

The future of the welfare state: paths of social policy innovation between constraints and opportunities

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Extent and explanations for employer-based and employee-based part-time work in establishments in the Nordic countries¹

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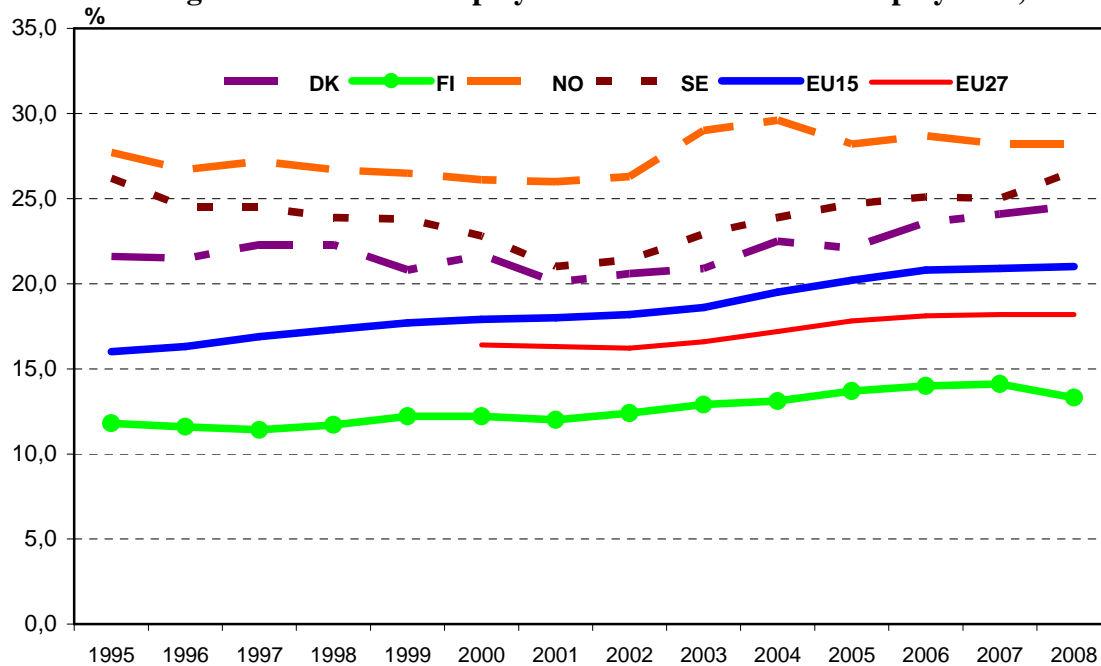
1. Introduction

The share of part-time employment of the total employment has increased noticeably over the last 15 years in most EU countries, on average from around 16 % in 1995 to around 21 % in 2008 in EU15 (see Figure 1). Between 2000-2006 the growth of part-time work accounted for a clearly larger contribution (around 60%) to employment creation than full-time employment (European Commission, 2006). There has been a clear increasing trend in the share of part-time work also in the three Nordic countries (Denmark, Finland and Sweden)² that this paper focuses on.

It is noteworthy that variation across EU Member States as regards both the extent and growth rate is considerable even within welfare state regimes. For example, of the Nordic countries in Sweden, Denmark and Norway part-time employment is more common than on average in the EU and these countries belong to European countries with the highest incidence of part-time work, whereas in Finland the share of part-time work is still relatively low and below the EU average. (European Commission, 2002, 2005 and 2008.)

² More noticeably in Finland and also in Denmark and Sweden again from year 2002 onwards.

Figure 1. Part-time employment as a share of total employment, %



Source: Eurostat, LFS

Part-time work also continues to be a strongly female-dominated phenomenon: on average 32.4 % of female employees in comparison to 7.9 % of men worked part-time in the EU25 in 2007 (36.6 % vs. 8.5% in EU15) and the share of female part-timers accounted around 77 % of all part-timers (Eurostat, LFS). Of the Nordic countries as high shares as 41.4% and 36.6 % of female employees worked part-time in Sweden and Denmark and 18.2 % in Finland in 2008, whereas the share of male part-timers were clearly lower in all the three countries (13.3 % in Sweden, 14.2% in Denmark and 8.9 % in Finland).

Most often part-time work is done on voluntary basis. Part-time work is popular among students, among elderly with partial retirement schemes and among women due to reconciliation of work and private life, especially due to child care. Part-time work contracts can be supported by special schemes in collective agreements or employment contracts. However, more than every fifth part-time contract is involuntary in 2007 (Employment in Europe 2008, 35). According to the European Working Condition Survey (EWCS 2005) almost every third employee actually wanted either work more hours or full-time work. While the share of part-time workers has been increasing in EU countries, the share of involuntary part-time workers has also increased (Anxo et al., 2007) which

implies that part of the growth in part-time work has been such where the firms' needs and employees' wishes over working time arrangements do not coincide³.

In the empirical literature part-time work has predominantly been studied from the perspective of employees. However, we know rather little about the extent and explanations for part-time work based on the employers' needs and motivations, especially from a comparative perspective. We know, for example, that the extent of part-time work differs between the Nordic countries, but we do not know about the possible differences in establishment policies or between different sectors and to which extent these policies reflect employees' wishes versus firms' needs. In this paper, we focus on identifying the extent and determinants of employer demand for part-time work when part-time work is done mainly as response to establishment needs and as response to wishes of employees in the three Nordic countries: Denmark, Finland and Sweden. We also investigate the consequences from different motivations for using part-time work.

The structure of the paper is as follows. Section 2 summarises earlier literature about the firms' motives for using part-time work and earlier results from empirical work. Section 3 introduces the data and provides descriptive evidence of the incidence of part-work in the Nordic establishments also taking into account firms' reasons for introducing part-time work. Section 4 presents results from statistical analyses of the determinants of part-time work based on establishment needs and employees' wishes. Section 5 investigates the outcomes from different reasons for using part-time work. Finally section 6 summarizes and discusses the main findings of the paper.

2. Employers' reasons for using part-time work

Explaining differences in the incidence of part-time work across companies is complex as the incidence can result from workers' preferences over their working time, firms' demand for part-time work, and also from national institutions and policies, i.e. how much the laws, collective agreements and the social security system allow, promote or prevent the use of part-time work (Allart & Bellman, 2007; Anxo et al., 2007).

