

**The Political Economy of Occupational Family Policies:
Comparing Workplaces in Britain and Germany¹**

Martin Seeleib-Kaiser (Green Templeton College, Oxford)

and

Timo Fleckenstein (London School of Economics and Political Science)

Abstract

With a shift in the political debate to more market-driven social policy approaches during the past decade, politicians in a number of European countries have argued that employers should take on greater responsibilities in the provision of social policy. But why should employers get involved? After reviewing the relevant literature on firm-level social policy, we analyse the conditions and causal pathways that lead to their provision. Our findings show that (1) the skill structure and level of the workforce are important conditions for firm-level engagement; (2) employers have usually been the ‘protagonists’; (3) the role of unions has been more limited. In Germany they can largely be characterised as ‘consenters’, whereas in Britain their impact is negligible. (4) In accordance with the specific systems of industrial relations, the design in Germany very much follows the concept of social partnership; in Britain the design is usually based on unilateral management decisions. (5) Based on these conditions and causal pathways, ‘enclave social policy’ is the likely result of the expansionary policy development, although in Germany these policies have the potential of becoming an element of ‘industrial citizenship’.

Introduction

Recent institutional welfare state analyses (cf. Swenson, 2002; Martin, 2000) and the ‘Varieties of Capitalism’ literature (VoC; Hall and Soskice, 2001; Estevez-Abe et al., 2001) have contributed significantly to a better understanding of employers’ preferences towards social policies. Employers are no longer primarily seen as opponents of welfare states and social policy arrangements, but under specific conditions as important actors contributing to their stability. Hence, social policy should not only be considered as *politics against markets* (Esping-Andersen, 1985), but also potentially as *politics for markets* (Iversen, 2005). This debate implicitly connects to older arguments made about the ‘economic benefits of social policies’ (cf. Briefs, 1930) and their potential benefits at the company level (cf. Vobruba, 1991; 51-58). Much of this research was limited to state provision and did not address private or extra-statutory social policies and the reasons for employers to get involved (but see Martin, 2000). Yet, in many advanced European economies, private social policies have been expanding during the past decade and now constitute an important element of the various welfare systems (cf. Peters, 2005; Seeleib-Kaiser, 2008). Thus, from this perspective, it seems appropriate to investigate the conditions and causal pathways leading to the institutionalisation of firm-level social policy provision in greater detail.

Within the wider debate of *Corporate Social Responsibility* (Vogel, 2005), the role of enterprises as agents of social policy has also been highlighted, although much of this literature has not been very systematic with regards to identifying the conditions and causal pathways. According to the economist Milton Friedman, “there is one and only one social responsibility of business – to use its resources and engage in activities designed to increase its profits” (Friedman, 1962; 133). Similarly, power resources theory generally assumes that employers do not promote social policies, but are either ‘antagonists’ or ‘consenters’ (Korpi, 2006). But, why then should companies provide such policies? As we witness an expansion of family policies at the company level in a number of advanced OECD economies (cf. Evans,

2001), the key question to be addressed in this paper is, how can we explain this development?

To answer this question, we have chosen British and German companies, as they operate in very different environments. According to widely accepted categorisations, Germany and the UK are said to have very different forms of capitalism and welfare state arrangements. Germany belongs to the group of co-ordinated market economies (CME) with a conservative welfare state, whilst the UK is usually characterised as a liberal market economy (LME) with a liberal welfare state (Esping-Andersen, 1990, 1999; Hall and Soskice, 2001). In addition, the industrial relations in Germany and Britain vary considerably. An approach based on social partnership is said to be predominant in Germany, while industrial relations in the UK are characterised by liberal and highly voluntaristic arrangements (Keller, 2004; Marchington et al., 2004).² Despite these differences, policies in both countries have promoted strong male breadwinner models in the past (Lewis, 1992; Daly and Rake, 2003).

In the first section of our paper, we will review the existing literature with regards to the conditions and causes leading to corporate social and family policies, before presenting our research design. Subsequently, we will analyse the conditions and causal pathways leading to the institutionalisation of corporate family policies. Our analysis builds on a 2004 survey commissioned by the European Foundation and data generated through a 2007 survey we conducted among the companies listed in the German DAX, M-DAX and S-DAX as well as the British FTSE 100. In the conclusions, we aim to assess the implications of firm-level family policies. As firm-level family policies constitute a relatively new and expanding domain, we want to emphasise that our findings should be treated as preliminary.

Explaining Firm-level Family Policies: A Literature Review

International comparative analyses of private (usually firm-level) social policies are often limited to assessing the extent and interplay of the private and public pillars within pension

arrangements (Shalev, 1996; Rein and Schmähl, 2004). Subsequently, the social policy literature on the conditions and causal pathways leading to firm-level provision is rather scant. However, one important variable identified in the general welfare state literature is that the nature of public provision seems to be an important predictor for differences of firm-level provision among countries. In countries with extensive public provision, firm-level policies are usually less developed, and vice versa, in countries with weak or residual public policies, firm-level policies are often more prevalent (cf. Esping-Andersen 1999; 176). With regards to family policies, Evans (2001; 30) argues that firm-level family policies are most prevalent in countries with a medium level of public family policy provision. In addition to the specific welfare regimes, industry sectors have been identified as important. For instance, healthcare and pension provisions are historically most likely to be found among US corporations within the manufacturing sector, which is largely said to be the result of union power (Freeman and Medoff 1984). Within the realm of family policies, public employers are considered as the avant-garde, while provision in the private sector varies significantly (Beblo and Wolf, 2004; 566; Dex and Smith, 2001; 11; Nadeem and Metcalf, 2007; 20; Wood et al., 2003; 242). Another commonality among companies in various political economies is that company size seems to matter; it is commonly argued that large companies usually have the necessary bureaucratic means to administer occupational programmes, which is complemented with an economics of scale argument (Morgan and Milliken, 1992; 242; Nadeem and Metcalf, 2007; 20). However, these studies can only provide some rough information with regard to the general structural conditions under which companies develop social policies. Those studies that look at processes in firms have focused (often from a historical point of view) on traditional firm-level social policies, such as pensions and healthcare (cf. Bridgen and Meyer, 2005; Freeman and Medoff, 1984; Gordon, 1994; Hacker, 2002; Jacoby, 1997). The development of these policies is highly related to an industrial, largely male labour force. However, as the socio-economic conditions have changed in numerous ways –the shift to

services and a higher level of female labour force participation seem to be the most prominent elements— ‘new social risks’ are said to have emerged (Bonoli, 2001; Taylor-Gooby, 2004). From a functional perspective companies might perceive the need to address these risks, but the conditions under which they may develop policies might differ significantly from those that have led to the institutionalisation of policies addressing ‘old social risks’.

