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Article — Accepted Manuscript (Postprint)

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European Societies

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Suggested Citation: Wotschack, Philip (2017) : Leave saving options over the life course – only for the highly skilled? Evidence from two German best-practice companies, European Societies, ISSN 1469-8307, Taylor & Francis, London, Vol. 19, Iss. 4, pp. 396-418, <https://doi.org/10.1080/14616696.2017.1281429>

This Version is available at:
<http://hdl.handle.net/10419/189924>

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Leave saving options over the life course – only for the highly skilled? Evidence from two German best-practice companies

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Abstract

Individual leave saving options provide new options to employees to improve their employability and work–life balance over the life course. They are based on a simple idea: Employees can deposit overtime hours or portions of due remuneration in a time credit account and withdraw them at a later point in time in order to take prolonged periods of leave for care, training, or leisure activities. It is the leading question of this article as to what extent and in which way these options are factually used by different categories of employees. By reviewing existing studies in the Netherlands and by analyzing German employee data the article reveals constraints in the accessibility of leave saving options. On the basis of transaction cost theory hypotheses are formulated regarding different uses of leave saving options by age, gender, and occupational status. These hypotheses are tested using regression analysis and employee data from two German best-practice companies. They show evidence for significant restrictions in terms of a high degree of selectivity with regard to age, skill and income levels. Based on these findings recommendations for future research and working time policies are discussed.

Keywords

Working hours; life course; paid leave; work–life balance

1. Introduction

Studies on time allocation and work–life balance have repeatedly shown that large numbers of employees in Europe face problems to combine work and care (Bielenski et al. 2002; European Foundation 2012a, 2012b). Given the persistence of these problems and the pressing political challenges due to demographic change, the ageing of the population, changes in family patterns, and the growing importance of employability and lifelong learning (Naegele et al. 2010: 112) new models to combine

paid work with care and non-work activities receive high attention in current social policy debates (see, for example, the 'Europe 2020' employment strategy and associated guidelines) (European Commission 2010).

Within these debates, the life-course perspective is discussed as an important approach aiming at a more dynamic distribution of time over the life course and a more flexible adaptation to peoples' varying time needs (Anxo and Boulin 2006; Naeyele et al. 2010; European Foundation 2012a, 2012b). This perspective stresses the fact that employees' time needs are not constant but vary over the life course. Accordingly, Anxo et al. (2005: 6) distinguish different phases and transitions over the life course with specific time demands, like 'entry into the labour market', 'union formation', 'parenting, mid-life "empty nest" period', and 'elderly phase and exit out of the labour market'. Some of these phases require more time for career and paid work, while others demand more time for (child) care, training, or relaxation. Although these phases often follow typical patterns in modern societies (supporting the idea of a sequenced institutionalized life course) there is at the same time considerable variation. Despite a growing preference for a more egalitarian division of paid and unpaid work in many western societies, women in the parenting phase still have to cope with the majority of family and care demands and often reduce their working hours and career aspirations accordingly (Blossfeld and Drobnic 2002; Bühlmann et al. 2010; Grunow 2013). Moreover, there is quite some variation caused by new family patterns (like reconstituted families, or lone-parents households) (Anxo et al. 2005), and more flexible labour market demands and employment relationships (Schmid 2008). For the organization of employment and social protection systems this perspective underlines the

need to recognize and support transitions between different employment states (such as non-employment, part-time and full-time working) at different stages across the working life to accommodate caring responsibilities, periods of further education and training as part of the promotion of the 'lifelong learning agenda', and a more gradual and later transition to retirement in order to contribute to a reformed financing of pension systems. (Fagan and Walthery 2011: 272; see also Schmid 2008; European Foundation 2012a)

An initial important principle for the categorization of different working-time policies in such a life-course perspective arises out of their basic orientation (Van der Meer and Leijnse 2005): The 'combination' model – which mainly pursues the reconciliation of work and family demands on the basis of a continually reduced working week and a supportive infrastructure (e.g. childcare) – can be distinguished from 'sequential' or

'transitional' models, which strive towards a alternation between phases of longer working time, phases of shorter working time and phases of suspension of working time (Anxo et al. 2005; Schmid 2008). The 'combination' model (as it was prominent in the Netherlands from 1993 to 2001) follows the idea that both men and women should engage equally in paid work and unpaid work (Lewis et al. 2008: 273). The model is mainly based on reduced working hours for all individual adults (on average 32 hours a week), sharing of paid work and care in individual households, legal entitlements and support for temporary care leaves, and the outsourcing of some care tasks to institutionalized childcare providers (Van der Meer and Leijnse 2005: 10; Knijn 2008: 162; see for the German debate Allmendinger and Haarbrücker 2013: 51). The 'transitional' model in contrast emphasizes the dynamic and multidimensional nature of individual activities over the course of life. Next to paid work and childcare other relevant life domains, such as education and training, lifelong learning, care for older people, or voluntary work are acknowledged as equally important. 'The life-course is regarded as an individual project, on which employment may not necessarily be dominant' (Van der Meer and Leijnse 2005: 10). This view is accompanied by a policy shift to more preventive and enabling policies (in terms of training or working-time options) in order to improve the individual's employability and opportunities for individual (working) time adjustments over the life course. At the same time, the individual has to bear a higher burden of responsibilities, risks and costs regarding critical events and transitions over the life course (such as parenthood, further education, or early retirement) (Van der Meer and Leijnse 2005: 13; Lewis et al. 2008: 278).