³ In the European Union part-time work is regulated by the directive 97/81/EC. The aim of the directive is to prevent discrimination of part-time workers and improve the quality of part-time work. Furthermore, the directive supports the increase of voluntary part-time work and flexible working time arrangements, which take into account the needs of both employees and employers. The Framework Agreement on part-time work of the European social partners, the annex of the directive, emphasises that the employers should, according to their possibilities, take into account the wishes of their employees in moving from part-time to full-time work or vice versa, and to inform their staff timely about available part-time and full-time vacancies.

In the literature several motivations for firms' demand for part-time work have been presented.. In Smith et al. (1998) these motives/factors are grouped into five broad categories: factors related to (i) production system, (ii) competition conditions (competitive pressures to adopt flexible practices to compete on price or extended operating hours), (iii) regulation of the labour market (as related to working time, wages and social security) (iv) activity of the government and trade unions, and (v) labour market conditions. These factors interact to produce both national and sectoral variations in the extent and type of part-time employment (Smith et al., 1997).

Production system based motives are related to the need to organize work schedules in order to meet both regular and irregular variations in labour demand and to cover extended operating hours. Flexible hours have been also justified by the pressure to lower capital and labour costs. According to several studies the use of part-time work is most common in such establishments where peaks in production, temporary changes in labour demand, longer operating hours and changing workloads are typical (e.g. Julkunen ja Nätti, 1995; Friesen, 1997; Houseman; 1998; Kauhanen, 2008). For example, the greater use of part-time work in the service sector has been explained by the fact that service sector is more labour intensive and the share of labour costs is larger than in the manufacturing industry (Bosch, 1995). Therefore greater productivity advantages can be obtained in the service sector from the closer use of labour to correspond to the fluctuations in the demand for services. Friesen's (1997) study with US company data showed that in the service sector firms part-time labour is adjusted more rapidly than full-time labour to correspond to the fluctuations in demand for services. Houseman's (1998) study with US company data found that employers regard longer opening hours and 'easening' the work load during demand peaks as the most important reasons for the use of part-time work. The study also found that lower labour costs were borne by employers by the use of part-time labour. Kauhanen (2008) found in the Finnish private service sector that longer opening hours, variation of work load over the day and profitability/cost reasons were among the most important reasons in the retail trade and in hotels and restaurants, whereas in real estate maintenance and cleaning and in guard service customers' needs and nature of the activity belonged to the most important reasons.

Allart and Bellman's (2007) categorisation of employers' motives includes besides pure demand side motives also the supply side motives, i.e. the preferences of workers. They distinguish three main categories: (i) need for cheap and flexible labour (secondary workers strategy) (ii) optimal staffing (iii) accommodation strategy, i.e. to meet the preferences of workers. In investigating demand side reasons for use of part-time work in Germany and in the Netherlands they find evidence that accommodation motive dominates although this evidence is stronger for the

Netherlands than for Germany. Anxo et al. (2007) also investigate part-time work patterns in companies across EU countries in a comparative study dealing to some extent also the reasons for part-time work.

3. Data used and prevalence of part-time work

3.1 Data

To investigate the extent and determinants of employer demand for part-time work and its consequences in the Nordic companies we use a large-scale sample survey in establishments, the Establishment Survey on Working Time and Work-Life Balance (ESWT⁴), carried by the European Foundation for the Improvement of Living and Working Conditions in 21 EU Member States including Finland, Sweden and Denmark in 2004-2005. About 1,000 establishments with at least 10 employees and covering both the private and public sectors from each country were included in the survey. As regards these three Nordic countries, the survey was conducted together in over 3000 establishments. The survey covered 68% of the comparable establishments and 66% of the employees in comparable establishments. All NACE-sectors except agriculture, fishing and household sector were included.

The information of working time policies is based on the interviews of the management's and the employees' representatives in the same establishments. So it is also possible to view these policies both from the employees' and employers' perspectives with this data. However, our focus in this paper is mainly on management perspective and therefore we mostly utilise management interviews in our analyses.

In the interpretation of the outcomes it is important to remember that the results concern only enterprises with at least 10 employees. For example, a third (33.9%) of the Finnish, 28.5% of the Swedish and a quarter (24.3%) of the Danish employees in the smallest establishments are not presented in the survey (calculations from the EWCS 2005). Bigger establishments may have more resources to organise working time in such a way that the wishes of employees are taken into account.

⁴ For more information, see the background reports 'Establishment Survey on Working Time and Work-life Balance (ESWT 2004/2005)': Technical Report, Sampling Report, Documentation of Questionnaires and The Tables by Country. UK Archive Study Number 5655. <www.??? >

3.2 Use of part-time work in the Nordic companies

Increasing the flexibility of working time arrangements has background both in the needs of the employers and employees. Maximum working time is regulated in the EU by the directive on working time to maximum 48 hours (2003/88/EC). Normal working time, however, varies across industries and sectors in one country as well across the countries. In the majority of Nordic countries normal weekly working time is 40 hours (Finland, Sweden and Norway) but in Denmark 37.5 hours per week. The shortest weekly working time of 35 hours among the EU countries is introduced in France.

Table 1. The share of the establishments (%) according to normal weekly working hours for full-time staff in collective agreements or in individual work contracts (EWST 2004-2005, management interviews).

Normal weekly working hours	Denmark	Finland	Sweden	Nordic*	EU-21
Establishments, %	100	100	100	100	100
1 - 35	3	4	1	2	14
36 - 37	93	56	13	50	15
38 - 39	0	10	18	10	19
40	2	27	66	35	45
41+	2	3	2	2	6