The Business Case and the Varieties of Capitalism Approach

Within the management literature, the ‘business case’ argument is the most prevalent, as it builds on the assumption that the introduction of firm-level social policies is a consequence of rational economic actors. According to this argument, corporations can be expected to provide family-friendly measures, if the benefits for the firms exceed the costs of the measures. It is often assumed that for firms operating in tight labour markets, i.e. in markets where certain skills are in short supply, the provision of firm-level family policies can prove especially cost effective (Budd and Mumford, 2005; 4; Dickens, 1994; 5, 10; Glass and Fujimoto, 1995; 384 f.; Evans, 2001; 24-6). In addition, the provision of family-friendly work arrangements is often considered crucial for the recruitment and retention of *highly qualified* staff, given changed preferences among young professionals (Wood et al., 2003; 228; Osterman, 1995; 682-3). Finally, the development of new work systems, such as ‘high-commitment’ and ‘high-trust’ work systems, are said to have contributed to the expansion of family-friendly policies, thereby increasing the employees’ commitment in such workplaces (Budd and Mumford, 2005; 5; Evans, 2001; 26-7.; Osterman, 1995; 684-6) – in other words “happy parents make happy workers” (Martin, 2000; 156). Even though the parsimony of the business case argument appears compelling, the empirical evidence is ambiguous (see, e.g., Goodstein, 1994; 1667; Whitehouse et al., 2007; 34; Wood et al., 2003; 242).

With a similar impetus, the Varieties of Capitalism literature has pointed to the skill specificity of the workforce in understanding employers’ social policy preferences (Estévez-

Abe et al., 2001). Firms which rely upon *specific skills* and employ a significant number of female workers will prefer publicly-provided childcare over generous periods of maternity and parental leave (Estévez-Abe, 2005; 193). The reason for this policy preference is that whilst childcare provision makes it possible for firms to minimise the duration of a mother's/parent's work absence, the up-take of leave time is usually accompanied by additional problems; namely the possible stagnation or even deterioration of specific skills as well as the need for long-term replacement coverage. By contrast, companies relying predominantly on *general*, i.e. *portable skills* will have little interest in public family policies. But do these various logics apply to the provision of private family policies as well? In recent work, we have theorised that it might be beneficial to differentiate the *general skills category* into *high* and *low general skills*, as the prevalence of high or low general skills might affect the preference formation among employers (Fleckenstein et al. 2008). Workers with high general skills are defined as workers with high educational attainment that have acquired highly portable skills, i.e. managers and professionals. As their skills are *highly portable* and sought by competing companies in increasingly knowledge-driven economies, employers requiring such workers will be more likely to develop firm-level family policies, than those employing workers with industry-specific or low general skills. We find workers with low general skills in service industries such as retail, hotel and restaurants.

As the arguments presented so far are largely based on a functional logic, often ambiguous, and do not explicitly address agency, we need to delve further into the literature of organisational sociology to identify variables with regard to agency driving firm-level (family) policies.

Sociological Perspectives

Agency is a key concept within organisational sociology (cf. Milliken et al., 1990; Daft and Weick, 1984) and various studies have shown that human resources and top-level managers' *perceptions* with regard to corporate responsibility for work-life balance issues and their perception of a business case are crucial for the extent of corporate family policy provisions (Milliken et al. 1990; 92; Goodstein, 1994; 373; Nadeem and Metcalf, 2007; 24; Whitehouse et al., 2007; 32). Based on a combination of the business case argument and the concepts identified in organisational sociology employers should develop corporate family policies, once they *perceive* that such an approach can benefit their bottom line. Should this be the case, employers can in principle become 'protagonists' for firm-level family policies. This categorisation draws on Korpi's (2006) distinction between protagonists, consenters and antagonists. In our context protagonists are defined as actors with first-order preferences for the introduction or expansion of firm-level family policies.

Focusing solely on the role of management assumes companies as highly integrated and hierarchical entities with the prerogative clearly situated within a more or less monolithic management. However, the prerogative of management in many instances might be limited by at least two additional firm-level actors: organised labour and female agency. Organised labour can pressure management to adopt policies that they would not have introduced from a pure 'business case' perspective. In this case, organised labour would be a 'protagonist' and employers would turn from being 'antagonists' to 'consenters' as a result of power relations within a company. According to this argument, (highly) unionised companies are more likely to provide corporate family policies than firms that are not organised ('collective voice effect') (Budd and Mumford, 2004; 206-7). In addition, trade unions can have an impact on firm behaviour by drawing the management's attention to work-life conflicts among their employees. Alternatively, management might consult trade unions on the issue of work-life

conflicts. Thus, organised labour might influence the management's *interpretation* of environmental changes, which might have a profound impact on decision-making

Whether organised labour is actually having an impact on the provision is highly disputed in the literature. For instance, Osterman (1995; 693) and Morgan and Milliken (1992: 245) do not find any significant impact of trade unions at US corporations. For UK workplaces, a number of authors have identified a positive association between trade unions and the provision of family policies (Budd and Mumford, 2004; Dex and Smith, 2001; 12, Wood et al., 2003; 242), while others tend to confirm the findings from US workplaces (Whitehouse et al., 2007; 33). With regard to German workplaces Beblo and Wolf (2004; 566) report the importance of works councils for the provision of occupational family policies. These studies, however, do not analyse agency per se, but derive their findings based on the presence or absence of organised labour.

Similarly, some studies have argued that the share of female employees and managers can be conceptualised as an explanatory factor for corporate family policies without *explicitly* focusing on female agency. A higher share of female staff is said to lead to a higher demand for work-life balance policies (Dex and Smith, 2001; 12; Wood et al., 2003; 242; Goodstein, 1994; 376). With regards to the impact of female managers the findings are less clear. Whereas there seems to be no association between the availability of flexible working time arrangements and the share of female managers at UK companies, workplaces with a female share among managers of 75 per cent and more are said to have a greater likelihood to provide financial support for childcare and job-sharing opportunities (Nadeem and Metcalf, 2007; 23). Analysis based on descriptive statistics also reports a positive association between the proportion of female managers and corporate family policies at German workplaces (BMFSFJ, 2006; 9). Wood et al. (2003; 246) argue that 'well-educated' female HR managers have a positive impact on corporate family policy provision.

Based on this literature review, we have identified the following variables as potentially important for the development of firm-level family policies:

- Structural variables: welfare state regime, socio-economic context, company size, skills structure and level;
- Agency variables: management, organised labour and female agency.

Research design

To analyse the conditions and causal pathways that have led to the institutionalisation of firm-level family policies, we have relied on a mixed-methods approach. As a first step of our study, we have conducted a macro-sociological analysis of the changed socio-economic conditions and public family policies in both countries, largely based on secondary literature. The 2004 Establishment Survey on Working Time and Work-Life Balance commissioned by the European Foundation for the Improvement of Living and Working Conditions (Eurofound) provides the most comprehensive comparative data on the provision of work-life balance policies; for the scrutiny of the more specific *conditions* under which firm-level family policies are developed, we have performed logistic regression analyses. To be able to identify significant *actors* in firm-level family policy-making and to generate an understanding of the processes associated with their design, we conducted an in-depth survey among HR and CSR managers at FTSE 100 as well as DAX, MDAX and SDAX companies in Britain and Germany in Spring/Summer 2007. A Qualitative Comparative Analysis (QCA) of this data allows us to identify configurations leading to the provision of firm-level family policies, which might also be understood as causal pathways.

The definitions of what constitutes family policies differ greatly. According to Lewis (2006) family policies can be subdivided into the three areas of money, time and services. Taking this three-dimensional approach as our starting point, our aim was to include the following instruments into our analysis of firm-level family policies: practical assistance with

childcare (such as workplace nursery and financial support for childcare); provision of information and training (such as maternity packs and refresher courses), leave from work for family reasons (such as extended job-guarantee and un-/paid maternity leave), family-friendly work time arrangements (such as flexi-time and working time accounts) and family transfers (such as single payments for parents and allowances for childcare).

