

**Changing Gender and Ethnic Diversity in the UK Workplace: What  
Can We Learn From the 2004 WERS?**

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**Word count: approx. 600 words (excluding Tables and Bibliography)**

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## Background and Objective

Over the past three decades social and economic trends in the UK have come together in a way that has placed issues of diversity at the centre of business, policymaking and academic agendas (see for instance, Subeliani and Tsogas, 2005). The focus of much policy has been on the promotion of a healthy work-life balance, with promotions such as the Work life Balance (WLB) Campaign or Work life Balance Challenge fund (Nelson et al 2004). However, alongside this there has been a move to view this WLB agenda within the wider framework of workplace diversity. In this approach WLB is seen as one aspect of the policies and practices that enhance and manage workplace diversity and, as with the Labour Government's WLB Campaign, a strong case has often been made for the business benefits of diversity-enhancement and management (Litvin, 1997; DTI, 2004; Swann, et. al., 2004; White, et. al. 2004; Subeliani and Tsogas, 2005; Urwin et. al., 2006).

## The Data and Methodology

Using the WERS 1998 and 2004 cross-sectional studies to examine the changes in the ethnic and gender composition at the workplace we find that in 1998 nearly 47 percent of respondent companies reported not employing any non-white individuals. Whilst this proportion had only dropped to 45 percent by 2004, this figure hides more significant changes when viewed by company size. As Table 1 shows, we find that small companies with less than 25 employees in 1998 did not change their ethnic employee mix much during the intervening years. In contrast, we find much more pronounced changes in larger companies employing between 25 and 1000 employees.

*Table 1. Proportion of white only firms by company size.*

Employee Size	1998	2004
All	46.82	45.01
less than 25	82.59	83.84
25 to 50	79.70	63.30
50 to 100	53.53	40.50
100 to 500	28.32	17.41
500 to 1000	15.17	3.82
1000+	5.38	4.74

Source: *Workplace Employment Relations Survey*

According to the WERS cross-sections, the picture in Table 1 is reflected in a rise in the average proportion of non-white employee's in UK firms from 5.8 per cent in 1998 to 8.4 percent in 2004. However, from Table 2 we can see that this overall rise hides considerable differences in the rate of change experienced amongst different industry sectors; with the utilities, hotel and restaurant, and education sectors experiencing particularly pronounced rises in their proportions of non-white workers; though the opposite is true for the construction and financial service industries.

*Table 2. Average proportion of non-white workforce in companies by industry*

Industry	1998	2004	% Increase
manufacturing	4.62	5.63	21.74
electricity, gas and water	2.78	5.95	114.11
construction	2.50	1.62	-35.07
wholesale and retail	6.42	6.70	4.41
hotels and restaurants	6.85	12.75	86.18
transport and communication	5.26	7.70	46.39
financial services	2.83	1.69	-40.55
other business services	11.09	10.00	-9.84
public administration	3.54	5.72	61.67
education	4.42	7.51	70.12
health	7.29	12.10	65.98
other community services	4.73	6.74	42.66

Source: *Workplace Employment Relations Survey*

Alongside this evidence for ethnic minority workers, the WERS allows for extensive analysis of the position of women. For instance, data suggest that in 1998 21.5 percent of employees were women working part-time and 27.6 percent of all employees were females working full-time; but by 2004 the proportion of women working part-time had decreased to 19.1 percent, whilst the percentage of women working full-time had increased to 33.3 percent. Furthermore, there are also significant differences by sector and whilst most industry sectors increased their proportion of women working full-time, sectors such as financial services and the hotel and restaurant industries experienced a decreasing proportion of women working full-time.

The paper proposed here would also draw on the panel element of the WERS. For instance, considering the link between changing workplace diversity and the existence, or otherwise, of policies and practices that have a diversity component. Table 3 sets out a simplified example of the type of analysis that the WERS panel allows. In this Table we can see that, of all firms who reported that they had no Equal Opportunities or Diversity policy in place in either 1998 or 2004 (first column), 73 per cent experienced no change in the proportions of ethnic minorities in the workplace; in contrast, approximately 55 per cent of firms who had a policy in place in both 1998 and 2004 (2<sup>nd</sup> column) reported an increase in the proportion of ethnic minorities in the workplace.

*Table 3. How the change in a company's adoption of formal written Diversity or EOs policies relates to changes in workplace diversity*

Companies where the percentage change in the non-white workforce (1998-2004)...	Existence or not of company policy 1998/2004		
	No policy in 98 No policy in 04	Policy in 98 Policy in 04	No policy in 98 Policy in 04
Dropped by more than 10 per cent (-10%)	0.00	2.56	2.06
Dropped by 10 to 5 per cent (-10% to -5%)	0.00	2.38	5.15
Dropped by 5 to 0 per cent (-5% to 0%)	11.11	16.27	17.53
No Change	73.33	25.41	32.99
Increased by 0 to 5 per cent (0% to +5%)	4.44	31.63	30.93
Increased by 5 to 10 per cent (+5% to +10%)	4.44	10.42	6.19
Increased by more than 10 per cent (+10%)	6.67	11.33	5.15
Total	100%	100%	100%

Source: *Workplace Employment Relations Survey, 1998-2004 Panel*

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