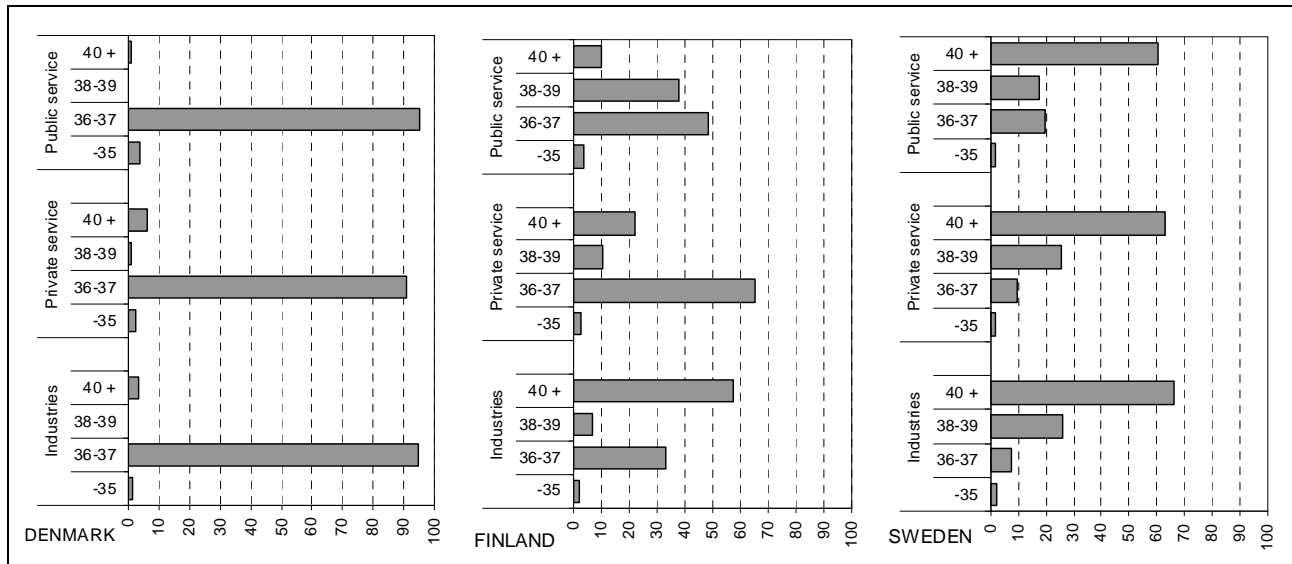
*the three Nordic countries on average.

The division of the establishments according to the normal weekly working time for full-time staff via the collective agreement or individual work contracts is presented in Table 1. In most Danish and Swedish establishments working time contracts follow the national normal working time, but in Finland the majority of the contracts offer shorter hours. In Finland 60 percent of the establishments have contracts for maximum 38 hours or less, whereas in Sweden two thirds of the establishments have contracts for 40 hours. In Denmark most of the establishments and their employees have contracts according to the Danish full-time work, i.e. for 37 hours per week.

The division of the employees by sectors according to the length of contracted working time shows different patterns for each of the three Nordic countries (Figure2). In Denmark contracted working time hardly varies between the sectors and over 90% of the employees work in establishments with the Danish normal working hour contracts. Even though 40 hours is in Finland and in Sweden normal regulated working time, it is used as a basis to contracts much often in Sweden than in Finland, and in all the sectors. In Finland only private sector without services has most often contracts for 40 hours. The average contracted normal weekly working time for full-time staff was

shortest in Denmark (37.1 hours), then in Finland (38.1 hours) and longest in Sweden (39.3 hours) (ESWT 2004-2005, employee proportional tables, management interviews).

Figure 2. The division of contracted full-time working hours by sector in the Nordic countries, the shares of employees, % (ESWT 2004-2005, employee proportional tables, management interviews).



Great variations of the normal or full-time working hours mean that part-time work in one context in one country may mean full-time work in another industry or country and vice versa. For example, before the concept of part-time work in the European Labour Force Surveys (LFS) was harmonised in 1997, most of the Nordic countries classified part-time work by fixed hours. The new concept defines part-time work on the basis of the respondents' own informing. Before that Finland used as a limit 30 hours, but Sweden, Norway and Iceland 35 hours (Forssell and Jonsson, 2005). The change of the part-time definition in the late 1990s increased the share of part-time work by 3 percentage points in Finland (Haataja, 2005). Sweden started to use the new concept of part-time work in 2005.

The prevalence of part-time work in establishments is based in our data on the respondents' conception. On average 28% of the Nordic establishments with at least 10 employees had no part-time workers, but only 18 percent of the employees worked in these establishments (Table 2). At the EU-21 level the prevalence of establishments without part-time work at all was much higher (36%), but only five percentage points higher share of the employees worked in these establishments than in the three Nordic countries. Because the share of employees in the establishments with no part-time employees is smaller than the share of corresponding establishments, the results indicate that part-time work is more common in the bigger than smaller

establishments. As a rule, however, the sector may matter more in working time than the size of the establishment.

Among the Nordic countries, the lack of part-time employees is most common in Finland and most rare in Sweden. Those employed in the public sector work most often in the establishments with part-time workers, and those employed in the private sector most seldom, especially in Denmark and in Finland (see Table 2)

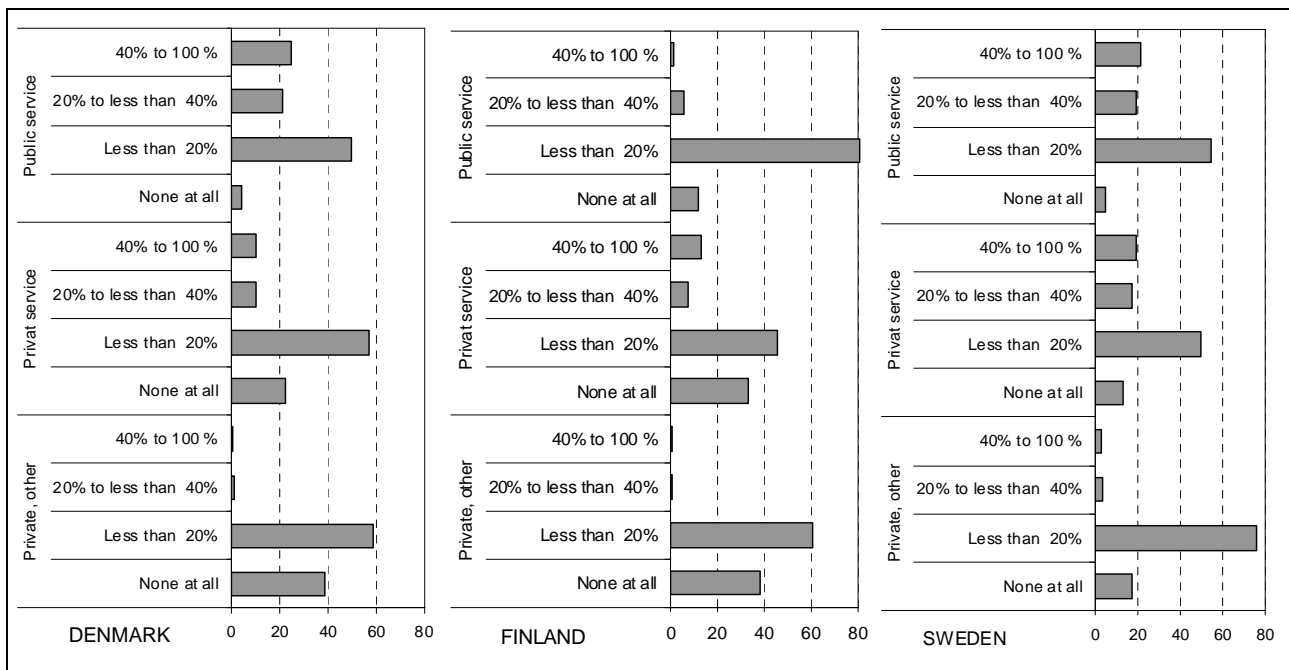
Table 2. The share of employees (%) according to the incidence of part-time work in the establishment (EWST 2004-2005, management interviews).