Regarding the 'transitional' approach, many researchers and policymakers have repeatedly stressed the importance and potential of options for accumulating longer periods of leave (see e.g. Anxo and Boulin 2006: 331; BMFSFJ 2006; Delsen and Smits 2010; European Foundation 2012a: 5). Countries in which such options exist are Denmark, Germany, Sweden, Finland, France and (until January 2012) the Netherlands (Anxo and Boulin 2006; European Foundation 2012b). So far, relatively little is known at present about the distribution, use and long-term effects of these options. This article aims at extending our knowledge on these issues by investigating the utilization of leave saving options in Germany.

In Germany, individual leave saving options are mainly regulated at the company and collective bargaining level. In this respect, the German example stands for a company oriented approach. Since the mid-1990s, companies have been introducing new types of working-time accounts,

which would allow employees to respond individually and flexibly to their concrete needs and preferences regarding working hours over the life course (Wotschack 2012). These *working-life time accounts* are based on a simple idea: Employees can deposit overtime hours or portions of due remuneration in a time credit account and withdraw them at a later point in time in order to take prolonged periods of leave. Especially in the family phase of life, when the presence of children increases a household's need for time and money in equal measure, working-life time accounts can be a great advantage. They allow employees to work less hours for specific periods of time without losing their income.

Nevertheless, individual leave saving options are not so widespread in Germany. In 2010 only 2% of all German companies provided individual leave saving options. As a consequence, only 10% of all German employees had access to these options (Ellguth et al. 2013). Moreover, leave saving options were predominantly used for early retirement and less often for care or training. This contradicts the idea of a better work–life balance, improved employability, and a prolonged working life due to a more flexible distribution of time over the life course (Wotschack and Hildebrandt 2008; Seifert et al. 2013).

However, previous studies are based on representative company surveys building on evaluations of personnel managers. They do not recognize institutional differences in the organization of leave saving options at the firm level. Nor do they provide information on how leave saving options are used by different categories of employees in terms of age, gender, or occupational status. So the crucial question arises whether the outlined user pattern changes when we look at different types of companies and different categories of employees. Companies, in which individual leave saving options are actively supported by managers, embedded and guided by institutional regulations, and (formally) not limited to early retirement, might show better outcomes in terms of higher overall take up rates, and more variety in their utilization. This article wants to shed light on these issues by addressing the following two research questions: (1) to what extent and in which way are individual leave saving options used in companies, which actively support these options by institutional regulations? and (2) how do employee characteristics such as age, gender, occupational position, and (anticipated) job security affect the use of individual leave saving options in these companies?

In order to answer these questions this study summarizes findings of previous research in the Netherlands and Germany (see Section 2) and

analyses data from two employee surveys, which were conducted in German best-practice companies (see Section 4). The results (see Section 5) are not representative for Germany and thus have to be interpreted with care. Yet, they provide important insights into user patterns and obstacles regarding leave saving options and help to identify areas of future research and working-time policies (see Section 6). Theoretically, this study builds on transaction cost theory (see Section 3), which helps us to understand and explain why individual leave saving options – despite a strong desire for better work–life balance measures – are only used by a small and rather selective group of employees.

2. Previous studies: leave saving options in Germany and the Netherlands

Germany and the Netherlands belong to the countries with the most far reaching experiences regarding individual leave saving options. In contrast to Germany, where leave saving options are mainly provided and regulated at the company and collective bargaining level, the case of the Netherlands stands for a model of statutory regulation (see Den Dulk and van Doorne-Huiskes 2008). Studies, which have been conducted in both countries, give us first insights into the utilization of leave saving options.

2.1. Leave saving options in Germany – working-life time accounts

In Germany, lifetime working-time models have been debated since the mid-1990s as a possible solution to problems concerning the reconciliation of employment and non-employment needs (see, for example, the German government's Seventh Family Report) (BMFSFJ 2006). In this respect, companies, the state and the bargaining partners were particularly interested in working-life time accounts. These are working-time accounts in which large amounts of time credit can be built up over many years. Unlike working-time reductions or part-time options, the main objective here is a redistribution of the hours worked by employees over their entire life course. In 2010, around 2% of German companies offered their employees the possibility of using working-life time accounts (Ellguth et al. 2013: 4). Among large enterprises (with over 500 employees) one out of eight companies had working-life time accounts (Seifert et al. 2013: 135). The share of German employees who have (formally) access to working-life time accounts is not larger than 10% (Ellguth et al. 2013: 5). Working-life time accounts are mainly organized and regulated

at the company and collective bargaining level. On the state level only the legal admissibility is regulated by law ('Flexi II-Gesetz') while the decision to offer leave saving options as well as the characteristics of their regulation is left to the companies.