Explaining Firm-Level Policies I: Macro-Sociological Perspective

During the past decades, the socio-economic environment has changed significantly in both countries. Firstly, the British and German economies have become increasingly post-industrial. Although manufacturing is still highly important for the German economy, employment in the service sector has clearly become to dominate the labour market (Fleckenstein et al. 2008). Secondly, the female employment rate has increased substantially, undermining the male breadwinner model. Although the female employment rate in both countries is still lower than the male employment rate, the shapes of the employment curves are becoming more similar (see Figures 1 and 2). Thus, the implication of this development for firms is not only that they have a greater share of female employees but also that they cannot assume anymore that male employees have a female homemaker that is fully responsible for reproductive care. The male breadwinner model has gradually been replaced by dual-earner or, one might argue, one-and-a-half earner households (J. Lewis 2001).

[Insert Figures 1 and 2 about here]

This transformation of the labour market has contributed to significant changes in public family policies, especially since the 1990s. In Germany, these changes culminated in the enactment of an earnings-related parental benefit paid through general revenues in 2006 and a government programme to significantly expand childcare for children under the age of three,

with the view to provide a legal entitlement to every child within a few years. New Labour also significantly expanded public family policies along all three dimensions of time, benefits and services. Amongst other, new leave schemes were introduced and subsequently expanded in recent years; and a national strategy has led to an expansion of public childcare (Bleses and Seeleib-Kaiser, 2004; Clasen, 2005; Lewis and Campbell, 2007; Fleckenstein et al., 2008). Despite the expansion in both countries, considerable differences in family policies continue to persist. Overall, *public* family policies in Germany can be characterised as being more comprehensive than in the UK; this particularly applies to the extent of leave entitlements and affordable childcare provision.

Largely parallel to public policy expansion, companies in both countries have expanded firm-level policies (BERR, 2007; BMFSFJ, 2007; DfEE, 2001; DTI, 2003).³ According to European Foundation survey data, however, the provision of firm-level family policies is more prevalent at British than German workplaces. At 57.9 per cent of British workplaces, flexi-time is available, while this is the case at approximately every other establishment in Germany (49.2 per cent). The data also shows a greater incident of extra-statutory long-term leave at British workplaces (38.5 per cent, compared to 30.2 per cent in Germany). Corporate childcare facilities are more than four times as likely in the UK (5.5 per cent) than in Germany (1.3 per cent). Training programmes for returning parents are offered by 35.5 per cent of British and only 14.2 per cent of German companies. Working time accounts are the only measure that is significantly more widespread in Germany (43.6 per cent) than in the UK (27.4 per cent).

To sum up, the recent expansion of *public* provision did not seem to fully address the needs of companies triggered by the socio-economic changes, as corporations in *both* countries have expanded the provision at the firm level. Although, from a purely functional perspective, it seems plausible that the greater extent of firm-level provision at British companies can be explained, at least to some extent, by the more residual *public* provision

(see also on the linkage between corporate provision and welfare regime Den Dulk, 2001; 193-5), this argument cannot account for the specific conditions and causal pathways that have triggered the expansion at the firm level in both economies.

Explaining Firm-Level Family Policies II: A Structural Perspective

To capture the specific conditions at the micro level, we have analysed the data of the European Foundation survey. The independent variables available in the dataset are largely ‘structural’ variables. Basic variables we have included are the *size of the workplace* and the *proportion of female employees* in the establishment. We have categorised workplaces with more than 250 employees as large. With regard to gender composition, male dominance is defined as workplaces with a male workforce of 60 per cent or more. The *organised labour* variable captures the presence of works councils at German workplaces or in the case of British companies the existence of trade union representatives. Based on the VoC literature, we differentiate between *specific* and *general skills* and, in addition, between *high general skills* and other skills.⁴ Priority is ascribed to the model including the high general skills dummy; we report the general skills model only, if it produces a skills finding that is superior to the other model. To complement this analysis, we have included a *less demanding skills variable* based on whether at least 60 per cent of jobs at a workplace require an apprenticeship, university degree or some other professional training. To capture the effect of *managers’ attitudes* towards the issue of work-life balance, we included a variable with a positive score, if managers strongly supported the claim (coded as a score of at least 8 on a scale from 0 to 10) that companies should take their employees’ private responsibilities in consideration with regard to work arrangements. Finally, we control for the *economic situation of the company* (very and quite good as opposed to very and quite bad), *increases in the total number of employees* over the past three years and the organisational *character of the*

workplace, i.e. being one of a number of establishments as opposed to a single independent establishment.

We use five dependent variables, based on specific policy instruments. Along the time dimension, we included the following variables: *flexible working time* (the possibility to adapt the beginning and the end of the working day to a certain extent to personal needs); *working time accounts* (the accumulation of hours over longer periods of time); *unpaid or paid long-term leave* (such as extra-statutory maternity leave and an extended job-guarantee after maternity leave). Along the service dimension, we looked at the provision of *corporate childcare facilities* and the provision of *training programmes* for employees returning from extended career breaks (such as parental/maternity leave). In addition to these policy instruments, we analysed the structural determinants for *strong corporate support of work-life balance policies*.

The logistic regression analysis of corporate family policy at German enterprises identifies strong support for work-life balance among managers, organised labour and the size of the workplace as the strongest structural drivers for extra-statutory engagement. We find a greater incidence of flexible working time arrangements and the accumulation of hours at workplaces requiring high general skills, while the opposite is true for long-term leave provisions. For the two service measures, no significant finding can be reported with regard to high general skills. However, the second model, only differentiating between general and specific skills, shows an association of general skills with corporate childcare provision and training programmes for parents. In this model, we also find a greater incidence of kindergartens and crèches at large workplaces. Finally, flexible working time arrangements and arrangements allowing the accumulation of hours as well as corporate childcare and training measures are more prominent at workplaces with a share of more than 40 percent female employees, which is not the case for long-term leave. Since the support for work-life balance policies has been identified as a key driver of corporate provision, we also scrutinised

under which structural conditions stronger employer support for such policies can be expected. While the presence of works councils is negatively associated with strong support for work-life balance policies as a task of the company, as identified by managers, workplaces requiring high general skills as well as at those that are *not* dominated by male employees are associated with a greater support among managers for work-life balance policies.

[Insert Table 1 about here]

Our logistic regression analysis of British workplace practices reveals a less clear picture of the structural conditions and drivers. In workplaces that are not male dominated and where the support for work-life balance policies as a corporate task is strong among managers the likelihood of corporate engagement in family-friendly policies is significantly higher, with the exception of childcare provision. High general skills only seem to increase the likelihood of flexible working time arrangements. In our second model, based on the differentiation between specific and general skills, the predominance of general skills leads to a greater likelihood of long-term leave and corporate childcare provision. Our secondary skills measure (i.e. at least 60 percent of jobs requiring an apprenticeship, university degree or some other professional training) is positively associated with a higher incidence of working time accounts and the provision of training measures for parents. The presence of trade union representatives is only significant for the provision of long-term leave and training programmes. A finding with regard to the size of the workplace can only be reported for the incidence of long-term leave and corporate childcare.