Part-time %	Denmark	Finland	Sweden	Nordic*	EU-21
The incidence of part-time work	100	100	100	100	100
None of the employees	20.1	29.0	10.7	17.7	23.0
Less 20 %	54.2	60.0	57.3	56.9	48.8
20% to 40 %	11.7	4.8	14.4	11.4	13.6
40% to 100 %	12.8	5.9	15.7	12.6	13.6

*the three Nordic countries on average.

The highest incidence of part-time work appears especially in the public sector establishments in Sweden and in Denmark, but the incidence is also high in the private service sector establishments in these countries. In Finland establishments with a high share of part-time work concentrate only in the private service sector. On the other hand, high incidence of no part-time work at all exists in Finland in both private services and other private sectors (see Figure 3).

Figure 3 Division of the employees according to the share of part-timers in the establishments by main sectors, %. (ESWT 2004-2005, management interviews).



The most common way to organise part-time work in the establishments on average are some fixed hours every day. Two thirds of the establishments had this kind of arrangement in EU21 countries on average and in the Nordic countries except Finland (Table 3). Almost 60 percent of the Finnish establishments organised part-time work in other fixed way, e.g. some fixed days of the week in full-time, the other days off. This form of part-time work was common also in other Nordic countries but much rarely in the EU-21 on average. Every fifth establishment organised part-time work with flexible working hours, which can be fixed a few days or hours in advance to the establishments needs. This was more typical to Finland and Sweden than to Denmark and this form of part-time work probably correlates with temporary work contracts.

Table 3. Part-time organization of the establishments, % of all establishments with at least one part-time employee. (One establishment may have several types of part-time simultaneously).

Type of part-time work	Denmark	Finland	Sweden	Nordic*	EU-21
Some fixed hours every day	72.2	37.4	66.4	63.9	69.2
Other fixed cycles	50.5	59.2	59.9	56.5	38.2
Flexible working hours	15.2	24.0	21.4	19.6	26.5
Other forms	5.8	25.2	10.6	11.2	7.4

*the three Nordic countries on average.

3.3 Different reasons for using part-time work in the Nordic establishments

As already brought out in section 2 establishments' demand for part-time work may be related to several different factors. These reasons may shape the way how such jobs are used and the nature of

part-time work (Anxo et al., 2007). In the ESWT survey representatives of management were asked about the reasons for introducing part-time work in the establishment by the following question:

‘Did you introduce part-time work mainly in order to meet economic or organisational needs of the establishment, or in order to meet employers’ wishes for shorter working hours?’ This question was asked from all representatives of management but not always from the representatives of the employee side.

On the basis of management interviews, the most common reason for introducing part-time work in establishment in the three Nordic countries is the wishes of employees: around half of the managers stated this as the main reason, which is twice as often as the needs of establishment (24.6 %). Around fifth of the managers stated that both these reasons were equally important. Compared to the corresponding results in the EU-21 on average, the employees’ wishes play more important role in the Nordic countries on average.

However, in the responses there are also differences between the three Nordic countries. The Finnish managers pointed out clearly more often establishment needs as the main reason (36.5%) than the Swedish or Danish managers (24.5 % and 24.6%). Actually in this respect Finland is closer to the EU-21 average than the other two Nordic countries. The wishes of employees were stated as the main reason for part-time work most often by the Swedish managers.

Table 4. Reasons for introducing part-time work, the representatives of the management in the establishments with at least one part-time employee, % (ESWT 2004-2005, management interviews).

%	Reason to introduce part-time work,			
	Mainly establishment needs	Mainly wishes of employees	Both of equal importance	Other reasons
EU-21	34.3	38.3	20.9	4.1
Finland	36.5	43.2	17.6	2.7
Sweden	24.5	52.8	16.7	5.0
Denmark	19.4	48.3	30.3	2.0
Nordic*	24.6	49.8	21.6	4.1

* the three Nordic countries on average.

There are also great differences in the firms’ motivations to use part-time work which can be detected when looking motivations more specifically by industry, sector or firm size and other factors (see Table 5). By industry part-time work mainly as response to the needs of establishment is more common in establishments in retail trade and in hotels and restaurants in all the three Nordic

countries⁵. This is not surprising as retail trade and hotels and restaurants are among the greatest utilisers of part-time work in the Nordic countries and these industries are characterized by longer operating hours and changing work loads. There also exist differences by sector: if the establishment is located in private sector managers are more likely to state needs of establishment as the main reason in Finland, but not in Denmark and Sweden. Part-time work as a response to the needs of establishment is also more common in small establishments compared to larger companies in all the three Nordic countries.

Whether part-time work is mainly due to the establishment needs also shows in the working time arrangements. In those establishments where part-time work is mainly based on firms' needs there is higher incidence of work at night, at weekends and of shift work. Likewise, there is also higher incidence of daily, weekly and seasonal workload variations.

Use of part-time work reflecting the wishes of employees is more common in large companies in all the three countries. This might be partly explained by the fact that larger establishments may have more resources to organise working time in such a way that the wishes of employees are taken into account. It also appears that in public sector establishments wishes of employees as a motive for play more important role than the needs of establishment. In this respect Nordic countries clearly deviate from the EU average. In addition, in those companies where there is possibility to adapt working time there is also more room for introducing part-time work as response to the needs of employees.