Recent research on working-life time accounts has drawn attention to a series of obstacles to their use as well as to shortfalls regarding their regulation (Wotschack 2012). Deficits in the regulation of these accounts within companies regard protection against insolvency, the transfer of time credits when a worker changes employer and the question of interest accrual on time credits (European Foundation 2012a: 5; Seifert et al. 2013). In actual company practice, employee sovereignty over the time required to control the deposits and withdrawals from working-life time accounts in their own interests is limited (European Foundation 2012b: 92). In order to build up and withdraw substantial time credits over the long term, an employee must generally work above and beyond regular working hours for a prolonged period of time, which increases strain and health risks (Wotschack 2012). Moreover, many employees with caring duties outside the workplace and low incomes are not in a position to work in this manner (European Foundation 2012a: 21). However, factual user patterns of employees have not yet been subject of empirical research in Germany (Zapf 2012).

In contrast, the utilization of leave saving options was studied in detail in the Netherlands. The possibility of accumulating time credits over the course of working life was addressed by law from 2001 until 2012. The effects of this legal provision were evaluated by two Dutch studies. The main results of these studies are summarized in the following section. They provide a good opportunity to get first insights into the utilizations of leave saving options at the employee level.

2.2. How do employees use leave saving options? Some evidence from the Netherlands

As early as the 1990s, it was a declared political goal in the Netherlands to encourage accumulation of time credits. The Dutch Leave Saving Scheme ('verlofspaarregeling') (2001–2005) created important landmarks for life-course policy (Delsen and Smits 2010). Under the scheme, employees were able to deposit part of their income or part of their working hours, which could then be cashed in exchange for paid leave at a later date. The deposited time credits were not taxed until they were withdrawn and used. The scheme was subject to the following regulations (see Groot

and Breedveld 2004; Van Luijn and Keuzenkamp 2004): (1) The company had to have a written works agreement stipulating the possibilities for accumulating time credits that was potentially open to at least 75% of the employees. (2) Employees could accumulate a maximum of 10% of gross income or working hours. (3) The credits were deposited by the employer in an external financial institute. (4) Employees could accumulate credit for a maximum 12-month period of leave. (5) Employees could use the credit for any purpose, but not immediately prior to entry into retirement.

A Dutch study evaluated the leave savings scheme two years after its introduction (Van Luijn and Keuzenkamp 2004). It showed that take-up was relatively minor. In 2002, only 6% of the employees surveyed had made use of the scheme for accumulating time credits. Although 17% of the respondents had said they needed the provisions offered by the scheme, evidently 11% were unable to put this need into practice. The main obstacles reported by the respondents were absence of an according company policy (44%), lack of information (26%), company culture (23%), or refusal by employer (14%). It emerged that it was often those very groups that were supposed to benefit from the savings scheme in terms of better means for reconciling work and family life (like employees with children and employees with reconciliation problems) that made less use of the possibilities offered. The aim of a better reconciliation of work and family life has been served to only a minor extent.

In 2006, the Leave saving scheme was replaced by the Life Course Saving Scheme ('levensloopregeling'). Under the new regulation, employees had the right for the first time to save up leave over the course of their working life irrespective of the existence of a company agreement to this end. Instead, the scheme was conditional on the consensus of the employer. By opening up the possibility of using the leave for early retirement and by reducing the savings options to pay components, however, the law shifted the emphasis and generated new patterns of use. On the one hand, there was evidence that early retirement became an important objective among those who used the Life Course Saving Scheme (Kösters 2007). On the other hand, patterns of use depended substantially on (higher) education and income. As a consequence, higher rather than lower income groups, employees with assets rather than employees without, men rather than women, and full timers rather than part timers, and older rather than younger employees, have the financial scope to benefit from this scheme (Kösters 2007; see also Den Dulk and

van Doorne Huiskes 2008). A more recent study showed that the higher participation rates of some of these groups were related to the higher earnings (Delsen and Smits 2010). After controlling for earnings, the participation turns out to be higher among females, part timers and the young. However, the overall take-up rate of 6% (in 2006) was much lower than expected and did not exceed take-up rates of the former leave saving scheme. As a consequence, and due to a change in the government the Life Course Saving Scheme was abolished in January 2012. The originally planned follow-up regulation (*vitality scheme*) (see Delsen and Smits 2012) did not yet come into force.

3. Theoretical framework and hypotheses

The former sections on the utilization of leave saving options in Germany and the Netherlands raise the question how the outlined patterns can be understood theoretically. The case of the Netherlands indicates that use of individual leave saving options is limited even when these options are provided, supported, and safeguarded at the legal, political level. Moreover, their utilization is highly selective with regard to different skill and income levels, age, gender, and employment relationships.

