefits available to them compared to their counterparts in the public sector. There is significant and consistent evidence therefore that the communications chasm is greater in the private than the public sector.

In terms of industry variation, the results suggest considerable differences in terms of the likelihood of workplaces in different industry sectors falling into the communications chasm. For example, high benefit provider workplaces in: 'professional, scientific and technical activities'; 'financial and insurance activities'; 'real estate activities'; 'arts, entertainment and recreation'; and 'electricity, gas, steam and air conditioning supply' are particularly likely to be poor communicators. However the lack of formal communication procedures appears to have a much more significant impact on certain sectors than others.

There are also some sectors, such as 'water supply, sewerage, waste management and remediation services' and in 'construction' in which the presence of communication techniques appears to be failing to ensure employees are aware of the benefits on offer within their workplace.

Turning to the question of ownership, the results suggest that to a certain extent the communications chasm is particularly evident among EU-owned workplaces. Such workplaces are more likely to be poor communicators compared to US-owned workplaces, and employees in such workplaces are particularly likely to be unaware of the employee benefits available to them.

In terms of union recognition, workplaces with union recognition are less likely to be poor communicators, with employees in such workplaces also being more likely to be aware specifically of the employee benefits available to them.

Public sector workplaces are less likely to be poor communicators, with employees in such workplaces also being more likely to be aware specifically of the employee benefits available to them than employees in the private sector.

To bring these findings together, Table 4.4 summarises the results relating to the types of workplaces that are more likely to fall into the communications chasm.

Table 4.4: Types of workplaces in the communications chasm category

Workplace characteristic	Workplaces more likely to be in Quadrant IV (poor communications practices)	Workplaces where employees have low awareness of the specific benefits available to them.
Organisation size	Smaller organisations (fewer than 50 employees)	Mid-sized organisations (250-499 employees)
Workplace size	Smaller workplaces (5-24 employees)	Mid-sized and large workplaces (25 or more employees)
Multi/single site enterprises	Workplaces that are part of a multi-site enterprise	
Industry sector	Professional, scientific and technical Financial and insurance Real estate Arts, entertainment and recreation Electricity, gas, steam and air conditioning supply	Financial and insurance Water supply, sewerage, waste management and remediation services Construction Wholesale and retail trade, repair of motor vehicles and motorcycles Transport and storage Information and communication
National ownership	UK-owned, EU-owned, ROW-owned	EU-owned
Union recognition	Non-union workplaces	Non-union workplaces
Presence of HR specialist	Workplaces without an HR specialist	Workplaces with an HR specialist
Public vs. private sector	Private sector	Private sector

### Profiling workplaces

The aim of this section of the report is to identify the profile of the workplaces that fall into the communications chasm category outlined in the previous sections. The analysis explores whether certain types of workplaces (for example, those that are unionised, have a personnel/HR specialist present, are larger or smaller, are foreign owned, are in certain sectors, or are in public or private ownership) are particularly likely to fall into the communications chasm. First from the point of view of whether they fall into the high benefit provider/poor communicator (Quadrant IV above) category, and second from the point of view of employee awareness of the availability of benefits to them.

### Characteristics of workplaces that are poor communicators

The analysis of the characteristics of the workplaces falling into the communications chasm (Quadrant IV above) is reported in tables 4.1. The key issue here is to identify the types of workplaces that provide benefits yet are simultaneously poor in terms of the communication practices they have adopted. The results demonstrate the following:

**Organisation size.** High benefit provider workplaces that are part of smaller organisations (with 5-49 employees) are more likely to be poor communicators compared to high benefit provider workplaces that are part of organisations with 50 or more employees. Indeed, 84% of high benefit provider workplaces that are in organisations with 5-49 employees are poor communicators, compared with 46% of high benefit provider workplaces in organisations with 10,000 or more employees.

**Workplace size.** Small high benefit provider workplaces are more likely to be poor communicators compared to larger high benefit provider workplaces. Indeed, 74% of high benefit provider small workplaces are poor communicators, compared with only 12% of workplaces with 1000 or more employees.

**Multi-site vs. single-site enterprises.** High benefit provider workplaces that are part of a multi-site enterprise are more likely to be poor communicators compared to high benefit provider workplaces that are single-site enterprises. 81% of high benefit provider workplaces that are single site enterprises are poor communicators, compared with 59% of high benefit provider workplaces that are part of multi-site enterprises.