Table 5. Establishment needs (EN) and wishes of employees (WE) as the main motivation for use of part-time work (%) in Finland, Sweden and Denmark & the EU-21 (%)

	Finland		Sweden		Denmark		EU-21	
	EN	WE	EN	WE	EN	WE	EN	WE
Industry:								
Mining and quarrying	100.00	0.00	-	-	-	-	34.76	36.56
Manufacturing industries	26.54	49.11	14.58	70.43	11.02	69.64	29.29	45.96
Electricity, gas and water supply	20.13	70.12	17.67	82.33	0.00	63.07	34.54	46.86
Construction	13.30	65.76	16.88	63.54	36.02	44.21	32.65	38.48
Retail, repair	45.60	29.04	33.37	40.92	11.86	54.52	34.97	36.18
Hotels and restaurants	59.78	21.59	61.55	26.25	32.03	38.30	50.50	17.10
Transport, storage	33.58	55.06	46.44	21.98	24.99	60.89	41.61	40.06

⁵ In Finland the main reason for part-time work was the needs of establishment also in other community, social and personal services.

and communication								
Financial intermediation	34.57	24.72	0.00	93.57	1.88	83.16	13.83	61.44
Real estate, renting and business activities	41.28	40.92	18.06	57.79	10.20	70.80	25.57	49.31
Public administration	9.20	76.48	9.51	70.35	9.70	62.65	29.41	41.11
Education	42.50	49.11	15.32	64.30	24.14	35.12	42.09	35.43
Health and social work	36.48	37.02	29.16	43.42	29.77	24.32	35.93	32.42
Other community, social and personal services	57.42	31.19	37.01	39.31	23.00	43.08	45.41	27.34
Sector:								
private sector	40.57	35.34	25.23	54.62	14.62	60.37	33.53	39.69
public sector	26.62	62.38	22.65	50.97	24.73	33.76	36.39	36.77
Company size:								
small	41.57	38.06	26.57	51.67	20.99	46.21	37.03	36.42
medium	23.06	57.94	17.75	55.82	13.90	56.30	25.52	47.23
intermediary	21.62	49.93	8.12	68.35	8.11	59.74	19.35	50.74
large	14.37	69.29	16.06	56.70	7.73	55.21	15.82	50.32
Working time arrangements:								
Day work	27.97	53.61	14.81	63.50	16.35	52.18	30.29	44.67
Night work	42.25	35.33	40.74	33.94	30.01	35.06	39.55	31.63
Weekend work	47.86	29.74	37.43	38.05	25.20	39.62	39.48	31.26
Shift work	45.53	31.12	39.74	38.02	25.09	41.68	40.05	30.72
Daily workload variations	44.61	34.66	31.55	49.02	26.10	39.20	38.17	33.00
Weekly workload variations	44.19	29.72	28.50	48.33	21.09	44.15	34.45	35.98
Seasonal workload variations	37.67	40.80	30.57	47.58	21.05	47.36	34.80	37.41
Short-term contracts	37.39	41.62	24.59	50.77	22.48	43.86	33.02	39.38
High incidence of overtime	41.96	40.59	27.02	47.79	19.47	48.52	35.25	37.39
Possibility to adapt the working time	32.23	47.43	20.49	56.22	15.87	55.29	31.79	41.07
Increased number of employees	33.50	46.19	21.95	56.33	17.47	50.37	34.78	39.47
High incidence of female employees	36.76	39.98	23.77	52.96	21.74	35.85	36.44	34.42
High incidence of male employees	36.25	46.31	25.23	52.57	17.28	58.19	25.23	52.57
Employees younger than 30	36.57	42.17	24.87	50.99	19.57	49.38	34.17	38.73
Employees older than 50	35.85	44.72	23.71	53.49	19.69	46.90	33.47	39.36

Source: ESWT 2004-2005, management interviews.

4. Determinants of employer and employee based part-time work

In order to study the relative importance of different characteristics of establishment to the probability of ‘employer-based’ (i.e. mainly in response to establishment needs) and of ‘employee-

based' part-time work (i.e. mainly in response to employees' wishes) in establishment we employ logit models (see, for example, Greene 1997).

The dependent variable in the first logit model is the incidence of 'employer-based' part-time work which is an indicator variable which gets value 1 if there is at least one part-time worker in the establishment and the main reason for part-time work is the needs of establishment. The dependent variable in the second logit model is the incidence of 'employee-based' part-time work which is an indicator variable which gets value 1 if there is at least one part-time worker in the establishment and the main reason for part-time work is the needs of employees. Explanatory variables include, among other things, variables related to the industry of the establishment, sector, company size, working time arrangements, the age and sex composition of work force in the company (see the full list in Table 5). We exploit ESWT management interviews data in the estimations.

Tables 1A and 1B (see Appendix 1) report the odds-ratios calculated from the estimated logit models for employer-based and employee-based part-time work for the three Nordic countries and the total EU. The odds-ratios show the odds of a certain outcome faced by one group relative to another. In the model there is a reference group for each background variable against which the odds-ratio is measured. When any two groups are compared, other characteristics are held constant.

Let us take an example of the interpretation of the odds-ratio by looking at the impact of the company size on the probability of 'employer-based' part-time work (i.e. mainly in response to establishment needs). The odds-ratio of 4.43 for small company size for Finland in Table 1A in the appendix shows that small establishments have over four times as high probability of employer-based part-time work compared with large establishments in Finland. In Denmark the impact of the company size is even larger: small establishments have over seven times as high probability to demand part-time work as response to establishment needs compared with large Danish companies.

As regards the industry impact the results imply that probability of part-time work mainly as response to the needs of establishment is significantly more common in establishments in retail trade, in hotels and restaurants, in transport, storage and communication, in education, and in other community, social and personal services compared with establishments in mining and manufacturing industries in all the three Nordic countries. The probability of employer-based part-time work is about 1.5 times greater in the private sector establishments in Finland, whereas in Denmark the corresponding probability is 1.2 higher in the public sector. For Sweden there were no significant differences between the private and public sector.

Not surprisingly, in establishments where work is done at night and at weekends, the probability of employer-based part-time work is significantly larger compared to those establishments where night work or weekend work is not done. Again this result applies to all three Nordic countries. In Finland and Sweden also shift work increases likelihood of employer-based part-time work, but not for Denmark. In Finland and in Denmark establishments that use short-term contracts have also higher probability of employer-based part-time work, whereas this does not apply to Swedish establishments.

According to the results, the high incidence of female employees (60% or more) lowers the probability of employer-based part-time work in Finland and Sweden: in establishments with lower incidence of female employees the probability of employer-based part-time work is around 1.2 times higher in Finland and 1.3 times higher in Sweden compared to establishments with high incidence of female employees.

As far as the determinants of employee-based part-time work are concerned the probability of part-time work mainly as response to the wishes of employees is significantly less common in establishments in retail trade, in hotels and restaurants, in transport, storage and communication, in education, and in other community, social and personal services compared with establishments in manufacturing industries in all the three Nordic countries. Workers preferences do not seem to play as important role in the demand for part-time work in small companies: the probability of employee-based part-time work is from around 1.5 (Denmark) to around 5.2 times (Finland) higher in large establishments.