In my opinion, this selectivity indicates a basic transaction cost problem (Williamson 1985) that has not yet been adequately resolved (at the legal, company, or collective bargaining level). Employees can only make full use of the working-life time account in the medium or long term, whereas the costs in the form of investments of time and money are incurred in the present. Two fundamental implications emerge for the decisions of employees: (1) The greater the loss (i.e. the opportunity costs) linked to these investments of time or money, the weaker will be the incentive to use the working-life time account. (2) The greater the risk that time or monetary investments will not be available for later use as planned (e.g. due to opportunistic behaviour), the lower will be the incentive to use the working-life time account. From the perspective of employees, the working-life benefit of investing in the account is uncertain (compared, in particular, to the advantages of shorter-term investments) because of the prolonged time horizon, while there is a significant risk of opportunistic behaviour on the part of the employer (e.g. in the form of premature termination of the employment relationship or refusals or delays when the employee seeks to withdraw deposits). If this assessment is correct, then predictions can be made about the probability of different groups of employees using their

working-life time accounts on the basis of the size of their respective costs and risks. Given the specific institutional context of the German labour market, which is characterized by strong status differences (due to occupations and occupational positions) and a dual structure in terms of highly qualified core workers on the one hand and less qualified noncore workers (often in precarious employment relationships) on the other hand (Schmid 2008), we would expect strong status-based differences in the utilization of leave saving options.

Deposits and volume of credit in the working-life time account: Regarding the process of depositing credit, the focus here is on the related opportunity costs. Every minute and every portion of remuneration saved in the working-life time account for later use is no longer available to the employee for use in daily life and thus cannot be transformed directly into household income or time (e.g. for family, caring duties, recuperation, or leisure time). These opportunity costs increase in proportion to the extent that employees depend on immediate use of portions of time and remuneration. This applies on the one hand to employees with low occupational status. Because of their low pay they rely on the immediate and full financial compensation of their working time in order to have sufficient household income (European Foundation 2012b: 40). Accordingly, it can be expected that employees with low occupational status will save credit less frequently and in smaller amounts in their working-life time accounts. The following hypothesis can be derived from these considerations:

(H1) Employees with low occupational status save credit less frequently and in smaller amounts in working-life time accounts.

For employees with substantial commitments outside the workplace saving up time credit also leads to greater losses in everyday life, that is, it is associated with higher opportunity costs. This applies more frequently to younger employees (in the 'labour-market entry', 'union formation', or 'parenting phase') who are confronted with more financial, care, and training demands. Within this group, female employees typically face higher time burdens because they are, as a result of the gender-typical division of labour, primarily responsible for housework and family duties (Grunow 2013). Consequently, we expect that female employees will save the necessary time credits less often and less substantially in working-life time accounts because they already have an acute need for this time in their daily lives. This can be expected to apply in particular

to female employees with (young) children and in full-time employment. The following hypothesis can be derived:

(H2) Female employees save credit less frequently and in smaller amounts in working-life time accounts when they have children or are in full-time employment.

Employees in later life and career stages on the other hand face less competing time or financial demands and thus have more capacities to save time on working-life time accounts. At the same time, it becomes more attractive and less risky for this group to save time credits for early retirement, since they are closer to their retirement age.

(H3) Employees in later life and career stages save credit more frequently and in bigger amounts in working-life time accounts.

Finally, predictions can be made about the use of working-life time accounts on the basis of the *(anticipated) risk of failure in the withdrawal of time credits at a later date*. Such a risk can be posed, as pointed out above, by the premature termination of the employment relationship or by the refusal of superiors to permit the withdrawal of the amount of credit claimed at the time requested. The greater an employee's insecurity about his/her own future in the company the greater the risk that credit will not be built up over the long term for use at a later point in time. Employees who do not see a working-life perspective for themselves in a company are thus more likely to make less frequent use of a working-life time account.

(H4) The greater the perception of an uncertain future in a company the less an employee will deposit credit in a working-life time account.

Intended use and withdrawal of time credits: In the case of employees who have already accumulated credit in their working-life time accounts the question is how they plan to use it. Short-term usage of the time credit (for further education or family time, for instance) cannot co-exist with long-term saving (e.g. for early retirement). Employees who are under time pressure because of financial restrictions (as applies to those with low occupational status) or because of substantial commitments outside the workplace (as applies to younger employees, and even stronger to parents) can use the credit accumulated in the working-life time account to take paid time-out for activities that are otherwise neglected in their daily lives. In the case of these groups of employees the opportunity costs of long-term saving (by necessarily avoiding short-term

withdrawals) are higher than for employees who have greater margins of freedom in their daily lives regarding both time and finances. Due to more limited financial resources employees with low occupational status have fewer opportunities to 'buy' time (e.g. outsourcing of household tasks) or to work fewer hours. Moreover, they tend to have less autonomy and freedom regarding the distribution of their working hours over the day or week. In this respect, they are to a higher extent depending on paid leaves in order to gain more time for family needs or training activities.