**Sectoral differences.** High benefit provider workplaces in several industry sectors are particularly likely to be good communicators<sup>32</sup>. These include workplaces in: 'public administration and defence, compulsory social security'; 'construction'; 'administrative and support service activities'; and 'education'. By contrast, high benefit provider workplaces in: 'professional, scientific and technical activities'; 'financial and insurance activities'; 'real estate activities'; 'arts, entertainment and recreation'; and 'electricity, gas, steam and air conditioning supply' are particularly likely to be poor communicators.

**Foreign owners.** High benefit provider North American owned workplaces are less likely to be poor communicators. 75% of high benefit provider North American owned workplaces are good communicators, compared with only 34% of UK owned high benefit providers, 43% of EU-owned high benefit providers and 26% of Rest of World-owned high benefit providers.

**Union recognition.** High benefit provider workplaces with a recognised trade union are less likely to be poor communicators compared to high benefit provider non-union workplaces. 50% of high benefit provider unionised workplaces are good communicators, in comparison with only 27% of non-union high benefit provider workplaces.

**Presence of an HR specialist.** High benefit provider workplaces with an HR specialist are less likely to be poor communicators compared to workplaces without such a specialist. 44% of high benefit provider workplaces with an HR specialist are good communicators, in comparison with 31% of high benefit provider workplaces that do not have an HR specialist.

**Public vs. private sector.** High benefit provider workplaces in the public sector are less likely to be poor communicators compared to high benefit provider workplaces in the private sector. 51% of high benefit provider public sector workplaces are good communicators in comparison with 31% of high benefit provider private sector workplaces.

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<sup>32</sup> Standard Industrial Classification (2007) major group

Table 4.1: Workplace characteristics by benefit provision/ communication (row percentages)

	High benefit provision/ low communication (Quadrant IV)	High benefit provision/ high communication (Quadrant III)
Organisation size		
5-49 employees	83.5	16.5
50-249 employees	66.2	33.8
250-499 employees	60.5	39.5
500-999 employees	62.9	37.1
1000-4999 employees	54.2	45.8
5000-9999 employees	63.8	36.2
10000+ employees	46.2	53.8
Workplace size		
5-24 employees	73.5	26.5
25-49 employees	63.4	36.6
50-99 employees	42.5	57.5
100-199 employees	35.4	64.6
200-499 employees	30.3	69.7
500-999 employees	24.0	76.0
1000+ employees	12.0	88.0
Multi-site enterprise	59.4	40.6
Single-site enterprise	81.0	19.0
SIC (2007) major group		
Manufacturing	67.9	32.1
Electricity, gas, steam and air conditioning supply	71.3	28.7
Water supply, sewerage and waste management and remediation services	60.9	39.2
Construction	48.6	51.4
Wholesale and retail trade; repair of motor vehicles and motorcycles	68.2	31.8
Transportation and storage	62.0	38.0
Accommodation and food service activities	58.1	41.9
Information and communication	64.7	35.3
Financial and insurance activities	75.3	24.7
Real estate activities	72.9	27.1
Professional, scientific and technical activities	80.5	19.6

## Money Talks: Communicating Employee Benefits

Administrative and support service activities	51.7	48.3
Public administration and defence; compulsory social security	34.1	65.9
Education	53.6	46.4
Human health and social work activities	62.1	37.9
Arts, entertainment and recreation	71.6	28.4
Other service activities	67.3	32.7
National Ownership		
UK	66.4	33.7
North American	24.7	75.3
European Union	57.1	42.9
Rest of World	74.2	25.8
Non-union	73.3	26.7
Union recognition	50.3	49.7
No HR specialist present	69.0	31.0
HR specialist present	56.1	43.9
Private sector	69.4	30.6
Public sector	48.8	51.2

Base: all workplaces with 'high' benefit provision (Quadrants III and IV of Figure 1). Workplaces with low benefit provision (Quadrants I and II) are excluded.

### Communications chasm workplaces as defined by employees

This section explores the types of workplaces in which employee awareness of the benefits available to them is likely to be lower. The results are presented in table 4.2<sup>33</sup>.

**Organisation size.** With regard to the relationship between organisation size and employee awareness of the availability of employee benefits to them, there is evidence to suggest that employees in mid-sized organisations are less aware of the availability of employee benefits compared to employees in smaller organisations<sup>34</sup>.