In Sweden the high incidence of female employees in the establishment increases the probability of employee-based part-time work, i.e. part-time work based on workers' preferences but not in Finland or Denmark. As regards Finland, this difference might partly be explained by the fact that part-time work is so much concentrated in Finland in the private service sector, where firms' needs play very important role in the demand for part-time work.

There also exist interesting differences between the three countries in the impact of the age composition of the workforce. In Finland and Sweden employees' over 50 appear to increase the probability of employee-based part-time work in establishments, but not in Denmark. In Finland the partial retirement schemes may play a role in this, and in Sweden commonly used part-time benefits for the disabled and for sickness (Hytti, 2008) may explain this.

5. Outcomes from employer-based and employee-based part-time work

It is interesting to see whether the consequences/outcomes for establishments and workers from ‘employer-based’ and ‘employee-based’ part-time work differ from each other, and whether there exists differences between the establishments in the three Nordic countries. As follows we investigate managements’ views related to organization of work in the establishment, part-time workers’ motivation, workers’ transitions possibilities between full-time and part-time jobs and their promotion prospects.

The implications of part-time work for the organization of work are viewed by managers in a different way depending on whether the demand for part-time work is mainly based on the establishment needs or the wishes of employees. Part-time work, when it is mainly based on the needs of the companies, is regarded to make work organization easier. This result concerns especially the judgements of management in Finland (see Table 6), but the shares of establishments that are of this opinion are also higher in Denmark and Sweden compared to the EU-21 average. However, the managers in the Danish and Swedish establishments are most often of opinion that part-time work has no difference for organization of work.

When part-time work is based mainly on the wishes of employees, it is perceived to make work organization more complicated by around 40 % of the Nordic establishments on average (compared with only 10 % of establishments that view it to ease work organization). This result is strongest in the Finnish establishments. Again, the Danish and Swedish managers most often were of the opinion that part-time work has no difference for organization of work.

Table 6. The impact of part-time work on work organisation, part-time work makes work organization..., % of establishments (ESWT 2004-2005, management interviews)

Part-time work mainly response to:	Denmark	Finland	Sweden	Nordic*	EU-21
Firms’ needs, total	100	100	100	100	100
Easier	34.1	55.2	36.5	40.2	30.2
More complicated	18.5	11.2	22.3	18.7	18.3

No difference	45.9	30.0	41.0	39.8	49.6
Don't know, no answer	2.2	3.5	0.1	1.3	1.8
Wishes of employees, total	100	100	100	100	100
Easier	10.2	10.7	9.1	9.7	8.4
More complicated	31.0	58.2	40.6	39.8	41.3
No difference	56.4	28.7	49.2	48.9	48.7
Don't know, no answer	2.3	1.8	1.0	1.6	1.5

* the three Nordic countries on average.

As regards the views of managers about the motivation of part-timers, there exists an interesting difference between the three Nordic countries: in Finland the representatives of the management think more often than in Sweden or Denmark that part-time workers are less motivated than full-time employees, and this applies to both establishments that demand part-time work mainly in response to firms' needs and mainly in response to employees' wishes. The same pattern is found when looking at the shares of establishments judging part-timers as "more motivated". However, it is noteworthy that a great majority of managers find no difference in the part-time and full-time workers motivation in all three Nordic countries (and also in the EU-21 on average).

Table 7. Motivation of part-timers in the establishments with part-time employees, % of establishments. (ESWT 2004-2005, management interviews)

Part-time work mainly response to:	Denmark	Finland	Sweden	Nordic*	EU-21
Firms' needs, total	100	100	100	100	100
More motivated	2.6	12.4	8.0	7.5	10.1
Less motivated	8.7	14.3	12.6	11.9	9.5
No difference	82.3	71.3	76.5	76.9	77.7
Don't know, no answer	5.4	2.1	2.8	3.68	1.7
Wishes of employees, total	100	100	100	100	100
More motivated	7.6	10.1	8.0	8.1	9.6
Less motivated	5.3	15.4	4.8	6.4	8.4
No difference	83.9	69.5	84.7	82.4	80.3
Don't know, no answer	1.3	5.1	2.5	3.1	1.8

* the three Nordic countries on average.

One would expect that in establishments where part-time work is mainly based on workers' preferences it would be easier to switch from part-time to full-time work and vice versa than in firms where part-time work is mainly based on firms' needs. Results reported in Table 8 confirm this. If part-time employees want to change from part-time work to full-time work, they have different possibilities depending on whether part-time work in establishment is organised to respond to the employers' or to employees' needs. If employers' needs are the main reason, chances to quick changes exist less often, only in 7.9 percent of establishments on average in the three Nordic countries. When part-time work is based on employees' wishes the corresponding share of establishments is considerably higher, varying from 38.4% to 50.4% in the Nordic countries. In

contrast, assessments of ‘practically no chance’ are clearly higher (varying from 25.9% to 29%) when part-time work is mainly introduced to the needs of establishments.

Table 8. The possibilities of part-timers to change from part-time to full-time work in the establishments with part-timers, % of establishments (ESWT 2004-2005, management interviews)

Part-time work mainly as response to:	Denmark	Finland	Sweden	Nordic*	EU-21
Firms' needs	100	100	100	100	100
Usually gets full-time job quickly	9	11	13	12	17
Has to wait for some time	34	39	40	38	31
Possible only exceptionally	28	24	23	25	22
Practically no chance	22	21	18	20	22
Not applicable, no answer	6	4	5	5	8
Wishes of employees, total	100	100	100	100	100
Usually gets full-time job quickly	42	45	55	49	44
Has to wait for some time	30	32	30	30	30
Possible only exceptionally	15	12	7	10	11
Practically no chance	3	4	3	3	6
Not applicable, no answer	11	7	6	7	9

*the three Nordic countries on average.

There also appears to be differences in the judgements of management about promotion prospects of part-timers according to the main motivation of part-time work in the establishment. Part-timers' promotion prospects are evaluated to be worse (slightly or significantly) considerably more often by Finnish managers (42.2 % of the Finnish establishments) when part-time work is employee-based compared to employer-based part-time work (26% of the establishments). Corresponding differences are much smaller for Sweden and Denmark. It is also interesting that in these countries managers assess the promotion prospects to be worse slightly more often when part-time work is employer-based compared to employee-based part-time work. In this respect Finland resembles more the EU-21 average and the deviation from other Nordic countries is considerable: promotion prospects of part-timers are assessed by Finnish managers as significantly worse than those of a full-timer 2-3 times more often than by Swedish or Danish managers when part-time work is based on wishes of employees.