[Insert Table 2 about here]

Comparing the results of the regression analyses in Britain and Germany, we find some degree of diversity. First, we identify a positive association between employee representation and the provision of firm-level family policies at German workplaces. By contrast, unions are of much less importance in Britain. Second, general skills – high general skills for working time measures – are consistently associated with firm-level family policies at German firms, while findings with regards to skills at British workplaces are not very consistent. However, in no instance have specific skills been significant for the provision of firm-level family policies. In accordance with the literature on other corporate social policies the size of the workplace is a significant factor for most firm-level family policies in Germany. At British and German workplaces the absence of male dominance among the workforce consistently appears to be one of the main structural drivers. Thus, it might be argued that there are specific thresholds with regard to the gender composition of the workforce before certain firm-level family policies are provided. In both countries, we find a strong association between the perception among management that WLB policies are an important task for the company and the institutionalisation of firm-level family policies. To some extent this variable might be considered as a proxy for management agency.

Explaining Firm-Level Policies III: Processes and Actors

After having analysed the structural conditions, this section will focus on agency. For this step in our analysis, we have relied on the survey among DAX, M-DAX, S-DAX and FTSE 100 companies conducted in spring/summer 2007. Managers from 21 British and 27 German companies completed our on-line survey, providing us with a response rate of about 20 per cent.⁵ As the data is not fully representative and the sample size is modest, we employed the method of Qualitative Comparative Analysis (QCA) developed by Ragin (2000). With regard to actors in firm-level family policies, we assess the involvement of management, organised labour and female agency. In order to assess whether employers can be considered

‘protagonists’ or ‘consenters’, we have coded the presence of management agency only in those cases where management initiated the policy. In cases where the trade union or works council initiated the policy *or* was involved in its design, we have recorded a positive value for the agency of organised labour. However, we have to emphasise that the works council initiated the policy debate in only one company within our German sample; within the British sample we have no case of initiation by a union representative. A positive value for female agency is recorded if those involved in the policy process were primarily female. In addition to agency in corporate family policy-making, we have included the skills profile of companies to assess whether we can identify different forms of agency depending on the skills profile. Following the skills conceptualisation of the VoC approach, we distinguish between specific and general skills, again using sectors as proxies. However, due to the small sample size, we were unable to differentiate between high and low general skills.

To make our analysis more parsimonious, we constructed a composite measure as our dependent family policy variable, encompassing policies in the domains of time, money and services. The various policy instruments were weighted to establish a minimum threshold for family-friendliness. The provision of corporate childcare facilities was weighted with the highest factor (4), as this measure involves a very high institutional commitment by a company and public or publicly-financed childcare provision in both countries for children below the age of three is still quite limited. Employer subsidies for childcare provision were weighted with the same factor, as they are more or less functionally equivalent. Emergency childcare was weighted with the factor 3 due to a lower corporate commitment. Not further specified other childcare support measures received a single weight. Based on the level of corporate commitment, one-off payments received a single weight, whereas extra-statutory leave pay was weighted with the factor 3. Working time measures were weighted with factors between 1 (e.g. part-time working) and 3 (e.g. working from home), depending on the degree of autonomy for employees associated with individual measures (see Table 3 full list of

measures with weight factors in the Appendix). Companies that scored at least 11 points on this composite measure were defined as family-friendly workplaces in terms of policies provided. The score of 11 points was chosen to ensure that, in addition to the maximum possible extent of low intervention measures, a company would have to provide at least two policy measures scoring 2 or higher or 1 measure with the maximum score of 4.

[Insert Table 3 about here]

The Qualitative Comparative Analysis starts with generating so-called truth tables, which provide us with an overview of all possible configurations (including the number of cases) for provision (membership=1). Eventually, 18 British and 20 German companies were included in the Comparative Qualitative Analysis; cases of configurations that did not meet the minimum of membership consistency of 0.75 were excluded.

[Insert Table 4 about here]

For the UK case, the following two pathways to family-friendly corporate policies, which are not mutually exclusive, can be identified using QCA⁶:

MANAGEMENT AGENCY * GENERAL SKILLS

MANAGEMENT AGENCY * female agency

Obviously, in all cases, management initiated the engagement in corporate family policy. Management agency in conjunction with general skills can be identified as the driver in 13 companies. In the alternative pathway, which can also be found in 13 British companies, management agency operated in the absence of predominant female agency; however, the

reverse, i.e. predominance of male agency in UK companies, cannot be concluded from this finding. The truth table for Germany shows a wider range of possible configurations.

[Insert Table 5 about here]

For the German case, the dominant configuration is the presence of management placing the issue of work-life balance on the corporate agenda and a works council that is involved in the development of policies; this pathway applies for 12 companies. Alternatively, in 8 companies, we find labour agency in combination with the predominance of female agency in the initiation and/or policy design. We have also run the QCA with female agency coded in terms of the presence of equal opportunities officers. In this alternative analysis, 10 companies show the pathway of labour and female agency, strengthening the finding of stakeholder involvement at German workplaces. From the scrutiny of the truth table, we know that the management in 5 companies did not initiate the engagement in corporate family policies, i.e. managers were consenters only. Thirdly, in 5 general skills enterprises, management agency in terms of agenda-setting was absent. However, in 3 of these 5 companies, we find equal opportunity officer involvement in the initiation and/or policy design, which can be viewed as an alternative stakeholder involvement. Finally, in 4 firms – predominantly relying on specific skills – management agency was complemented by the predominance of female actors either at the initiation stage or in the development of policies. In the sample of 20 German companies with membership, management was the ‘protagonist’ in 14 companies. As with the UK case, the configurations are not mutually exclusive:

MANAGEMENT AGENCY * LABOUR AGENCY

LABOUR AGENCY * FEMALE AGENCY

management agency * GENERAL SKILLS

MANAGEMENT AGENCY * FEMALE AGENCY * general skills

For those German cases without membership, we identify a lack of stakeholder involvement; all companies lacked female agency and only 1 of the 5 companies experienced labour agency.

In addition to questions relating to which actors were involved in the policy process, we asked managers for their reasons of involvement. The reported reasons for the various family policies were scored on a five-point Likert scale. Mean scores were calculated to assess the weight of individual motives and the hierarchy of the reasons for firms to engage in extra-statutory family policies:

[Insert Table 6 about here]

The comparison of British and German companies unfolds some similarities as well as differences. Companies in both countries share the two most important reasons for their engagement in extra-statutory policies, namely to retain and to recruit qualified staff as well as to increase job satisfaction among employees. The latter could be interpreted as an altruistic approach towards employment practices or a business-driven policy. However, in the context with the scores of the other items, it is strongly suggested that companies pursue this objective primarily for direct business reasons, as the corporate social responsibility item ranks 7 or 8 among our 8 items. Insufficient public policies appear as a key driver for corporate engagement in family policies among German companies (ranked third), while it is the least important reason for British companies. Overall, our data with regard to the reasons for family policy engagement shows that companies are primarily driven by the business case.