**Workplace size.** Levels of awareness of employee benefits are more closely associated with workplace size for some benefits than others. For example, it appears that employee awareness of the availability of benefits is lower in medium-sized and large workplaces than in small workplaces, though this does not hold in relation to all of the benefits under observation<sup>35</sup>.

**Multi/single-site enterprises.** Employees in multi-site enterprises are less likely to be aware of the opportunity for term-only working compared to employees in single site enterprises.

**Sectoral differences.** There is some evidence to suggest that employee awareness of benefits is higher in some industry sectors than in others. The sectors in which employee awareness of the benefits on offer tends to be higher include: 'real estate activities'; 'professional, scientific and technical activities'; 'public administration and defence, compulsory social security'; 'education'; 'human health and social work activities' and 'other service activities'.

Sectors in which employee awareness of the benefits on offer tends to be poorer include: 'manufacturing'; 'electricity, gas, steam and air conditioning supply'; 'water supply, sewerage and waste management and remediation services'; 'construction'; 'wholesale and retail trade, repair of motorcycles and motor vehicles'; 'transportation and storage'; 'information and communication'; and 'financial and insurance activities'.

**Foreign ownership.** Where EU-owned workplaces are concerned, there is evidence that the communications chasm is particularly severe. Employees in EU-owned workplaces are less likely than employees in UK-owned workplaces to be aware of the availability of job sharing, the chance to reduce working hours, the opportunity to work the same number of hours per week across fewer days, and the opportunity for term-only working.

**Union recognition.** There is some evidence of a greater 'communications chasm' around benefits in non-union workplaces than in unionised workplaces. Employees in unionised workplaces are more likely to be aware of the chance to reduce working hours and the availability of job-sharing. They are also slightly more likely to be aware of the availability of flexi-time.

**Presence of an HR specialist.** This is a mixed picture. Although employees in workplaces with an HR specialist are more likely to be aware of the availability of flexi-time compared to employees in workplaces without an HR specialist, they are less likely to be aware of the availability of job sharing, the chance to reduce working hours and the opportunity for term-only working.

**Public vs. private sector.** The communications chasm is larger in the private sector than in the public sector. Staff in the private sector are less likely to be aware of the availability of the employee benefits covered compared to employees in the public sector.

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33 This table focuses on employees in workplaces in which the management respondent has stated the family-friendly benefit under observation is available. It then identifies the extent to which employees in different types of workplaces are either aware or unaware that this benefit is available to them.

34 For example, employees in organisations with 50-249 employees are less likely than employees in organisations with 5-49 employees to be aware of the availability of the opportunity to work at or from home, the chance to reduce working hours and the opportunity to work the same number of hours per week across fewer days. Similarly, employees in organisations with 250-499 employees are less likely to be aware than employees in organisations with 5-49 employees of the chance to reduce working hours, the opportunity to work the same number of hours per week across fewer days and the opportunity for term-only working, and they are slightly less likely to be aware of the opportunity for job-sharing. Employees in organisations with 500-999 employees are less likely to be aware than employees in organisations with 5-24 employees of the opportunity to work the same number of hours across fewer days, and slightly less likely to be aware of the opportunity for term-only working.

35 Employee awareness of the opportunity to work at or from home in normal working hours is lower in workplaces with 25-199 employees and 1000+ employees than in workplaces with 5-24 employees (though awareness is no different in workplaces with 200-999 employees). Awareness of the availability of job sharing is lower in workplaces with 50-499 employees than in workplaces with 5-24 employees. Awareness of the opportunity to work the same number of hours per week across fewer days is lower in workplaces with 25-999 employees than in workplaces with 5-24 employees. Awareness of term-only working is lower in workplaces with 200-499 employees and in workplaces with 1000 or more employees than in workplaces with 5-24 employees.