(H5) Those employees with low occupational status who have a working-life time account will withdraw credit more frequently for family or education purposes.

Due to the dominant traditional division of paid and unpaid work in the household women are in general more likely to be under greater pressure through the combination of work and household commitments. This time pressure is increasing when women have young children and/or work fulltime. As a consequence, they should express a stronger interest in paid leaves for family needs or training activities.

(H6) Female employees with young children who have a working-life time account will withdraw credit more frequently for family or education purposes.

Employees in the late stages of their careers in contrast are closer to their retirement age and face less competing time or financial demands. Children have usually grown up and the career plateau has already been achieved. As a consequence time withdrawals before (early) retirement become less likely.

(H7) Employees in later career stages who have a working-life time account will withdraw credit less frequently.

4. Research method

The data used in this study were collected between 2006 and 2008 in the course of an empirical research project (see Wotschack 2012: 101). The major part of the data is based on an employee survey conducted in a large transport company (with over 10,000 employees) and on personnel and time-log information provided by a medium-sized IT company (with less than 1000 employees). These companies are by no means representative. They have been chosen intentionally since they are both pioneers in the sense that for several years now they have been offering their employees the option of keeping working-life time accounts

and withdrawing time credits for personal use. Moreover, working-life time accounts are in both companies highly supported and governed by formal regulations with respect to individual rights to use working-life time accounts, easy and equal accessibility, and protection against insolvency or interest accrual. The formal possibilities for use can be assessed as relatively favourable in both cases and have the approval of the employer and in-house employee representatives. However, both companies do not guarantee any possibility to transfer the accumulated time credit to another employer (in case of employer change). If employees leave the company (due to sickness, death, unemployment, or employer change) they only receive the value of the accumulated time credit in money. Moreover, they would lose parts of their credits due to considerably higher tax rates.

In accordance with the principal research question in this paper differences in the use of working-life time accounts will be analysed on the basis of characteristics regarding occupational status, age, and gender. Unfortunately, there is as yet a lack of representative data regarding the individual use of working-life time accounts that would allow consideration of sector- or company-specific characteristics. Equally unfortunately, the company data used here do not provide information about the household situations of the employees. In order to take into account gender and life-course specific variations in household demands due to young children ('parenting phase') age and gender are used as proxies in some of the analysis (*IT company*).

The transport company – dependent and independent variables: Within the context of a representative employee survey carried out annually in the transport company, questions were asked in 2007 about the use of working-life time accounts. These represent the *dependent variables* and refer to the accumulation of credit in the employees' accounts – 'Do you use the working-life time account?' (the response categories were 'yes' and 'no') – and the planned use for the accumulated credit – 'How would you prefer to use the accumulated credit?' (the response categories were 'further education', 'sabbatical', 'family', 'temporary part-time employment', and 'reduction of lifelong working time'). In accordance with the hypotheses formulated above, the following employee characteristics were included as independent variables in the evaluation: gender, occupational status (role in the company), and anticipated uncertainty about one's own future in the company. For the latter variable, an index of four items was created based on the employee's self-evaluation (from 1 'not true at all' to 6 'completely true') in the areas of (1) job security

(‘I feel my job is secure’), (2) career prospects in the company (‘I have good career prospects’), (3) commitment of management to employees (‘The managers takes good care of employees’) and (4) trust in company management (‘I have faith in company policy’). Low degrees of agreement (values 1 and 2) in the individual areas were counted and summed (Cronbach’s alpha is .77). In the interests of anonymity, no information about the age or household situation of the employees was collected in the employee survey.

A total of 5476 employees participated in the survey, of which 5300 were included in the evaluation. Unfortunately, it was not possible to carry out non-response or selectivity analyses. All of the respondents have permanent employment contracts. Almost two-thirds (61%) work as lower-level employees in the so-called operative area. These are low-skilled activities in the areas of loading and unloading, transport, and security, which are carried out in shifts. More than a third of the respondents (39%) work as skilled employees in the so-called administrative area with responsibility for administration, coordination, or marketing. These latter employees have a flexible working-time model. Four-fifths of the respondents are men, while one-fifth are women. The share of women in the operative area amounts to around 10%, compared to about one-third in the administrative area.

The IT company – dependent and independent variables: The evaluations concerning the IT company are not based on survey data but on personnel and time-log information for the period between (November) 2001 and (November) 2007. These company data provide precise information regarding annual movements in working-life time accounts for the period in question. The following three dimensions of account usage are relevant for the analysis (*dependent variables*): Use of the working-life time account: was time or money deposited in the account at least once between 2001 and 2007? Account volume after seven years: how much time credit did the working-life time account contain at the end of the observation period (end of 2007)? Withdrawal of time credit: was time credit withdrawn at least once between 2001 and 2007?