Conclusions

Through the socio-economic changes of the past two decades, the social risks as well as the needs of employees have changed. Although many of the ‘new’ social risks are not new in the sense that they have not existed before, they have become more prevalent due to a much higher level of female employment, especially among highly educated and skilled women. Recent *public* family policy expansions in both countries have addressed these changed risk patterns and new needs somewhat belatedly. From a functional perspective, these expansions do not seem to be sufficient to meet the needs of certain employees *and* employers, contributing to the recent expansion of firm-level policies. It seems very plausible to argue that firm-level family policies are more prevalent at British corporations compared to German companies due to the primary focus of public employment-oriented family policies in the UK on low-income families (Daly and Seeleib-Kaiser, 2008). However, we do have to acknowledge that the development of public and private employment-oriented family policies has not yet achieved an ‘equilibrium’, as they are still very much in flux.

As the main reason for those companies that have institutionalised firm-level family policies was to retain and recruit staff, with other business reasons closely related, it seems reasonable to argue that overall the *perception of a business case* is most compelling; managers are driven by business needs and not by the notion of corporate social responsibility. Thus, it does not seem surprising that managers are the ‘protagonists’ in this policy domain in both countries. Taking the lead from the VoC literature, we would not have expected an expansion of firm-level family policies among companies requiring *general* skills. However, our analysis shows that the family-friendly policies are rather provided at (high) general skills workplaces than firms that predominantly rely on firm-specific skill. This especially seems to apply to workers with *high* general skills in Germany, as companies requiring these skills tend to be more likely to provide flexible working time options to retain workers. For Britain, we could only identify the significance of high general skills for flexi-

time in our quantitative analysis. However, other research suggests that British companies in the financial sector, which usually require high general skills, are the pioneers of family policy provision in the private sector (Whitehouse et al., 2007; 33). Companies requiring general skills in a tight and highly mobile labour market will provide such policies to attract and retain qualified staff; without the provision of these policies employees with children would either be less inclined to work for these companies or move to a different employer once they can obtain a better deal. The *portability* of their skills gives them more choice. Workers with *specific* skills are usually less mobile, as their skills are less portable. However, we also have to acknowledge that the workforces of corporations requiring specific skills tend to be much more male-dominated.

Much of the previous literature has taken the *presence* of trade unions or works councils as an indicator for their involvement in pushing for firm-level family policies. Although our quantitative analysis for Germany also shows that the presence of works councils significantly increases the likelihood of firm-level provision, such an analysis does not provide sufficient information with regards to the role played by organised labour. The QCA identifies that German works councils were ‘consenters’ rather than ‘protagonists’ in corporate family policy-making. An expansion of firm-level family policies did not reflect their first-order preferences. Works councils traditionally have very different priorities, as they perceive workforce reduction, outsourcing, benefit reductions etc. as the main problems confronting them. This finding is supported by surveys among works councils, in which firm-level family policies barely make it into the top 10 priorities; only 30 percent of works councils actually discussed the topic at all (Klammer, 2000; 158; Lindecke, 2005; 326). For British workplaces, our quantitative analysis rather supports a critical stance regarding the significance of trade unions. The QCA confirms this finding, showing that their involvement, if present, was marginal even in the design.

The different role played by organised labour can be explained by the very different systems of industrial relations in Britain and Germany, which are related to the mechanisms of market co-ordination in the economies of Germany and Britain, as discussed in the VoC literature. The co-ordinated German market economy is generally associated with a strong (institutionalised) social partnership approach in employment relations at the industry and firm level. Despite different interests pursued, management and works councils typically aim at finding ‘win-win-situation’ by consensus, avoiding severe conflicts. For this reason, German works council have been described as ‘co-managements’ (Keller, 2004; Müller-Jentsch, 1995). This pattern of social partnership seems to be in place in the domain of family policies as well, even though councils did not have any legal rights until the 2001 reform of the co-determination law. Stakeholder involvement, however, is not limited to the involvement of unions in the design of policies, but also includes female stakeholders at German corporations.

In the liberal market economy of the UK, we do not find this stakeholder involvement via organised labour or female agency. The weakness of trade unions in family-friendly policies is a reflection of their overall weakness at private sector workplaces. In the ‘voluntarist’ system of British industrial relations, trade unions are in a comparatively weak legal position, which does not encourage the development of social partnerships at workplaces. Instead, the relationship between organised labour and management is typically rather conflictual, based upon the assumption of zero-sum games. With the decline of trade union influence at British workplaces, there is little incentive for management to engage in substantive deliberation on family policies with trade unions (see for an overview of British industrial relations Marchington et al., 2004). The benefits of co-operative employment relations at German workplaces do not apply in the UK, encouraging unilateral management practices.

Given the selective character of corporate family policies and the specific conditions that are conducive to its institutionalisation, firm-level family policies will inevitably contribute to ‘enclave social policies’ (Root, 1982; 16; Pearson and Seyfang, 2001; 66). One might argue, such an approach will undermine the concept of *social citizenship* (Marshall 1963), which is said to have been a guiding principle of *public* welfare provision. However, in other welfare domains the existence of various pillars of provision has become a widely accepted norm, leading to a re-arrangement of the public-private mix (Seeleib-Kaiser, 2008). Thus, from a social citizenship perspective, the issue is not primarily whether certain companies offer family policies, while others do not, but whether public family policies provide a generally accepted minimum standard. Based on the comparatively very low relevance of unions and the voluntaristic structure of industrial relations in Britain, it seems very unlikely that firm-level policies will develop into something more than ‘enclave social policies’ in the immediate future. However, based on the important role of German works councils, firm-level family policies may become an important element of *industrial citizenship* (Marshall, 1963; 98) within certain sectors of the German economy. Within the German banking and insurance sector about 24 per cent of all workplaces provided firm-level collective agreements (*Betriebsvereinbarung*) covering family policies in 2004/05, which was the case in only 3 percent of the workplaces in the construction sector (Lindecke, 2005; 324), largely dependent on specific skills. However, as high general skills increasingly become a core feature of knowledge-driven economies and the gap between supply and demand for workers with high general skills continues to widen, employers requiring high general skills might become protagonists for *public* provision of family policies in the future, as their reliance on the male breadwinner model will become ultimately obsolete.

References

- Beblo, M. and Wolf, E. (2004). Chancengleichheit und Vereinbarkeit von Familie und Beruf: Faktoren des betrieblichen Engagements. *WSI Mitteilungen*, 10: 561-567
- BERR (2007). The Third Work-Life Balance Employer Survey: Main Findings, *Employment Relations Research Series* 86. Department for Business, Enterprise and Regulatory Reform, London.
- BMFSFJ (2006). *Unternehmensmonitor Familienfreundlichkeit 2006: Wie familienfreundlich ist die deutsche Wirtschaft? Stand, Fortschritte, Bilanz*. Berlin.
- Bleses, P. and Martin Seeleib-Kaiser, M. (2004). *The Dual Transformation of the German Welfare State*, Basingstoke: Palgrave.
- Bonoli, G. (2001). The Politics of New Social Risks Coverage. Paper presented at the APSA Conference, August/September 2001, Boston.
- Bridgen, P. and Meyer, T. (2005). When Do Benevolent Capitalists Change Their Mind? Explaining the Retrenchment of Defined-benefit Pensions in Britain. *Social Policy and Administration*, 39: 764-785.
- Briefs, G. (1930) Der wirtschaftliche Wert der Sozialpolitik. *Schriften der Gesellschaft für Sozialreform*, 33: 144-170.
- Budd, J. and Mumford, K. (2005). Family-Friendly Work Practices in Britain: Availability and Perceived Accessibility. *IZA Discussion Paper*, No. 1662, Bonn.
- Budd, J. and Mumford, K. (2004). Trade Unions and Family-Friendly Policies in Britain. *Industrial and Labor Review*, 57: 204-222
- Clasen, J. (2005). *Reforming European Welfare States: Germany and the United Kingdom*. Oxford: Oxford University Press.
- Daft, R.L. and Weick, K.E. (1984). Toward a Model of Organisations as Interpretation Systems. *Academy of Management*, 9: 285-95.