Table 4.2: Characteristics of workplaces into which employees in the employee benefits communications chasm cluster

	Awareness of opportunity to work at or from home in normal working hours		Awareness of the availability of flexi-time		Awareness of the availability of job sharing	
	Aware	Unaware	Aware	Unaware	Aware	Unaware
Organisation size						
5-49 employees	44.4	55.6	50.6	49.4	20.4	79.6
50-249 employees	30.6	69.5	46.1	53.9	18.2	81.9
250-499 employees	39.7	60.3	50.4	49.7	13.2	86.9
500-999 employees	37.4	62.6	45.1	54.9	16.9	83.1
1000-4999 employees	38.1	61.9	42.6	57.4	18.2	81.8
5000-9999 employees	36.0	64.0	56.8	43.3	23.7	76.3
10000+ employees	26.6	73.4	48.4	51.6	19.8	80.2
Workplace size						
5-24 employees	44.2	55.8	50.3	49.7	24.8	75.2
25-49 employees	33.1	66.9	43.4	56.6	24.4	75.6
50-99 employees	32.4	67.6	44.7	55.3	17.9	82.1
100-199 employees	26.8	73.2	42.3	57.7	18.1	82.0
200-499 employees	38.9	61.2	48.8	51.2	16.0	84.0
500-999 employees	34.4	65.6	43.5	56.5	19.4	80.6
1000+ employees	34.2	65.9	53.3	46.7	20.2	79.8
Multi-site enterprise	34.4	65.6	48.0	52.0	19.5	80.5
Single-site enterprise	38.3	61.7	46.5	53.6	17.9	82.1
SIC (2007) Major Group						
Manufacturing	18.7	81.3	45.9	54.1	11.5	88.5
Electricity, gas, steam and air conditioning supply	42.5	57.5	59.8	40.2	12.8	87.2
Water supply, sewerage and waste management and remediation services	24.6	75.4	24.2	75.8	7.2	92.8
Construction	26.7	73.3	41.9	58.1	11.3	88.7
Wholesale and retail trade; repair of motor vehicles and motorcycles	40.0	60.1	29.5	70.5	14.0	86.0
Transportation and storage	9.7	90.4	19.7	80.3	12.3	87.7
Accommodation and food service activities	22.2	77.8	45.8	54.2	14.1	85.9
Information and communication	61.5	38.5	46.7	53.3	12.0	88.0
Financial and insurance activities	42.1	57.9	39.0	61.1	12.3	87.7

## Money Talks: Communicating Employee Benefits

Real estate activities	37.6	62.4	67.6	32.4	26.8	73.2
Professional, scientific and technical activities	55.0	45.0	61.1	38.9	15.4	84.6
Administrative and support service activities	39.0	61.0	44.3	55.7	21.1	78.9
Public administration and defence; compulsory social security	35.8	64.2	73.3	26.7	29.5	70.5
Education	33.2	66.9	40.9	59.1	24.2	75.8
Human health and social work activities	23.5	76.5	45.3	54.7	20.7	79.3
Arts, entertainment and recreation	22.2	77.8	32.8	67.2	22.5	77.5
Other service activities	47.7	52.3	57.8	42.2	14.3	85.8
National Ownership (reference category: UK owned)						
UK owned	32.1	67.9	47.7	52.3	19.7	80.3
North American	61.9	38.1	47.3	52.7	15.3	84.8
European Union	32.9	67.1	37.9	62.1	7.8	92.2
Rest of World	58.1	41.9	58.7	41.3	24.2	75.8
Non-union	45.4	54.7	44.4	55.6	16.2	83.8
Union recognition	26.9	73.1	50.1	49.9	20.3	79.7
No HR specialist	31.7	68.3	43.9	56.1	22.0	78.0
HR specialist	36.8	63.2	49.9	50.2	18.1	82.0
Private sector	38.2	61.8	43.9	56.1	15.0	85.0
Public sector	27.5	72.5	56.3	43.7	25.4	74.6

Base: employees in workplaces in which the management respondent states that the family-friendly benefit is offered