The employees of the IT company examined here typically have a high level of qualification (85% are university graduates), long duration of service in the company, and a permanent employment contract. At 44, the average age of employees is relatively high. The share of female employees is 30% while 16% of the employees work part-time. The company uses either trust-based working-time management (no time logs, while variable pay components in the form of bonuses and

premiums are extremely important) or a flexi-time model with time logs. Employees can deposit either pay components (premiums and bonuses) or time credit (overtime) from their flexi-time accounts in the working-life time account. In accordance with the hypotheses formulated above, the following *independent variables* regarding employee characteristics are included: gender, pay (hourly rate), employment relationship (fulltime or part-time), and life phase (four age groups). We control for the given working-time model (flexi-time or trust-based time management) since it influences the employees' user patterns. Because there is no information available on household composition the age group or life phase variable is used as an expedient, whereby it is assumed that the probability of (young) children living in the household is generally higher amongst the younger employees (under 46 years). This assumption is supported by the fact that in Germany (in 2008) about 74% of all women at the age of 35–39 years had children. The share increases up to 80% for women at the age of 40–44 years (Statistisches Bundesamt 2015). Women's age at first birth was on average 29 years (in 2012); the average number of children was 1.5 (Statistisches Bundesamt and WZB 2016: 36). In 2010, (two years after the data for this study were collected) 60% of all German mothers were active on the labour market. Thirty per cent of them worked full-time, 70% worked part-time (Keller and Haustein 2010).

5. Analysis: accumulation and use of time in the working-life time account

The above hypotheses are tested in on the basis of the employee data from the two companies. Logistic and linear regression analyses are used. The data from the transport company give us the opportunity to investigate the influence of gender, occupational position, and the anticipated uncertainty of the employment relationship on take up rates and desired uses of time. The data from the IT-company are used in order to study the influence of gender, employment contract, age, and hourly rate on take up rates, volume of time credits, and withdrawals of time.

Frequency distribution and mean scores: When we compare the shares of users of working-life time accounts in the two companies surveyed significant differences emerge in relation to occupational status. At 80%, the frequency of distribution of working-life time accounts is much higher amongst the staff of the IT company – which consists mainly of highly

Table 1. Use of working-life time accounts and intended use for credit in the transport company (in %) (values do not add up to 100% due to multiple responses).

	Use	Reason		
		Further education ^a	Family time ^a	Early retirement ^a
All (n = 5300)	27	18	33	55
Administrative area				
Women	38	25	32	56
Men	40	18	27	67
Operative area				
Women	18	24	42	44
Men	19	14	37	45
Uncertain future (self-evaluation)				
Few career prospects	26	16	34	54
Little sense of job security	24	15	36	52
Little sense than managers care	25	14	34	54
Little trust in company management	26	16	35	55

^aThe scores refer to employees who use working-life time accounts.

qualified employees – than amongst the staff of the transport company (27%) made up of low-skilled and medium-skilled employees.

The accounts are used least by the unskilled employees in the operative area of the transport company (see Table 1). As regards the accumulation of credit in working-life time accounts it also emerges that higher paid and older employees in the IT company not only more frequently avail of a working-life time account but also build up the largest amount of credit (see Table 2). Regarding withdrawals by contrast, the findings show that female employees, employees in the middle phase of life and employees with a medium-range pay grade withdraw credit most frequently.

The differences between men and women are only minimal in the transport company both as regards the diffusion of working-life time accounts and as regards the intended use for the credit. Of those employees who have a working-life time account, the majority (55%) are saving with a view to reducing lifelong working time (early retirement). One-third (33%) of employees would like to use the time credit for family time, women more frequently than men. Almost a fifth (18%) of the employees responded that they would like to use the time for further education. Here too, women express this wish more frequently than men.

Regression analysis 1: accumulation of credit in working-life time accounts: The regression analyses show that occupational status has a definite and significant influence on the diffusion of working-life time accounts and on the amount of accumulated credit. The share of skilled employees in the administrative area of the transport company with a working-life time account is much larger than that of the unskilled and semi-skilled employees in the operative area (see Table 3, Model I).

Table 2. Use of working-life time accounts in the IT company.

	Use (in %)	Volume of credit (mean hours) ^a	At least one withdrawal (in %) ^a
All (n = 745)	80	168	32
Gender			
Women	80	152	38
Men	81	175	29
Employment contract			
Full-time	79	173	31
Part-time	88	143	35
Age			
19–35 years	38	97	22
36–45 years	79	160	37
46–55 years	91	169	31
56–64 years	91	219	24
Hourly rate			
Less than 20.10 euro	63	113	25
20.10–30.00 euro	80	131	40
30.10–40.00 euro	85	183	29
40.10–60.00 euro	83	275	25
Working-time model			
Time log	88	131	29
Trust-based	69	245	39

^aThe scores refer to employees who use working-life time accounts.