- Daly, M. and Rake, K. (2003). *Gender and the Welfare State: Care, Work and Welfare in Europe and the USA*. Oxford: Polity.
- Daly, M. and Seeleib-Kaiser, M. (2008). Investment, Sustainability and Family Policy. Paper presented at the Bi-Annual Meeting of the Council for European Studies, March 2008, Chicago
- Dickens, L. (1994). The Business Case for Women's Equality. Is the Carrot better than the Stick? *Employee Relations*, 16: 5-18.
- DfEE (2001). Work-Life Balance 2000: Results from the Baseline Study. *Department for Education and Employment Research Report 249*, London.
- Den Dulk, L. (2001). *Work-Family Arrangements in Organisations: A Cross-National Study in the Netherlands, Italy, the United Kingdom and Sweden*. Amsterdam: Rozenberg.
- Dex, S. and Smith, C. (2001). Which British Employers have Family-Friendly Policies? Analysis of the 1998 Workplace Employee Relations Survey. *Research Papers in Management Studies* 17, Judge Institute of Management, University of Cambridge.
- DTI (2003). The Second Work-Life Balance Study: Results from the Employer Survey (Main Report). *Employment Relations Research Series 22*, Department of Industry and Trade, London.
- Esping-Andersen, G. (1999). *Social Foundations of Postindustrial Economies*. Oxford: Oxford University Press.
- Esping-Andersen, G. (1990). *The Three Worlds of Welfare Capitalism*. Princeton: Princeton University Press.
- Esping-Andersen, G. (1985). *Politics against Markets. The Social Democratic Road to Power*. Princeton: Princeton University Press.
- Estevez-Abe, M. (2005). Gender Bias in Skills and Social Policies: The Varieties of Capitalism Perspective on Sex Segregation. *Social Politics* 12: 180-215.

- Estevez-Abe, M., Iversen T. and Soskice, D. (2001). Social Protection and the Formation of Skills: A Reinterpretation of the Welfare State. In: P.A. Hall and D. Soskice (2001) *Varieties of Capitalism: The Institutional Foundations of Comparative Advantage*. Oxford: Oxford University Press, 145-183.
- Evans, J.M. (2001). Firms' Contribution to the Reconciliation between Work and Family Life. *OECD Labour Market and Social Policy Occasional Papers*, No. 48, Paris.
- Fleckenstein, T., Saunders A. and Seeleib-Kaiser, M. (2008). Post-Industrialism, Skills and the Dual Transformation of the Welfare State: Comparing Britain and Germany since the 1990s. Revised version of a paper presented at the Bi-Annual Meeting of the Council for European Studies, March 2008, Chicago.
- Friedman, M. (1962). *Capitalism and Freedom*. Chicago: University of Chicago Press.
- Freeman, R. and Medoff, J. (1984). *What Do Unions Do?* New York: Basic Books.
- Gordon, C. (1994). *New Deals – Business, Labor, and Politics in America, 1920-1935*. Cambridge: Cambridge University Press.
- Glass, J. and Fujimoto, T. (1995). Employer Characteristics and the Provision of Family Responsive Policies. *Work and Occupation*, 22: 380-411.
- Goodstein, J.D. (1995). Employer Involvement in Eldercare: An Organizational Adaptation Perspective. *Academy of Management Journal*, 38: 1657-1671.
- Goodstein, J.D. (1994). Institutional Pressure and Strategic Responsiveness: Employer Involvement in Work-Family Issues. *Academy of Management Journal*, 37: 350-382.
- Hacker, J.S. (2002). *The Divided Welfare State – The Battle over Public and Private Social Benefits in the United States*. Cambridge: Cambridge University Press.
- Hall, P.A. and Soskice, D. (eds.) (2001). *Varieties of Capitalism: The Institutional Foundations of Comparative Advantage*. Oxford: Oxford University Press.

- Immervoll, H. and Barber, D. (2005). Can Parents Afford to Work? Childcare Costs, Tax-Benefit Policies and Work Incentives. *OECD Social, Employment and Migration Working Papers* 31, Paris.
- Iversen, T. (2005). *Capitalism, Democracy, and Welfare*. Cambridge: Cambridge University Press.
- Jacoby, S.M. (1997). *Modern Manors – Welfare Capitalism since the New Deal*. Princeton: Princeton University Press.
- Keller, B. (2004). Employment Relations in Germany, in: G.J. Bamber, R.D. Lansbury and N. Wailes (eds.) *International and Comparative Employment Relations*. London: Sage, 211-253.
- Klammer, U. (2000). Handlungsoptionen von Betriebs- und Personalräten im Rahmen der betrieblichen Sozialpolitik. In: B. Frick, R. Neubäumer and Werner Sesselmeier (eds.) *Betriebliche und staatliche Sozialpolitik: Komplementär oder substitutiv?* München: Rainer Hampp Verlag, 147-171.
- Klös, H.-P. and Koppel, O. (2007). Wertschöpfungsverluste durch nicht besetzbare Stellen beruflich Hochqualifizierter in der Bundesrepublik Deutschland. Vortrag auf dem Symposium *Entwicklung des Fachkräftepotenzials* des Bundesministeriums für Wirtschaft und Technologie, Berlin, 22 October 2007.
- Korpi, W. (2006). Power Resources and Employer-Centered Approaches in Explanations of Welfare States and Varieties of Capitalism: Protagonists, Consenters, and Antagonists. *World Politics*, 58: 167-206.
- Lewis, J. (2006). Gender and Welfare in Modern Europe. *Past and Present*, Supplement 1: 39-54.
- Lewis, J. (2001). The Decline of the Male Breadwinner Model: Implications for Work and Care. *Social Politics*, 8: 152-169.