Table 4.2 continued

	Awareness of the chance to reduce working hours (e.g. full-time to part-time)		Awareness of the opportunity to work the same number of hours per week across fewer days (e.g. 37 hours in four days instead of five)		Awareness of the opportunity to working only during school term times	
	Aware	Unaware	Aware	Unaware	Aware	Unaware
Organisation size						
5-49 employees	32.8	67.2	34.6	65.4	35.4	64.6
50-249 employees	26.0	74.0	24.7	75.3	43.3	56.7
250-499 employees	23.0	77.0	21.5	78.5	14.4	85.6
500-999 employees	30.0	70.1	18.0	82.0	24.7	75.3
1000-4999 employees	32.3	67.7	26.4	73.6	13.5	86.5
5000-9999 employees	39.3	60.7	32.4	67.6	22.4	77.6
10000+ employees	40.6	59.4	31.6	68.4	23.2	76.8
Workplace size						
5-24 employees	35.6	64.4	34.7	65.3	31.6	68.4
25-49 employees	30.4	69.6	22.5	77.5	40.6	59.4
50-99 employees	31.7	68.3	25.9	74.2	41.9	58.1
100-199 employees	33.7	66.3	24.6	75.4	31.0	69.0
200-499 employees	31.3	68.7	26.4	73.6	15.7	84.3
500-999 employees	33.4	66.7	25.5	74.5	21.2	78.8
1000+ employees	38.8	61.2	32.0	68.0	14.1	85.9
Multi-site enterprise	34.1	66.0	28.1	71.9	23.0	77.0
Single-site enterprise	31.6	68.4	27.0	73.0	31.4	68.6
SIC (2007) Major Group						
Manufacturing	17.7	82.3	19.0	81.0	7.2	92.8
Electricity, gas, steam and air conditioning supply	20.2	79.8	22.0	78.0	9.0	91.0
Water supply, sewerage and waste management and remediation services	12.3	87.7	38.0	62.0	21.3	78.7
Construction	15.0	85.0	12.1	87.9	11.8	88.2
Wholesale and retail trade; repair of motor vehicles and motorcycles	37.1	62.9	26.4	73.6	16.9	83.1
Transportation and storage	27.1	72.9	18.5	81.5	2.3	97.8

## Money Talks: Communicating Employee Benefits

Accommodation and food service activities	45.8	54.2	30.5	69.5	20.8	79.2
Information and communication	25.6	74.4	16.8	83.3	1.3	98.7
Financial and insurance activities	25.8	74.2	23.2	76.8	5.9	94.1
Real estate activities	29.1	70.9	27.6	72.4	11.2	88.8
Professional, scientific and technical activities	30.9	69.1	24.2	75.8	6.8	93.2
Administrative and support service activities	30.6	69.4	24.4	75.6	4.3	95.7
Public administration and defence; compulsory social security	51.0	49.0	42.6	57.4	32.6	67.4
Education	34.8	65.2	20.3	79.7	52.2	47.9
Human health and social work activities	43.6	56.4	37.4	62.6	12.9	87.1
Arts, entertainment and recreation	33.2	66.8	21.2	78.8	12.2	87.8
Other service activities	29.9	70.1	31.3	68.7	23.6	76.4
National Ownership (reference category: UK owned)						
UK owned	34.5	65.5	29.0	71.0	25.5	74.5
North American	26.6	73.4	21.4	78.6	11.0	89.0
European Union	23.9	76.1	15.2	84.8	1.8	98.2
Rest of World	32.3	67.7	26.6	73.5	18.5	81.6
Non-union	31.4	68.6	25.7	74.3	21.1	78.9
Union recognition	35.3	64.7	28.8	71.2	25.0	75.1
No HR specialist	37.3	62.7	30.1	69.9	41.4	58.7
HR specialist	31.0	69.0	26.9	73.1	14.1	85.9
Private sector	30.9	69.1	24.0	76.0	14.6	85.4
Public sector	40.7	59.3	35.4	64.6	36.3	63.7

Base: employees workplaces in which the management respondent states that the family-friendly benefit is offered

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### APPENDIX: definition of communication practices

Team briefing	Meetings held at least weekly between line managers or supervisors and all the workers for whom they are responsible, in which 10% or more of the time is usually available for questions from employees, or for employees to offer their views.
Consultation committee	Committees of managers and employees at the workplace, primarily concerned with consultation rather than negotiation (joint consultative committees, works councils or representative forums).
Employee attitude survey	Employer or a third party has conducted a formal survey of employees' views or opinions during the past two years and the results of the survey have been made available in written form to employees that took part.
Communication/ consultation practices	Management communicates and consults with employees using at least four of the following: notice boards; systematic use of management chain/ cascading of information; suggestion schemes; regular newsletters distributed to all employees; regular use of email to all employees; information posted on company intranet, accessible to all employees.
Information provision	Management regularly gives employees, or their representatives, information about: internal investment plans; financial position of the workplace or the whole organisation; and staffing plans.