This is true regardless of the gender of the respondent. In the IT company (Table 4, Model I) the diffusion of working-life time accounts depends significantly on pay levels. Employees with a low hourly rate (30 euro or less) are (significantly) less likely to have a working-life time account than employees with higher pay levels. They also have (significantly) less accumulated credit.¹ All in all, *Hypothesis (H)1* is confirmed: The restrictions associated with lower occupational status have a negative effect on the accumulation of credit in working-life time accounts.

No significant differences are found between men and women – either with respect to the diffusion of working-life time accounts or the amount of credit accumulated, and this remains true even when the type of

Table 3. Using working-life time accounts in the transport company ('Yes, I use the working-life time account'); logistic regression (odds ratios^a).

	I	II
Constant	.228**	.380**
Employee group		
Woman in administrative area	2.767**	2.522**
Man in administrative area	2.839**	2.625**
Woman in operative area	.919	.956
Man in operative area	reference	reference
Uncertain future (self-evaluation)		
Index of four items ^b (see Table 1)		.964**
N	4108	4108
Nagelkerke's R ²	.074	.079

^a (*) 10% significance level; * 5% significance level; ** 1% significance level.

^bAgreement on an item (see Table 1) was counted (=1) and summed up for all four items.

Table 4. Using working-life time accounts in the IT company (at least one deposit between 2001 and 2007); logistic regression (odds ratios).

	I	II	III	IV	V
Constant	10.112**	9.744**	9.969**	8.851**	7.977**
Gender					
Woman	.954	1.001	1.366	1.919	2.827
Man	ref.	ref.	ref.	ref.	ref.
Employment contract					
Full-time	.590	.613	.562(*)	.576	.617
Part-time	ref.	ref.	ref.	ref.	ref.
Age					
19–45 years	.272**	.271**	.269**	.347**	.338**
46–64 years	ref.	ref.	ref.	ref.	ref.
Hourly rate					
Under 30.10 euro	.576*	.576*	.656(*)	.561**	.622(*)
30.10–60.00 euro	ref.	ref.	ref.	ref.	ref.
Working-time model					
Time log	3.198**	3.197**	3.276**	3.260**	3.322**
Trust-based time management	ref.	ref.	ref.	ref.	ref.
Interaction effects					
Woman * full-time		.948			.864
Woman * hourly rate <30 euro			.578		.635
Woman * aged 19–45 years				.389(*)	.413(*)
<i>N</i>	745	745	745	745	745
Nagelkerke's <i>R</i> ²	.197	.197	.200	.204	.205

(*) 10% significance level; * 5% significance level; ** 1% significance level.

employment contract (full-time or part-time) is also taken into consideration. However, younger women (under 46 years) in the IT company are less likely to have a working-life time account (see Table 4, Model IV) while particularly low volumes of credit are characteristic for women with lower pay levels (less than 30 euro per hour). These effects are significant only at the 10% level, however. Thus, *H2* is confirmed only in part.

In line with the formulated expectations (*H3*), older employees (46 years and older) in the IT company are more likely to have a working-life time account and have larger volumes of credits (Table 4). Moreover, employees of the transport company who tend to view their future in the company with uncertainty use working-life time accounts less frequently (Table 3, Model II). This confirms *H4*. In the IT company, employees with (external) time logs (flexi-time) are much more likely to build up time credit in working-life time accounts than employees with trust-based time management (see Table 4, Model I). On the other hand, they have much lower volumes of credit than the latter employees. How can we explain this pattern? It is probably caused by the fact that it is easier for employees with time logs to use working-life time accounts since time

¹ For reasons of space, it is not possible to present the regression tables relating to credit volumes. They are available from the author on request.

logs are already based on the idea of time recording and time accumulation. However, according to the formal company provision it is not possible for employees with time logs to transfer variable pay components (like bonuses and premiums) to their working-life time account. Employees with trust-based time management do have this option. Since variable pay components are quite extensive in the IT company they can accumulate larger volumes of credit.

Regression analysis 2: withdrawals and desired use of time: Analyses of the data from the IT company show evidence that no significant link emerges between lower occupational status or lower pay and the probability of withdrawals of time credit from working-life time accounts (see note 1). The first part of *H5* thus cannot be confirmed. However, regarding the desired use for the credit in the account the analyses of the data from the transport company show evidence that employees in the administrative area more frequently indicate early retirement and less often family time. The association is particular strong for male administrative employees. In contrast, male and female employees in the operative area with a working-life time account are more frequently interested in using the credit for family time. This confirms the second part of *H5* regarding family time (though not further education) as a desired use for the credit. Among the employees in the administrative area and particularly amongst men working-life time accounts tend to be used more frequently as an option for accumulating credit in order to obtain early exit from working life. However, due to the limitations of this dataset (transport company) it is unfortunately not possible to control for age and household composition.