- Lewis, J. (1992). Gender and the Development of Welfare States. *Journal of European Social Policy*, 2: 159-173.
- Lewis, J. and Campbell, M. (2007). Work/Family Balance Policies in the UK since 1997: A New Departure? *Journal of Social Policy*, 36: 365-381.
- Lewis, S. (2001). Restructuring Workplace Cultures: The Ultimate Work-Family Challenge? *Women in Management Review*, 16: 21-29.
- Lindecke, C. (2005). Geschlechterpolitik im Betrieb, *WSI-Mitteilungen*, 6: 322-328.
- Marchington, M., Goodman, J. and Berridge, J. (2004). Employment Relations in Britain. In: G.J. Bamber, R.D. Lansbury and N. Wailes (eds.) *International and Comparative Employment Relations*. London: Sage, 36-66.
- Martin, C.J. (2000). *Stuck in Neutral: Business and the Politics of Human Capital Investment Policy*. Princeton: Princeton University Press.
- Marshall, T.H. (1963). *Sociology at the Crossroads and other Essays*. London: Heinemann.
- Milliken, F.J., Dutton, J.E. and Beyer, J.M. (1990). Understanding Organizational Adaptation to Change: The Case of Work-Family Issues. *Human Resource Planning*, 13: 91-107.
- Morgan, H. and Milliken, F.J. (1992). Keys to Action: Understanding Differences in Organizations' Responsiveness to Work-and-Family Issues. *Human Resource Management*, 31: 227-248.
- Müller-Jentsch, W. (1995). Germany: From Collective Voice to Co-management. In: J. Rogers and W. Streeck (eds.) *Works Councils: Consultation, Representation, and Cooperation in Industrial Relations*. Chicago: Chicago University Press, 53-78.
- Nadeem, S. and Metcalf, H. (2007). Work-Life Policies in Great Britain: What Works, Where and How? *Employment Relations Research Series 77*, Department for Business, Enterprise and Regulatory Reform, London.
- Osterman, P. (1995) Work/Family Programs and the Employment Relationship, *Administrative Science Quarterly*, 40: 681-700.

- Pearson, R. and Seyfang, G. (2001). New Hope or False Dawn? Voluntary Codes of Conduct, Labour Regulation and Social Policy in a Globalizing World, *Global Social Policy*, 1: 49-78.
- Peters, B.G. (2005). I'm OK, You're (Not) OK: The Private Welfare State in the United States. *Social Policy and Administration*, 39: 166-180.
- Ragin, C. (2000). *Fuzzy-Set Social Science*. Chicago: University of Chicago Press
- Ragin C and Sonnett, J. (2005). Between Complexity and Parsimony: Limited Diversity, Counterfactual Cases, and Comparative Analysis. In: S. Kropp and M. Minkenberg (eds.) *Vergleichen in der Politikwissenschaft*, Wiesbaden: VS Verlag für Sozialwissenschaften, 180-197.
- Rein, M. and Schmähl, W. (eds.) (2004). *Rethinking the Welfare State – The Political Economy of Pension Reform*. Cheltenham: Edward Elgar.
- Root, L.S. (1982). *Fringe Benefits. Social Insurance in the Steel Industry*. Beverly Hills: Sage.
- Shalev, M. (ed.) (1996). *The Privatization of Social Policy? Occupational Welfare and the Welfare State in America, Scandinavia and Japan*. Basingstoke: Macmillan.
- Seeleib-Kaiser, M. (ed.) (2008). *Welfare State Transformations – Comparative Perspectives*. Basingstoke: Palgrave/Macmillan.
- Swenson, P. (2002). *Capitalists against Markets: The Making of Labor Markets and Welfare States in the United States and Sweden*. Oxford/New York: Oxford University Press.
- Taylor-Gooby, P. (ed.) (2004). *New Risks, New Welfare: The Transformation of the European Welfare State*. Oxford: Oxford University Press.
- Vobruba, G. (1991). *Jenseits der sozialen Frage*. Frankfurt: Suhrkamp.
- Vogel, D. (2005). *The Market of Virtue: The Potential and Limits of Corporate Social Responsibility*. Washington, D.C.: Brookings Institution Press.

- Whitehouse, G., Haynes, M., MacDonald, F. and Arts, D. (2007). Reassessing the 'Family-Friendly Workplace': Trends and Influences, 1998-2004. *Employment Relations Research Series 76*, Department for Business, Enterprise and Regulatory Reform, London.
- Wood, S.J., de Menezes, L.M. and Lasasosa, A. (2003). Family-Friendly Management in Great Britain: Testing Various Perspectives. *Industrial Relations*, 42: 221-250.

Figure 1: Female Employment by Age, Britain 1985-2005

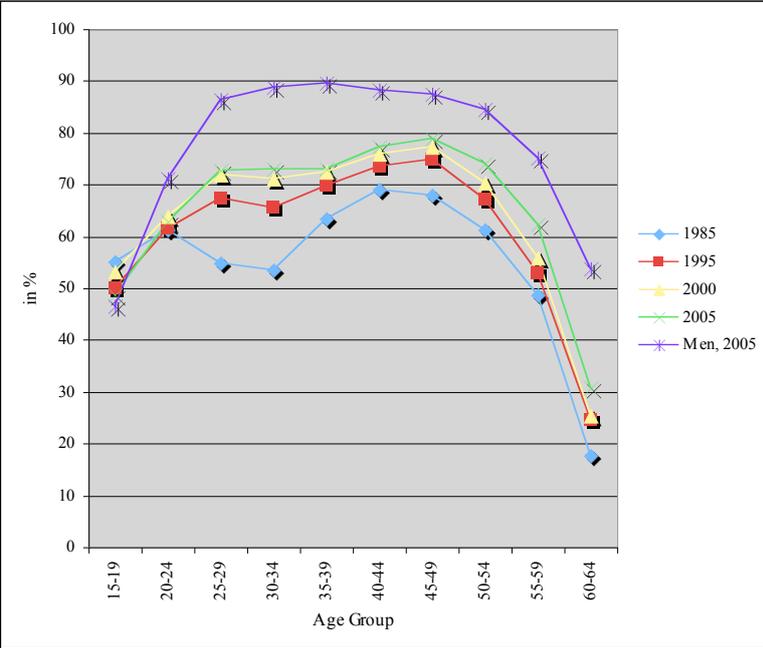
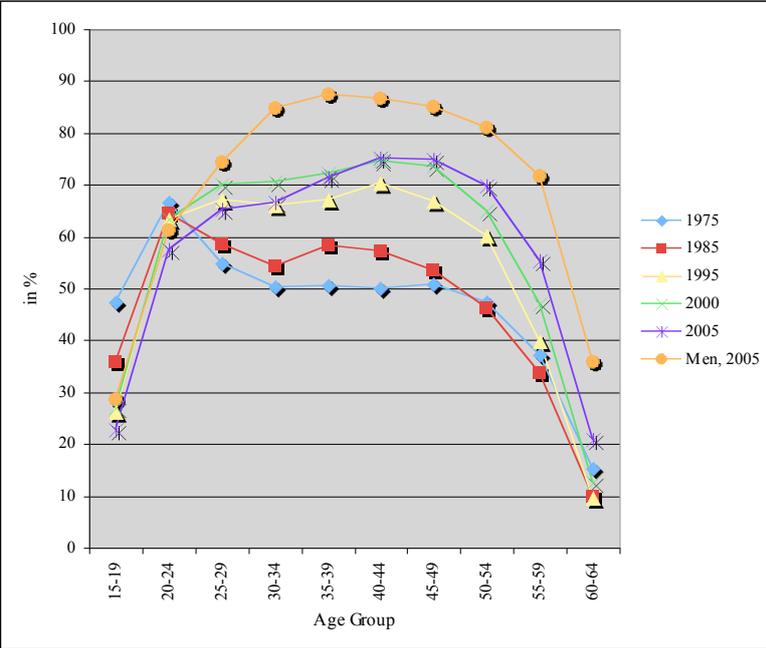