Table 9. Promotion prospects of part-timers compared with those of a full-timer with comparable qualifications, opinions of the management, % of establishments (ESWT 2004-2005, management interviews)

	Denmark	Finland	Sweden	Nordic*	EU
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Part-time work mainly as response to:					
Firm' needs, total	100	100	100	100	100
Better than those of a full-timer	0.2	1.5	1.5	1.1	1.7
About the same	54.9	62.6	60.2	59.3	61.2
Slightly worse	13.9	13.4	15.8	14.7	13.1
Significantly worse	16.1	12.6	11.4	13.0	11.6
Don't know, no answer	14.9	9.9	12.4	11.9	12.3
Wishes of employees, total	100	100	100	100	100
Better than those of a full-timer	0.1	0.2	0.1	0.1	1.0
About the same	55.2	47.5	66.1	59.9	60.8
Slightly worse	20.8	27.6	16.9	19.7	20.2
Significantly worse	7.1	14.6	4.4	6.7	9.2
Don't know, no answer	16.7	10.1	12.5	13.6	8.8

*the three Nordic countries on average.

Part-time work is quite commonly regarded by part-timers as a transitory phase in their working careers and it is known from earlier studies (Kauhanen, 2003) that part-time workers change jobs more often than full-time workers. Among other things, promotion prospects, earnings, possibilities to change from part-time work to full-time work, and possibilities to reconcile work with family-life in the present job are all likely to affect this decision.

In the company survey data there is also a question about the problems faced by establishment related to difficulties in retaining staff. We combined this information with the information about the main motive for introducing part-time work in establishments where the incidence of part-time work is high. It is noteworthy that the share of establishments facing difficulties in retaining their staff is quite low in all the countries. However, there are interesting differences between the three Nordic countries in this by the main motivation for demand for part-time work in establishments that have a high incidence of part-time work. In contrast to Sweden and Denmark (also the EU-21), managers in Finland, somewhat surprisingly, assess that those establishments where part-time work is mainly introduced to the wishes of employees, establishments are encountering more often difficulties in retaining their staff.

Table 10. Difficulties encountered by establishment in retaining staff by the incidence of part-time work, % of establishments where incidence of part-time work is higher than 20 % (ESWT 2004-2005, management interviews)

	Denmark	Finland	Sweden	Nordic*	EU-21
Part-time work mainly as response to:					
Needs of firms	12.3	6.0	13.2	11.7	9.7

Wishes of employees	1.4	12.8	4.5	4.0	7.2
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* the three Nordic countries on average.

6. Conclusions

On the basis of our results we cannot conclude that there exists a clear Nordic model in the firms' demand for part-time work. There are clear differences not only in the incidence of part-time work, but also in the firms' reasons for introducing part-time work between the three Nordic countries. The share of part-time work in Finnish establishments is on average remarkably lower than in Swedish or Danish firms. In addition, in Finland establishments that have high incidence of part-time work are predominantly concentrated in the private service sector, whereas in Sweden and Denmark they are also concentrated in the public sector establishments. The Finnish managers also assess more often the needs of establishments as the main reason for part-time work than Swedish or Danish firms, although in all these countries preferences of workers are stated as the most common reason for part-time work.

As regards the determinants of both employer-based and employee-based part-time work in all the three Nordic countries industry, sector and company size, working time arrangements as well the composition of the work force play role. It appears that smaller firms cannot respond to the wishes of employees' to the same extent than in large firms, and in these firms' needs play more important role in introducing part-time work. Moreover, in establishments where working time arrangements include work at uncomfortable hours such as at night and weekends that are often less compatible with work-life balance also have higher probability of part-time work mainly as response to the firms' needs.

Our results also indicate interesting differences in the outcomes of employer-based and employee-based part-time work. In establishments where part-time work is mainly introduced as response to workers' preferences, possibilities of changing from part-time to full-time work are assessed to be better. In the assessments about the promotion prospects of part-time workers compared to full-time workers Finnish managers had more often negative assessments than the Swedish and Danish managers.

The assessments of managers in Finland as regards the motivation of part-time workers and the organization of work were to some extent more negative when part-time work was introduced in response to wishes of employees compared to the Swedish or Danish managers' judgements. Most

commonly managers in all countries, however, saw no difference in part-timers' motivation compared with full-time employees.

Differences in the Nordic managers' assessments about the impact of part-time work on the establishments and on their employees can partly result from different working time regimes in the Nordic countries. The shortest contracted working times exist in Denmark, long working times are most common in Sweden, and the greatest variations in working time by sectors seem to occur in Finland, where part-time work is most rare. The concept of part-time work also varies: part-time work in one context can be full-time work in another context and in other country.

Nordic countries have introduced policies which encourage employees to work part-time time when full-time work is too heavy due to e.g. disablement or care responsibilities. These options have a longer history in Denmark and in Sweden than in Finland, where employees typically change between full-time absence and full-time work when possible. Different prevalence and working-time cultures alongside with differences in the national economies and institutions have also impact on the experiences of the management about part-time work and part-timers. The following step in our research is to investigate whether these differences in the managers' assessments about the outcomes of employer-based and employee-based part-time work persist while controlling other relevant background variables such as, for example, firm size and the share of female employees.