During the observation period, female employees of the IT company withdrew time credits more frequently than did men. However, the effect is only significant at the 10% level. Thus, the first part of *H6* is only partly confirmed: Women who have a long-term time account more frequently use the credit in order to reduce time pressure in their everyday lives. There is no evidence for the expected influence of stage of life. The more detailed analysis of different contextual factors (interactions) shows (in line with the theoretical expectations) that the women concerned are primarily those in full-time employment.

The analyses also show that female employees in the transport company are more likely to use the working-life time account for further education than their male colleagues. This confirms the second part of *H6*, at least with respect to the desire to use the time for further

education. As regards the desire to use the credit for family time, there is no significant difference between women and men.

In line with *H7* employees in later life and career stages (46 years and older) withdraw less frequently time credits from their working-life time account. It was argued that this group is more likely to save time for early retirement.

6. Discussion and concluding remarks

Summing up and in line with the main findings of the literature review for the Netherlands, the evaluation of leave saving options in two German best-practice companies shows evidence that these options are available less often to those employees for whom it is meant to represent a particularly important instrument within the framework of life-course oriented working-time organization. Regardless whether leave saving options were provided, fostered and regulated at the legal level (Netherlands) or at the collective bargaining and company level (Germany) their utilization is characterized by a high degree of selectivity with regard to skill, income levels, age, and employment security. In this article, I suggested that these results evidence a general limit of individual leave saving options, regardless of their level and degree of regulation: since these options strongly depend on stable employment biographies and sufficient individual resources with regard to time and income, they are to a lower extent accessible for employees with low skills and low income, younger employees (particularly women) in the 'union formation', or 'parenting phase', and employees who have precarious employment relationships. As a consequence, employees who are faced particularly often with problems of reconcilability and uncertainty have the least credit in their time account. Moreover, the analyses shows evidence that the majority of employees uses leave saving options as a means to realize early retirement. Leaves for care or training play a minor role. In this respect, the utilization of individual leave saving options follows for a large part the traditional distribution of time over the life course.

As explained above, these problems can be interpreted as the expression of a fundamental transaction cost problem that as yet remains unresolved. The less employees are in a position to invest time and money in the present and the less certain they are that they can benefit in the future (for instance, because they feel insecure about their job certainty in the company), the lower is their incentive to use individual leave saving options. As a consequence, these options rather reinforce the traditional distribution of time over the life course: Employees work long hours in

order to accumulate time credits for early retirement. This option is particularly attractive for older employees in the mid-life or elderly phase of their life course: compared to employees in the parenting phase they face fewer competing demands in terms of time and money. At the same time, the risk that they might not be able to realize their desired time use decreases the closer they are to their retirement age.

However, the outlined example of two German best-practice companies also provides evidence that a high degree of support and regulation at the company level has favourable effects. In the Netherlands, a lack of firm policies and employer support was one of the main obstacles to the use of individual leave saving options (van Luijn and Keuzenkamp 2004). This study suggests that overall take up rates increase when leave saving options are actively fostered by the employer and employee representation, and when formalized company agreements provide a broad scope of possible usages and reduce the risk of opportunistic behaviour. Even when the problem of selectivity (with regard to income, education, and age) remains, overall take up rates, frequencies of withdrawal of time credits, and time saving for care or training leaves are comparably high in these companies.

Which conclusions can be drawn from these findings for working-time policy and future research?

The findings outlined here *first* and foremost underline the fact that there is still a significant need for action with respect to embedding and designing individual leave saving options. The more the uncertainties and risks associated with the use of working-time instruments with a long-term design can be minimized through formal and informal regulations, the greater, in consequence, will be the likelihood that they will be used by the employees. Such regulations must concern not only the difficulties of protection against insolvency or of transferring time credits from one employer to another, which still represent a problem in practice in Germany (Ellguth et al. 2013: 6; Seifert et al. 2013). What is also required (as shown by the example of the two best-practice companies) are institutional arrangements that stipulate binding rights to withdrawals, strengthen a long-term employment perspective, establish trust between the collective bargaining parties and regulate the resolution of conflicts of interest. In addition (to overcome the problem of selectivity), supportive measures targeted at low-income groups, employees with caring or nursing duties, and employees in unstable employment relationships are required in order to allow these groups, too, to accumulate adequate time credits. This study has also shown that these groups are unquestionably interested in and need working-life time

accounts for further training or for improved reconciliation between work and family life.

Second, a more basic question arises, however, concerning the German as well as the Dutch example: Is perhaps too much expected of individual leave saving options? In order to enable better reconciliation between different areas of life over the life course, the entire spectrum of existing approaches and instruments for working-time organization should be applied – from choice of working hours to (temporary) part-time options to sabbatical models to flexible day-to-day working-time management. There are successful examples of such approaches in national policies and company practice (Den Dulk 2001; Van der Lippe and Peters 2007; Vandeweyer and Glorieux 2008; Abendroth and den Dulk 2011; Wotschack et al. 2011; European Foundation 2012a), which should be further developed and fostered as part of new guiding principles on working-time policy in a life-course perspective.

Disclosure statement

No potential conflict of interest was reported by the author.

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