Figure 2: Female Employment by Age, Germany 1975-2005



Source: Eurostat (own calculations)

Table 1: Family-friendly extra-statutory workplaces practices in Germany

	Flexi-time working time	Accumulation of hours	Long-term leave	Company kindergarten or crèche	Training programmes for returning parents	Support for WLB as task of company
Non-single establishment	.764**	.707***	1.479***	1.543	1.924***	1.230*
Good economic situation	1.124	1.94	.933	.817	1.834***	.888
Increase of workforce	1.019	1.126	1.750***	1.262	.734**	1.331*
Skilled jobs	1.354***	1.586***	1.061	.372**	1.563***	1.051
Large workplaces	2.108**	2.626***	1.621*	3.442*	1.467	.706
Male dominated workplaces	.463***	.561***	1.074	.260***	.442***	.797**
Organised labour	2.263***	1.954***	1.566***	4.088***	1.783***	.731**
High general skills	1.785***	1.456***	.612***	--	--	1.267*
General skills	--	--	--	4.274**	1.386**	--
Strong support for WLB	2.414***	2.560***	2.724***	7.759***	1.687***	--
Hosmer and Lemeshow test	.000	.000	.000	.000	.000	.000

* p < .05, ** p < .01 *** p < .001

Table 2: Family-friendly extra-statutory workplace practices in the UK

	Flexible working time	Accumulation of hours	Long-term leave	Company kindergarten or crèche	Training programmes for returning parents	Support for WLB as task of company
Non-single establishment	.916	.869	1.067	.409***	1.217	1.547***
Good economic situation	1.003	.654*	1.219	.373**	3.182***	1.366
Increase of workforce	1.336**	1.358**	1.374**	1.017	.927	1.372***
Skilled jobs	1.010	1.271**	1.065	.372***	1.174	1.304**
Large workplaces	.728	.797	2.058*	2.579*	1.039	1.154
Male dominated workplaces	.780**	.624***	.912	1.538*	.543***	.589***
Organised labour	1.089	1.091	2.743***	1.562	2.876***	1.092
High general skills	1.581***	1.113	--	--	.976	1.104
General Skills	--	--	1.393**	2.156**	--	--
Strong support for WLB	1.853***	1.487***	1.526***	1.025	1.442***	--
Hosmer and Lemeshow test	.018	.000	.000	.036	.006	.000

* $p < .05$, ** $p < .01$ *** $p < .001$

Table 3: Composite Measure of Extra-Statutory Family-Friendly Policies

Family-Friendly Measure	Weight Factor
<u>Service Dimension:</u>	
Corporate childcare facilities	4
Childcare support in cases of problems with regular childcare arrangem.	3
Other childcare support (e.g. resource and referral services)	1
Special arrangements for employees during family leave	1
<u>Monetary Dimension:</u>	
Single payments (for instance at the birth of a child)	1
Allowances for childcare costs	4
Payments in addition to statutory maternity/parental leave	3
<u>Time Dimension:</u>	
Part-time employment	1
Flexi-time	2
Working from home	3
Working time accounts	2
Working time arrangements based upon trust	3
Compressed working week	1
Flexible working time arrangements in consultation with supervisor	3
Term-time work	2
Other flexible working (e.g. sabbaticals)	1
Extra-statutory emergency leave for childcare	2
Extra-statutory emergency leave for elder care	2
Extension of job-guarantee after the end of maternity/parental leave	1
Total	40

Table 4: Truth Table, UK

Management Agency	Labour Agency	Female Agency	General Skills	Number of Cases	Consistency	Membership
+			+	6	1	1
+	+			2	1	1
+				2	1	1
+		+	+	3	1	1
+	+	+	+	1	1	1
+	+		+	4	0.75	1
+		+		3	0.6666	0

Table 5: Truth Table, Germany

Management Agency	Labour Agency	Female Agency	General Skills	Number of Cases	Consistency	Membership
+	+		+	5	1	1
+		+		1	1	1
+	+			3	1	1
+	+	+		3	1	1
			+	1	1	1
	+	+		2	1	1
	+	+	+	2	1	1
+	+	+	+	1	1	1
		+	+	1	1	1
	+		+	1	1	1
				2	0.5	0
+			+	3	0.3333	0
+				1	0	0
	+			1	0	0

Table 6: Reasons to Engage in Corporate Family Policies

	Mean Score	
	Britain	Germany
To retain and to recruit qualified employees	4.40 (1)	4.19 (1)
To increase job satisfaction of employees	4.25 (2)	3.96 (2)
To reduce personnel turnover and absenteeism due to illness	4.20 (3)	3.54 (7)
To improve the reintegration of parents returning from parental leave	4.05 (4)	3.81 (3)
To reduce absenteeism of parents due to childcare issues	3.80 (5)	3.65 (6)
To grant more time autonomy to employees (especially parents)	3.50 (6)	3.69 (5)
Corporate social responsibility	3.30 (7)	3.08 (8)
Insufficient public family policies	2.55 (8)	3.81 (3)

¹ The research for this paper has been made possible by a generous grant from the Anglo-German Foundation as part of its research initiative “Creating Sustainable Growth in Europe”. Earlier versions of this paper were presented at the RC19 Conference in Stockholm, September 4-6, 2008 and the ESPAnet Conference in Helsinki, September 18-20, 2008. We are grateful for the valuable feedback we have received from Paul Bridgen, Mary Daly, Neil Gilbert, Trudie Knijn, Jane Lewis, Traute Meyer, Ann Orloff and Adrian Sinfield. Last but not least, we thank Jessica Haase for her superb research assistance and help in conducting the survey among DAX and FTSE companies.

² Within a European context, one could argue that Sweden represents the most dissimilar case vis-à-vis the UK along the dimensions of the welfare state, market co-ordination and industrial relations. However, we have not chosen Sweden due to the comprehensive provision of *public* family policies and the concomitant crowding out of significant extra-statutory family policy provision (Evans 2001: 30).

³ In our project, we only focus on the formal institutionalisation of firm-level family policies and not on their implementation or the take-up rates. This is not to say that we are not aware that workplace cultures might constitute the ultimate challenge (S. Lewis 2001), but such an analysis of implementation and take-up rates would warrant a very different research project.

⁴ For our skills categorisation, we use industry sectors as proxies. The secondary sector and the mining and quarrying industry are assumed to be dominated by *specific skills*, while *general skills* are predominant in service industries. For *high general skills*, we use financial intermediation as well as real estate, renting and other business activities as proxies.

⁵ Since our survey included only managers and no union/works council representatives our findings might be slightly biased. However, as is argued below, separate case study analyses, not reported in this paper, confirm our findings.

⁶ The QCA software by Ragin offers three different options for running the analysis, of which the intermediate solution is generally considered the most beneficial. As a method commonly used for analysing medium-sized samples, QCA is typically confronted with ‘limited diversity’ and a small number of counterfactuals, raising the issue of how to reduce the maximum numbers of configurations with truth tables. The complex solution often leaves too many configurations thereby contributing too little to the reduction of complexity. By contrast, the parsimonious solution involves the most comprehensive simplification of configurations, whereby the analysis might get oversimplified. Between these two extremes, the intermediate solution offers a viable middle way (Ragin and Sonnett 2005).