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Appendix 1

Table 1A. Determinants of employer-based part-time work in establishments

	Denmark	Finland	Sweden	EU21
Independent variable	odds-ratio	odds-ratio	Odds-ratio	odds-ratio
Industry:				
Constructing	6.177 *** (.550)	.528 *** (.078)	1.402 *** (.096)	1.170 *** (.010)
Retail, repair	1.396 *** (.105)	1.976 *** (.126)	2.817 *** (.144)	1.126 *** (.006)
Hotels and restaurants	4.124 *** (.444)	2.190 *** (.225)	2.983 *** (.287)	1.78 *** (.014)
Transport, storage and communication	2.982 *** (.343)	1.189 * (.115)	2.487 *** (.150)	1.455 *** (.013)
Financial intermediation	.223 *** (.041)	1.488 *** (.152)	-	.398 *** (.005)
Real estate, renting and business activities	.944 (.076)	2.276 *** (.153)	1.175 *** (.062)	.789 *** (.005)
Public administration	.787 * (.098)	.528 *** (.058)	1.192 * (.120)	1.020 ** (.009)
Education	2.154 *** (.179)	3.675 *** (.403)	1.544 *** (.095)	1.829 *** (.015)
Health and social work	1.872 *** (.164)	1.778 *** (.180)	.863 ** (.053)	1.063 *** (.009)
Other community, social and personal services	1.655 *** (.146)	3.276 *** (.276)	2.641 *** (.155)	1.516 *** (.013)
Sector:				
Public sector	1.241 *** (.068)	.678 *** (.040)	.966 (.034)	1.024 *** (.006)
Company size:				
small	7.367 *** (2.575)	4.431 *** (.863)	3.674 *** (.562)	3.715 *** (.084)
medium	3.595 *** (1.260)	1.585 ** (.311)	1.692 *** (.261)	2.216 *** (.051)
intermediary	1.823 (.700)	1.615 ** (.355)	.424 *** (.082)	1.413 *** (.036)
Working time arrangements:				
Night work	1.454 *** (.072)	1.074 (.060)	2.852 *** (.116)	1.163 *** (.006)
Weekend work	1.161 *** (.053)	1.508 *** (.071)	1.664 *** (.052)	1.330 *** (.006)
Daily workload variations	1.918 *** (.076)	1.193 *** (.061)	1.233 *** (.032)	1.101 *** (.005)
Weekly workload variations	.625 *** (.025)	1.397 *** (.057)	1.121 *** (.029)	.850 *** (.003)
Shift work	.9479 (.0409)	1.712 *** (.077)	2.486 *** (.063)	1.300 *** (.006)
High incidence of overtime	.788 *** (.026)	1.323 *** (.062)	.941 ** (.026)	.989 *** (.004)
Short-term contracts	2.040 *** (.081)	1.787 *** (.123)	.880 *** (.027)	.899 *** (.003)
Increased number of employees	.941 * (.033)	.639 *** (.024)	.690 *** (.017)	1.029 *** (.004)
High incidence of female employees	.985 (.0399)	.836 *** (.036)	.742 *** (.021)	1.045 *** (.004)
Employees younger than 30	1.623 ***	1.057	.804 ***	.928***

	(.099)	(.066)	(.029)	(.006)
Employees older than 50	2.049 *** (.146)	1.191 ** (.091)	.848 *** (.041)	.866 *** (.005)
Number of observations	34361	16539	49616	1581705
Log likelihood	-14901.303	-9481.0555	-24169.827	-980425.3
LR chi2(25) (Sweden df.=24)	3527.69	2870.11	7781.48	80846.87
Prob > chi2	0.0000	0.0000	0.0000	0.0000
Pseudo R2	0.1058	0.1315	0.1387	0.0396

Notes: * 10% significance level, ** 5% significance level, *** 1% significance level

Employer weight used in the estimations. Reference categories: Industry: Mining and quarrying + manufacturing industries, sector: private, company size: large, day work, seasonal workload variations

Table 1B. Determinants of employee-based part-time work in establishments

	Denmark	Finland	Sweden	EU21
Independent variable	odds-ratio	odds-ratio	odds-ratio	odds-ratio
Industry:				
Constructing	.311 *** (.023)	1.219 * (.142)	.501 *** (.027)	.683 *** (.006)
Retail, repair	.504 *** (.026)	.548 *** (.035)	.254 *** (.011)	.803 *** (.004)
Hotels and restaurants	.196 *** (.018)	1.237* (.144)	.362 *** (.035)	.360 *** (.003)
Transport, storage and communication	.878 (.082)	1.711 *** (.160)	.198 *** (.012)	.989 (.009)
Financial intermediation	2.297 *** (.184)	.236 *** (.028)	2.825 *** (.415)	1.915 *** (.019)
Real estate, renting and business activities	1.262 *** (.068)	.540 *** (.036)	.551 *** (.023)	1.214 *** (.008)
Public administration	1.261 *** (.107)	1.137 (.109)	.982 (.071)	.865 *** (.008)
Education	.306 *** (.019)	.398 *** (.0456)	.732 *** (.036)	.678 *** (.006)
Health and social work	.337 *** (.023)	.551 *** (.058)	.739 *** (.037)	.915 *** (.008)
Other community, social and personal services	.492 *** (.032)	.489 *** (.042)	.269 *** (.014)	.611 *** (.006)
Sector:				
Public sector	.624 *** (.027)	2.894 *** (.174)	.634 *** (.019)	.945 *** (.005)
Company size:				
small	.670 *** (.102)	.191 *** (.030)	.390 *** (.049)	.412 *** (.007)
medium	.950 (.145)	.542 *** (.086)	.512 *** (.065)	.699 *** (.012)
intermediary	1.295 (.231)	.420 *** (.075)	1.431** (.209)	.891 *** (.017)
Working time arrangements:				
Night work	.659 *** (.028)	1.133 ** (.070)	.410 *** (.015)	.876 *** (.005)
Weekend work	.830 *** (.029)	.487 *** (.025)	.674 *** (.018)	.722 *** (.003)
Daily workload variations	.649 ***	1.038	1.219 ***	.9271 ***

	(.021)	(.056)	(.028)	(.004)
Weekly workload variations	1.235 *** (.039)	.420 *** (.019)	.800 *** (.017)	.991 ** (.004)
Shift work	.908 *** (.032)	.479 *** (.024)	.582 *** (.013)	.686 *** (.003)
Short-term contracts	.852 *** (.025)	.346 *** (.023)	.756 *** (.020)	1.014 *** (.004)
High incidence of overtime	.882 *** (.023)	.776 *** (.037)	.795 *** (.019)	.976 *** (.004)
Increased number of employees	.690 *** (.019)	1.835 *** (.071)	1.382 *** (.030)	1.034 *** (.004)
High incidence of female employees	.607 *** (.019)	.802 *** (.0365)	1.223 *** (.030)	.807 *** (.003)
Employees younger than 30	2.377 *** (.113)	.519 *** (.033)	.698 *** (.022)	.846 *** (.005)
Employees older than 50	.474 *** (.024)	2.118 *** (.204)	1.413 *** (.064)	.9308 *** (.005)
Number of observations	34361	16539	50387	1581705
Log likelihood	-20133.072	-9026.9579	-30340.129	-1008028.9
LR chi2(25) (Sweden df.=24)	7344.40	4438.58	9057.82	99587.89
Prob > chi2	0.0000	0.0000	0.0000	0.0000
Pseudo R2	0.1543	0.1973	0.1299	0.0471

* 10% significance level, ** 5% significance level, *** 1% significance level

Employer weight used in the estimations. Reference categories: Industry: Mining and quarrying + manufacturing industries, sector: private, company size: large, day work, seasonal workload variations.